1	Resolutions Regarding St. Lucie Project Contracts: Dated July 15, 1982, February 3, 1983, April 19, 1983, and July 15, 1982
2	St. Lucie Project Power Sales Contract: Dated June 1, 1982
3	St. Lucie Project Amendment No. 1 to Power Sales Contract: Dated January 1, 1983
4	St. Lucie Project Amendment No. 2 and Annex 1
5	St. Lucie Project Support Contract: Dated June 1, 1982
6	St. Lucie Project Amendment No. 1 to Project Support Contract: Dated January 1, 1983
7	Resolution Partially Terminating Unit No. 2 Capacity and Energy Sales Contract: Dated February 3, 1988
8	St. Lucie Project Amendment No. 2 to the Project Support Contract: Dated April 1, 1983
9	Additional St. Lucie Contracts
10	Certificate of the Participant Pursuant to the Purchase Contract
11	COVB Legal Opinion: Dated May 12, 1983
12	St. Lucie Delivery Service Agreement Between FPL and FMPA: Dated June 27, 1983
13	St. Lucie Participation Agreement Between FPL and FMPA with Amendments
14	
15	

A RESOLUTION OF THE CITY OF VERO BEACH, FLORIDA (I) APPROVING AND AUTHORIZING THE EXECUTION OF AMENDMENT NO. 1 TO THE POWER SALES CONTRACT BETWEEN FLORIDA MUNICIPAL POWER AGENCY AND THE CITY OF VERO BEACH, FLORIDA IN CONNECTION WITH THE ST. LUCIE PROJECT; (II) APPROVING AND AUTHORIZING THE EXECUTION OF AMENDMENT NO. 1 TO THE PROJECT SUPPORT CONTRACT BETWEEN FLORIDA MUNICIPAL POWER AGENCY AND THE CITY OF VERO BEACH, FLORIDA IN CONNECTION WITH THE ST. LUCIE PROJECT; (III) REAFFIRMING, RATIFYING AND AMENDING PRIOR RESOLUTION; (IV) DESIGNATING AUTHORIZED OFFICERS OF THE CITY OF VERO BEACH, FLORIDA; (V) TAKING CERTAIN OTHER ACTIONS; AND (VII) PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE CITY OF VERO BEACH, FLORIDA:

SECTION 1. AUTHORITY FOR THIS RESOLUTION. This Resolution is adopted pursuant to the provisions of Chapter 361, Part II, Florida Statutes, as amended, Chapter 163, Part I, Florida Statutes, as amended and Chapter 166, Part III, Florida Statutes, as amended (hereinafter collectively referred to as the "Act") and other applicable provisions of law.

SECTION 2. DEFINITIONS. When used in this Resolution, capitalized terms shall have the same meaning as that specified in the Power Sales Contract attached as Exhibit A to Resolution No. 82-5 (hereinafter referred to) or the Project Support Contract attached as Exhibit B to Resolution No. 82-5 unless otherwise provided herein or unless the context clearly requires otherwise.

SECTION 3. FINDINGS. It is hereby found, determined, and declared as follows:

SECTION 3.01. The findings set forth in Section 3 of Resolution No. 82-5 adopted on July 9, 1982 of the City of Vero Beach, Florida, are hereby reaffirmed and ratified.

SECTION 3.02. The City of Vero Beach, Florida, has previously adopted Resolution No. 82-5 in which it approved the Power Sales Contract and the Project Support Contract and took certain other actions relating thereto. It is necessary and desirable and in the best interests of the Project Participant and the residents of the State to whom said Project Participant furnishes, supplies, or distributes electrical energy that the Project Participant enter into amendments to the Power Sales Contract and Project Support Contract to reflect the reallocation of the Project Entitlement Shares of two of the Project Participants.

SECTION 4. APPROVAL AND AUTHORIZATION OF EXECUTION OF AMENDMENT NO. 1 TO THE POWER SALES CONTRACT AND AMENDMENT NO. 1 TO THE PROJECT SUPPORT CONTRACT.

(a) The terms of Amendment No. 1 to the Power Sales Contract attached hereto as Exhibit A are hereby expressly approved and the Authorized Officers (as hereinafter defined) of the Project

Participant are hereby authorized, on behalf of the Project Participant, to execute said Amendment No. 1 to the Power Sales Contract and deliver the same to FMPA.

(b) The terms of Amendment No. 1 to the Project Support Contract attached hereto as Exhibit B are hereby expressly approved and the Authorized Officers of the Project Participant are hereby authorized, on behalf of the Project Participant, to execute said Amendment No. 1 to the Project Support Contract and deliver the same to FMPA.

SECTION 5. REAFFIRMATION AND RATIFICATION OF, AND AMENDMENT TO, PRIOR RESOLUTION.

(a) The references to the Power Sales Contract and the Project Support Contract in Resolution No. 82-5 of the City of Vero Beach, Florida, shall mean the Power Sales Contract and the Project Support Contract as such Contracts have been amended by Amendments No. 1 thereto, respectively.

(b) As so amended by this Resolution, the provisions of said Resolution No. 82-5 are hereby reaffirmed and ratified.

SECTION 6. DESIGNATION OF AUTHORIZED OFFICERS OF THE PROJECT PARTICIPANT. The Mayor _____ and City Manager of the Project Participant are each hereby designated as Authorized Officers of the Project Participant for the purpose of executing and delivering Amendment No. 1 to the Power Sales Contract and Amendment No. 1 to the Project Support Contract and taking any other actions authorized by this Resolution.

SECTION 7. FURTHER ACTIONS. Each Authorized Officer of the Project Participant is hereby authorized and empowered (i) to execute and deliver Amendment No. 1 to the Power Sales Contract and Amendment No. 1 to the Project Support Contract and (ii) to execute and deliver, in the name of and on behalf of the Project Participant such other documents, certificates or papers, not specifically referred to in this Resolution, as are required or contemplated by the provisions of the Power Sales Contract or the Project Support Contract and said Amendments No. 1 thereto and take all such further action as may be necessary or desirable in carrying out the terms and provisions of the Power Sales Contract and the Project Support Contract and said Amendments No. 1 thereto.

SECTION 8. RESOLUTION TO CONSTITUTE CONTRACT. Resolution 82-5 as amended by this Resolution shall be deemed to be and shall constitute a contract between the Project Participant and FMPA. The covenants and agreements set forth in Resolution 82-5 as amended by this Resolution to be performed by the Project Participant shall be solely for the benefit, protection and security of FMPA.

SECTION 9. SEVERABILITY. If any one or more provisions of this Resolution should be determined by a court of competent jurisdiction to be contrary to law, such provisions shall be deemed to be severable from the remaining provisions hereof and shall in no way effect the validity or enforceability of such remaining provisions.

SECTION 10. EFFECT ON PRIOR RESOLUTION. Except as specifically amended or modified by the provisions of this Resolution, the provisions of the Resolution No. 82-5 adopted by the City of Vero Beach, Florida, shall remain in full force and effect.

SECTION 11. EFFECTIVE DATE. This Resolution shall take effect immediately upon its adoption.

SECTION 12. THIS RESOLUTION PASSED AND ADOPTED this 3rd day of Feb., 1983.

Title: Mayor

Title: City Manager

Attest:

Title: City Clerk

A RESOLUTION OF

THE CITY OF VERO BEACH, FLORIDA

(I) RATIFYING AND REAPPROVING THE AGENCY AGREEMENT, (II) APPROVING AND AUTHORIZING THE EXECUTION OF A POWER SALES CONTRACT BETWEEN FLORIDA MUNICIPAL POWER AGENCY AND

THE CITY OF VERO BEACH

IN CONNECTION WITH THE ST. LUCIE PROJECT, PROVIDING FOR THE MAKING OF PAYMENTS PURSUANT TO SAID POWER SALES CONTRACT. AND MAKING CERTAIN COVENANTS IN CONJUNCTION WITH SAID PAYMENTS; (III) APPROVING AND AUTHORIZING THE EXECUTION OF A PROJECT SUPPORT CONTRACT BETWEEN FLORIDA MUNICIPAL POWER AGENCY AND

THE CITY OF VERO BEACH

IN CONNECTION WITH THEST. LUCIE PROJECT, PROVIDING FOR THE MAKING OF PAYMENTS PURSUANT TO SAID PROJECT SUPPORT CONTRACT, AND MAKING CERTAIN COVENANTS IN CONJUNCTION WITH SAID PAYMENTS; (IV) ACCEPTING THE POWER ENTITLEMENT SHARE ASSIGNED TO THE PROJECT PARTICIPANT, AND DIRECTING THE AUTHORIZED OFFICERS OF THE PROJECT PARTICIPANT TO ACCEPT AN INCREASE IN SAID POWER ENTITLEMENT SHARE UP TO A SPECIFIED LIMIT; (V) DESIGNATING AUTHORIZED OFFICERS OF THE PROJECT PARTICIPANT; (VI) TAKING CERTAIN OTHER ACTIONS; AND (VII) PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE CITY OF VERO BEACH, FLORIDA

SECTION 1. AUTHORITY FOR THIS RESOLUTION. This Resolution is adopted pursuant to the provisions of Chapter 361, Part II, Florida Statutes, as amended, Chapter 163, Part I, Florida Statutes, as amended and Chapter 166, Part III, Florida Statutes, as amended (hereinafter collectively referred to as the "Act") and other applicable provisions of law.

SECTION 2. DEFINITIONS. When used in this Resolution, capitalized terms shall have the same meaning as that specified in the Power Sales Contract attached hereto as Exhibit A or the Project Support Contract attached hereto as Exhibit B unless otherwise provided herein or unless the context clearly requires otherwise.

SECTION 3. FINDINGS. It is hereby found, determined, and declared as follows:

SECTION 3.01. The Project Participant has heretofore entered into the Interlocal Agreement Creating the Florida Municipal Power Agency pursuant to the Act and such agreement has been heretofore amended and supplemented by action of the Board of Directors of FMPA (as so amended, the "Agency Agreement").

SECTION 3.02. The Project Participant is authorized by the terms of the Act and other applicable provisions of law to plan, finance, acquire, construct, reconstruct, own, lease, operate, maintain, repair, improve, extend or otherwise participate jointly in any electric project.

SECTION 3.03. It is necessary and desirable and in the best interests of the Project Participant and the residents of the State to whom said Project Participant furnishes, supplies, or distributes electrical energy that the Project Participant, together with other Project Participants, share the Cost of Acquisition and Construction of the St. Lucie Project and other costs associated with the St. Lucie Project in the manner and under the terms and conditions provided in the Power Sales Contract and in the Project Support Contract.

SECTION 3.04. The Project Participant now owns an electric or other integrated utility system for the production and/or distribution of electrical energy within its boundaries and service area.

SECTION 3.05. (a) The Project Participant derives revenues from rates, fees, rentals, and other charges for the services and facilities of said electric or other integrated utility system; said revenues are not pledged or encumbered in any manner except to the making of all payments required to be made pursuant to the Power Supply Development Agreement dated as of April 1, 1980 between FMPA and the Project Participant. to the making of other payments required to be made pursuant to the Power Supply Acquisition Agreement dated as of July 15, 1981 between FMPA and the Project Participant. to the payment of the principal of and interest on its $30,500,000 Electric Refunding Revenue Bonds, Series 1978, dated August 1, 1978.

(the "Outstanding Obligations") and to the making of other payments required by the provisions of resolutions which authorized the issuance of said Outstanding Obligations.

(b) The payments required to be made by the Project Participant pursuant to the provisions of the Power Sales Contract shall constitute an obligation of the Project Participant payable as an operating expense of the Project Participant's electric or other integrated utility system solely from the revenues and other available funds of the Project Participant's electric or other integrated utility system, and such payments shall be made in respect of any Month during any part of which both Electric Capacity and Electric Energy were made available to the Project Participant from St. Lucie Generation, and shall not be subject to any reduction, whether by offset, counterclaim, or otherwise, and shall not be otherwise

conditioned upon the performance by FMPA under the Power Sales Contract or any other agreement or instrument.

(c) The Project Support Payments, if any, required to be made by the Project Participant pursuant to the provisions of the Project Support Contract shall constitute an obligation payable solely from the revenues of the Project Participant's electric or other integrated utility system subject and subordinate to certain payments as provided in the Project Support Contract, and the obligation to make such Project Support Payments shall be absolute and unconditional and shall not be dependent upon performance of FMPA under the Power Sales Contract or the Project Support Contract. The Project Support Payments shall be made whether or not St. Lucie Unit No. 2 is completed, operable or operating and notwithstanding the suspension, interruption. interference, reduction or curtailment of the output of St. Lucie Unit No. 2 or otherwise from the St. Lucie Project for any reason whatsoever in whole or in part, and such Project Support Payments shall not be subject to any reduction whether by offset, counterclaim or otherwise.

(d) The Project Participant shall not be required to make such payments from taxes or revenues other than the revenues of the Project Participant's electric or other integrated utility system. The obligations of the Project Participant to make payments under the Power Sales Contract or the Project Support Contract shall not constitute a debt of the Project Participant within the meaning of any constitutional or statutory provision or limitation or a general obligation of or pledge of the full faith and credit of the Project Participant. The Project Participant shall never be required under the Power Sales Contract or the Project Support Contract to levy ad valorem taxes on any real property to make said payments, and the obligations of the Project Participant thereunder shall not constitute a lien upon any properties owned by or located within the boundaries or the service area of the Project Participant, but shall be payable solely from the aforementioned revenues. No obligee under the Power Sales Contract or the Project Support Contract shall ever have the power to require or compel the levy of ad valorem taxes upon any property of the Project Participant or within its boundaries or service area to make any of the payments required to be made under the Power Sales Contract or the Project Support Contract.

SECTION 3.06. The estimated revenues to be derived by the Project Participant from the operation of its electric or other integrated utility system will be sufficient to make the payments, if any, required to be made by the Project Participant pursuant to the Power Sales Contract and the Project Support Contract, to make all payments of principal of and interest on its Outstanding Obligations and to make other payments required by the resolutions which authorized the issuance of the Outstanding Obligations described in subsection 3.05 hereof, as the same shall become due.

SECTION 4. RATIFICATION OF AGENCY AGREEMENT. The Project Participant hereby ratifies and reapproves the Agency Agreement, including specifically those amendments and supplements heretofore adopted by action of the Board of Directors of FMPA, and the Project Participant hereby expressly reaffirms and ratifies the findings, determinations, and declarations made in the preambles of said Agency Agreement, including specifically such amendments and supplements.

SECTION 5. APPROVAL AND AUTHORIZATION OF EXECUTION OF THE POWER SALES CONTRACT AND THE PROJECT SUPPORT CONTRACT; ACCEPTANCE OF THE POWER ENTITLEMENT SHARE ASSIGNED TO THE PROJECT PARTICIPANT; AUTHORIZATION AND DIRECTION TO ACCEPT AN INCREASE IN POWER ENTITLEMENT SHARE; COMPLETION OF ANNEX 1 TO POWER SALES CONTRACT AND PROJECT SUPPORT CONTRACT.

(a) Subject to clauses (c) and (d) of this Section 5, the terms of the Power Sales Contract attached hereto as Exhibit A are hereby expressly approved and the Authorized Officers (as hereinafter defined) of the Project Participant are hereby authorized, on behalf of the Project Participant, to execute said Power Sales Contract and deliver the same to FMPA with such changes therein as the Authorized Officers of the Project Participant may approve as necessary or desirable, such approval to be evidenced conclusively by execution and delivery of the Power Sales Contract.

(b) Subject to clauses (c) and (d) of this Section 5, the terms of the Project Support Contract attached hereto as Exhibit B are hereby expressly approved and the Authorized Officers of the Project Participant are hereby authorized, on behalf of the Project Participant, to execute said Project Support Contract and deliver the same to FMPA with such changes therein as the Authorized Officers of the Project Participant may approve as necessary or desirable, such approval to be evidenced conclusively by execution and delivery of the Project Support Contract.

(c) The Project Participant has currently been assigned a Power Entitlement Share in the St. Lucie Project of 11.806% which is equivalent to an amount of Net Electric Capacity and Energy equal to approximately 8.338 MW. The Project Participant hereby accepts the 11.806 % Power Entitlement Share currently assigned to it. However, in the event that additional Net Electric Capacity and Energy from the St. Lucie Project are offered to Project Participants as a result of a reallocation of the Power Entitlement Share or Shares of one or more other Project Participants who elect not to accept all or any part of their currently assigned Power Entitlement Shares, the Authorized Officers of the Project Participant are hereby authorized and directed to accept any additional megawatts of Net Electric Capacity and Energy as may be so offered to the Project Participant so long as such additional megawatts, when added to the megawatts presently allocated to the Project Participant~~s~~ do not exceed fifteen (15)

MW or produce a Power Entitlement Share in excess of 21.23 % and the Project Participant hereby accepts all such additional megawatts and the increased Power Entitlement Share associated therewith.

(d) After the execution of the Power Sales Contract and Project Support Contract and delivery thereof to the Agency, Annex 1 to each of such Contracts shall be completed by the Agency to set forth the Power Entitlement Shares of the Project Participants (which shall aggregate 100%), and which in the case of the Project Participant shall be not less than 11.806 % nor more than 21.23 %. Such Power Entitlement Shares shall be determined by assigning to each Project Participant a Power Entitlement Share equal to the percentage (rounded to the nearest one-thousandth percentage point) determined by (1) dividing the number of megawatts of Net Electic Capacity and Energy assigned to each Project Participant by 70.624 MW and (2) multiplying the result by 100, with the Power Entitlement Shares of all Project Participants to be adjusted (as nearly as practicable on a pro rata basis) as necessary so that the aggregate of all Power Entitlement Shares equals 100%.

(e) Subject to clause (f) of this Section (5), the effectiveness of the approval of, and the authorization to execute and deliver, the Power Sales Contract and the Project Support Contract expressed in clauses (a) and (b) above shall be deemed rescinded, if, when Annex 1 to each of such Contracts is completed by the Agency, the Project Participant's Power Entitlement Share exceeds 21.23 %.

(f) The Power Entitlement Shares expressed as percentages and the corresponding Net Electric Capacity and Energy expressed in megawatts set forth above have been computed based upon an assumed Net Electric Capacity and Energy of St. Lucie Unit No. 2 of 802 MW and an ownership interest of the Agency therein of 8.806% or 70.624 MW. In the event that the Agency's ownership interest in St. Lucie Unit No. 2 is decreased to less than 8.806% or 70.624 MW, then the Power Entitlement Share of the Project Participant will be adjusted upward to reflect such decrease and to produce the same number of megawatts for the Project Participant assuming that the Net Electric Capacity and Energy of St. Lucie Unit No. 2 remains at 802 MW. In the event that the assumed Net Electric Capacity and Energy of St. Lucie Unit No. 2 of 802 MW is adjusted upward or downward, the Power Entitlement Share of the Project Participant shall remain unchanged; however, the number of megawatts of Net Electric Capacity and Energy assumed to be associated with such Power Entitlement Share will be adjusted to reflect such change in the assumed Net Electric Capacity and Energy of St. Lucie Unit No. 2.

SECTION 6. SECURITY FOR PAYMENTS PURSUANT TO THE POWER SALES CONTRACT AND THE PROJECT SUPPORT CONTRACT.

(a) The payments required to be made by the Project Participant pursuant to the Power Sales Contract shall constitute an obligation of the Project Participant payable as an operating expense of the Project Participant's electric or other integrated utility system solely from the revenues or other available funds of the Project Participant's electric or other integrated utility system.

(b) The payments, if any, required to be made by the Project Participant pursuant to the provisions of the Project Support Contract shall constitute an obligation payable solely from the revenues of the Project Participant's electric or other integrated utility system subject and subordinate to certain payments as provided in the Project Support Contract.

(c) The Project Participant shall not be required to make payments under the Power Sales Contract or the Project Support Contract from taxes or revenues other than the revenues of the Project Participant's electric or other integrated utility system. The obligations of the Project Participant to make payments under the Power Sales Contract or the Project Support Contract do not constitute a debt of the Project Participant within the meaning of any constitutional or statutory provision or limitation or a general obligation of or pledge of the full faith and credit of the Project Participant. The Project Participant shall never be required under the Power Sales Contract or the Project Support Contract to levy ad valorem taxes on any real property to make said payments, and the obligations of the Project Participant thereunder shall not constitute a lien upon any properties owned by or located within the boundaries or the service area of the Project Participant, but shall constitute a lien only upon the aforementioned revenues. No obligee under the Power Sales Contract or the Project Support Contract shall ever have the right to require or compel the levy of ad valorem taxes upon any property of the Project Participant or within its boundaries or service area to make any of the payments required to be made under the Power Sales Contract or the Project Support Contract.

SECTION 7. NATURE OF OBLIGATIONS.

(a) The obligation of the Project Participant to make payments required by the terms of the Power Sales Contract is conditioned only on both Electric Capacity and Electric Energy being made available to the Project Participant at any time during the Month to which the payment relates and is not subject to any reduction, whether by offset, counterclaim or otherwise, and is not otherwise conditioned upon the performance by FMPA under the Power Sales Contract or any other agreement or instrument.

(b) In order to induce the purchase from time to time of the Bonds to be issued by FMPA in respect of the St. Lucie Project and any interest coupons appertaining thereto by all who shall at any time become holders thereof, the obligation of the Project Participant to make Project Support Payments is absolute and unconditional and is not dependent upon performance of FMPA under the Power Sales Contract or the Project Support Contract; Project Support Payments shall be made whether or not St. Lucie Unit No. 2 is completed, operable or operating and notwithstanding the suspension, interruption, interference, reduction or curtailment of the output of St. Lucie Unit No. 2 or otherwise from the St. Lucie Project for any reason whatsoever in whole or in part, and such Project Support Payments shall not be subject to any reduction, whether by offset, counterclaim or otherwise.

(c) The Project Participant will not fail or refuse to make any payments under the Power Sales Contract and the Project Support Contract and, except as provided therein, will not terminate the Power Sales Contract or the Project Support Contract for any cause whatsoever, including, without limiting the generality of the foregoing, any acts or circumstances that may constitute a failure of consideration, or commercial frustration of purpose, or any event which constitutes force majeure, or any bankruptcy, insolvency, receivership or similar proceeding, whether voluntary or involuntary, with respect to or affecting FMPA, including any disaffirmance, rejection or postponement in any such proceeding of any of FMPA's obligations under the Participation Agreement and the Bond Resolution, or any change in the laws of the United States, or any State or any political subdivision thereof, or any failure of FMPA to perform and observe its agreements under the Power Sales Contract or the Project Support Contract or to discharge any duty or obligation arising out of or connected with the Power Sales Contract or the Project Support Contract or any other circumstances or condition, whether similar or dissimilar to any of the foregoing, that might constitute a legal or equitable discharge or defense of the Project Participant (whether or not the Project Participant shall have any knowledge or notice thereof).

SECTION 8. RATE COVENANT. The Project Participant agrees under the Power Sales Contract and the Project Support Contract that it will establish, impose, maintain, enforce and collect rates, fees and charges for all services and facilities of its electric or other integrated utility system sufficient to produce revenues at the times and in the amounts required to pay all costs of the supply of power or other output for the Project Participant's electric or other integrated utility system, including the payments to be made under the Power Sales Contract or the Project Support Contract, as well as all other costs of operation, administration, maintenance and debt service of the electric or other integrated utility system and all other amounts payable from or constituting a lien or charge on the revenues

of the Project Participant's electric or other integrated utility system.

SECTION 9. DESIGNATION OF AUTHORIZED OFFICERS OF THE PROJECT PARTICIPANT. The Mayor and City Manager of the Project Participant are each hereby designated as Authorized Officers of the Project Participant for the purpose of executing and delivering the Power Sales Contract and Project Support Contract and taking any other actions authorized by this Resolution.

SECTION 10. FURTHER ACTIONS. Each Authorized Officer of the Project Participant is hereby authorized and empowered (i) to execute and deliver the Power Sales Contract and the Project Support Contract and (ii) to execute and deliver, in the name of and on behalf of the Project Participant such other documents, certificates or papers, not specifically referred to in this Resolution, as are required or contemplated by the provisions of the Power Sales Contract or the Project Support Contract and take all such further action as may be necessary or desirable in carrying out the terms and provisions of the Power Sales Contract and the Project Support Contract.

SECTION 11. RESOLUTION TO CONSTITUTE CONTRACT. This Resolution shall be deemed to be and shall constitute a contract between the Project Participant and FMPA. The covenants and agreements herein set forth to be performed by the Project Participant shall be solely for the benefit, protection and security of FMPA and, to the extent and in the manner provided in the Bond Resolution, Participation Agreement, Power Sales Contracts and/or Project Support Contract, the holders of any Bonds issued by FMPA in respect of the St. Lucie Project and FP&L, respectively.

SECTION 12. SEVERABILITY. If any one or more provisions of this Resolution should be determined by a court of competent jurisdiction to be contrary to law, such provisions shall be deemed to be severable from the remaining provisions hereof and shall in no way effect the validity or enforceability of such remaining provisions.

SECTION 13. EFFECTIVE DATE. This Resolution shall take effect immediately upon its adoption.

SECTION 14. THIS RESOLUTION PASSED AND ADOPTED this 9th day of July, 1982.

Attest: Phyllis A. Gerberger
City Clerk

By Carl Coolvare
Mayor

By Gil Little
City Manager

STATE OF FLORIDA
COUNTY OF INDIAN RIVER
CITY OF VERO BEACH

I, Phyllis A. Neuberger, City Clerk of the City of Vero Beach, Florida do hereby certify that the attached is a true and exact document approved by the City Council on July 9, 1982.
WITNESS MY HAND THE SEAL OF THE CITY OF VERO BEACH, FLORIDA, This the 15th day of July 1982.

Phyllis A. Neuberger
Phyllis A. Neuberger, City Clerk
City of Vero Beach, Florida

A RESOLUTION OF THE CITY OF VERO BEACH, FLORIDA (I) APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF AMENDMENT NO. 2 TO THE POWER SALES CONTRACT BETWEEN FLORIDA MUNICIPAL POWER AGENCY AND THE PROJECT PARTICIPANT IN CONNECTION WITH THE ST. LUCIE PROJECT; (II) APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF AMENDMENT NO. 2 TO THE PROJECT SUPPORT CONTRACT BETWEEN FLORIDA MUNICIPAL POWER AGENCY AND THE PROJECT PARTICIPANT IN CONNECTION WITH THE ST. LUCIE PROJECT; (III) RATIFYING AND AUTHORIZING THE EXECUTION AND DELIVERY BY FLORIDA MUNICIPAL POWER AGENCY OF THE PARTICIPATION AGREEMENT, THE RELIABILITY EXCHANGE AGREEMENT, AND THE REPLACEMENT POWER AGREEMENT, INCLUDING ALL AMENDMENTS THERETO; (IV) REAFFIRMING, RATIFYING AND AMENDING THE PRIOR RESOLUTIONS; (V) DESIGNATING AUTHORIZED OFFICERS OF THE PROJECT PARTICIPANT; (VI) TAKING CERTAIN OTHER ACTIONS; AND (VII) PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE CITY OF VERO BEACH, FLORIDA:

SECTION 1. AUTHORITY FOR THIS RESOLUTION. This Resolution is adopted pursuant to the provisions of Chapter 361, Part II, Florida Statutes, as amended, Chapter 163, Part I, Florida Statutes, as amended and Chapter 166, Part III, Florida Statutes, as amended (hereinafter collectively referred to as the "Act") and other applicable provisions of law.

SECTION 2. DEFINITIONS. When used in this Resolution, capitalized terms shall have the same meaning as that specified in the Power Sales Contract dated as of June 1, 1982 between the Project Participant and FMPA, as amended by Amendment Nos. 1 and 2 thereof, or the Project Support Contract dated as of June 1, 1982 between the Project Participant and FMPA, as amended by Amendment Nos. 1 and 2 thereof, unless otherwise provided herein or unless the context clearly requires otherwise.

SECTION 3. FINDINGS. It is hereby found, determined, and declared as follows:

SECTION 3.01. The findings set forth in the prior resolutions of the the Project Participant, pursuant to which the Power Sales Contract and Amendment No. 1 thereto and the Project Support Contract and Amendment No. 1 thereto were approved and authorized, are hereby reaffirmed and ratified. (Such prior resolutions are hereinafter collectively referred to as the "Prior Resolutions").

SECTION 3.02. It is necessary and desirable and in the best interests of the Project Participant and the residents of the State to whom said Project Participant furnishes, supplies, or distributes electrical energy that the Project Participant enter into amendments to the Power Sales Contract and Project Support Contract, and ratify and authorize the execution and delivery by FMPA of the Participation Agreement, the Reliability Exchange Agreement and the Replacement Power Agreement, including all Amendments thereto.

SECTION 4. APPROVAL AND AUTHORIZATION OF EXECUTION AND DELIVERY OF AMENDMENT NO. 2 TO THE POWER SALES CONTRACT AND AMENDMENT NO. 2 TO THE PROJECT SUPPORT CONTRACT; RATIFICATION AND AUTHORIZATION OF THE EXECUTION AND DELIVERY BY FLORIDA MUNICIPAL POWER AGENCY OF THE PARTICIPATION AGREEMENT, THE RELIABILITY EXCHANGE AGREEMENT AND THE REPLACEMENT POWER AGREEMENT, INCLUDING ALL AMENDMENTS THERETO.

(a) The terms of Amendment No. 2 to the Power Sales Contract attached hereto as Exhibit A are hereby expressly approved and the Authorized Officers (as hereinafter defined) of the Project Participant are hereby authorized, on behalf of the Project Participant, to execute said Amendment No. 2 to the Power Sales Contract and deliver the same to FMPA with such changes therein as the Authorized Officers of the Project Participant may approve as necessary or desirable, such approval to be evidenced conclusively by execution and delivery of Amendment No. 2 to the Power Sales Contract.

(b) The terms of Amendment No. 2 to the Project Support Contract attached hereto as Exhibit B are hereby expressly approved and the Authorized Officers of the Project Participant are hereby authorized, on behalf of the Project Participant, to execute said Amendment No. 2 to the Project Support Contract and deliver the same to FMPA with such changes therein as the Authorized Officers of the Project Participant may approve as necessary or desirable, such approval to be evidenced conclusively by execution and delivery of Amendment No. 2 to the Project Support Contract.

(c) The execution and delivery by FMPA of the Participation Agreement, the Reliability Exchange Agreement and the Replacement Power Agreement (as such terms are defined in Amendment No. 2 to the Power Sales Contract), and specifically including all amendments thereto, are hereby expressly ratified, authorized and affirmed.

SECTION 5. REAFFIRMATION AND RATIFICATION OF, AND AMENDMENT TO, PRIOR RESOLUTIONS.

(a) The references to the Power Sales Contract and the Project Support Contract in the Prior Resolutions shall mean the Power Sales Contract and the Project Support Contract as such

Contracts have been amended by Amendments No. 2 thereto, respectively.

(b) As so amended by this Resolution, the provisions of the Prior Resolutions are hereby reaffirmed and ratified.

SECTION 6. DESIGNATION OF AUTHORIZED OFFICERS OF THE PROJECT PARTICIPANT. The Mayor and City Manager of the Project Participant are each hereby designated as Authorized Officers of the Project Participant for the purpose of executing and delivering Amendment No. 2 to the Power Sales Contract and Amendment No. 2 to the Project Support Contract and taking any other actions authorized by this Resolution.

SECTION 7. FURTHER ACTIONS. Each Authorized Officer of the Project Participant is hereby authorized and empowered (i) to execute and deliver Amendment No. 2 to the Power Sales Contract and Amendment No. 2 to the Project Support Contract and (ii) to execute and deliver, in the name of and on behalf of the Project Participant such other documents, certificates or papers, not specifically referred to in this Resolution, as are required or contemplated by the provisions of the Power Sales Contract or the Project Support Contract and said Amendments No. 2 thereto or by the provisions of the Participation Agreement and take all such further action as may be necessary or desirable in carrying out the terms and provisions of the Power Sales Contract and the Project Support Contract and said Amendments No. 2 thereto and of the Participation Agreement.

SECTION 8. RESOLUTION TO CONSTITUTE CONTRACT. The Prior Resolutions as amended by this Resolution shall be deemed to be and shall constitute a contract between the Project Participant and FMPA. The covenants and agreements set forth in the Prior Resolutions as amended by this Resolution to be performed by the Project Participant shall be solely for the benefit, protection and security of FMPA.

SECTION 9. SEVERABILITY. If any one or more provisions of this Resolution should be determined by a court of competent jurisdiction to be contrary to law, such provisions shall be deemed to be severable from the remaining provisions hereof and shall in no way effect the validity or enforceability of such remaining provisions.

SECTION 10. EFFECT ON PRIOR RESOLUTION. Except as specifically amended or modified by the provisions of this Resolution, the provisions of the Prior Resolutions shall remain in full force and effect.

SECTION 11. EFFECTIVE DATE. This Resolution shall take effect immediately upon its adoption.

SECTION 12. THIS RESOLUTION PASSED AND ADOPTED this 19th day of April, 1983.

Dorothy M. Cain
Title: Mayor

ATTEST:

Phyllis A. Neuberger
Title: City Clerk

J. V. Little
Title: City Manager

A RESOLUTION OF CITY OF VERO BEACH, FLORIDA (I) APPROVING AND AUTHORIZING THE EXECUTION OF THE ST. LUCIE UNIT NO. 2 CAPACITY AND ENERGY SALES CONTRACT BETWEEN THE CITY OF VERO BEACH (HEREINAFTER REFERRED TO AS "PURCHASING SYSTEM") AND CERTAIN OTHER MUNICIPAL ELECTRIC UTILITIES; (II) DESIGNATING AUTHORIZED OFFICERS OF THE PURCHASING SYSTEM; (III) TAKING CERTAIN OTHER ACTIONS; AND (IV) PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE CITY OF VERO BEACH:

SECTION 1. AUTHORITY FOR THIS RESOLUTION. This Resolution is adopted pursuant to the provisions of Chapter 361, Part II, Florida Statutes, as amended, and Chapter 163, Part I, Florida Statutes, as amended (hereinafter collectively referred to as the "Act"), and other applicable provisions of law.

SECTION 2. FINDINGS. It is hereby found, determined, and declared as follows:

2.01. Purchasing System has heretofore entered into the Interlocal Agreement creating the Florida Municipal Power Agency.

2.02. Purchasing System is authorized by the terms of the Act and other applicable provisions of law to plan, finance, acquire, construct, reconstruct, own, lease, operate, maintain, repair, improve, extend or otherwise participate jointly in any electric project.

2.03. Purchasing System is a Project Participant in the Florida Municipal Power Agency's St. Lucie Unit No. 2 project.

2.04. Purchasing System has executed a Power Sales and Project Support Contract entitling it to delivery of capacity and energy in accordance with its allocated share of such capacity and energy in the St. Lucie project.

2.05. The current contracts relating to transmission of power within the State of Florida, the wholesale sale for resale tariffs, and other factors make it uneconomical to transmit and to receive small quantities of power throughout the state.

2.06. It is necessary and desirable and in the best interest of Purchasing System and the residents of the State to whom said entity furnishes, supplies, or distributes

electrical energy that Purchasing System enter into the St. Lucie Unit No. 2 Capacity and Energy Sales Contract in order to maximize the benefits obtainable for participation in the St. Lucie Unit No. 2 project.

SECTION 3. APPROVAL AND AUTHORIZATION OF EXECUTION OF THE ST. LUCIE UNIT NO. 2 CAPACITY AND ENERGY SALES CONTRACT. The St. Lucie Unit No. 2 Capacity and Energy Sales Contract, attached hereto as Exhibit "A", is hereby expressly approved and the authorized officers (as hereinafter defined) of Purchasing System are hereby authorized, on behalf of Purchasing System, to execute said St. Lucie Unit No. 2 Capacity and Energy Sales Contract with such changes therein as the authorized officers of Purchasing System may approve as necessary or desirable, such approval to be evidenced conclusively by execution and delivery of the St. Lucie Unit No. 2 Capacity and Energy Sales Contract.

SECTION 4. DESIGNATION OF AUTHORIZED OFFICERS. The Mayor and City Manager of Purchasing System are each hereby designated as authorized officers of Purchasing System for the purpose of executing and delivering the St. Lucie Unit No. 2 Capacity and Energy Sales Contract and taking any other actions authorized by this Resolution.

SECTION 5. FURTHER ACTIONS. Each authorized officer of Purchasing System is hereby authorized and empowered (i) to execute and deliver the St. Lucie Unit No. 2 Capacity and Energy Sales Contract and (ii) to execute and deliver, in the name of and on behalf of Purchasing System such other documents, certificates, or papers not specifically referred to in this Resolution, as are required or contemplated by the provision of the St. Lucie Unit No. 2 Capacity and Energy Sales Contract, and (iii) take all such further action and to make such changes, revisions or corrections as may be necessary or desirable in carrying out the terms and provisions of the St. Lucie Unit No. 2 Capacity and Energy Sales Contract.

SECTION 6. SEVERABILITY. If any one or more provisions of this Resolution should be determined by a court of competent jurisdiction to be contrary to law, such provision shall be deemed to be severable from the remaining provisions hereof and shall in no way affect the validity or enforcability of such remaining provisions.

SECTION 7. EFFECTIVE DATE. This Resolution shall take effect immediately upon its adoption.

SECTION 8. This Resolution passed and adopted this 9th day of July, 1982.

ATTEST:

Phyllis A. Nuberger
City Clerk

Mayor

G. V. Little
City Manager

STATE OF FLORIDA
COUNTY OF INDIAN RIVER
CITY OF VERO BEACH

I, Phyllis A. Neuberger, City Clerk of the City of Vero Beach, Florida do hereby certify that the attached is a true and exact document approved by the City Council on July 9, 1982.
WITNESS MY HAND THE SEAL OF THE CITY OF VERO BEACH, FLORIDA, This the 15th day of July 1982.

Phyllis A. Neuberger

Phyllis A. Neuberger, City Clerk
City of Vero Beach, Florida

J. V. Little (File)
C. Vitunac

15.202%
Vero
of
8.806%
FMPA
share

FLORIDA MUNICIPAL POWER AGENCY

CALVIN R. HENZE
General Manager

RECEIVED
AUG 15 1983
CITY OF
VERO BEACH,
FLORIDA

MEMORANDUM

DATE : August 11, 1983

TO : Distribution Below

FROM : J. A. Bauer

Enclosed please find two copies of the official documents on the St. Lucie Project for your system. Both copies contain all of the documents you have signed or provided in relation to the project.

The loose leaf binder also contains copies of contracts that the Agency has signed which have an effect on the development of the monthly billings which you will be receiving in the future. This book has been made loose-leaf so that future revisions or amendments to the contracts can be readily incorporated. It is suggested that this binder be placed in your vault or wherever you keep your original contract documents. If individuals within your organization require working copies of the documents make them from the documents in the binder but DO NOT use the binder as a working copy. The second copy of the documents can be used as a working copy if you desire but this copy does not contain the Agency contracts.

The Agency is maintaining a file of all of these documents as well. However, your copy should be put in a safe place where it will be available throughout the life of the contract.

Please let me know if you have any questions.

JAB:ww

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Principal Office: Barnett Bank Building, Suite 804/315 South Calhoun Street/P.O. Box 10114/Tallahassee, FL 32302/19

ST. LUCIE PROJECT

POWER SALES CONTRACT

BETWEEN

FLORIDA MUNICIPAL POWER AGENCY

AND

THE CITY OF VERO BEACH, FLORIDA

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ST. LUCIE PROJECT
POWER SALES CONTRACT

This POWER SALES CONTRACT made and entered into as of June 1, 1982, by and between FLORIDA MUNICIPAL POWER AGENCY, a legal entity organized under the laws of the State of Florida ("FMPA") and THE CITY OF VERO BEACH, FLORIDA, a public agency of the State of Florida and a member of FMPA (the "Project Participant").

WITNESSETH:

WHEREAS, FMPA was created to, among other things, provide a means for the Florida municipal corporations and other entities which are members of FMPA to cooperate with each other on a basis of mutual advantage to provide Electric Capacity and Electric Energy; and

WHEREAS, FMPA is authorized and empowered, among other things, (i) to plan, finance, acquire, construct, reconstruct, own, lease, operate, maintain, repair, improve, extend or otherwise participate jointly in one or more electric projects; (ii) to issue its bonds, notes or other evidences of indebtedness to pay all or part of the costs of acquiring such electric projects; and (iii) to exercise all other powers which may be necessary and proper to further the purposes of FMPA which have been or may be granted to FMPA under the laws of the State of Florida; and

WHEREAS, FMPA has entered into the St. Lucie Unit No. 2 Participation Agreement, made as of February 11, 1982 with Florida Power & Light Company ("FP&L"), as amended by Amendment Number One to St. Lucie Unit No. 2 Participation Agreement made as of March 26, 1982 between FMPA and FP&L, pursuant to which FMPA will purchase an undivided interest in St. Lucie Unit No. 2, and will be entitled to the Electric Capacity and Electric Energy derived from, those facilities and contractual arrangements and agreements described herein and designated as the St. Lucie Project; and

WHEREAS, FMPA will take or cause to be taken all steps necessary for acquisition and construction of those facilities and contractual arrangements and agreements described herein and designated as the St. Lucie Project for the supply of Electric Capacity and Electric Energy to the Project Participant and to the other Project Participants contracting with FMPA therefor, and will sell the Electric Capacity and Electric Energy of the St. Lucie Project pursuant to this Power Sales Contract and pursuant to contracts substantially similar to this contract with such other Project Participants; and

WHEREAS, the acquisition and construction of the St. Lucie Project for the supply of Electric Capacity and Electric Energy to the Project Participant and the other Project Participants contracting with FMPA therefor has been authorized by the Interlocal

Agreement Creating the Florida Municipal Power Agency, as amended to date and as such Agreement has been supplemented by resolutions adopted by the Board of FMPA at meetings duly called and duly held on March 26 and May 21, 1982, which Interlocal Agreement, as so amended and supplemented, constitutes "an agreement to implement a project" and a "joint power agreement" for the St. Lucie Project, as such terms are used in Chapter 361, Part II, Florida Statutes, as amended; and

WHEREAS, in order to enable FMPA to issue its bonds to pay the cost of acquiring and constructing the St. Lucie Project it is necessary for FMPA to have substantially similar binding contracts with the Project Participant and such other Project Participants purchasing Electric Capacity and Electric Energy of the St. Lucie Project and to pledge the payments required to be made in accordance with such contracts as security for the payment of such bonds;

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements herein contained, it is agreed by and between the parties hereto as follows:

SECTION 1. Definitions and Explanations of Terms.

As used herein:

Additional Facilities shall mean FMPA's ownership interest in, or rights or obligation with respect to, one or more of the following: (i) any renewals, replacements, repairs, additions, betterments, modifications or improvements, necessary, in the opinion of the Consulting Engineer, to keep the St. Lucie Project in good operating condition or to prevent a loss of Revenues therefrom, (ii) any additions, improvements, repairs and modifications to the St. Lucie Project and any retirement, decommissioning or disposal of the St. Lucie Project required by any governmental agency having jurisdiction over the St. Lucie Project or for which FMPA shall be responsible by virtue of any obligation of FMPA arising out of the Participation Agreement, (iii) reload fuel or any right thereto for the St. Lucie Project, (iv) capital costs incurred pursuant to actions taken under the Participation Agreement, whether required or optional, and (v) any amounts relating to the St. Lucie Project which FMPA is required to pay to any third party or parties by reason of any judgment or order of any court, commission, bureau, board or regulatory authority of competent jurisdiction; provided, however, that Additional Facilities shall not include additional generating units or increases, if any, in the percentage of FMPA's undivided interest in St. Lucie Generation or the construction or acquisition of any additional transmission facilities.

Annual Budget means the budget adopted by the Board of FMPA pursuant to paragraph (a) of Section 4 hereof which itemizes the estimated Monthly Power Costs and Monthly Transmission Costs for the

following Contract Year, or, in the case of an amended Annual Budget, during the remainder of a Contract Year, and the Project Participant's share of each.

Board shall mean the Board of Directors of FMPA, or if said Board shall be abolished, the board, body, commission or agency succeeding to the principal functions thereof or to whom the power and duties granted or imposed by the Bond Resolution shall be given by law.

Bond Resolution shall mean the Bond Resolution providing for the issuance of the Bonds, as originally adopted by the Board of FMPA on March 26, 1982 and as amended and restated in its entirety by the Board of FMPA on May 21, 1982, and all amendments and supplements thereto adopted in accordance with the provisions thereof, with such changes as to form and substance as are approved by the Board of FMPA.

Bonds shall mean the Bonds from time to time issued by FMPA pursuant to the Bond Resolution to pay any part of the Cost of Acquisition and Construction of the St. Lucie Project, whether or not any issue of such Bonds shall be subordinated as to payment to any other issue of Bonds, and shall include additional Bonds and refunding Bonds issued in accordance with this Power Sales Contract and the Bond Resolution.

Commercial Operation Date shall mean, with respect to St. Lucie Unit No. 2, the date Firm Operation for such Unit as such term is defined in the Participation Agreement shall commence or such other date as such Unit, in the opinion of FMPA, is producing and delivering Electric Capacity and Electric Energy for commercial use.

Contract Year shall mean the twelve (12) month period commencing at 12:01 a.m. on October 1 of each year, except that the first Contract Year shall commence on the first to occur of (i) the date to which all interest is capitalized with respect to all Bonds, (ii) the date which is twelve (12) months prior to the date on which the first principal installment on any of the Bonds is due or (iii) the Commercial Operation Date of St. Lucie Unit No. 2 and shall expire at 12:01 a.m. the next succeeding October 1.

Cost of Acquisition and Construction shall mean, to the extent not included in Monthly Power Costs or Monthly Transmission Costs, all costs of planning, engineering, designing, financing, installing, constructing, acquiring and placing in operation or retirement, decommissioning or disposal of the St. Lucie Project, all as contemplated by the term "Cost of Acquisition and Construction" as defined in the Bond Resolution, which shall include, but shall not be limited to, funds for:

(1) interest accruing in whole or in part on Bonds prior to and during construction and for such additional period as FMPA may reasonably determine to be necessary in accordance with the provisions of the Bond Resolution;

(2) all Fuel Costs relating to the initial fuel and reload fuel for the St. Lucie Project;

(3) allowance for working capital requirements of the St. Lucie Project in such amounts as shall be deemed reasonably necessary by FMPA;

(4) the deposit or deposits required to be made under the Bond Resolution from the proceeds of Bonds into any fund or account established pursuant to the Bond Resolution to meet Debt Service reserve requirements for Bonds;

(5) the deposit or deposits required to be made under the Bond Resolution from the proceeds of Bonds into any fund or account established pursuant to the Bond Resolution as a reserve for renewals, replacements and contingencies and retirement from service, salvage, discontinuance, decommissioning, sale or disposal of any facilities of the St. Lucie Project, including restoration of lands with respect thereto, or as a general or other reserve;

(6) all federal, state and local taxes and payments in lieu of taxes required to be paid under the Participation Agreement or otherwise legally required to be paid in connection with the acquisition and construction of the St. Lucie Project;

(7) all costs relating to claims or judgments arising out of construction of the St. Lucie Project;

(8) planning and development costs, engineering fees, contractors' fees, costs of obtaining governmental or regulatory permits, licenses and approvals, costs of real property, labor, materials, equipment, supplies, training and testing costs, insurance premiums, legal and financing costs, administrative and general costs, and all other costs properly allocable to the acquisition and construction of the St. Lucie Project and placing the same in operation;

(9) all costs and expenses relating to injury and damage claims arising out of the acquisition, construction and operation of the St. Lucie Project, including deferred premiums and the cost of maintaining any guarantee of payment thereof required pursuant to the Atomic Energy Act of 1954, as amended from time to time, or any successor

statute; provided, however, that in no event shall the Cost of Acquisition and Construction include any public liability of FMPA for a nuclear incident in excess of that provided under the Atomic Energy Act of 1954, as amended from time to time, or any successor statute;

(10) all costs incurred or associated with the salvage, discontinuance, decommissioning and disposition or sale of properties required to be paid by FMPA in accordance with the Participation Agreement;

(11) the costs and expenses, including discounts to the underwriters or other purchasers thereof, if any, incurred in the issuance and sale of bonds, notes or other evidences of indebtedness from time to time issued, the proceeds of which have been or will be required to be applied to one or more purposes for which Bonds could be issued and the costs and expenses of (a) the note in the amount of $8,900,000 issued by FMPA to Morgan Guaranty Trust Company of New York in accordance with the Loan Agreement dated as of July 15, 1981 between FMPA and Morgan Guaranty Trust Company of New York and (b) the note in the amount of $2,500,000 issued by FMPA to Morgan Guaranty Trust Company of New York in accordance with the Loan Agreement dated as of April 1, 1980 between FMPA and Morgan Guaranty Trust Company of New York as the Board of FMPA shall have determined is to be paid as part of the Cost of Acquisition and Construction of the St. Lucie Project;

(12) all other costs incurred in connection with, and properly chargeable to, the acquisition and construction of (i) St. Lucie Generation in accordance with, or which constitute a Cost of Acquisition and Construction under, the Participation Agreement, including any prepayment of operating expense required thereunder or (ii) St. Lucie Transmission; and

(13) the payment of principal, premium, if any, and interest when due (whether at the maturity of principal or at the due date of interest or upon redemption) on notes or other evidences of indebtedness from time to time issued in anticipation of the issuance of Bonds, the proceeds of which have been or will be required to be applied to one or more purposes for which Bonds could be issued and (a) the note in the amount of $8,900,000 issued by FMPA to Morgan Guaranty Trust Company of New York in accordance with the Loan Agreement dated as of July 15, 1981 between FMPA and Morgan Guaranty Trust Company of New York and (b) the note in the amount of $2,500,000 issued by FMPA to Morgan Guaranty Trust Company of New York in accordance with the Loan Agreement dated as of April 1, 1980 between FMPA and

Morgan Guaranty Trust Company of New York as the Board of FMPA shall have determined is to be paid as part of the Cost of Acquisition and Construction of the St. Lucie Project.

Debt Service shall mean, with respect to any period, the aggregate of the amounts required by the Bond Resolution to be paid or deposited during said period into any fund or account created by the Bond Resolution for the sole purpose of paying the principal (including sinking fund installments) of, premium, if any, and interest on all Bonds from time to time outstanding as the same shall become due; provided, however, that Debt Service shall not include any amount payable as principal or interest solely as a result of acceleration of maturity of Bonds.

Electric Capacity shall mean kilowatts (kW) electric.

Electric Energy shall mean kilowatt hours (kWh).

FP&L shall mean Florida Power & Light Company, a Florida corporation and, subject to the provisions of the Participation Agreement, its successors and assigns.

Fuel Costs shall mean all costs incurred by FMPA during a period that are allocable to the acquisition, processing, fabrication, transportation, delivering, reprocessing, storage and disposal of nuclear materials required for the St. Lucie Project, including working capital therefor and transfer to reserves established by FMPA for such costs related to future periods, less credits related to such costs applied as appropriate in the discretion of FMPA, and the principal and interest on any Bonds, notes or other evidences of indebtedness issued to finance such costs of fuel.

Initial Facilities shall mean FMPA's ownership interest in St. Lucie Unit No. 2.

Month shall mean a calendar month.

Monthly Power Costs shall mean, with respect to each Month of each Contract Year, all costs attributable to St. Lucie Generation, to the extent not paid from the proceeds of Bonds or notes (including income from investment of such proceeds) and less any amounts available in the Monthly Payment Reserve Account for the payment of Monthly Power Costs established in prior periods (including income from investment of such reserves) which are to be applied in accordance with the then current Annual Budget to the payment of Monthly Power Costs in such Month, that are paid or incurred by FMPA during such Month resulting from the ownership, operation, maintenance, termination, retirement from service and decommissioning of, and repairs, renewals, replacements, additions, improvements,

betterments and modifications to, the St. Lucie Project, including without limitation, the following items of cost:

(1) the amount required under the Bond Resolution to be paid or deposited during such Month into any fund or account established by the Bond Resolution for the payment of Debt Service on Bonds allocable to St. Lucie Generation;

(2) the amount required under the Bond Resolution to be paid or deposited during such Month into any fund or account established by the Bond Resolution to the extent allocable to St. Lucie Generation or in connection with Bonds allocable to St. Lucie Generation (other than funds and accounts referred to in clause (1) above), including any amounts required to be paid or deposited by reason of the transfer of moneys from such funds or accounts to the funds or accounts referred to in clause (1) above;

(3) any amount which FMPA may be required during such Month to pay for the prevention or correction of any unusual loss or damage or for renewals, replacements, repairs, additions, improvements, betterments, and modifications which are required under the Participation Agreement or which are necessary to keep St. Lucie Generation in good operating condition or to prevent a loss of revenues therefrom, but in each case only to the extent that (a) funds for such payment are not available to FMPA from any funds or accounts established under the Bond Resolution for such purpose or (b) funds for such payment are not provided by the issuance of Bonds;

(4) the costs of operating and maintaining St. Lucie Generation and of producing Electric Capacity and Electric Energy therefrom during such Month (including Fuel Costs, administrative and general expenses and working capital, for fuel or otherwise, and taxes or payments in lieu thereof) not included in the costs specified in the other items of this definition and properly chargeable to St. Lucie Generation and an equitably allocated portion of FMPA's general and administrative expenses which are not properly chargeable to any specific project of FMPA;

(5) the amount required under the Bond Resolution to be paid or deposited during such Month into any fund or account established by the Bond Resolution or otherwise for the payment of principal of and premium, if any, and interest on notes allocable to St. Lucie Generation;

(6) all costs incurred or associated with the salvage, discontinuance, decommissioning and disposition or sale of properties required to be paid by FMPA in

accordance with the Participation Agreement, including, but not limited to, costs for nuclear waste storage and disposal and all of FMPA's accrued costs and liabilities resulting from FMPA's ownership, acquisition, construction, operation (including Fuel Costs), maintenance and renewals and replacements;

(7) all costs and expenses relating to injury and damage claims required to be paid by FMPA pursuant to the Participation Agreement or otherwise in connection with the operation of St. Lucie Generation, including deferred premiums and the cost of maintaining any guarantee of payment thereof required pursuant to the Atomic Energy Act of 1954, as amended from time to time, or any successor statute; provided, however, that in no event shall Monthly Power Costs include any public liability of FMPA for a nuclear incident in excess of that provided under the Atomic Energy Act of 1954, as amended from time to time, or any successor statute; and

(8) any additional amount not specified in the other items of this definition which must be paid by FMPA during such Month under the Participation Agreement or any other costs incurred by FMPA during such Month relating to St. Lucie Generation (including any amounts to be paid into the Monthly Payment Reserve Account established by FMPA for the payment of Monthly Power Costs in future Months) which are not otherwise included in any of the costs specified herein; and

(9) any additional amount allocable to Bonds allocable to St. Lucie Generation which must be realized by FMPA during such Month in order to meet the requirement of any rate covenant of the Bond Resolution with respect to Debt Service coverage or which FMPA deems advisable in the marketing of its Bonds.

In the event that St. Lucie Unit No. 2 is permanently retired from service under such circumstances that FMPA has the opportunity to purchase replacement power and energy pursuant to the Replacement Power Agreement, FMPA shall not exercise such right with regard to a Project Participant's Power Entitlement Share unless requested in writing by such Project Participant. If less than all of the Project Participants so instruct FMPA, the costs of such replacement power and energy shall be excluded from clause (4) above and separately added to Monthly Power Costs of those Project Participants electing to receive such power and energy in proportion to the amount of such power and energy to which each such Project Participant is entitled.

Monthly Transmission Costs shall mean, with respect to each Month of each Contract Year, (a) all costs, if any, attributable to

the St. Lucie Transmission Line, to the extent not paid from the proceeds of Bonds or notes (including income from investment of such proceeds) or from any amounts paid to FMPA for use of the St. Lucie Transmission Line other than pursuant to the Power Sales Contracts, that are paid or incurred by FMPA during such Month resulting from the ownership, operation, maintenance, termination and retirement from service of, and repairs, renewals, replacements, additions, improvements, betterments and modifications to, the St. Lucie Transmission Line and delivery over the St. Lucie Transmission Line pursuant to the Power Sales Contracts of Electric Capacity and Energy, including, without limitation, the following items of cost:

(1) the amount required under the Bond Resolution to be paid or deposited during such Month into any fund or account established by the Bond Resolution for the payment of Debt Service on Bonds allocable to the St. Lucie Transmission Line;

(2) the amount required under the Bond Resolution to be paid or deposited during such Month into any fund or account established by the Bond Resolution to the extent allocable to the St. Lucie Transmission Line or in connection with Bonds allocable to the St. Lucie Transmission Line (other than funds and accounts referred to in subclause (1) above), including any amounts required to be paid or deposited by reason of the transfer of moneys from such funds or accounts to the funds or accounts referred to in subclause (1) above;

(3) any amount which FMPA may be required during such Month to pay for the prevention or correction of any unusual loss or damage or for renewals, replacements, repairs, additions, improvements, betterments, and modifications which are necessary to keep the St. Lucie Transmission Line in good operating condition or to prevent a loss of revenues therefrom, but in each case only to the extent that (i) funds for such payment are not available to FMPA from any funds or accounts established under the Bond Resolution for such purpose or (ii) funds for such payment are not provided by the issuance of Bonds;

(4) the costs of operating and maintaining the St. Lucie Transmission Line during such Month (including administrative and general expenses and working capital, and taxes or payments in lieu thereof) not included in the costs specified in the other items of this definition and properly chargeable to the St. Lucie Transmission Line;

(5) the amount required under the Bond Resolution to be paid or deposited during such Month into any fund or account established by the Bond Resolution or otherwise for

the payment of principal of and premium, if any, and interest on notes allocable to the St. Lucie Transmission Line;

(6) all costs and expenses relating to injury and damage claims required to be paid by FMPA in connection with operation of the St. Lucie Transmission Line;

(7) any additional amount not specified in the other items of this definition which must be paid by FMPA during such Month in connection with the St. Lucie Transmission Line;

(8) any other costs incurred by FMPA during such Month relating to St. Lucie Transmission (including any amounts to be paid into the Monthly Payment Reserve Account established by FMPA for the payment of Monthly Transmission Costs in future Months) which are not otherwise included in any of the costs specified herein; and

(9) any additional amount allocable to Bonds allocable to the St. Lucie Transmission Line which must be realized by FMPA during such Month in order to meet the requirement of any rate covenant of the Bond Resolution with respect to Debt Service coverage or which FMPA deems advisable in the marketing of its Bonds;

and (b) all costs (other than those costs included in clause (a) above) attributable to the transmission and delivery pursuant to the Power Sales Contract of Electric Capacity and Electric Energy to the Project Participants' Points of Delivery under any transmission contracts, transmission agreements and transmission arrangements.

Net Electric Capacity and Energy shall mean the gross electric capability, and associated Electric Energy, of St. Lucie Generation less the associated Electric Energy utilized by St. Lucie Generation for all processes, auxiliary equipment and systems used or useful in connection with start-up, operation, maintenance, control, supply or shutdown of St. Lucie Generation, including appropriate station service transformer losses.

Participation Agreement shall mean the St. Lucie Unit No. 2 Participation Agreement, made as of February 11, 1982 between FMPA and FP&L, as amended by as amended by Amendment Number One to St. Lucie Unit No. 2 Participation Agreement made as of March 26, 1982 between FMPA and FP&L, which govern FMPA's rights and obligations relating to its interest in St. Lucie Unit No. 2.

Point or Points of Delivery shall mean the point or points of delivery from time to time agreed to between the Project Participant and FMPA.

Power Entitlement Share shall mean, with respect to each Project Participant, that percentage of Project Capability shown opposite the name of such Project Participant in the Schedule of Project Participants as the same may be adjusted from time to time in accordance with the provisions hereof.

Power Sales Contracts shall mean this Power Sales Contract and the other Power Sales Contracts, dated the date hereof, between FMPA and the other Project Participants, all relating to the St. Lucie Project, as the same may be amended from time to time and any substantially similar contract entered into by FMPA in connection with the transfer by the City of Kissimmee, Florida, Lake Worth Utilities Authority, and Utilities Commission, City of New Smyrna Beach, Florida, respectively, to the City of Gainesville, Florida, of a portion of their respective Power Entitlement Shares in accordance with the terms of the respective Contracts between the City of Gainesville, Florida, and City of Kissimmee, Florida, Lake Worth Utilities Authority, and Utilities Commission, City of New Smyrna Beach, Florida, respectively, dated July 10, 1981, July 23, 1981 and July 23, 1981, respectively, any transfer of a Project Participant's Power Entitlement Share pursuant to Section 19, any assignment of such Power Entitlement Share pursuant to paragraph (c) of Section 28 or any assignment of such Power Entitlement Share with the consent of FMPA in accordance with paragraph (a) of Section 28.

Project Capability shall mean the amount of Net Electric Capacity and Energy, if any, which St. Lucie Generation is capable of generating at any particular time (including times when St. Lucie Generation is not operable or operating or the operation thereof is suspended, interrupted, interfered with, reduced or curtailed, in each case in whole or in part for any reason whatsoever) to which FMPA is entitled under the Participation Agreement, the Reliability Exchange Agreement and the Replacement Power Agreement, all determined in accordance with such agreements.

Project Participants shall mean the parties, including the Project Participant, other than FMPA, to Power Sales Contracts substantially similar hereto.

Project Participant's Minimum Loading Level shall mean, with respect to each Project Participant, the minimum amount of production which such Project Participant, or FMPA or its agent for certain Project Participants in accordance with Section 5 hereof, may be required to schedule when the St. Lucie Project is operating, which minimum amount in any hour shall be determined by multiplying the minimum amount of production which FMPA may be required to schedule or cause to be scheduled pursuant to the Participation Agreement by a fraction, the numerator of which is such Project Participant's Power Entitlement Share and the denominator of which is the aggregate of the Power Entitlement Shares of the Project Participants.

Project Support Contracts shall mean the contracts, dated as of June 1, 1982, each between FMPA and a Project Participant, providing for the payment of costs relating to the St. Lucie Project during such periods when all such costs are not required to be paid pursuant to the terms of the Power Sales Contracts, as the same may be amended or supplemented in accordance with the terms thereof and the Bond Resolution.

Reliability Exchange Agreement shall mean the St. Lucie Nuclear Reliability Exchange Agreement, made March 26, 1982, between FMPA and FP&L.

Replacement Power Agreement shall mean the Replacement Power Agreement made February 11, 1982 between FMPA and FP&L.

Schedule of Project Participants shall mean the Schedule of Project Participants contained in Annex 1 hereto, as the same may be amended or supplemented from time to time in accordance with the provisions hereof.

St. Lucie Generation shall mean the Initial Facilities, the Additional Facilities, FMPA's rights to receive Electric Capacity and Electric Energy under the Reliability Exchange Agreement and FMPA's rights to receive replacement power and energy under and pursuant to the Participation Agreement or the Replacement Power Agreement.

St. Lucie Project shall mean St. Lucie Generation and St. Lucie Transmission.

St. Lucie Transmission shall mean the St. Lucie Transmission Line and any transmission contracts, transmission agreements or other transmission arrangements relating to St. Lucie Generation.

St. Lucie Transmission Line shall mean, if built, that certain transmission line extending for approximately 8 miles from the site of St. Lucie Unit No. 2 to the substation of the Fort Pierce Utilities Authority of the City of Fort Pierce, Florida.

St. Lucie Unit No. 2 shall mean the nuclear generating unit with an estimated net capacity of 802 MW to be known as St. Lucie Unit No. 2 to be located on Hutchinson Island in St. Lucie County, Florida, including for such unit (i) the land delineated and described in Exhibit III to the Participation Agreement and all land rights pertaining thereto, (ii) additions, improvements, renewals and replacements to said generating unit, and (iii) the nuclear steam supply system, its containment, the turbine generator, start-up transformers, station service transformers, step-up transformers, auxiliary transformers and all auxiliary structures and other systems or facilities all as more particularly described in the Application, and amendments thereto, by FP&L before the Nuclear Regulatory

Commission in Docket No. 50-389A and the Preliminary Safety Analysis Report, and amendments thereto, which constitutes a part of such Application, and (iv) inventories of materials, supplies, fuel, tools and equipment for use in connection with St. Lucie Unit No. 2.

Transmission Entitlement Share shall mean, with respect to each Project Participant whose currently designated Point or Points of Delivery for all or any portion of such Project Participant's Power Entitlement Share requires that all or any portion of its Power Entitlement Share be transmitted over the St. Lucie Transmission Line, the percentage obtained by dividing the portion of such Project Participant's Power Entitlement Share requiring transmission over the St. Lucie Transmission Line by the sum of the Power Entitlement Shares (or appropriate portions thereof) of all Participants whose currently designated Point or Points of Delivery requires the transmission of such Power Entitlement Share (or such appropriate portion thereof) over the St. Lucie Transmission Line.

Transmission Services shall mean, with respect to each Project Participant, the Project Participant's Transmission Entitlement Share and any other provisions for the transmission of such Project Participant's Power Entitlement Share to its currently designated Point or Points of Delivery pursuant to any other transmission contracts, transmission agreements or other transmission arrangements.

Uniform System of Accounts shall mean the Federal Energy Regulatory Commission (or its successor in function) Uniform Systems of Accounts prescribed for Class A and Class B Public Utilities and Licensees, as the same may be modified, amended or supplemented from time to time.

SECTION 2. Term of Contract.

This Power Sales Contract shall become effective upon execution and delivery of Power Sales Contracts by all Project Participants originally listed in the Schedule of Project Participants and shall, unless this Power Sales Contract is terminated pursuant to Section 29 hereof, continue until the later of (i) the date the principal of, premium, if any, and interest on all Bonds have been paid or funds set aside for the payment thereof or (ii) the date St. Lucie Unit No. 2 is decommissioned or finally disposed of as an electric generating unit pursuant to the Participation Agreement or the interest of FMPA in St. Lucie Unit No. 2 is terminated pursuant to the Participation Agreement or is otherwise disposed of or (iii) the date all obligations of FMPA under the Participation Agreement have been paid, performed or duly provided for as provided therein. Neither termination or expiration of this Power Sales Contract shall affect any accrued liability or obligation hereunder, including, but not limited to, liability for costs of decommissioning.

SECTION 3. Sale and Purchase.

FMPA agrees to and does sell, and the Project Participant agrees to and does hereby purchase, the Project Participant's Power Entitlement Share and the Project Participant's Transmission Services. The Project Participant shall, in accordance with and subject to the provisions of Section 4 hereof, pay FMPA (i) for its Power Entitlement Share, an amount determined by multiplying Monthly Power Costs by the Project Participant's Power Entitlement Share, and (ii) for the Project Participant's Transmission Services an amount equal to the sum of (a) the amount, if any, determined by multiplying the Monthly Transmission Costs described in clause (a) of the definition of Monthly Transmission Costs by the Project Participant's Transmission Entitlement Share for the Month to which the payment relates and (b) all costs described in clause (b) of the definition of Monthly Transmission Costs which are properly allocable, as determined by FMPA, to the Project Participant; provided, however, that in the event that in respect of any Month for which FMPA has incurred Monthly Transmission Costs described in clause (a) of the definition of Monthly Transmission Costs there are no Project Participants whose currently designated Point or Points of Delivery would require the use of the St. Lucie Transmission Line, then the amount of such Monthly Transmission Costs described in clause (a) of the definition of Monthly Transmission Costs shall be added to Monthly Power Costs for such Month and included in the amounts determined to be payable by each Project Participant for its Power Entitlement Share in such Month.

In the event that FP&L makes available to FMPA any part of the Net Electric Capacity and Energy from St. Lucie Unit No. 2 to which FP&L is entitled under the Participation Agreement, all payments to be made by any Project Participant to FMPA for any such Net Electric Capacity and Energy which the Project Participant receives and payments or credits to any Project Participant by FMPA for any such Net Electric Capacity and Energy which FMPA sells to any other party as agent for such Project Participant shall not be included in the computation of any payments or credits required to be made under, or in any other way governed by or subject to, this Power Sales Contract, except that any payments made to FMPA for the use of the St. Lucie Transmission Line in respect of such Net Electric Capacity and Energy shall be applied to reduce that portion of Monthly Transmission Costs which is described in clause (a) of the definition of Monthly Transmission Costs.

SECTION 4. Method of Payment.

(a) On or before 90 days prior to the estimated commencement of the first Contract Year and on or before July 1 prior to the beginning of each Contract Year thereafter, the Board of FMPA shall adopt and mail to the Project Participant an Annual Budget for the Contract Year which

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shall serve as the basis for the Project Participant's monthly payments hereunder for such Contract Year. During each Contract Year, FMPA shall review its Annual Budget for the remainder of the Contract Year at the end of each calendar quarter during each Contract Year and at such other time as it shall deem desirable. In the event such or any other review indicates that such Annual Budget will not substantially correspond with actual Monthly Power Costs or actual Monthly Transmission Costs, or if at any time during such Contract Year there are or are expected to be extraordinary receipts, credits or costs substantially affecting the Monthly Power Costs or Monthly Transmission Costs, the Board of FMPA shall adopt and mail to each Project Participant an amended Annual Budget applicable to the remainder of such Contract Year which shall serve as the basis for the Project Participant's monthly payments hereunder for the remainder of such Contract Year.

(b) On or before the 10th day of each Month beginning with the second Month of the first Contract Year, FMPA shall render to the Project Participant a monthly statement showing, in each case with respect to the prior Month, (i) the amount payable by the Project Participant in respect of Monthly Power Costs, as shown in the Annual Budget for such Contract Year or in an amended Annual Budget for the remainder of the Contract Year containing such Month; (ii) the amount payable by the Project Participant in respect of Monthly Transmission Costs, as shown in the Annual Budget for such Contract Year or in an amended Annual Budget for the remainder of the Contract Year containing such Month; (iii) the amount, if any, determined in accordance with paragraph (f) of this Section 4 to be credited to or paid by the Project Participant with respect to any adjustment for actual Monthly Power Costs or actual Monthly Transmission Costs incurred during the next preceding Contract Year; (iv) the credits, if any, against the Project Participant's share of Monthly Power Costs determined in accordance with paragraph (h) of this Section 4; and (v) any other amounts (except amounts in respect of Monthly Power Costs, which amounts are intended to be billed exclusively pursuant to clause (i) above or amounts in respect of Monthly Transmission Costs which are intended to be billed exclusively pursuant to clause (ii) above) payable by or credited to such Project Participant pursuant to this Power Sales Contract or the Bond Resolution not otherwise shown; and such Project Participant shall pay the total of such amounts at the times specified in paragraph (c) of this Section 4.

(c) Monthly payments required to be paid to FMPA pursuant to this Section 4 shall be due and payable to FMPA

at the principal office of FMPA, or such other address as FMPA shall designate in writing to the Project Participant, on the 25th day of the Month in which the monthly statement was rendered.

(d) If payment in full is not made on or before the close of business on the due date, a delayed-payment charge on the unpaid amount due for each day overdue will be imposed at a rate equal to the annual percentage prime rate of interest being charged on such day for 90-day loans to substantial and responsible borrowers by the Trustee under the Bond Resolution, plus 5%, or the maximum rate lawfully payable by the Project Participant, whichever is less. If said due date is Saturday, Sunday or a holiday, the next following business day shall be the last day on which payment may be made without the addition of the delayed-payment charge.

(e) In the event of any dispute as to any portion of any monthly statement, the Project Participant shall nevertheless pay the full amount of the disputed charges when due and shall give written notice of the dispute to FMPA not later than the date such payment is due. Such notice shall identify the disputed bill, state the amount in dispute and set forth a full statement of the grounds on which such dispute is based. No adjustment shall be considered or made for disputed charges unless notice is given as aforesaid. FMPA shall give consideration to such dispute and shall advise the Project Participant with regard to its position relative thereto within thirty (30) days following receipt of such written notice. Upon final determination (whether by agreement, arbitration, adjudication or otherwise) of the correct amount, any difference between such correct amount and such full amount shall be properly reflected in the statement next submitted to the Project Participant after such determination.

(f) On or before one hundred twenty days after the end of each Contract Year, FMPA will submit to the Project Participant a detailed statement of the actual aggregate Monthly Power Costs and Monthly Transmission Costs and any adjustment thereof or credit thereto pursuant to paragraph (h) of this Section 4, and the Project Participant's share of each, and all other amounts, if any, payable by or credited to the Project Participant pursuant hereto for all of the Months of such Contract Year, and adjustments of the aggregate Monthly Power Costs and Monthly Transmission Costs, if any, for any prior Contract Year and any adjustment thereof or credit thereto pursuant to paragraph (h) of this Section 4 allocable to the Project Participant, based on the annual audit of accounts provided

for in Section 10 hereof. If, on the basis of the statement submitted as provided in this paragraph (f), the actual aggregate Monthly Power Costs and Monthly Transmission Costs and any adjustment thereof or credit thereto pursuant to paragraph (h) of this Section 4 allocable to the Project Participant and other amounts payable for any Contract Year exceed the estimate thereof on the basis of which the Project Participant has been billed, the amount of such deficiency shall be divided into six, or fewer, as determined by the Board of FMPA in its sole discretion, equal installments and added to the Project Participant's monthly statement for each of the next succeeding six or fewer months, as appropriate, as provided in clause (iii) of paragraph (b) of this Section 4. If, on the basis of the statement submitted pursuant to this paragraph (f), the actual aggregate Monthly Power Costs and Monthly Transmission Costs and any adjustment thereof or credit thereto pursuant to paragraph (h) of this Section 4 allocable to the Project Participant or other amounts payable for any Contract Year are less than the estimate therefor on the basis of which such Project Participant has been billed, the amount of such excess shall be divided into six, or fewer, as determined by the Board of FMPA in its sole discretion, equal installments and credited to the Project Participant's monthly statement for each of the next succeeding six or fewer months, as appropriate, as provided in clause (iii) of paragraph (b) of this Section 4.

(g) The obligation of the Project Participant to make the payments under this Section 4 for its share of Monthly Power Costs, Monthly Transmission Costs and other amounts shall constitute an obligation of the Project Participant payable as an operating expense of the Project Participant's electric or other integrated utility system solely from the revenues and other available funds of the electric or other integrated utility system, and such payments shall be made in respect of any Month during any part of which both Electric Capacity and Electric Energy were available to the Project Participant from St. Lucie Generation. Subject to the provisions of paragraph (i) of this Section 4, the obligation of the Project Participant to make payments under this Power Sales Contract is conditioned only on both Electric Capacity and Electric Energy being made available to the Project Participant at any time during the Month to which the payment relates and shall not be subject to any reduction, whether by offset, counterclaim, or otherwise, and shall not be otherwise conditioned upon the performance by FMPA under this or any other agreement or instrument. Subject to the provisions of paragraph (i) of this Section 4, the Project Participant

shall not be required to make any payment hereunder in respect of any Month in which no Electric Capacity and Electric Energy are made available to the Project Participant from the St. Lucie Project; provided that the obligation of the Project Participant to make payments under this Section 4 shall not constitute a debt of the Project Participant within the meaning of any constitutional or statutory provision or limitation or a general obligation of or pledge of the full faith and credit of the Project Participant, and that neither the Project Participant nor the State of Florida or any agency or political subdivision thereof shall ever be obligated or compelled to levy ad valorem taxes to make the payments provided for in this Section 4; and further provided that the obligation of the Project Participant to make payments pursuant to this Section 4 shall not give rise to or constitute a lien upon any property of the Project Participant or located within its boundaries or service area.

(h) Subject to the provisions of the Bond Resolution, FMPA shall apply as a credit against Monthly Power Costs interest earned on investments held under the Bond Resolution and all proper credits against the Cost of Acquisition and Construction of the St. Lucie Project, including, without limitation, all receipts, revenues and other monies to the extent received by FMPA or credited to it under the Participation Agreement from insurance proceeds, condemnation awards, damages collected from contractors, subcontractors or others and proceeds from the sale or other disposition of surplus property, all related to St. Lucie Unit No. 2, in each case, to the extent not credited against the Cost of Acquisition and Construction.

(i) In the event that any amount which would have been added to the Project Participant's monthly statement or credited to such monthly statement for any Month in accordance with paragraph (f) of this Section 4 cannot be so added or credited because the Project Participant is not required to make a payment hereunder because no Electric Capacity and Electric Energy from the St. Lucie Project were made available to the Project Participant during the Month to which the statement relates, then the amount of such addition or credit shall be paid by FMPA or the Project Participant to the other as appropriate as though a payment were required to be made hereunder in respect of such Month.

(j) The Project Participant's electric utility system shall be deemed to be a part of an integrated utility system for purposes of this Power Sales Contract if the revenues of the electric utility system (i) are commingled

with the revenues of one or more other utility systems owned by the Project Participant, or (ii) are utilized to pay operating expenses of the Project Participant's electric utility system and one or more other utility systems owned by the Project Participant, or (iii) are pledged to secure bonds issued to finance one or more other utility systems owned by the Project Participant.

SECTION 5. Scheduling of Deliveries.

All of the further provisions of this Section 5 are subject to the provisions of the Participation Agreement, and in the event of any inconsistencies between this Section 5 and the provisions of the Participation Agreement governing scheduling, the terms of the Participation Agreement shall govern. The Project Participant shall be entitled to receive Electric Capacity and Electric Energy to which the Project Participant is entitled under this Power Sales Contract. Any Project Participant that has generating capacity resources on its system and is capable of scheduling the output of its Power Entitlement Share of the St. Lucie Project shall provide to FMPA or its designee a written advance daily schedule of hourly Electric Energy to be delivered to the Project Participant's Point or Points of Delivery. FMPA or its agent shall make every effort to conform with the Project Participants' daily schedules up to the amount of the Project Participants' Power Entitlement Shares. Deliveries in variance with scheduled deliveries shall be treated as inadvertent Electric Energy and shall be returned in kind under comparable load and operating conditions as promptly as possible at times mutually agreed upon or in accordance with interchange agreements between such Project Participant and others.

For any Project Participant that does not have generating capacity resources on its system or is not capable of scheduling the output of the St. Lucie Project, FMPA or its agent shall have the sole responsibility for the scheduling and dispatching of the Project Participant's available Electric Capacity and Electric Energy from its Power Entitlement Share of the St. Lucie Project.

FMPA may appoint an agent from time to time to dispatch the output of the St. Lucie Project to the Project Participants' Points of Delivery. The agent shall schedule and dispatch FMPA's entitlement to the output of the St. Lucie Project in accordance with standard scheduling and dispatching procedures, and FMPA shall provide the agent with any and all information needed by the agent in order to carry out its dispatch function. Subject to the applicable provisions of the Participation Agreement, FMPA or its agent shall use it best efforts to schedule or cause to be scheduled such production and use in accordance with the schedules furnished to it by certain Project Participants as herein provided, including revisions thereto; provided that the Project Participant's dispatcher shall be permitted to maintain communication with FMPA or its agent for purposes of

modifying schedules during periods of emergency or for economic dispatch of energy production; and provided further that the Project Participant shall promptly notify FMPA or its agent of any such schedule modifications and FMPA shall neither schedule nor dispose of Electric Capacity and Electric Energy in any way which would cause FMPA to be in violation of the Participation Agreement or of Section 27 hereof. FMPA shall inform the Project Participant's dispatcher when the Project Participant's schedule of energy production in any hour shall be increased to the Project Participant's Minimum Loading Level. FMPA shall use its best efforts to keep the Project Participant informed of all matters which may affect the Project Participant's ability to carry out the provisions of this Section 5. All schedules, including revisions thereto, shall be adjusted after the fact by FMPA to reflect actual deliveries of Electric Capacity and Electric Energy under this Power Sales Contract.

SECTION 6. Point of Delivery.

Electric Capacity and Electric Energy scheduled by the Project Participant pursuant to Section 5 of this Power Sales Contract will be delivered at the Project Participant's Point or Points of Delivery. Such deliveries will be properly adjusted for transmission losses incurred between the point of output and the Point of Delivery over the transmission systems in Florida.

The Project Participant shall be responsible for delivery of Electric Capacity and Electric Energy from the Point of Delivery.

SECTION 7. Reactive Power.

Unless otherwise mutually agreed by FMPA and the Project Participants, the Project Participants shall provide the reactive power requirements of their respective electric systems and shall supply any reactive power required to maintain the power factor of the power delivered by FMPA to the individual Project Participant's Point or Points of Delivery as near unity as practical, except as otherwise may be arranged from time to time between FMPA and the Project Participant due to the then existing conditions. The Project Participant will be responsible for any costs associated with FMPA or its agent having to maintain a required power factor under agreements with other electric systems.

SECTION 8. Availability of Entitlement Shares.

Except as provided otherwise by this Power Sales Contract, and subject to the provisions of the Participation Agreement and any applicable transmission contracts, transmission agreements or other transmission arrangements relating to St. Lucie Generation, the Project Participant's Power Entitlement Share shall be made available in accordance with this Power Sales Contract during the term of this Power Sales Contract; provided, however, that non-delivery of

Electric Capacity and Electric Energy for any reason for any part, but not all, of a Month shall not relieve the Project Participant from its obligations to make its payments under Section 4 hereof.

SECTION 9. Insurance.

Subject to the provisions of the Participation Agreement and the Bond Resolution, FMPA shall maintain, or cause to be maintained, in force, as part of the Cost of Acquisition and Construction, Monthly Power Costs or Monthly Transmission Costs, as appropriate, insurance with responsible insurers with policies, payable to one or more of the parties to the Participation Agreement, to FMPA or the trustee referred to in paragraph (b) of Section 28 hereof as their interests shall appear, against risk or direct physical loss, damage or destruction of the St. Lucie Project, at least to the extent that similar insurance is usually carried by utilities constructing and operating electric generation facilities and transmission facilities of the nature of the generation and transmission facilities of the St. Lucie Project, including liability insurance and employers' liability, all to the extent available at reasonable cost but in no case less than will satisfy all applicable regulatory requirements.

SECTION 10. Accounting.

FMPA agrees to keep accurate records and accounts relating to the St. Lucie Project and relating to Monthly Power Costs and Monthly Transmission Costs, in accordance with the Bond Resolution and the Uniform System of Accounts, separate and distinct from its other records and accounts. Said accounts shall be audited annually, which audit may be conducted as part of and in connection with the normal year-end audit of FMPA, by a firm of certified public accountants, experienced in public finance and electric utility accounting and of national reputation, to be employed by FMPA. A copy of each annual audit, including all written comments and recommendations of such accountants, shall be furnished by FMPA to the Project Participant not later than 120 days after the end of each Contract Year.

The Project Participant agrees to keep accurate records and accounts relating to the conduct of its business and shall supply to FMPA not later than 120 days after the end of each fiscal year a copy of the annual audit of such records and accounts certified by a firm of certified public accountants, experienced in electric utility accounting.

SECTION 11. Information to be Made Available.

(a) Based, in each case, upon the data most recently available to FMPA pursuant to the Participation Agreement, FMPA will prepare and issue to the Project Participants the following reports each Month of the Contract Year:

(1) financial and operating statement relating to the St. Lucie Project,

(2) status of the St. Lucie Project annual budget,

(3) status of construction budget of the St. Lucie Project during construction, and

(4) monthly operating statistics relating to the St. Lucie Project;

(b) The Project Participant shall, upon request, furnish to FMPA all such information, certificates, engineering reports, feasibility reports, information relating to load forecasts and generation and transmission expansion plans, financial statements, opinions of counsel (including the opinion required by subsection (c) hereof), official statements and other documents as shall be reasonably necessary in connection with the financing of the St. Lucie Project.

(c) The Project Participant shall, at the time requested by FMPA, cause an opinion or opinions in the form attached hereto as Annex 2 to be delivered by one or more attorneys or firms of attorneys satisfactory to FMPA with respect to the authorization, execution and validity of this Power Sales Contract as it relates to the Project Participant, and, if the Project Participant shall have bonds outstanding secured by revenues of its electric or other integrated utility system, the legality under the terms and conditions of the ordinance, resolution, indenture or other contractual arrangement with the holders of such bonds of the performance by the Project Participant of its covenants and agreements under this Power Sales Contract. In addition, if the Project Participant has then agreed to sell any portion of Electric Capacity and Energy associated with its Power Entitlement Share to any other one or more Project Participants, such opinion shall also cover the authorization, execution and validity of the agreement relating to such sale.

SECTION 12. Additional Bonds and Refunding Bonds.

(a) Additional Bonds may be sold and issued by FMPA in accordance with the provisions of the Bond Resolution at any time and from time to time in the event, for any reason, the proceeds derived from the sale of Bonds prior to such time shall be insufficient for the purpose of paying the Cost of Acquisition and Construction of the St. Lucie Project.

(b) Additional Bonds may be sold and issued by FMPA in accordance with the provisions of the Bond Resolution at any time and from time to time in the event funds are required to pay all or a portion of the Cost of Acquisition and Construction of any Additional Facilities to the extent that sufficient funds are not available therefor in any Fund or Account under the Bond Resolution.

(c) Any such additional Bonds shall be secured by the pledge made pursuant to the provisions of Section 16 of this Power Sales Contract of the payments required to be made by the Project Participant under Section 4 of this Power Sales Contract, and all other payments attributable to the St. Lucie Project to be made in accordance with or pursuant to any other provision of this Power Sales Contract, as such payments may be increased and extended by reason of the issuance of such additional Bonds, and such additional Bonds may be issued in amounts sufficient to pay the full amount of such costs referred to in clause (a) or (b) above and to provide such reserves as may be reasonably determined by FMPA to be desirable. Any such additional Bonds issued in accordance with the provisions of this Section 12 and secured by the pledge of payments to be made in accordance with the provisions of this Section 12 may rank pari passu as to the security afforded by the provisions of this Power Sales Contract with all Bonds theretofore issued pursuant to and secured in accordance with the provisions of this Power Sales Contract or the Bond Resolution.

(d) In the event Monthly Power Costs and/or Monthly Transmission Costs may be reduced by the refunding of any Bonds then outstanding or in the event it shall otherwise be advantageous, in the opinion of FMPA, to refund any Bonds, FMPA may issue and sell refunding Bonds in accordance with the Bond Resolution to be secured by the pledge made pursuant to the provisions of Section 16 of this Power Sales Contract of the payments required to be made by the Project Participant under Section 4 of this Power Sales Contract and all other payments attributable to the St. Lucie Project to be made in accordance with or pursuant

to any other provision of this Power Sales Contract. Any such refunding Bonds issued in accordance with the provisions of this Section 12 and secured by the pledge of such payments may rank pari passu as to the security afforded by the provisions of this Power Sales Contract with all Bonds theretofore issued pursuant to and secured in accordance with the provisions of this Power Sales Contract.

SECTION 13. Disposition or Termination of the St. Lucie Project.

Subject to the provisions of the Participation Agreement, if St. Lucie Unit No. 2 shall be permanently removed from service, FMPA shall use its best efforts to cause St. Lucie Unit No. 2 to be economically salvaged, discontinued, decommissioned, disposed of or sold in whole or in part. The costs of salvage, discontinuance or disposition shall include, but shall not be limited to, costs for nuclear waste storage and disposal and all accrued costs and liabilities resulting from the construction, operation (including Fuel Costs), maintenance of and renewals and replacements to the St. Lucie Project. FMPA shall, after St. Lucie Unit No. 2 has been finally salvaged, decommissioned or disposed of, give each Project Participant a final accounting statement which shall, if all Bonds have been paid in full or provision for such payments shall have been made in accordance with the provisions of the Bond Resolution, credit to the Project Participant, and deduct from any amount otherwise chargeable to it, the Project Participant's share of the fair value of any disposable assets related to the St. Lucie Project then voluntarily retained by FMPA. If any such final accounting statement shows that the costs referred to above exceed such credits after application by FMPA of all available funds held under the Bond Resolution for such purpose, the Project Participant shall pay FMPA the amount shown to be due by such final accounting statement as an adjustment to previously paid Monthly Power Costs. If any such final accounting statement shows that the costs referred to above are less than such credits after application by FMPA of all other available funds held under the Bond Resolution for such purpose, FMPA shall, upon payment or provision for payment of all Bonds being made as provided in the Bond Resolution, pay the Project Participant, as an adjustment for overpayments of its share of Monthly Power Costs, an amount equal to its share of the amount of the excess credit.

SECTION 14. Project Participant Covenants.

The Project Participant agrees to maintain its electric or other integrated utility system in good operating condition, to cooperate with FMPA in the performance of the respective obligations of such Participant and FMPA under this Power Sales Contract and to establish, impose, maintain, enforce and collect rates, fees and charges for all services and facilities of its electric or other integrated utility system sufficient to provide revenues at the times

and in the amounts required to pay all costs of the supply of power or other output for the Project Participant's electric or other integrated utility system, including the payments to be made hereunder, as well as all other costs of operation, administration, maintenance and debt service of its electric or other integrated utility system and all other amounts payable from or constituting a lien or charge on the revenues of its electric or other integrated utility system.

The Project Participant further agrees that it will not take any action, except as permitted by Section 28(c) hereof, which will lead to its withdrawal as a member of FMPA or other termination of its membership in FMPA during the term of this Power Sales Contract and that it will not vote for or otherwise participate in any action to dissolve or otherwise terminate the existence of FMPA during the term of this Power Sales Contract.

The Project Participant covenants that it will not make any sales of its Power Entitlement Share, or take any other action, which would adversely affect the exemption from Federal income taxation of interest paid on the Bonds.

SECTION 15. Operation and Maintenance.

Subject to the provisions of the Participation Agreement, FMPA covenants and agrees that it will use its best efforts to operate, maintain and manage the St. Lucie Project or cause the same to be operated, maintained and managed in an efficient and economical manner.

SECTION 16. Pledge of Payments.

All right, title and interest of FMPA in and to this Power Sales Contract and all payments required to be made by the Project Participant pursuant to the provisions of Section 4 hereof, and all other payments attributable to the St. Lucie Project to be made in accordance with or pursuant to any other provision of this Power Sales Contract, shall be pledged, subject to application in accordance with the provisions of the Bond Resolution, to secure the payment of Bonds.

SECTION 17. Event of Default.

Failure of the Project Participant to make to FMPA when due any of the payments for which provision is made in this Power Sales Contract or failure of the Project Participant to make when due any of the payments for which provision is made in Section 3 of the Project Participant's Project Support Contract shall constitute an immediate default on the part of the Project Participant.

SECTION 18. Continuing Obligation, Right to Discontinue Service.

In the event of any default referred to in Section 17 hereof, the Project Participant shall not be relieved of its liability for payment of the amounts in default and FMPA shall have the right to recover from the Project Participant any amount in default. In enforcement of any such right of recovery, FMPA may bring any suit, action, or proceeding in law or in equity, including mandamus, injunction, specific performance, declaratory judgment, or any combination thereof, as may be necessary or appropriate to enforce any covenant, agreement or obligation to make any payment for which provision is made in this Power Sales Contract against the Project Participant, and FMPA may, upon thirty days written notice to the Project Participant, cease and discontinue, either permanently or on a temporary basis, providing all or any portion of the Project Participant's Power Entitlement Share or Transmission Services.

SECTION 19. Transfer of Power Entitlement Shares Following Default.

In the event of a default by any Project Participant and permanent discontinuance of service pursuant to Section 18 of such Project Participant's Power Sales Contract, FMPA is hereby appointed the agent of such Project Participant for the purpose of disposing of such Project Participant's Power Entitlement Share and as such agent, FMPA shall proceed to dispose of such defaulting Project Participant's Power Entitlement Share as follows:

(a) FMPA shall first offer to transfer to all other nondefaulting Project Participants a pro rata portion of the defaulting Project Participant's Power Entitlement Share which shall have been discontinued by reason of such default. Any part of such Power Entitlement Share of a defaulting Project Participant which shall be declined by any nondefaulting Project Participant shall be reoffered pro rata to the nondefaulting Project Participants which have accepted in full the first such offer; such reoffering shall be repeated until such defaulting Project Participant's Power Entitlement Share has been reallocated in full or until all nondefaulting Project Participants have declined to take any portion or additional portion of such defaulting Project Participant's Power Entitlement Share.

(b) In the event less than all of a defaulting Project Participant's Power Entitlement Share shall be accepted by the other nondefaulting Project Participants pursuant to clause (a), FMPA shall, to the extent permitted by law, use its reasonable best efforts to sell the remaining portion of a defaulting Project Participant's

Power Entitlement Share for the remaining term of such defaulting Project Participant's Power Sales Contract with FMPA. The agreement for such sale shall contain such terms and conditions as will not adversely affect the security for the Bonds afforded by the Power Sales Contract of such defaulting Project Participant, including provisions for discontinuance of service upon default, and as are otherwise acceptable to FMPA; in the event of default and discontinuance of service under such agreement, the Power Entitlement Share sold pursuant to such agreement shall be offered and transferred as provided for defaulting Project Participants in this Section 19.

(c) In the event less than all of a defaulting Project Participant's Power Entitlement Share shall be accepted by the nondefaulting Project Participants pursuant to clause (a) or sold pursuant to clause (b) of this Section, FMPA shall transfer, on a pro rata basis (based on original Power Entitlement Share), to all other Project Participants which are not in default, the remaining portion of such defaulting Project Participant's Power Entitlement Share; provided, however, that in no event shall any transfer of any part of a defaulting Project Participant's Power Entitlement Share pursuant to clause (c) of this Section result in a transferee Project Participant having a Power Entitlement Share (including transfers to such transferee Project Participant pursuant to clause (a) of this Section) in excess of 125% of its original Power Entitlement Share.

(d) Any portion of the Power Entitlement Share of a defaulting Project Participant transferred pursuant to this Section to a nondefaulting Project Participant shall become a part of and shall be added to the Power Entitlement Share of each transferee Project Participant, and the transferee Project Participant shall be obligated to pay for its Power Entitlement Share increased as aforesaid, as if the Power Entitlement Share of the transferee Project Participant, increased as aforesaid, had been stated originally as the Power Entitlement Share of the transferee Project Participant in its Power Sales Contract with FMPA.

(e) In the event less than all of a defaulting Project Participant's Power Entitlement Share shall be sold or transferred pursuant to the foregoing clauses of this Section 19, FMPA shall, to the extent permitted by law, use its reasonable best efforts to sell the remaining portion of a defaulting Project Participant's Power Entitlement Share or the Electric Capacity and Electric Energy or the energy associated therewith on such terms and conditions as are acceptable to FMPA.

In the event of sale or transfer of a Project Participant's Power Entitlement Share pursuant to the foregoing clauses of this Section 19, the Transmission Entitlement Shares of the Project Participants will be immediately adjusted to the extent, if any, required to reflect such sale or transfer.

Notwithstanding any of the foregoing, the Project Participant and each of the Project Participants listed on Annex 1, as amended, acknowledges and agrees that any sale or transfer by the City of Kissimmee, Florida, the Lake Worth Utilities Authority, Florida, or the Utilities Commission, City of New Smyrna Beach, Florida, respectively, of all or any portion of their respective Power Entitlement Shares pursuant to this Section 19 shall be subject to the rights of the City of Gainesville, Florida in accordance with the terms of the respective Contracts between the City of Gainesville, Florida and the City of Kissimmee, Florida, the Lake Worth Utilities Authority, Florida, and the Utilities Commission, City of New Smyrna Beach, Florida, dated July 10, 1981, July 23, 1981 and July 23, 1981, respectively.

The defaulting Project Participant shall remain liable for all payments to be made on its part pursuant to the Power Sales Contract, except that the obligation of the defaulting Project Participant to pay FMPA shall be reduced to the extent that payments shall be received by FMPA for that portion of the defaulting Project Participant's Power Entitlement Share which may be transferred or sold or for the Electric Energy associated therewith which may be sold as provided in this Section 19.

SECTION 20. Other Default by Project Participant.

In the event of any default by the Project Participant under any other covenant, agreement or obligation of this Power Sales Contract, other than Section 17 hereof, FMPA may bring any suit, action, or proceeding in law or in equity, including mandamus, injunction, specific performance, declaratory judgment, or any combination thereof, as may be necessary or appropriate to enforce any covenant, agreement or obligation of this Power Sales Contract against the Project Participant. Such remedies shall be in addition to all other remedies provided for herein.

SECTION 21. Default by FMPA.

In the event of any default by FMPA under any covenant, agreement or obligation of this Power Sales Contract, the Project Participant's remedy for such default shall be limited to mandamus, injunction, action for specific performance or any other available equitable remedy designed to enforce any covenant, obligation or agreement of FMPA hereunder as may be necessary or appropriate.

SECTION 22. Abandonment of Remedy.

In case any proceeding taken on account of any default shall have been discontinued or abandoned for any reason, the parties to such proceedings shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of FMPA and the Project Participant shall continue as though no such proceedings had been taken.

SECTION 23. Waiver of Default.

Any waiver at any time by either FMPA or the Project Participant of its rights with respect to any default of the other party hereto, or with respect to any other matter arising in connection with this Power Sales Contract, shall not be a waiver with respect to any subsequent default, right or matter.

SECTION 24. Relationship to and Compliance with Other Instruments.

(a) It is recognized by the parties hereto that FMPA, in undertaking, or causing to be undertaken, the planning, financing, construction, acquisition, operation and maintenance of the St. Lucie Project, must comply with the requirements of the Bond Resolution, the Participation Agreement and all licenses, permits and regulatory approvals necessary therefor, and it is therefore agreed that the performance of FMPA under this Power Sales Contract is made subject to the terms and provisions of the Bond Resolution, the Participation Agreement and all such licenses, permits and regulatory approvals;

(b) FMPA covenants and agrees to use its best efforts for the benefit of the Project Participant to comply in all material respects with all terms, conditions and covenants of the Bond Resolution, the Participation Agreement and all licenses, permits and regulatory approvals relating thereto.

(c) It is recognized and agreed by the parties hereto that in the event of a default on the part of the Project Participant referred to in Section 17 hereof, under the circumstances and in the manner described in Section 33 of the Participation Agreement, FP&L shall have the right on its own behalf to take any action which FMPA would be entitled to take hereunder to enforce, by action taken directly against the Project Participant, all or any obligations of the Project Participant hereunder. It is recognized by the parties hereto that FMPA and FP&L will enter into the Participation Agreement in reliance on FP&L's being a third-party beneficiary of this Power Sales Contract as

provided in this Section 24(c). FP&L and FMPA have acknowledged and agreed to the position of FP&L as a third-party beneficiary of this Power Sales Contract in the Participation Agreement and the Project Participant herein does agree that this Section 24(c) of this Power Sales Contract may not be rescinded, amended, supplemented or altered in any way without the express written consent of FP&L.

FP&L and FMPA have acknowledged and agreed in the Participation Agreement and Project Participant herein does agree that this Power Sales Contract may not be rescinded, amended, supplemented or altered in any other way that would materially lessen, release or alter the rights of FP&L or the obligations of the Participant to FP&L without the express written consent of FP&L; without limiting the generality of the foregoing, it is expressly understood that any modification to the rate covenant and the obligations to make payments hereunder constitute material alteration of the rights of FP&L.

SECTION 25. Measurement of Electric Energy.

(a) FMPA will or will cause FP&L to install, maintain, and operate the metering equipment, required to measure the quantities of Electric Energy produced and delivered from the St. Lucie Project, all in accordance with Section 3 of the Participation Agreement. FMPA shall have the option of metering at a location other than the St. Lucie Project, in which event the measurements shall be appropriately adjusted for losses. At least once in each Contract Year FMPA will make or cause to be made such tests and inspections of FMPA's meters as may be necessary to maintain them at the highest practical commercial standard of accuracy. Each meter used pursuant to this subsection 25(a) shall be tested and calibrated.

(b) FMPA reserves the right to provide for installation of meters and will provide or cause to be provided all necessary metering equipment for determining the quantity and conditions of the supply of Electric Capacity and Electric Energy delivered by FMPA to the Project Participant's Point of Delivery under this Power Sales Contract; provided, however, that the Project Participant may at its own cost install additional metering equipment. The Project Participant shall supply without cost to FMPA a suitable place for installing FMPA's metering equipment at the Project Participant's Point of Delivery.

If any meter installed by FMPA under this subparagraph (b) fails to register or is found to be

inaccurate, FMPA shall repair or replace such meter or cause it to be repaired or replaced, and an appropriate billing shall be made to the Project Participant by FMPA based upon the best information available for the period, not exceeding sixty (60) days, during which no metering occurred. Any meter tested and found to be no more than two percent above or below normal shall be considered accurate insofar as correction of billings is concerned. If, as a result of any test, a meter is found to register in excess of two percent above or below normal, then the reading of such meter previously taken for billing purposes shall be corrected for the period during which it is established the meter was inaccurate, but no correction shall be made for any period beyond sixty days prior to the date on which the meter test was requested.

SECTION 26. Liability of Parties.

FMPA and the Project Participant shall assume full responsibility and liability for the maintenance and operation of their respective properties and each shall indemnify and save harmless the other from all liability and expense on account of any and all damages, claims, or actions, including injury to or death of persons arising from any act or accident in connection with the installation, presence, maintenance and operation of the property and equipment of the indemnifying party and not caused by the negligence of the other party; provided that any liability which is incurred by FMPA through the operation and maintenance of the St. Lucie Project or pursuant to the Participation Agreement and not covered, or not covered sufficiently, by insurance shall be paid solely from the revenues of FMPA, and any payments made by FMPA, or which FMPA is obligated to make, to satisfy such liability shall become part of Monthly Power Costs or the Cost of Acquisition and Construction, or a combination thereof, as required in order to satisfy the obligation of FMPA to make such payments as provided in the Participation Agreement, or Monthly Transmission Costs, as appropriate.

SECTION 27. Sale of Excess Project Participant's Power Entitlement Share.

In the event the Project Participant shall determine that all or any part of the Electric Capacity or Electric Energy which can be produced from the Project Participant's Power Entitlement Share are in excess of the requirements of the Project Participant, at the written request of the Project Participant, FMPA shall use its best efforts to sell and transfer on behalf of such Project Participant for any period of time all or any part of such excess Electric Capacity or Electric Energy to such other Project Participant or Participants as shall agree to take such excess capacity or energy at such prices as may be agreed to, provided, however, that in the event the other Project Participants do not agree to take the entire amount

of such excess, FMPA shall have the right, to the extent permitted by law, to dispose of such excess to other utilities. If all or any portion of such excess of the Project Participant's Power Entitlement Share is sold pursuant to this Section 27, the Project Participant's Power Entitlement Share shall not be reduced, and the Project Participant shall remain liable to FMPA to pay the full amount due as if such sale had not been made; except that such liability shall be discharged to the extent that FMPA shall receive payment for such excess from the purchaser or purchasers thereof and that any amounts received by FMPA as payment for such excess which is greater than the liability owed by the Project Participant to FMPA in respect of such excess shall be promptly paid by FMPA to the Project Participant.

SECTION 28. Assignment of Power Sales Contract, Sale of Project Participant's System.

(a) This Power Sales Contract shall inure to the benefit of and shall be binding upon the respective successors and assigns of the parties to this Power Sales Contract; provided, however, that, except as provided in Section 19 hereof in the event of a default and except for the assignment and pledge authorized by paragraph (b) of this Section 28, for the assignments authorized by paragraph (c) of this Section 28 and for the assignment permitted by paragraph (d) of this Section 28, neither this Power Sales Contract nor any interest herein shall be transferred or assigned by either party hereto except with the consent in writing of the other party hereto, which consent shall not be unreasonably withheld. No assignment or transfer of this Power Sales Contract shall relieve the parties of any obligation hereunder.

(b) The Project Participant acknowledges and agrees that FMPA may assign and pledge to the trustee designated in the Bond Resolution all its right, title, and interest in, to and under this Power Sales Contract and all payments to be made to FMPA under the provisions of this Power Sales Contract as security for the payment of the principal (including sinking fund installments) of, premium, if any, and interest on Bonds.

(c) The Project Participant agrees that it will not sell, lease or otherwise dispose of all or substantially all of its electric utility system except upon ninety (90) days prior written notice to FMPA and, in any event, will not sell, lease or otherwise dispose of the same unless the following conditions are met: (i) the Project Participant shall assign this Power Sales Contract and its rights and interest hereunder to the purchaser or lessee of said electric system, and such purchaser or lessee shall assume all obligations of the Project Participant under this Power

Sales Contract; (ii) FMPA shall be permitted by then applicable law to sell Electric Capacity and Electric Energy to said purchaser or lessee; and (iii) FMPA shall by appropriate action determine that such sale, lease or other disposition will not adversely affect the value of this Power Sales Contract as security for the payment of Bonds and interest thereon or affect the eligibility of interest on Bonds then outstanding or which could be issued in the future for federal tax-exempt status.

(d) Notwithstanding any of the foregoing restrictions, the Project Participant and each of the Project Participants listed on Annex 1, as amended, and FMPA acknowledges and agrees that the City of Kissimmee, Florida, the Lake Worth Utilities Authority, Florida, and the Utilities Commission, City of New Smyrna Beach, Florida, may transfer or assign, respectively, to the City of Gainesville, Florida, all or any portion of their respective Power Entitlement Shares in accordance with the terms of the respective Contracts between the City of Gainesville, Florida, and the City of Kissimmee, Florida, the Lake Worth Utilities Authority, Florida, and the Utilities Commission, City of New Smyrna Beach, Florida, dated July 10, 1981, July 23, 1981 and July 23, 1981, respectively, which would require the City of Gainesville, Florida, to execute a Power Sales Contract and a Project Support Contract. In the event of any such transfer or assignment by one or more of the City of Kissimmee, Florida, the Lake Worth Utilities Authority, Florida, or the Utilities Commission, City of New Smyrna Beach, Florida, to the City of Gainesville, Florida, the entity or entities making such transfer or assignment shall be relieved of its obligations under its Power Sales Contract to the extent of the relinquishment of its Power Entitlement Share to the City of Gainesville, Florida, upon the execution of a Power Sales Contract by the City of Gainesville, Florida, with FMPA, substantially similar to this Power Sales Contract.

SECTION 29. Termination or Amendment of Contract.

(a) This Power Sales Contract shall not be terminated by either party under any circumstances, whether based upon the default of the other party under this Power Sales Contract or any other instrument or otherwise except as specifically provided in this Power Sales Contract.

(b) This Power Sales Contract may be terminated by FMPA by notice to the Project Participant or if FMPA is unable to issue any Bonds under the Bond Resolution to

finance all or any portion of the cost of the St. Lucie Project prior to January 1, 1984.

(c) This Power Sales Contract shall not be terminated, amended, modified, or otherwise altered in any manner that will adversely affect the security for the Bonds afforded by the provisions of this Power Sales Contract upon which the owners from time to time of the Bonds shall have relied as an inducement to purchase and hold the Bonds. So long as any of the Bonds are outstanding or until adequate provisions for the payment thereof have been made in accordance with the provisions of the Bond Resolution, this Power Sales Contract shall not be terminated, amended, modified, or otherwise altered in any manner which will reduce the payments pledged as security for the Bonds or extend the time of such payments provided herein or which will in any manner impair or adversely affect the rights of the owners from time to time of the Bonds.

(d) No Power Sales Contract entered into between FMPA and another Project Participant may be amended so as to provide terms and conditions different from those herein contained except upon written notice to and written consent or waiver by each of the other Project Participants, and upon similar amendment being made to the Power Sales Contract of any other Project Participants requesting such amendment after receipt by such Project Participant of notice of such amendment.

(e) It is recognized by FMPA and the Project Participant that, in the future, conditions may arise which will cause certain of the provisions of Sections 5, 6, 7, 25, and 27 hereof to be inappropriate. In such event, FMPA and the Project Participant agree to negotiate in good faith and amend such provisions to reflect conditions prevailing at such times.

SECTION 30. Notice and Computation of Time.

Any notice or demand by the Project Participant to FMPA under this Power Sales Contract shall be deemed properly given if mailed, certified mail, postage prepaid, return receipt requested and addressed to FMPA at its operational office; any notice or demand by FMPA to the Project Participant under this Power Sales Contract shall be deemed properly given if mailed postage prepaid and addressed to

the Director of Utilities, City of Vero Beach
P. O. Box 1389, Vero Beach, Florida 32960

in computing any period of time from such notice, such period shall commence at noon on the date mailed. The designations of the name and address to which any such notice or demand is

directed may be changed at any time and from time to time by either party giving notice as above provided.

SECTION 31. Applicable Law; Construction.

This Power Sales Contract is made under and shall be governed by the laws of the State of Florida. Headings herein are for convenience only and shall not influence the construction hereof.

SECTION 32. Severability.

If any section, paragraph, clause or provision of this Power Sales Contract shall be finally adjudicated by a court of competent jurisdiction to be invalid, the remainder of this Power Sales Contract shall remain in full force and effect as though such section, paragraph, clause or provision or any part thereof so adjudicated to be invalid had not been included herein.

IN WITNESS WHEREOF, the parties hereto have caused this Power Sales Contract to be executed by their proper officers respectively, being thereunto duly authorized, and their respective seals to be hereto affixed, as of the day and year first above written.

FLORIDA MUNICIPAL POWER AGENCY

(SEAL)

By _____
Chairman

Attest:

_____
Secretary

THE CITY OF VERO BEACH, FLORIDA

(SEAL)

By _____
Mayor

Attest:

_____
City Clerk

By _____
City Manager

Annex 1

SCHEDULE OF PROJECT PARTICIPANTS

Name of Participant	Power Entitlement Share
ALACHUA	0.431 %
CLEWISTON	2.202
FORT MEADE	0.336
FORT PIERCE	13.881
GREEN COVE SPRINGS	1.757
HOMESTEAD	8.269
JACKSONVILLE BEACH	7.329
KISSIMMEE	9.405
LAKE WORTH	19.036
LEESBURG	2.326
MOORE HAVEN	0.384
NEWBERRY	0.184
NEW SMYRNA BEACH	15.718
SEBRING	1.325
STARKE	2.215
VERO BEACH	15.202
	100.000

Annex 2

[FORM OF OPINION OF COUNSEL TO PROJECT PARTICIPANT]

_____, 1982

Florida Municipal Power Agency
Orlando Central Park, Suite 148
7200 Lake Ellenor Drive
Orlando, Florida 32809

Gentlemen:

I am an attorney admitted to practice in the State of Florida and I have acted as counsel to _____ (the "Participant"), a member of Florida Municipal Power Agency ("FMPA") which has entered into a Power Sales Contract and a Project Support Contract (as hereinafter defined) with FMPA, and have acted as such in connection with the participation of the Participant in FMPA and the authorization, execution and delivery by the Participant of its Power Sales Contract and Project Support Contract.

In so acting I have examined that Constitution and laws of the State of Florida and [add local ordinance, charter and/or by-laws as appropriate] of the Participant. We have also examined originals, or copies certified or otherwise identified to our satisfaction, of the following:

(a) FMPA's St. Lucie Project Revenue Bond Resolution, adopted by the Board of Directors of FMPA on March 26, 1982 and amended and restated in the entirety on May 21, 1982 (the "Bond Resolution") pursuant to which the $_____ aggregate principal amount of its St. Lucie Project Revenue Bonds, 1982 Series (the "Bonds") are being issued;

(b) the Power Sales Contract, dated as of June 1, 1982 (the "Power Sales Contract") between FMPA and the Participant, and the Project Support Contract, dated as of June 1, 1982 (the "Project Support Contract"), between FMPA and the Participant;

(c) proceedings of the governing body of the Participant in connection with the establishment of FMPA; and

(d) proceedings of the governing body of the Participant relating to authorization of the Power Sales Contract and the Project Support Contract;

(e) the Official Statement of FMPA, dated _____, relating to the Bonds (the "Official Statement"); and

(f) all outstanding instruments relating to bonds, notes or other indebtedness of or relating to the Participant's electric utility or other integrated utility system.

I have also examined and relied upon originals or copies, certified or otherwise authenticated to my satisfaction, of such other records, documents, certificates and other instruments, and made such investigation of law, as in my judgment have deemed necessary or appropriate to enable me to render the opinions expressed below.

I am of the opinion that:

1. The Participant is a public agency as defined in Section 163.01(3)(b), Florida Statutes, as amended, and an electric utility as defined in Section 361.11(2), Florida Statutes, as amended, duly created and validly existing pursuant to the constitution and statutes of the State of Florida, with the legal right to carry on the business of its electric utility or other integrated utility system as currently being conducted and as proposed to be conducted as described in the Official Statement.

2. Each of the Power Sales Contract and the Project Support Contract has been duly authorized, executed and delivered by the Participant.

3. Neither the Participant's execution and delivery of the Power Sales Contract and the Project Support Contract, compliance by the Participant therewith nor the consummation of the transactions contemplated thereby will conflict with or constitute a breach of or default under the terms of any statute of the State of Florida, the Participant's [add local ordinance, charter and/or by-laws as appropriate], any administrative rule or regulation of the State of Florida or of any bond resolution, judgment, decree, order, license, permit, franchise, agreement or instrument to which the Participant is subject or by which it or any of its properties is bound, or result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets of the Participant, except as expressly provided by the Power Sales Contract, the Project Support Contract and the Bond Resolution.

4. There is no action, suit, proceeding, inquiry or investigation by or before any court, governmental agency, public board or body pending or, to the best of our

knowledge, threatened against the Participant or its electric utility or other integrated utility system which (a) affects or seeks to prohibit, restrain or enjoin the Participant from entering into or complying with the obligations contained in the Power Sales Contract or Project Support Contract, including the payment obligations to FMPA contained therein, or (b) in any way affects or questions the validity or enforceability of those agreements, nor, to the best of my knowledge, is there any basis therefor.

Very truly yours,

ST. LUCIE PROJECT

AMENDMENT NO. 1 TO THE POWER SALES CONTRACT

BETWEEN

FLORIDA MUNICIPAL POWER AGENCY

AND

THE CITY OF VERO BEACH, FLORIDA

ST. LUCIE PROJECT

AMENDMENT NO. 1 TO THE POWER SALES CONTRACT made and entered into as of January 1, 1983, by and between FLORIDA MUNICIPAL POWER AGENCY, a legal entity organized under the Laws of the State of Florida ("FMPA") and THE CITY OF VERO BEACH, FLORIDA, a public agency of the State of Florida and a member of FMPA (the "Project Participant"). Capitalized terms not otherwise defined herein shall have the meanings set forth in the Power Sales Contract hereinafter referred to.

WITNESSETH:

WHEREAS, FMPA was created to, among other things, provide a means for the Florida municipal corporations and other entities which are members of FMPA to cooperate with each other on a basis of mutual advantage to provide Electric Capacity and Electric Energy; and

WHEREAS, FMPA is authorized and empowered, among other things, (i) to plan, finance, acquire, construct, reconstruct, own, lease, operate, maintain, repair, improve, extend or otherwise participate jointly in one or more electric projects; (ii) to issue its bonds, notes or other evidences of indebtedness to pay all or part of the costs of acquiring such electric projects; and (iii) to exercise all other powers which may be necessary and proper to further the purposes of FMPA which have been or may be granted to FMPA under the laws of the State of Florida; and

WHEREAS, FMPA has entered into the St. Lucie Unit No. 2 Participation Agreement, made as of February 11, 1982 with Florida Power & Light Company ("FP&L"), as amended by Amendment Number One to St. Lucie Unit No. 2 Participation Agreement made as of March 26, 1982 between FMPA and FP&L, pursuant to which FMPA will purchase an undivided interest in St. Lucie Unit No. 2, and will be entitled to the Electric Capacity and Electric Energy derived from, those facilities and contractual arrangements and agreements described herein and designated as the St. Lucie Project; and

WHEREAS, FMPA will take or cause to be taken all steps necessary for acquisition and construction of those facilities and contractual arrangements and agreements described herein and designated as the St. Lucie Project for the supply of Electric Capacity and Electric Energy to the Project Participant and to the other Project Participants contracting with FMPA therefor, and will sell the Electric Capacity and Electric Energy of the St. Lucie Project pursuant to this Power Sales Contract and pursuant to contracts substantially similar to this contract with such other Project Participants; and

WHEREAS, the acquisition and construction of the St. Lucie Project for the supply of Electric Capacity and Electric Energy to the Project Participant and the other Project Participants contracting with FMPA therefor has been authorized by the Interlocal Agreement Creating the Florida Municipal Power Agency, as amended to

date and as such Agreement has been supplemented by resolutions adopted by the Board of FMPA at meetings duly called and duly held on March 26 and May 21, 1982, which Interlocal Agreement, as so amended and supplemented, constitutes "an agreement to implement a project" and a "joint power agreement" for the St. Lucie Project, as such terms are used in Chapter 361, Part II, Florida Statutes, as amended;

WHEREAS, in order to enable FMPA to issue its bonds to pay the cost of acquiring and constructing the St. Lucie Project the Project Participant has entered into a Power Sale Contract dated as of June 1, 1982 with FMPA (the "Power Sales Contract") and other Project Participants have entered into Power Sales Contracts with FMPA (the Power Sales Contract together with the other Power Sales Contracts, collectively the "Power Sales Contracts") substantially similar to the Power Sales Contract, and to pledge the payments required to be made in accordance with such contracts as security for the payment of such bonds;

WHEREAS, the Power Sales Contracts designated each Project Participant's Power Entitlement Share;

WHEREAS, one of the Project Participants has determined that it is in its best interest to transfer a portion of its Power Entitlement Share to another Project Participant; and

WHEREAS, FMPA and the Project Participant desire to execute this Amendment in order to amend the Power Sales Contract, and other Project Participants shall enter into similar binding amendments to their Power Sales Contracts, to reflect the transfer of a portion of the Power Entitlement Share of one Project Participant to another Project Participant and FMPA is desirous of facilitating such transfer;

NOW, THEREFORE, for and in consideration of the mutual covenants and agreement herein contained, it is agreed by and between the parties hereto as follows:

ARTICLE I

Amendments

SECTION 1.1. Amendments to Power Sales Contract. The Power Sales Contract is hereby amended as follows:

(i) Annex 1 attached to the Power Sales Contract is hereby amended in its entirety to read as set forth as Annex 1 attached hereto.

(ii) References in the Power Sales Contract to "this Power Sales Contract" (and indirect references such as "hereof" and "herein") shall mean the Power Sales Contract as amended by this Amendment No. 1.

(iii) References in the Power Sales Contract to "Power Sales Contracts" shall mean the Power Sales Contract as amended by this Amendment No. 1 and the other Power Sales Contracts as amended by respective Amendments No. 1 thereto dated as of the date hereof, by and between FMPA and the Project Participants.

(iv) References in the Power Sales Contract to a "Project Support Contract" shall mean the Project Support Contract as amended by Amendment No. 1 thereto dated as of January 1, 1983 by and between FMPA and a Project Participant, and references to "Project Support Contracts" shall mean the Project Support Contracts as amended by Amendments No. 1 dated as of January 1, 1983 by and between FMPA and each of the Project Participants, respectively.

ARTICLE II

Miscellaneous

SECTION 2.1. Effect of Amendment; Severability.

(a) **Effect.** Except as expressly amended hereby, the Power Sales Contract shall remain in full force and effect in accordance with the terms thereof.

(b) **Severability.** In the event that any provision in this Amendment is declared illegal or no longer in force by reason of any judgment or order issued by a court or regulatory body of competent jurisdiction, all remaining provisions of this Amendment not affected by such judgment or order shall continue in full force and effect.

SECTION 2.2. Further Amendments. Nothing herein shall be construed to limit the rights of FMPA and the Project Participant to further amend from time to time the Power Sales Contract as contemplated thereby.

SECTION 2.3. Governing Law. The interpretation of this Amendment No. 1 and the rights and obligations of the Project Participants shall be governed by and construed and enforced in accordance with the laws of the State of Florida.

SECTION 2.4. Effectiveness. This Amendment No. 1 shall become effective immediately upon execution and delivery of substantially similar amendments by FMPA and each of the Project Participants.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 1 to be executed by their proper officers respectively, being thereunto duly authorized, and their respective corporate seals to be hereto affixed, as of the day and year first above written.

(Seal)

FLORIDA MUNICIPAL POWER AGENCY

Attest:

By _____
Chairman

_____
Secretary

THE CITY OF VERO BEACH, FLORIDA

Attest:

_____
Title: City Clerk

By _____
Title: Mayor

By _____
Title: City Manager

Annex 1

SCHEDULE OF PROJECT PARTICIPANTS

Name of Participant	Power Entitlement Share
Alachua	0.431%
Clewistom	2.202
Fort Meade	0.336
Fort Pierce	13.881
Green Cove Springs	1.757
Homestead	8.269
Jacksonville Beach	7.329
Kissimmee	9.405
Lake Worth	24.870
Leesburg	2.326
Moore Haven	0.384
Newberry	0.184
New Smyrna Beach	9.884
Sebring	1.325
Starke	2.215
Vero Beach	15.202
	100.000

such records and accounts certified by a firm of certified public accountants, experienced in electric utility accounting."

ARTICLE II

Miscellaneous

SECTION 2.1. Effect of Amendment; Severability.

(a) **Effect.** Except as expressly amended hereby, the Power Sales Contract shall remain in full force and effect in accordance with the terms thereof.

(b) **Severability.** In the event that any provision in this Amendment No. 2 is declared illegal or no longer in force by reason of any judgment or order issued by a court or regulatory body of competent jurisdiction, all remaining provisions of this Amendment not affected by such judgment or order shall continue in full force and effect.

SECTION 2.2. Further Amendments. Nothing herein shall be construed to limit the rights of FMPA and the Project Participant to further amend from time to time the Power Sales Contract as contemplated thereby.

SECTION 2.3. Governing Law. The interpretation of this Amendment No. 2 and the rights and obligations of the Project Participants shall be governed by and construed and enforced in accordance with the laws of the State of Florida.

SECTION 2.4. Effectiveness. This Amendment No. 2 shall become effective immediately upon execution and delivery of substantially similar amendments by FMPA and each of the Project Participants.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 2 to be executed by their proper officers respectively, being thereunto duly authorized, and their respective corporate seals to be hereto affixed, as of the day and year first above written.

(Seal)

FLORIDA MUNICIPAL POWER AGENCY

Attest:

By _____
Chairman

Joseph M Sandugno Jr
Secretary

THE CITY OF VERO BEACH, FLORIDA

Attest:

Phyllis A. Henderson
Title: City Clerk

By Dorothy M. Cain
Title: Mayor

By _____
Title: City Manager

ST. LUCIE PROJECT

PROJECT SUPPORT CONTRACT

BETWEEN

FLORIDA MUNICIPAL POWER AGENCY

AND

THE CITY OF VERO BEACH, FLORIDA

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ST. LUCIE PROJECT

PROJECT SUPPORT CONTRACT

This PROJECT SUPPORT CONTRACT made and entered into as of June 1, 1982, by and between FLORIDA MUNICIPAL POWER AGENCY, a legal entity organized under the laws of the State of Florida ("FMPA") and THE CITY OF VERO BEACH, FLORIDA, a public agency of the State of Florida and a member of FMPA (the "Project Participant").

WITNESSETH:

WHEREAS, FMPA was created to, among other things, provide a means for the Florida municipal corporations and other entities which are members of FMPA to cooperate with each other on a basis of mutual advantage to provide Electric Capacity and Electric Energy; and

WHEREAS, FMPA is authorized and empowered, among other things, (i) to plan, finance, acquire, construct, reconstruct, own, lease, operate, maintain, repair, improve, extend or otherwise participate jointly in one or more electric projects; (ii) to issue its bonds, notes or other evidences of indebtedness to pay all or part of the costs of acquiring such electric projects; and (iii) to exercise all other powers which may be necessary and proper to further the purposes of FMPA which have been or may be granted to FMPA under the laws of the State of Florida; and

WHEREAS, the Project Participants are empowered to contract to make payments to FMPA out of funds legally available to the Project Participants and to advance or contribute funds to FMPA to enable FMPA to carry out any of its powers and duties; and

WHEREAS, FMPA has entered into the St. Lucie Unit No. 2 Participation Agreement, made as of February 11, 1982 with Florida Power & Light Company ("FP&L"), as amended by Amendment Number One to St. Lucie Unit No. 2 Participation Agreement made as of March 26, 1982 between FMPA and FP&L, pursuant to which FMPA will purchase an undivided interest in St. Lucie Unit No. 2, and will be entitled to the Electric Capacity and Electric Energy derived from, those facilities and contractual arrangements and agreements described and designated in the Power Sales Contracts referred to below as the St. Lucie Project; and

WHEREAS, FMPA will enter into a Power Sales Contract dated the date hereof with the Project Participant and enter into substantially similar binding contracts with the other Project Participants providing for the sale of Electric Capacity and Electric Energy from those facilities and contractual arrangements and agreements described and designated in the Power Sales Contracts as the St. Lucie Project;

WHEREAS, the acquisition and construction of the St. Lucie Project for the supply of Electric Capacity and Electric Energy to the Project Participant and the other Project Participants contracting with FMPA therefor has been authorized by the Interlocal Agreement Creating the Florida Municipal Power Agency, as such Agreement has been supplemented by resolutions adopted by the Board of Directors of FMPA at meetings duly called and duly held on March 26 and May 21, 1982, which constitutes "an agreement to implement a project" and a "joint power agreement" for the St. Lucie Project, as such terms are used in Chapter 361, Part II, Florida Statutes, as amended; and

WHEREAS, the Power Sales Contracts require payments to be made only for Months when Electric Capacity and Electric Energy are being made available; and

WHEREAS, in order to assure a continuity for the St. Lucie Project by providing support for the payment by FMPA of costs of the St. Lucie Project, it is necessary for FMPA to have substantially similar binding contracts with the Project Participant and the other Project Participants of FMPA to provide for the payment of costs relating to the St. Lucie Project during such periods when such costs are not required to be paid pursuant to the terms of the Power Sales Contracts; and

WHEREAS, it is also necessary in order to induce the purchase from time to time of the Bonds to be issued by FMPA in respect of the St. Lucie Project and any interest coupons appertaining thereto by all who shall at any time become holders thereof that FMPA has substantially similar binding contracts with the Project Participant and the other Project Participants as described in the preceding clause and that FMPA pledge the payments required to be made in accordance with this Project Support Contract and such substantially similar contracts as security for the payment of such Bonds;

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements herein contained, it is agreed by and between the parties hereto as follows:

SECTION 1. Definitions and Explanations of Terms.

For convenience, except as otherwise defined herein, the terms used herein which are defined in the Power Sales Contracts shall have the meaning set forth in the Power Sales Contracts.

As used herein:

Project Support Contracts shall mean this Project Support Contract and the other Project Support Contracts between FMPA and the other Project Participants relating to the St. Lucie Project.

Project Support Month shall mean any Month of any Contract Year during which no Electric Capacity and Electric Energy from the St. Lucie Project was made available to the Project Participant.

Project Support Payment shall mean, with respect to any Project Support Month, an amount equal to the amount the Project Participant would have been required to pay under the Power Sales Contract for such Month for Monthly Power Costs and Monthly Transmission Costs if any Electric Capacity and Electric Energy from the St. Lucie Project had been made available to the Project Participant during such Month.

SECTION 2. Term of Contract.

This Project Support Contract shall become effective upon execution and delivery of Project Support Contracts and Power Sales Contracts by all Project Participants and shall continue for the term of the Project Participant's Power Sales Contract.

SECTION 3. Project Participant's St. Lucie Project Support.

(a) With respect to each Project Support Month, the Project Participant shall make a Project Support Payment to FMPA.

(b) Project Support Payments required to be made by the Project Participant pursuant to subsection (a) of this Section 3 shall be computed and revised in the same manner as provided for Monthly Power Costs (giving effect to any portion of any other Project Participant's Power Entitlement Share which has been transferred to the Project Participant pursuant to Section 19 of the Power Sales Contract) and Monthly Transmission Costs in Section 4 of the Power Sales Contract.

(c) On or before the 10th day of the Month following each Project Support Month, FMPA shall render to the Project Participant a monthly statement showing, with respect to such Project Support Month, (i) the amount of the Project Support Payment payable to FMPA by such Project Participant for such Project Support Month and (ii) the amount, if any, determined in accordance with paragraph (g) of this Section 3 to be credited to or paid by the Project Participant with respect to any adjustment for actual Project Support Payments incurred during the next preceding calendar year.

(d) Project Support Payments required to be paid to FMPA pursuant to this Section 3 shall be due and payable to FMPA at the principal office of FMPA, or such other address as FMPA shall designate in writing to the Project

Participant, on the twenty-fifth (25th) day of the Month in which the statement was rendered.

(e) If payment in full is not made on or before the close of business on the due date, a delayed-payment charge on the unpaid amount due for each day overdue will be imposed at a rate equal to the annual percentage prime rate of interest being charged on such day for 90-day loans to substantial and responsible borrowers by the Trustee, plus 5%, or the maximum rate lawfully payable by the Project Participant, whichever is less. If said due date is Saturday, Sunday or a holiday, the next following business day shall be the last day on which payment may be made without the addition of the delayed-payment charge.

(f) In the event of any dispute as to any portion of any monthly statement, the Project Participant shall nevertheless pay the full amount of the disputed charges when due and shall give written notice of the dispute to FMPA not later than the date such payment is due. Such notice shall identify the disputed bill, state the amount in dispute and set forth a full statement of the grounds on which such dispute is based. No adjustment shall be considered or made for disputed charges unless notice is given as aforesaid. FMPA shall give consideration to such dispute and shall advise the Project Participant with regard to its position relative thereto within thirty (30) days following receipt of such written notice. Upon final determination (whether by agreement, arbitration, adjudication or otherwise) of the correct amount, any difference between such correct amount and such full amount shall be properly reflected in the statement next submitted to the Project Participant after such determination.

(g) On or before 120 days after the end of each Contract Year FMPA shall submit to the Project Participant a detailed statement of the actual aggregate Project Support Payments and any adjustments thereof or credits thereto resulting from the adjustments of or credits to Monthly Power Costs or Monthly Transmission Costs pursuant to the Power Sales Contract, all computed in accordance with Section 4 of the Power Sales Contract, and the Project Participant's share of each. If, on the basis of the statement rendered pursuant to this paragraph (g), the actual aggregate Project Support Payments required to be made and any adjustments thereof or credits thereto exceed the Project Support Payments actually paid by the Project Participant during such Contract Year, the amount of such deficiency shall be divided into six, or fewer, as determined by the Board of FMPA in its sole discretion, equal installments and added to the Project Participant's monthly statement for each of the next succeeding six, or fewer,

months as provided in clause (ii) of paragraph (c) of this Section 3. If, on the basis of the statement rendered pursuant to this paragraph (g), the actual aggregate Project Support Payments and any adjustments thereof or credits thereto are less than the amount paid, the amount of such excess shall be divided into six, or fewer, as determined by the Board of FMPA in its sole discretion, equal installments and credited to the Project Participant's monthly statement for each of the next succeeding six, or fewer, months as provided in clause (ii) of paragraph (c) of this Section 3.

(h) In order to induce the purchase from time to time of the Bonds to be issued by FMPA in respect of the St. Lucie Project and any interest coupons appertaining thereto by all who shall at any time become holders thereof, the obligation of the Project Participant to make Project Support Payments shall be absolute and unconditional and shall not be dependent upon performance of FMPA under the Power Sales Contract or this Project Support Contract; Project Support Payments shall be made whether or not St. Lucie Unit No. 2 is completed, operable or operating and notwithstanding the suspension, interruption, interference, reduction or curtailment of the output of St. Lucie Unit No. 2 or otherwise from the St. Lucie Project for any reason whatsoever in whole or in part, and such Project Support Payments shall not be subject to any reduction, whether by offset, counterclaim or otherwise.

(i) The obligation of the Project Participant to make payments under this Section 3 shall constitute an obligation payable solely from the revenues and other funds of the Project Participant's electric or other integrated utility system, subject and subordinate to payments permitted by clauses (i) through (iv) of paragraph (b) of Section 4 hereof from revenues of the Project Participant's electric or other integrated utility system and the Project Participant shall not be required to make such payments from taxes or revenues other than from its electric or other integrated utility system; provided that the obligation of the Project Participant to make payments under this Section 3 shall not constitute a debt of the Project Participant within the meaning of any constitutional or statutory provision or limitation or a general obligation of or pledge of the full faith and credit of the Project Participant, and that neither the Project Participant nor the State of Florida or any agency or political subdivision thereof shall ever be obligated or compelled to levy ad valorem taxes to make the payments provided for in this Section 3; and further provided that the obligation of the Project Participant to make payments pursuant to this Section 3 shall not give rise to or constitute a lien upon

any property of the Project Participant or located within its boundaries or service area.

(j) The Project Participant's electric utility system shall be deemed to be a part of an integrated utility system for purposes of this Project Support Contract if the revenues of the electric utility system (i) are commingled with the revenues of one or more other utility systems owned by the Project Participant, or (ii) are utilized to pay operating expenses of the Project Participant's electric utility system and one or more other utility systems owned by the Project Participant, or (iii) are pledged to secure bonds issued to finance one or more other utility systems owned by the Project Participant.

(k) In the event that any amount which would have been added to the Project Participant's monthly statement or credited to such monthly statement for any Month in accordance with paragraph (g) of this Section 3 cannot be so added or credited because the Project Participant is not required to make a payment hereunder because Electric Capacity and Electric Energy from the St. Lucie Project were made available to the Project Participant during the Month to which the statement relates, then the amount of such addition or credit shall be paid by FMPA or Project Participant to the other as appropriate as though a payment were required to be made hereunder in respect of such Month.

SECTION 4. Project Participant's Covenants.

(a) The Project Participant agrees to maintain its electric or other integrated utility system in good operating condition, to cooperate with FMPA in the performance of the respective obligations of such Project Participant and FMPA under this Project Support Contract and to establish, impose, maintain, enforce and collect rates, fees and charges for all services and facilities of its electric or other integrated utility system sufficient to provide revenues at the times and in the amounts required to pay all costs of the supply of power and other output for the Project Participant's electric or other integrated utility system, including the payments to be made hereunder, as well as all other costs of operation, administration, maintenance and debt service of its electric or other integrated utility system and all other amounts payable from or constituting a lien or charge on the revenues of its electric or other integrated utility system.

(b) Except with respect to (i) operation, maintenance, renewal and replacement expenses of the Project Participant's electric or other integrated utility

system, (ii) bonds (as well as bond anticipation notes), notes or other obligations for money borrowed (except any such bonds, notes or other obligations for money borrowed that are expressly subordinate to any other bonds, notes or other obligations for money borrowed) issued for electric or other integrated utility system purposes payable from revenues of the Project Participant's electric or other integrated utility system, (iii) subordinated bonds, notes or other obligations for money borrowed issued for electric or other integrated utility system purposes payable from revenues of the Project Participant's electric or other integrated utility system outstanding on the date of execution of this Project Support Contract by the Project Participant, and (iv) payments required to be made into funds established under the ordinances or resolutions authorizing bonds, notes on other obligations referred to in clauses (ii) or (iii) hereof and payments required pursuant to such ordinances or resolutions from the revenues held thereunder, the Project Participant agrees that it will not enter into any contract or agreement or incur any expense payable from or secured by revenues of the Project Participant's electric or other integrated utility system prior in right of payment to the Project Support Payments required to be made by the Project Participant pursuant to Section 3 hereof.

(c) If at any time the Project Participant has revenue bonds outstanding payable from and secured by a pledge of net revenues of its electric or other integrated utility system, the Project Participant agrees that, in connection with any financial tests or conditions for the issuance of additional revenue bonds or other obligations payable from and secured by a pledge of net revenues of its electric or other integrated utility system, the Project Participant shall treat all payments made or estimated to be made to FMPA under this Project Support Contract or the Project Participant's Power Sales Contract as operating expenses for purposes of computing the amount of net revenues available for the payment of such outstanding revenue bonds and such additional revenue bonds.

(d) The Project Participant agrees to keep accurate records and accounts relating to the conduct of its business and shall supply to FMPA not later than 120 days after the end of each fiscal year a copy of the annual audit of such records and accounts certified by a firm of certified public accountants, experienced in electric utility accounting.

(e) The Project Participant agrees that it will not assign its Power Sales Contract except in accordance with the terms thereof and except in conjunction with the

assignment by the Project Participant of, and the assumption by any assignee of the obligations of the Project Participant under, this Project Support Contract.

SECTION 5. Opinion of Counsel.

The Project Participant shall, at the time requested by FMPA, cause an opinion or opinions to be delivered by one or more attorneys or firms of attorneys satisfactory to FMPA with respect to the authorization, execution and validity of this Project Support Contract as it relates to the Project Participant, and, if the Project Participant shall have bonds or other obligations outstanding secured by a pledge of the revenues of its electric or other integrated utility system, the legality under the terms and conditions of the ordinance, resolution, indenture or other contractual arrangement with the holders of such bonds of the performance by the Project Participant of its covenants and agreements under this Project Support Contract.

SECTION 6. Pledge of Payments.

All right, title and interest of FMPA in, to and under the Project Support Contract and all payments required to be made by the Project Participant pursuant to the provisions of this Project Support Contract shall be pledged, subject to application in accordance with the provisions of the Bond Resolution, to secure the payment of Bonds.

SECTION 7. Event of Default.

Failure of the Project Participant to pay to FMPA any Project Support Payment when due shall constitute an immediate default on the part of the Project Participant.

SECTION 8. Continuing Obligation.

In the event of any default referred to in Section 7 hereof, the Project Participant shall not be relieved of its liability for payment of the amounts in default and FMPA shall have the right to recover from the Project Participant any amount in default. In enforcement of any such right of recovery, FMPA may bring any suit, action, or proceeding in law or in equity, including mandamus, injunction, specific performance, declaratory judgment, or any combination thereof, as may be necessary or appropriate to enforce against the Project Participant any covenant, agreement or obligation to make any Project Support Payment for which provision is made in this Project Support Contract.

SECTION 9. Other Default By Project Participant.

In the event of a failure of the Project Participant to fix, charge or collect rates or charges adequate to provide revenue sufficient to enable the Project Participant to make all Project Support Payments or in the event of any default by the Project Participant under any other covenant, agreement or obligation of this Project Support Contract, FMPA may bring any suit, action, or proceeding in law or in equity, including mandamus, injunction, specific performance, declaratory judgment, or any combination thereof, as may be necessary or appropriate to enforce any covenant, agreement or obligation of this Project Support Contract against the Project Participant. Such remedies shall be in addition to all other remedies provided for herein or in the Power Sales Contract.

SECTION 10. Default by FMPA.

In the event of any default by FMPA under any covenant, agreement or obligation of this Project Support Contract, the Project Participant's remedy for such default shall be limited to mandamus, injunction, action for specific performance or any other available equitable remedy designed to enforce any covenant, obligation or agreement of FMPA hereunder as may be necessary or appropriate.

SECTION 11. Abandonment of Remedy.

In case any proceeding taken on account of any default shall have been discontinued or abandoned for any reason, the parties to such proceedings shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of FMPA and the Project Participant shall continue as though no such proceedings had been taken.

SECTION 12. Waiver of Default.

Any waiver at any time by either FMPA or the Project Participant of its rights with respect to any default of the other party hereto, or with respect to any other matter arising in connection with this Project Support Contract, shall not be a waiver with respect to any subsequent default, right or matter.

SECTION 13. Assignment of Project Support Contract; Sale of Project Participant's System.

(a) This Project Support Contract shall inure to the benefit of and shall be binding upon the respective successors and assigns of the parties to this Project Support Contract; provided, however, that, except for the assignment by FMPA authorized hereby, neither this Project Support Contract nor any interest herein shall be transferred or assigned by either party hereto except in conjunction with the assignment by the Project Participant

of its Power Sales Contract in accordance with the terms of Section 28 thereof and except with the consent in writing of the other party hereto, which consent shall not be unreasonably withheld. No assignment or transfer of this Project Support Contract shall relieve the parties of any obligation hereunder, except that with respect to any transfer or assignment by any one or more of the City of Kissimmee, Florida, the Lake Worth Utilities Authority, Florida, or the Utilities Commission, City of New Smyrna Beach, Florida, to the City of Gainesville, Florida, pursuant to the provisions of Section 28(d) of the Power Sales Contracts, the entity or entities making such transfer or assignment shall be relieved of its obligations under this Project Support Contract to the extent of the relinquishment of its Power Entitlement Share to the City of Gainesville, Florida, upon the execution of a Project Support Contract by the City of Gainesville, Florida, with FMPA, substantially similar to this Project Support Contract.

(b) The Project Participant acknowledges and agrees that FMPA may assign and pledge to the trustee designated in the Bond Resolution this Project Support Contract and all its right, title, and interest in and to all payments to be made to FMPA under the provisions of this Project Support Contract as security for the payment of the principal (including sinking fund installments) of, premium, if any, and interest on Bonds and may deliver possession of this Project Support Contract to such trustee in connection therewith, and, upon such assignment, pledge and delivery, FMPA may grant to such trustee any rights and remedies herein provided to FMPA, and thereupon any reference herein to FMPA shall be deemed, with the necessary changes in detail, to include such trustee which shall be a third party beneficiary of the covenants and agreements of the Project Participant herein contained.

(c) The Project Participant agrees that it will not sell, lease or otherwise dispose of all or substantially all of its electric or other integrated utility system except upon ninety (90) days prior written notice to FMPA and, in any event, will not sell, lease or otherwise dispose of the same unless the following conditions are met: (i) the Project Participant shall, subject to the provisions of the Participation Agreement, assign this Project Support Contract and its rights and interest hereunder to the purchaser or lessee of said electric or other integrated utility system, and such purchaser or lessee shall assume all obligations of the Project Participant under this Project Support Contract; and (ii) FMPA shall by appropriate action determine that such sale, lease or other disposition will not adversely affect the value of this

Project Support Contract as security for the payment of Bonds and interest thereon or affect the eligibility of interest on Bonds then outstanding or which could be issued in the future for federal tax-exempt status.

SECTION 14. Amendment of Contract.

(a) This Project Support Contract shall not be amended, modified, or otherwise altered in any manner that will adversely affect the security for the Bonds afforded by the provisions of this Project Support Contract upon which the owners from time to time of the Bonds shall have relied as an inducement to purchase and hold the Bonds. So long as any of the Bonds are outstanding or until adequate provisions for the payment thereof have been made in accordance with the provisions of the Bond Resolution, this Project Support Contract shall not be amended, modified, or otherwise altered in any manner which will reduce the payments pledged as security for the Bonds or extend the time of the payments provided herein or which will in any manner impair or adversely affect the rights of the owners from time to time of the Bonds.

(b) No Project Support Contract entered into between FMPA and another Project Participant may be amended so as to provide terms and conditions different from those herein contained except upon written notice to and written consent or waiver by each of the other Project Participants, and upon similar amendment being made to the Project Support Contract of any other Project Participant requesting such amendment after receipt by such Project Participant of notice of such amendment.

SECTION 15. Disposition or Termination of the St. Lucie Project.

Subject to the provisions of the Participation Agreement, if St. Lucie Unit No. 2 shall be permanently removed from service, FMPA shall use its best efforts to cause St. Lucie Unit No. 2 to be economically salvaged, discontinued, decommissioned, disposed of or sold in whole or in part. The costs of salvage, discontinuance or disposition shall include, but shall not be limited to, costs for nuclear waste storage and disposal and all accrued costs and liabilities resulting from the construction, operation (including Fuel Costs), maintenance of and renewals and replacements to the St. Lucie Project. FMPA shall, after St. Lucie Unit No. 2 has been finally salvaged, decommissioned or disposed of, give each Project Participant a final accounting statement which shall, if all Bonds have been paid in full or provision for such payment shall have been made in accordance with the provisions of the Bond Resolution, credit to the Project Participant, and deduct from any amount otherwise chargeable to it, the Project Participant's share of the fair value

of any disposable assets related to St. Lucie Unit No. 2 then voluntarily retained by FMPA. If any such final accounting statement shows that the costs referred to above exceed such credits after application by FMPA of all available funds held under the Bond Resolution for such purpose, the Project Participant shall pay FMPA the amount shown to be due by such final accounting statement as an adjustment to previously paid Monthly Power Costs. If any such final accounting statement shows that the costs referred to above are less than such credits after application by FMPA of all other available funds held under the Bond Resolution for such purpose, FMPA shall, upon payment or provision for payment of all Bonds being made as provided in the Bond Resolution, pay the Project Participant, as an adjustment for overpayments of its share of Monthly Power Costs, an amount equal to its share of the amount of the excess credit.

SECTION 16. Applicable Law; Construction.

This Project Support Contract is made under and shall be governed by the laws of the State of Florida. Headings herein are for convenience only and shall not influence the construction hereof.

SECTION 17. Relationship to and Compliance with Other Instruments.

(a) It is recognized by the parties hereto that FMPA, in undertaking, or causing to be undertaken, the planning, financing, construction, acquisition, operation and maintenance of the St. Lucie Project, must comply with the requirements of the Bond Resolution, the Participation Agreement and all licenses, permits and regulatory approvals necessary therefor, and it is therefore agreed that the performance of FMPA under this Project Support Contract is made subject to the terms and provisions of the Bond Resolution, the Participation Agreement and all such licenses, permits and regulatory approvals;

(b) FMPA covenants and agrees to use its best efforts for the benefit of the Project Participant to comply in all material respects with all terms, conditions and covenants of the Bond Resolution, the Participation Agreement and all licenses, permits and regulatory approvals relating thereto.

(c) It is recognized and agreed by the parties hereto that in the event of a default on the part of the Project Participant referred to in Section 7 hereof, under the circumstances and in the manner described in Section 33 of the Participation Agreement, FP&L shall have the right on its own behalf to take any action which FMPA would be entitled to take hereunder to enforce, by action taken directly against the Project Participant, all or any obligations of

the Project Participant hereunder. It is recognized by the parties hereto that FMPA and FP&L will enter into the Participation Agreement in reliance on FP&L's being a third-party beneficiary of this Project Support Contract as provided in this Section 17(c). FP&L and FMPA have acknowledged and agreed to the position of FP&L as a third-party beneficiary of this Project Support Contract in the Participation Agreement and the Project Participant herein does agree that this Section 17(c) of this Project Support Contract may not be rescinded, amended, supplemented or altered in any way without the express written consent of FP&L.

FP&L and FMPA have acknowledged and agreed in the Participation Agreement and the Project Participant herein does agree that this Project Support Contract may not be rescinded, amended, supplemented or altered in any other way that would materially lessen, release or alter the rights of FP&L or the obligation of the Participant to FP&L without the express written consent of FP&L; without limiting the generality of the foregoing, it is expressly understood that any modification to the rate covenant and the obligations to make payments hereunder constitute material alteration of the rights of FP&L.

SECTION 18. Severability.

If any section, paragraph, clause or provision of this Project Support Contract shall be finally adjudicated by a court of competent jurisdiction to be invalid, the remainder of this Project Support Contract shall remain in full force and effect as though such section, paragraph, clause or provision or any part thereof so adjudicated to be invalid had not been included herein.

IN WITNESS WHEREOF, the parties hereto have caused this Project Support Contract to be executed by their proper officers respectively, being thereunto duly authorized, and their respective corporate seals to be hereto affixed, as of the day and year first above written.

FLORIDA MUNICIPAL POWER AGENCY

(SEAL)

By _____
Chairman

Attest:

_____
Secretary

THE CITY OF VERO BEACH, FLORIDA

(SEAL)

By _____
Mayor

Attest:

_____
City Clerk

By: _____
City Manager

Annex 1

SCHEDULE OF PROJECT PARTICIPANTS

Name of Participant	Power Entitlement Share
ALACHUA	0.431 %
CLEWISTON	2.202
FORT MEADE	0.336
FORT PIERCE	13.881
GREEN COVE SPRINGS	1.757
HOMESTEAD	8.269
JACKSONVILLE BEACH	7.329
KISSIMMEE	9.405
LAKE WORTH	19.036
LEESBURG	2.326
MOORE HAVEN	0.384
NEWBERRY	0.184
NEW SMYRNA BEACH	15.718
SEBRING	1.325
STARKE	2.215
VERO BEACH	15.202
	100.000

ST. LUCIE PROJECT

AMENDMENT NO. 1 TO THE PROJECT SUPPORT CONTRACT

BETWEEN

FLORIDA MUNICIPAL POWER AGENCY

AND

THE CITY OF VERO BEACH, FLORIDA

ST. LUCIE PROJECT

AMENDMENT NO. 1 TO THE PROJECT SUPPORT CONTRACT made and entered into as of January 1, 1983, by and between FLORIDA MUNICIPAL POWER AGENCY, a legal entity organized under the Laws of the State of Florida ("FMPA")) and THE CITY OF VERO BEACH, FLORIDA, a public agency of the State of Florida and a member of FMPA (the "Project Participant"). Capitalized terms not otherwise defined herein shall have the meanings set forth in the Power Sales Contract and the Project Support Contract hereinafter referred to.

WITNESSETH:

WHEREAS, FMPA was created to, among other things, provide a means for the Florida municipal corporations and other entities which are members of FMPA to cooperate with each other on a basis of mutual advantage to provide Electric Capacity and Electric Energy; and

WHEREAS, FMPA is authorized and empowered, among other things, (i) to plan, finance, acquire, construct, reconstruct, own, lease, operate, maintain, repair, improve, extend or otherwise participate jointly in one or more electric projects; (ii) to issue its bonds, notes or other evidences of indebtedness to pay all or part of the costs of acquiring such electric projects; and (iii) to exercise all other powers which may be necessary and proper to further the purposes of FMPA which have been or may be granted to FMPA under the laws of the State of Florida; and

WHEREAS, the Project Participants are empowered to contract to make payments to FMPA out of funds legally available to the Project Participants and to advance or contribute funds to FMPA to enable FMPA to carry out any of its powers and duties;

WHEREAS, FMPA has entered into the St. Lucie Unit No. 2 Participation Agreement, made as of February 11, 1982 with Florida Power & Light Company ("FP&L"), as amended by Amendment Number One to St. Lucie Unit No. 2 Participation Agreement made as of March 26, 1982 between FMPA and FP&L, pursuant to which FMPA will purchase an undivided interest in St. Lucie Unit No. 2, and will be entitled to the Electric Capacity and Electric Energy derived from, those facilities and contractual arrangements and agreements described herein and designated as the St. Lucie Project; and

WHEREAS, the Project Participant has entered into a Power Sale Contract dated as of June 1, 1982 with FMPA (the "Power Sales Contract") and other Project Participants have entered into Power Sales Contracts with FMPA (the Power Sales Contract, together with the other Power Sales Contracts, collectively the "Power Sales Contracts") substantially similar to the Power Sales Contract to provide for the sale of Electric Capacity and Electric Energy from those facilities and contractual arrangements and agreements described and designated in the Power Sales Contracts as the St. Lucie Project;

WHEREAS, the acquisition and construction of the St. Lucie Project for the supply of Electric Capacity and Electric Energy to the Project Participant and the other Project Participants contracting with FMPA therefor has been authorized by the Interlocal Agreement Creating the Florida Municipal Power Agency, as amended to date and as such Agreement has been supplemented by resolutions adopted by the Board of FMPA at meetings duly called and duly held on March 26 and May 21, 1982, which Interlocal Agreement, as so amended and supplemented, constitutes "an agreement to implement a project" and a "joint power agreement" for the St. Lucie Project, as such terms are used in Chapter 361, Part II, Florida Statutes, as amended;

WHEREAS, the Power Sales Contracts require payments to be made only for months when Electric Capacity and Electric Energy are being made available;

WHEREAS, in order to assure a continuity for the St. Lucie Project by providing support for the payment by FMPA of costs of the St. Lucie Project, and the Project Participant has entered into a Project Support Contract dated as of June 1, 1982 with FMPA (the "Project Support Contract") and other Project Participants have entered into Project Support Contracts with FMPA (the Project Support Contract, together with the other Project Support Contracts, collectively the "Project Support Contracts") substantially similar to the Project Support Contract, which provide for the payment of costs relating to the St. Lucie Project during such periods when such costs are not required to be paid pursuant to the terms of the Power Sales Contracts;

WHEREAS, it is also necessary in order to induce the purchase from time to time of the Bonds to be issued by FMPA in respect of the St. Lucie Project and any interest coupons appertaining thereto by all who shall at any time become holders thereof that FMPA shall have entered into the Project Support Contracts and pledge the payments required to be made in accordance therewith as security for the payment of such Bonds;

WHEREAS, the Project Support Contracts designated each Project Participant's Power Entitlement Share;

WHEREAS, one of the Project Participants has determined that it is in its best interest to transfer a portion of its Power Entitlement Share to another Project Participant and FMPA's desirous of facilitating such transfer;

WHEREAS, FMPA and the Project Participant desire to execute this Amendment No. 1 in order to amend the Project Support Contract, and other Project Participants shall enter into similar binding amendments to their Project Support Contracts, to reflect the transfer of a portion of the Power Entitlement Share of one Project Participant to another Project Participant;

NOW, THEREFORE, for and in consideration of the mutual covenants and agreement herein contained, it is agreed by and between the parties hereto as follows:

ARTICLE I

Amendments

SECTION 1.1. Amendments to Project Support Contract. The Project Support Contract is hereby amended as follows:

(i) Annex 1 attached to the Project Support Contract is hereby amended in its entirety to read as set forth as Annex 1 attached hereto.

(ii) References in the Project Support Contract to "this Project Support Contract" (and indirect references such as "hereof" and "herein") shall mean the Project Support Contract as amended by this Amendment No. 1.

(iii) References in the Project Support Contract to "Project Support Contracts" shall mean the Project Support Contract as amended by this Amendment No. 1 and the other Project Support Contracts as amended by respective Amendments No. 1 thereto dated as of the date hereof by and between FMPA and the other Project Participants.

(iv) References in the Project Support Contract to a "Power Sales Contract" shall mean the Power Sales Contract as amended by Amendment No. 1 dated as of January 1, 1983 by and between FMPA and a Project Participant, and references to "Power Sales Contracts" shall mean the Power Sales Contracts as amended by Amendments No. 1 thereto dated as of January 1, 1983 by and between FMPA and each of the Project Participants, respectively.

ARTICLE II

Miscellaneous

SECTION 2.1. Effect of Amendment; Severability.

(a) **Effect.** Except as expressly amended hereby, the Project Support Contract shall remain in full force and effect in accordance with the terms thereof.

(b) **Severability.** In the event that any provision in this Amendment No. 1 is declared illegal or no longer in force by reason of any judgment or order issued by a court or regulatory body of competent jurisdiction, all remaining provisions of this Amendment No. 1 not affected by such judgment or order shall continue in full force and effect.

SECTION 2.2. Further Amendments. Nothing herein shall be construed to limit the rights of FMPA and the Project Participant to further amend from time to time the Project Support Contract as contemplated thereby.

SECTION 2.3. Governing Law. The interpretation of this Amendment and the rights and obligations of the Project Participants shall be governed by and construed and enforced in accordance with the laws of the State of Florida.

SECTION 2.4. Effectiveness. This Amendment No. 1 shall become effective immediately upon execution and delivery of substantially similar amendments by FMPA and each of the Project Participants.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 1 to be executed by their proper officers respectively, being thereunto duly authorized, and their respective corporate seals to be hereto affixed, as of the day and year first above written.

(Seal)

FLORIDA MUNICIPAL POWER AGENCY

Attest:

By _____
Chairman

_____
Secretary

THE CITY OF VERO BEACH, FLORIDA

Attest:

By _____
Title: Mayor

_____
Title: City Clerk

By _____
Title: City Manager

Annex 1

SCHEDULE OF PROJECT PARTICIPANTS

Name of Participant	Power Entitlement Share
Alachua	0.431%
Clewiston	2.202
Fort Meade	0.336
Fort Pierce	13.881
Green Cove Springs	1.757
Homestead	8.269
Jacksonville Beach	7.329
Kissimmee	9.405
Lake Worth	24.870
Leesburg	2.326
Moore Haven	0.384
Newberry	0.184
New Smyrna Beach	9.884
Sebring	1.325
Starke	2.215
Vero Beach	15.202
	100.000

ST. LUCIE UNIT NO. 2

CAPACITY AND ENERGY SALES CONTRACT

This Contract ("Contract") made as of June 1, 1982, between the City of Alachua, the City of Clewiston, the City of Fort Meade, the City of Green Cove Springs, the City of Jacksonville Beach, the City of Leesburg, the City of Moore Haven, the City of Newberry, the City of Starke (individually "a Selling System" and collectively "Selling Systems") and the Fort Pierce Utilities Authority, and the City of Vero Beach (individually "a Purchasing System and collectively "Purchasing Systems"), and the Florida Municipal Power Agency.

WITNESSETH THAT:

WHEREAS, the Selling Systems and the Purchasing Systems are project participants in the Florida Municipal Power Agency (FMPA or the Agency) St. Lucie Unit No. 2 project; and

WHEREAS, the Selling Systems and the Purchasing Systems have executed a Power Sales and Project Support Contract entitling them to delivery of capacity and energy in accordance with their allocated share of such capacity and energy in the St. Lucie project; and

WHEREAS, the current contracts relating to transmission of power within the State of Florida, the wholesale sale for resale tariffs, and other factors make it uneconomical to transmit small quantities of power throughout the state; and

WHEREAS, the power available to each of the Selling Systems from the St. Lucie 2 project is small in relation to the total power needs of those Selling Systems; and

Adopted by:_____

A RESOLUTION PARTIALLY TERMINATING ST. LUCIE UNIT NO. 2 CAPACITY AND ENERGY SALES CONTRACT

WHEREAS, on June 1, 1982, the St. Lucie Unit No. 2 Capacity and Energy Sales Contract (the "Contract") was entered into between the City of Jacksonville Beach ("Jacksonville Beach") and other cities as Selling Systems and the City of Vero Beach ("Vero Beach") and the Ft. Pierce Utilities Authority ("Ft. Pierce") as the Purchasing Systems, providing for, among other things, the sale of certain capacity and energy; and

WHEREAS, on June 10, 1986, Ft. Pierce assigned to Vero Beach all of its right, title and interest in the aforesaid Contract to Vero Beach; and

WHEREAS, Jacksonville Beach and Vero Beach desire to terminate the sale of Jacksonville Beach's St. Lucie Unit No. 2 Project capacity and energy from Jacksonville Beach to Vero Beach;

NOW, THEREFORE, Jacksonville Beach and Vero Beach hereby agree such termination shall be effective the 1st day of June, 1987, at 12:01 a. m. Such termination shall only be effective as to Jacksonville Beach's St. Lucie Unit No. 2 capacity and energy and shall not effect in any manner the rights and obligations between Vero Beach and the other Selling Systems which are parties to the Contract.

ST. LUCIE PROJECT

AMENDMENT NO. 2 TO THE PROJECT SUPPORT CONTRACT

BETWEEN

FLORIDA MUNICIPAL POWER AGENCY

AND

THE CITY OF VERO BEACH, FLORIDA

ST. LUCIE PROJECT

AMENDMENT NO. 2 TO THE PROJECT SUPPORT CONTRACT

AMENDMENT NO. 2 TO THE PROJECT SUPPORT CONTRACT made and entered into as of April 1, 1983, by and between FLORIDA MUNICIPAL POWER AGENCY, a legal entity organized under the Laws of the State of Florida ("FMPA") and THE CITY OF VERO BEACH, FLORIDA, a public agency of the State of Florida and a member of FMPA (the "Project Participant"). Capitalized terms not otherwise defined herein shall have the meanings set forth in the Power Sales Contract and the Project Support Contract (hereinafter referred to).

WITNESSETH:

WHEREAS, FMPA and each of the Project Participants intend to enter in separate Amendments No. 2, dated as of April 1, 1983, to the Power Sales Contracts dated as of June 1, 1982, as previously amended by Amendment No. 1 thereto dated as of January 1, 1983; and

WHEREAS, it is necessary to provide that references in the Project Support Contracts to the Power Sales Contracts shall include Amendment No. 2 thereto as well as any future amendments to the Power Sales Contracts entered into by FMPA and the Project Participants; and

WHEREAS, it is necessary to amend the definition of Project Support Contracts in the Project Support Contract to include reference to the Project Support Contract as amended by this Amendment No. 2;

NOW, THEREFORE, for and in consideration of the mutual covenants and agreement herein contained, it is agreed by and between the parties hereto as follows:

ARTICLE I

Amendments

SECTION 1.1. Amendments to Project Support Contract. The Project Support Contract is hereby amended as follows:

(i) The definition of Project Support Contracts is hereby amended in its entirety to read as follows:

"Project Support Contracts shall mean this Project Support Contract and the other Project Support Contracts between FMPA and the

other Project Participants relating to the St. Lucie Project, as heretofore amended by Amendment No. 1 and Amendment No. 2 and as the same may be amended or supplemented from time to time in the future in accordance with the provisions hereof and thereof."

(ii) References in the Project Support Contract to a "Power Sales Contract" shall mean the Power Sales Contract dated as of June 1, 1982, as amended by Amendment No. 1 dated as of January 1, 1983 and as further amended by Amendment No. 2 dated as of April 1, 1983, and as the same may be amended or supplemented from time to time in accordance with the provisions thereof, by and between FMPA and the Project Participant, and references to "Power Sales Contracts" shall mean the Power Sales Contracts dated as of June 1, 1982, as amended by Amendment No. 1 thereto dated as of January 1, 1983 and as further amended by Amendment No. 2 thereto dated as of April 1, 1983, and as the same may be amended or supplemented from time to time in accordance with the provisions thereof, by and between FMPA and each of the Project Participants, respectively.

ARTICLE II

Miscellaneous

SECTION 2.1. Effect of Amendment; Severability.

(a) **Effect.** Except as expressly amended hereby, the Project Support Contract shall remain in full force and effect in accordance with the terms thereof.

(b) **Severability.** In the event that any provision in this Amendment No. 2 is declared illegal or no longer in force by reason of any judgment or order issued by a court or regulatory body of competent jurisdiction, all remaining provisions of this Amendment not affected by such judgment or order shall continue in full force and effect.

SECTION 2.2. Further Amendments. Nothing herein shall be construed to limit the rights of FMPA and the Project Participant to further amend from time to time the Project Support Contract as contemplated thereby.

SECTION 2.3. Governing Law. The interpretation of this Amendment and the rights and obligations of the Project Participants shall be governed by and construed and enforced in accordance with the laws of the State of Florida.

SECTION 2.4. Effectiveness. This Amendment No. 2 shall become effective immediately upon execution and delivery of substantially similar amendments by FMPA and each of the Project Participants.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 2 to be executed by their proper officers respectively, being thereunto duly authorized, and their respective corporate seals to be hereto affixed, as of the day and year first above written.

(Seal)

FLORIDA MUNICIPAL POWER AGENCY

Attest:

By _____
Chairman

Joseph M. Tarkington Jr
Secretary

THE CITY OF VERO BEACH, FLORIDA

Attest:

By Dorothy M. Cain
Title: Mayor

Phyllis A. Muenberger
Title: City Clerk

By _____
Title: City Manager

Copies to all Control Books
file.

DATE: January 26, 1988

TO: The Honorable Mayor and City Council

FROM: J. V. Little, City Manager

SUBJECT: Partial Termination of St. Lucie Unit #2 Capacity & Energy Sales Contra 1) City of Alachua, 2) City of Leesburg, 3) City of Green Cove Springs 4) City of Jacksonville Beach.

You have in your backup material copies of the letter from Robert C. Williams, Director of Engineering FMPA, and the pertinent Resolutions and Contract documents covering the partial termination.

1) City of Alachua

The document submitted to you for approval covers the termination of the sale of Aluchua's St. Lucie Unit No. 2 Project capacity and energy to Vero Beach effective June 1, 1988. Request Council approval.

2) City of Leesburg

The attached agreement terminates the sale of Leesburg's St. Lucie Unit No. 2 Project capacity & energy to Vero Beach effective June 1, 1988. Request approval.

3) City of Green Cove Springs

You will note that the effective date of the Resolution terminating the sale of St. Lucie Unit No. 2 Project capacity & energy to Vero Beach is effective June 1, 1987. As explained in Mr. Williams' letter, FMPA held them until receipt of all four cities' documents. Request Council adoption of the Resultion as presented by Greem Cove Springs.

4) City of Jacksonville Beach

Like the City of Green Cove Springs, the City of Jacksonville Beach Resolution is effective June 1, 1987. Request Council adopt the Resolution as submitted.

J. V. Little

emo
Attachments
cc: Shuler Massey
Robert C. Williams, FMPA

RECEIVED
JAN 28 1988
V.B. Power Plant

(305) 859-7310
7201 Lake Ellenor Drive, Suite 100
Orlando, Florida 32809

4
JAN 1988
City Manager's Office

VIA PUROLATOR

January 13, 1988

Mr. John V. Little
City Manager/Director of Utilities
City of Vero Beach
1053 20th Place
Vero Beach, FL 32961-1389

Dear John:

Enclosed for the approval by the City of Vero Beach are four separate legal agreements to acknowledge the Partial Termination of St. Lucie Unit No. 2 Capacity and Energy Sales Contract between the City of Vero Beach and 1) the City of Alachua, 2) the City of Leesburg, 3) the City of Green Cove Springs and 4) the City of Jacksonville Beach. The agreements document the termination of the Capacity and Energy Sales Contract for these cities as recommended by General Counsel.

The delivery of St. Lucie entitlements for Jacksonville Beach and Green Cove Springs began in June 1987. The Alachua and Leesburg entitlements will continue to be delivered to Vero Beach until May 1988.

We delayed sending these agreements until we had all of them approved by the other cities.

Please execute the agreements and return a copy of each to us for our files. Extra originals are included for Leesburg and Green Cove Springs. We will be glad to forward the extra executed original to those cities.

Sincerely,

Robert C. Williams
Director of Engineering

RCW/sl
Enclosures

RECEIVED
JAN 28 1988
V.B. Power Plant

City of Vero Beach
P. O. BOX 1389 - 1053 - 20th PLACE
VERO BEACH, FLORIDA - 32960
Telephone 567-5151

OFFICE OF THE
CITY MANAGER

February 5, 1988

Robert C. Williams
Director of Engineering
Florida Municipal Power Agency
7201 Lake Ellenor Drive, Suite 100
Orlando, Florida 32809

Dear Bob:

Enclosed is one each of the four legal agreements acknowledging the Partial Termination of St. Lucie No. 2 Capacity and Energy Sales Contract between the City of Vero Beach and

1) the City of Alachua,
2) the City of Leesburg,
3) the City of Green Cove Springs, and
4) the City of Jacksonville Beach.

I understand you will see that the cities involved receive copies of the enclosures.

Very truly yours,

J. V. Little
City Manager

emo
Enclosures
cc: Shuler Massey (w/encls.)

RECEIVED
FEB 5 1988
W.B. Power Plant

PARTIAL TERMINATION OF ST. LUCIE UNIT NO. 2 CAPACITY AND ENERGY SALES CONTRACT

WHEREAS, on June 1, 1982, the St. Lucie Unit No. 2 Capacity and Energy Sales Contract (the "Contract") was entered into between the City of Alachua ("Alachua") and other cities as Selling Systems and the City of Vero Beach ("Vero Beach") and the Ft. Pierce Utilities Authority ("Ft. Pierce") as the Purchasing Systems, providing for, among other things, the sale of certain capacity and energy; and

WHEREAS, on June 10, 1986, Ft. Pierce assigned to Vero Beach all of its right, title and interest in the aforesaid Contract to Vero Beach; and

WHEREAS, Alachua and Vero Beach desire to terminate the sale of Alachua's St. Lucie Unit No. 2 Project capacity and energy from Alachua to Vero Beach;

NOW THEREFORE, Alachua and Vero Beach hereby agree such termination shall be effective the 1st day of June, 1988, at 12:01 a.m. Such termination shall only be effective as to Alachua's St. Lucie Unit No. 2 capacity and energy and shall not effect in any manner the rights and obligations between Vero Beach and the other Selling Systems which are parties to the Contract.

IN WITNESS WHEREOF, this Partial Termination of Capacity and Energy Sales Contract is executed this 3rd day of Feb., 1987, by the authorized officers of Alachua and Vero Beach.

CITY OF ALACHUA

ATTEST: _____
City Clerk

BY: _____
Mayor

CITY OF VERO BEACH

ATTEST: _____
City Clerk

BY: _____
Mayor

PARTIAL TERMINATION OF ST. LUCIE UNIT NO. 2 CAPACITY AND ENERGY SALES CONTRACT

WHEREAS, on June 1, 1982, the St. Lucie Unit No. 2 Capacity and Energy Sales Contract (the "Contract") was entered into between the City of Leesburg ("Leesburg") and other cities as Selling Systems and the City of Vero Beach ("Vero Beach") and the Ft. Pierce Utilities Authority ("Ft. Pierce") as the Purchasing Systems, providing for, among other things, the sale of certain capacity and energy; and

WHEREAS, on June 10, 1986, Ft. Pierce assigned to Vero Beach all of its right, title and interest in the aforesaid Contract to Vero Beach;

WHEREAS, Leesburg and Vero Beach desire to terminate the sale of Leesburg's St. Lucie Unit No. 2 Project capacity and energy from Leesburg to Vero Beach;

NOW THEREFORE, Leesburg and Vero Beach hereby agree such termination shall be effective the 1st day of June, 1988, at 12:01 a.m. Such termination shall only be effective as to Leesburg's St. Lucie Unit No. 2 capacity and energy and shall not effect in any manner the rights and obligations between Vero Beach and the other Selling Systems which are parties to the Contract.

IN WITNESS WHEREOF, this Partial Termination of Capacity and Energy Sales Contract is executed this 3rd day of Feb, 1988, by the authorized officers of Leesburg and Vero Beach.

CITY OF LEESBURG

ATTEST: James A. Williams
City Clerk

BY: Sanna Henze
Mayor

CITY OF VERO BEACH

ATTEST: Phyllis A. Neuberger
City Clerk

BY: John A. Acon
Mayor

Introduced by: _____
Adopted by: _____

A RESOLUTION PARTIALLY TERMINATING ST. LUCIE UNIT NO. 2 CAPACITY AND ENERGY SALES CONTRACT

WHEREAS, on June 1, 1982, the St. Lucie Unit No. 2 Capacity and Energy Sales Contract (the "Contract") was entered into between the City of Green Cove Springs ("Green Cove Springs") and other cities as Selling Systems and the City of Vero Beach ("Vero Beach") and the Ft. Pierce Utilities Authority ("Ft. Pierce") as the Purchasing Systems, providing for, among other things, the sale of certain capacity and energy; and

WHEREAS, on June 10, 1986, Ft. Pierce assigned to Vero Beach all of its right, title and interest in the aforesaid Contract to Vero Beach; and

WHEREAS, Green Cove Springs and Vero Beach desire to terminate the sale of Green Cove Springs' St. Lucie Unit No. 2 Project capacity and energy from Green Cove Springs to Vero Beach;

NOW, THEREFORE, Green Cove Springs and Vero Beach hereby agree such termination shall be effective the 1st day of June,

WHEREAS, the acceptance by the Agency of responsibilities imposed upon it herein moves the Agency toward the goal of becoming the all-requirements power supplier for its members, which is the goal of the membership provided that this goal can be reached in an economic manner;

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

SECTION 1 TERM

1.1 The term of this Contract shall be for an initial period of twenty years from the Commercial Operation of St. Lucie 2, automatically extended for a period of fifteen years unless terminated at the end of the initial period by either party upon two years written notice. This contract will be automatically terminated when the last of St. Lucie Unit #1 or Unit #2 is retired from commercial service. Each Selling System shall have the right to terminate the sale of its capacity and energy as provided herein at any time during the term of this Contract provided that such Selling System provides a written notice to FMPA and each of Purchasing Systems of its intention to terminate such sale not less than two years prior to the date of such termination. Such notice, once given, may not be revoked without the written consent of the Purchasing Systems.

SECTION 2 Sale of Purchase

2.1 Each of the Selling Systems does hereby sell one-half of the capacity and energy from their respective entitlements from the St. Lucie project to the City of Vero Beach and one-half of the capcity and energy from their respective entitlements from the St. Lucie project to the Fort Pierce Utilities Authority. The share of the entitlement of each Selling System so sold will be delivered to the point of delivery of each of the Purchasing Systems.

2.2 The Fort Pierce Utilities Authority and the City of Vero Beach each agree to purchase the capacity and energy being sold pursuant to Section 2.1 and to pay for same in accordance with Section 2.3 herein.

2.3 Each Purchasing System shall be charges as follows:

2.3.1 A monthly capacity charge for each kilowatt of capacity purchased under this Contract which is equal to, at any given time, the rate charged by Florida Power & Light Company (FPL) as filed in that Company's Partial Requirements tariff or any successor tariff taking into consideration FPL's average system losses when determining the number of kW being purchased. In the event that an interconnection is constructed between the Fort Pierce system and the St. Lucie 2 plant site such losses will be determined on the basis of the calculated losses for that interconnection.

2.3.2 A monthly energy charge calculated as follows:
an amount equal to the product of the kilowatts of the St. Lucie capacity purchased under this Contract less losses times the number of hours in each calendar month times the energy charge (including fuel adjustment charges) for the same calendar month pursuant to Florida Power & Light Company's Partial Requirement tariff.

SECTION 3 Reserves and Back-up

3.1 The Purchasing Systems agree to provide back-up capacity and energy for the sales made by each of the Selling Systems under this Contract up to the full amount in each hour of capacity sold

pursuant to Section 2.3. It is further agreed that the lowest cost resource actually scheduled by the Purchasing System in accordance with good economic dispatching principals after providing for their native load requirements and the reserves and back-up for their own entitlements from St. Lucie project will be used to provide the reserves and back-up required to be provided by this Contract whether such resources are provided from their own system or through purchases from other systems.

3.2 The Selling Systems agree to pay the Purchasing Systems for providing reserves and back-up as follows:

3.2.1 A reserve capacity charge of $1.50 per kW per month for each kW up to 18% of the maximum capacity being sold to that Purchasing System under this Contract. This payment is made in consideration for the Purchasing System providing the installed and operating reserves (including any spinning reserve required by receipt of the St. Lucie 2 entitlement being sold).

3.2.2 A fixed Operation and Maintenance cost to be determined at the beginning of each calendar year and based upon 65% of the actual production expenses of the Purchasing System for the previous Fiscal Year excluding fuel. These O & M costs will be calculated on a $/kW basis and payment will be applied to the same number of kW in 3.2.1.

3.2.3.1. An amount equal to the product of each kWh of partial requirement energy used for back-up by the Purchasing System times the energy charge in the lowest block of FPL's Partial Requirements Tariff (including fuel adjustment charges) for the same calendar month.

3.2.3.2 An amount equal to the product to each kWh of partial requirement energy used for back-up by the Purchasing System, times a rate (in $/kWh) equal to 5% of FPL's six month projected fuel costs per kWh as filed with the Florida Public Service Commission.

3.2.4 An amount equal to the product of each kWh of generation on the Purchasing System used for back-up times a rate (in $/kWh) equal to:

3.2.4.1 The fuel cost as determined in accordance with FERC's Standard System of Accounts associated with each kWh of back-up energy provided from the Purchasing System's self-owned generation, plus;

3.2.4.2 a variable Operations and Maintenance production cost for each kWh of back-up energy supplied from the systems self-owned generation. This cost shall be determined at the beginning of the calendar year as 35% of the actual cost of operation and maintenance of the Purchasing System for the previous Fiscal Year excluding fuel calculated on a per kWh basis.

3.2.5 The cost of any purchased power (excluding partial requirements purchases from FPL) used in lieu of system self-owned generation to supply back-up.

3.2.6 The respective amounts of energy to be used in each of the Sections 3.2.3, 3.2.4, 3.2.5 shall be determined on an after the fact basis for each hour of each calendar month and accumulated for such month.

3.2.7 Payments as described in 3.2.1, 3.2.2, 3.2.3.2, and 3.2.4.2 above shall in no year be less than $9,450 per MW of capacity delivered to the Purchasing System's point of delivery. This minimum shall be prorated in the event that deliveries are anticipated for less than a one year period.

SECTION 4 Appointment of Agency

4.1 The Selling Systems and Purchasing Systems hereby irrevocably appoint FMPA as the Agent in the administration of this Contract. The Purchasing Systems agree to provide FMPA with hourly data of transactions under this Contract as needed by FMPA to provide these Agency services. Such data shall include, but not be limited to, capacity and energy delivered from the St. Lucie project in each hour, the FPL PR rate, the capacity and energy of back-up energy supplied in each hour, the source of back-up energy and the cost of such back-up energy.

4.2 FMPA accepts the responsibility to act as agent for its members for administering the transactions and billings required by this Contract provided that the information required is made available to it on a timely basis.

SECTION 5 Billing

5.1 Bills for all payments required under this Contract shall be prepared by FMPA.

5.2 FMPA will bill the Purchasing Systems for St. Lucie 2 capacity and energy at the rates provided in Section 2.3 herein. Each Selling System's St. Lucie 2 billing shall be credited with its proportionate share of the Purchasing Systems billings.

5.3 The Purchasing Systems shall promptly pay FMPA for each bill rendered.

5.4 FMPA will bill, in accordance with information supplied by the Purchasing System, each Selling System for its proportionate share of the Reserves and Back-up charges as provided in Section 3.2 herein. FMPA will credit the Purchasing Systems St. Lucie 2 billings with their proportionate share of such billings.

5.5 Each Selling System shall promptly pay FMPA for each bill rendered.

5.6 In the event any billing results in a net credit to a Selling System or a Purchasing System, FMPA shall promptly pay each system such balance due from such funds as are available to it from time to time pursuant to this contract.

5.7 Bills rendered under this Contract shall be for the same time period and rendered at the same time as billings required by the Power Sales Contract and the Project Support Contract.

5.8 All bills shall be due and payable ten days after receipt. Any amount due and unpaid after the due date shall be assessed a late fee of 1% per month on the amount due.

SECTION 6 Default

6.1 Default under this Contract on the part of the Selling Systems shall occur should those systems fail to pay for back-up services as required herein. In the event of default by any Selling System, the Purchasing Systems shall have the right to off-set payments required to be made to such Selling Systems and shall have the further right to take any available legal action to enforce the terms of this Contract.

6.2 Failure to accept delivery of energy when offered or failure to pay amounts required above shall constitute a default on the part of the Fort Pierce Utilities Authority and/or the City of Vero Beach.

6.6.3 The Agency shall promptly notify the defaulting party of any event of default. If such default is not remedied within thirty days of such notice, the Agency shall have the right, if so directed by the Selling System(s), to sell the capacity and energy being delivered to a defaulting party to any other party to whom it can legally sell such capacity and energy and to take any other legal remedy available to it to remedy the default.

6.6.4 An event of default shall not be construed as a termination of this Contract and all of the duties and obligations of the defaulting party shall remain in full force and effect as if such default had not occurred.

SECTION 7 Losses

7.1 It is recognized by the parties to this Contract that the delivery of capacity and energy results in losses such that the total amount of capacity and energy made available to the transmission system cannot be delivered to the Purchasing System. The Selling Systems recognize that they will be required to pay their respective participation share of their cost of St. Lucie 2 plant operations and that payments made by the Purchasing Systems will be based upon the capacity determined in accordance with Section 2.3.1 and the energy determined in accordance with Section 2.3.2. For purposes of this Contract losses will be based on the average transmission systems losses as calculated from time to time by Florida Power & Light Company (FPL) unless an interconnection between the Fort Pierce Utilities Authority system and the St. Lucie plant is constructed. Should such an interconnection be constructed, the calculated average losses of interconnection shall be used in lieu of FPL's average system losses.

SECTION 8 Miscellaneous Provisions

8.1 During the term of this Contract, as to any Selling System, the Selling System will not, without the consent of the Purchasing Systems, make, and the Agency will not recognize, any requests for a change in the delivery point except as provided upon giving a proper notice.

8.2 As to each Selling System, the Contract quantity of capacity and emergy shall be that Selling System's amount of capacity and emergy which it is entitled to receive from time to time under its Power Sales Contract with FMPA dated as of June 1, 1982. No action shall be taken under this Contract involving partial entitlement shares except where specifically stated herein.

8.3 The Fort Pierce Utilities Authority and the City of Vero Beach shall save FMPA and all other cities that are parties to this Contract harmless from any and all negligance claims that may be against them whether by the City or Authority, its officers, agents, or employees, or any third party for loss or damage in connection with the supply of capacity and energy hereunder, unless the same be due to or the result of the negligence of FMPA, the Selling Systems, or their officers, agents, or employees.

8.4 In case any party hereto shall be delayed in, or prevented from, performing or carrying out any of the agreements, covenants, and obligations made by and imposed on said parties by this Contract by reason of or through strike, stoppage in labor, failure of contractors or suppliers of materials, riot, fire, flood, ice, invasion, civil war, commotion, insurrection, military or usurped power, order of any court granted in any bona fide adverse legal

proceedings or action, or of any civil military authority either de facto or dejure, explanation, act of God, or the public enemies, or any cause reasonably beyond its control and not attributable to its neglect; then, in such case or cases such party shall not be liable to any other party for or on account of any loss, damage, injury or expense resulting from or arising out or such delay or prevention; provided, however, that the party suffering such delay or prevention shall use due and, in its judgement, practicable diligence to remove the cause or causes thereof; and provided, further, that no party shall be required by the foregoing provisions to settle a strike except when, according to its own best judgement, such settlement seems advisable.

8.5 This Contract can be assigned by the Selling Systems or the Purchasing Systems only in connection with an assignment of its Entitlement Share of the St. Lucie 2 project in accordance with the terms of Section 28 of the Power Sales Contract dated as of June 1, 1982.

8.6 In the event of a dispute regarding the terms of this Contract, the dispute shall be submitted for arbitration in accordance with the rules of the American Arbitration Association and the ruling of the arbitrator shall be binding upon all parties.

8.7 In the event that any of the terms, covenants, or conditions of this agreement or its application shall be held invalid as to any person, corporation, or circumstance by any court having jurisdiction, the remainder of this agreement and the application and effects of its terms, covenants, or conditions to such persons, corporation, or circumstance shall not be affected thereby.

8.8 Any notice demand or request required or authorized by this contract shall be deemed properly given if mailed certified mail, return

receipt requested, to the affected party or parties at the address as shown on Exhibit 1 attached hereto.

8.9 The obligation of all parties to this Contract are several and not joint.

8.10 The parties recognize that this Contract has been entered into based upon existing tariff provisions of FPL's partial requirements rate PR, and upon existing agreements between FMPA and FPL, and upon operation of generation owned by the Purchasing Systems as currently practiced and as may be modified to accommodate this agreement, and is intended to benefit both the Selling Systems and the Purchasing Systems. In the event of changed circumstances that would make this agreement economically detrimental to either the Purchasing Systems or the Selling Systems, the Parties so affected may request a renegotiation of the terms and conditions of this agreement and the other parties agree to enter into good faith negotiations intended to restore the equities orginally contemplated by the Parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused this Capacity and Energy Sales Contract to be executed by their proper officers respectively, being thereunto duly authorized, and their respective seals to be hereto affixed, as of the day and year first above writtem.

THE CITY OF VERO BEACH, FLORIDA

BY _____
Mayor

(SEAL)

BY _____
City Manager

Attest:

_____
City Clerk

EXHIBIT 1

City Manager
City of Alachua
P. O. Box 9
Alachua, Florida 32615

City Manager
City of Clewiston
P. O. Box 698
Clewiston, Florida 33440

General Manager
Florida Municipal Power Agency
7200 Lake Ellenor Dr. Suite 154
Orlando, Florida 32809

City Manager
City of Fort Meade
P. O. Box 856
Fort Meade, Florida 33841

Director of Utilities
Fort Pierce Utilities Authority
P. O. Box 3191
Fort Pierce, Florida 33454

City Manager
City of Green Cove Springs
229 Walnut Street
Green Cove Springs, Florida 32043

Director of Electric Utilities
City of Jacksonville Beach
P. O. Box 51389
Jacksonville Beach, Florida 32250

Superintendent of Electric Utilities
City of Leesburg
P. O. Box 630
Leesburg, Florida 32748

Electric Supervisor
City of Moore Haven
P. O. Box 399
Moore Haven, Florida 32669

Director of Utilities
City of Newberry
P. O. Box 368
Newberry, Florida 32699

City Clerk
City of Starke
P. O. Drawer "C"
Starke, Florida 32091

Director of Utilities
City of Vero Beach
P. O. Box 1389
Vero Beach, Florida 32960

I, Phyllis Neuberger, City Clerk of the City of Vero Beach, (the "Participant") DO HEREBY CERTIFY as follows:

1. Attached hereto as Exhibit A are true and complete copies of the Power Sales Contract dated as of June 1, 1982, together with Amendment No. 1 and Amendment No. 2 thereto (such Contract as so amended, the "Power Sales Contract"), between Florida Municipal Power Agency (the "Agency") and the Participant, which have not been further modified, amended or rescinded and are in full force and effect on the date hereof.

2. Attached hereto as Exhibit B are true and complete copies of the Project Support Contract dated as of June 1, 1982, together with Amendment No. 1 and Amendment No. 2 thereto (such Contract as amended, the "Project Support Contract"), between the Agency and the Participant, which have not been further modified, amended or rescinded and are in full force and effect on the date hereof.

3. Attached hereto as Exhibit C is a true and complete copy of the St. Lucie Unit No. 2 Capacity and Energy Sales Contract (the "Capacity and Energy Sales Contract") made as of June 1, 1982 among the Agency and the Selling Systems and the Purchasing Systems (as defined therein), which has not been modified, amended or rescinded and is in full force and effect on the date hereof.

4. Attached hereto as Exhibit D are true and complete copies of the resolutions duly adopted by the Participant at meetings duly called and duly held at which meetings a quorum was present and acting throughout, such resolutions relating to, among other matters, the Power Sales Contract, the Project Support Contract, and the Capacity and Energy Sales Contract and the ratification of the execution and delivery by the Agency of the St. Lucie Unit No. 2 Participation Agreement dated as of February 11, 1982, the St. Lucie Replacement Power Agreement dated February 11, 1982, the St. Lucie Nuclear Reliability Exchange Agreement dated March 26, 1982, and amendments thereto, each between the Agency and Florida Power & Light Company. Except as provided therein, and in the Capacity and Energy Sales Contract such resolutions have not been modified, amended or rescinded and are in full force and effect on the date hereof.

5. The undersigned hereby certifies that the Participant is not in default in the performance of any of the covenants, conditions, agreements or provisions contained in the Power Sales Contract, in the Project Support Contract and in the Capacity and Energy Sales Contract, nor has there occurred any event which would, with due notice or passage of time or both, constitute a default thereunder.

6. The undersigned hereby certifies that the representations, warranties and covenants of the Participant contained in the Power Sales Contract, in the Project Support Contract and in the Capacity and Energy Sales Contract are true and correct on and as of the date hereof.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of the Participant this twelth day of May, 1983.

Phyllis Neuberger

Phyllis Neuberger
City Clerk
City of Vero Beach

CERTIFICATE OF THE PARTICIPANT PURSUANT TO THE PURCHASE CONTRACT

I, John V. Little, City Manager of the City of Vero Beach, (the "Participant") DO HEREBY CERTIFY as follows:

1. The information on pages 13 through 16 and B-4 through B-5 in the Official Statement dated April 21, 1983 (the "Official Statement") relating to Florida Municipal Power Agency (the "Agency") St. Lucie Project Revenue Bonds, Series 1983 (the "Bonds"), concerning the Participant was as of the date, including, information furnished to the Agency for use in preparing any combined data, thereof, and is as of the date hereof, true and correct in all material respects and did not and does not omit any statement or information which, in my opinion, is necessary to make the statements and information contained therein, in light of the circumstances under which they were made, not misleading.

2. Since September 30, 1982, except as referred to in or as contemplated by the Official Statement, with respect to its electric system, the Participant has not incurred any financial liabilities, direct or contingent, or entered into any transactions and there has not been any adverse change in the condition, financial or physical, of the electric system of the Participant, in any case that would materially and adversely affect the ability of the Participant to meet its obligations under the Power Sales Contract and the Project Support Contract dated as of June 1, 1982, as such Contracts are amended by Amendments Nos. 1 and Amendments Nos. 2 thereto (as so amended, the "Power Sales Contract" or the "Project Support Contract"), entered into between the Agency and the Participant or the St. Lucie Unit No. 2 Capacity and Energy Sales Contract (the "Energy Sales Contract") made as of June 1, 1982 among the Agency, the Selling Systems and the Purchasing Systems (as defined therein).

3. (a) Other than as set forth in the Official Statement, no litigation is pending or, to my knowledge, threatened in any court to restrain or enjoin the delivery of the Power Sales Contract or the Project Support Contract or the Energy Sales Contract or in any way contesting or affecting the validity of such agreements, and (b) other than as set forth in the Official Statement there is no litigation pending or, to my knowledge, threatened against the Participant or involving any of the property or assets which comprise the electric system of the Participant which involves the possibility of any judgment that would materially and adversely affect the ability of the Participant to meet its obligations under the Power Sales Contract or the Project Support Contract or the Energy Sales Contract.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of the Participant this twelfth day of May, 1983.

John V. Little
City Manager
City of Vero Beach

4. Other than as set forth in the Official Statement to my best knowledge and belief, there is no petition for referendum which seeks to restrain or enjoin the delivery of the Power Sales Contract or the Project Support Contract or the Capacity and Energy Sales Contract , which seeks to contest or affect the validity of such agreements or which could otherwise materially and adversely affect the ability of Participant to meet its obligations under such agreements.

CERTIFICATE OF ELECTION, INCUMBENCY
AND SIGNATURE

I, Phyllis A. Neuberger, City Clerk of the City of Vero Beach (the "Participant"), a legal entity organized under the laws of the State of Florida, DO HEREBY CERTIFY that:

The following persons have been or are, for the periods stated below, duly elected or appointed to the offices in the Participant or positions with the Participant set forth opposite their respective names hereunder, that they then held, or now hold such offices or positions and were or are acting as such officers or in such positions, respectively, and that the signatures set forth opposite their respective names hereunder are true specimens of the customary signatures of said officers.

Office	Name	Dates Position Held	Signature
Mayor	William H. Cochrane	3/10/82 - 3/9/83	
Mayor	Dorothy M. Cain	3/9/83 -	
City Manager	John V. Little	6/1/73	

Phyllis A. Neuberger
City Clerk
City of Vero Beach

Dated this 12th day of May, 1983

CERTIFICATE OF ELECTION, INCUMBENCY
AND SIGNATURE

I, Dorothy M. Cain, do hereby certify that Phyllis A. Neuberger is the duly appointed and acting City Clerk of the City of Vero Beach (the "Participant") and now holder of said office, that the foregoing Certificate of Election, Incumbency and Signature (the "Certificate") was duly signed by said Phyllis A. Neuberger, that the signature affixed to the Certificate is the genuine signature of said Phyllis A. Neuberger and that the seal affixed to the Certificate is the genuine seal of the Participant.

Dorothy M. Cain

Dorothy M. Cain
Mayor
City of Vero Beach

Dated: May 12, 1983

City of Vero Beach
P. O. BOX 1389 · 1053 - 20th PLACE
VERO BEACH, FLORIDA - 32960
Telephone 567-5151

ICE OF THE
CITY ATTORNEY

May 12, 1983

Florida Municipal Power Agency
Orlando Central Park
7200 Lake Ellenor Drive Suite 154
Orlando, Florida 32809

Gentlemen:

I am an attorney admitted to practice in the State of Florida and I have acted as counsel to the City of Vero Beach (the "Participant"), a member of Florida Municipal Power Agency ("FMPA") which has entered into a Power Sales Contract and a Project Support Contract (as hereinafter defined) with FMPA, and am familiar with proceedings taken by the governing body of the Participant as such in connection with the participation of the Participant in FMPA and the authorization, execution and delivery by the Participant of its Power Sales Contract and Project Support Contract.

In so acting I have examined the Constitution and laws of the State of Florida and the Charter and Ordinances of the Participant. I have also examined originals or copies certified or otherwise identified to my satisfaction, of the following:

(a) FMPA's St. Lucie Project Revenue Bond Resolution, adopted by the Board of Directors of FMPA on March 26, 1982 and amended and restated in the entirety on May 21, 1982, and as supplemented and amended by the First Supplemental and Amendatory St. Lucie Project Revenue Bond Resolution (collectively, the "Bond Resolution") pursuant to which the $290,000,000 aggregate principal amount of its St. Lucie Project Revenue Bonds, Series 1983 (the "Bonds") are being issued;

(b) the Power Sales Contract, dated as of June 1, 1982 as amended by Amendment No. 1 thereto dated as of January 1, 1983 and Amendment No. 2 thereto dated as of April 1, 1983 (as so amended, the "Power Sales Contract") between FMPA and the Participant, and the Project Support Contract, dated as of June 1, 1982 as amended by Amendment No. 1 thereto dated as of January 1, 1983 and Amendment No. 2 thereto dated as of April 1, 1983 (as so amended the "Project Support Contract"), between FMPA and the Participant;

(c) the St. Lucie Unit No. 2 Capacity and Energy Sales Contract (the "Capacity and Energy Sales Contract") dated as of June 1, 1982 among the Selling Systems and the Purchasing Systems, as defined therein, and FMPA;

(d) proceedings of the governing body of the Participant in connection with the establishment of FMPA;

(e) proceedings of the governing body of the Participant relating to authorization of the Power Sales Contract and the Project Support Contract;

(f) the Official Statement of FMPA, dated April 21, 1983, relating to the Bonds (the "Official Statement"); and

(g) all outstanding instruments relating to bonds, notes or other indebtedness of or relating to the Participant's electric utility or other integrated utility system.

I have also examined and relied upon originals or copies, certified or otherwise authenticated to my satisfaction, of such other records, documents, certificates and other instruments, and made such investigation of law, as in my judgment I have deemed necessary or appropriate to enable me to render the opinions expressed below.

I am of the opinion that:

1. The Participant is a public agency as defined in Section 163.01(3) (b), Florida Statutes, as amended, and an electric utility as defined in Section 361.11(2), Florida Statutes, as amended, duly created and validly existing pursuant to the constitution and statutes of the State of Florida, with the legal right to carry on the business of its electric utility or other integrated utility system as currently being conducted and as proposed to be conducted as described in the Official Statement.

2. The proceedings of the Participant's governing body approving the Power Sales Contract, the Project Support Contract, and the Capacity and Energy Sales Contract and authorizing their execution and delivery have been duly and lawfully adopted at meetings duly called and held in accordance with all applicable law including Section 286.011, Florida Statutes.

3. The governing body of the Participant has approved the Power Sales Contract, the Project Support Contract, and the Capacity and Energy Sales Contract and their execution and delivery on behalf of the Participant, and each of the Power Sales Contract, the Project Support Contract, and the Capacity and Energy Sales Contract has been duly authorized, executed and delivered by the appropriate officers of the Participant.

4. Neither the Participant's execution and delivery of the Power Sales Contract, the Project Support Contract, and the Capacity and Energy Sales Contract, performance by the Participant of its obligations thereunder, compliance by the Participant with the terms, provisions and covenants therewith nor the consummation of the transactions contemplated thereby will contravene any applicable law or any applicable order, injunction, judgment, decree, rule or regulation of any court or administrative agency having jurisdiction over the Participant or its property or conflict with or constitute or result in a breach or violation of or default under the terms or provisions of any statute of the State of Florida, the Participant's Charter, any existing ordinance, any administrative rule or regulation of the State of Florida or of any bond resolution or other resolution, judgment, decree, order, license, permit, franchise, indenture, mortgage, deed of trust or other agreement or instrument to which the Participant is a party or is subject or by which it or any of its properties is bound, or result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets of the Participant, except as expressly provided by the Power Sales Contract, the Project Support Contract, the Bond Resolution, and the Capacity and Energy Sales Contract.

5. Except as otherwise noted in the Official Statement, amounts payable by the Participant to FMPA pursuant to the Power Sales Contracts will constitute operating expenses of the Participant's electric or other integrated utility system.

6. All approvals, consents or authorizations of, or registrations or filings with, any governmental or public agency, authority or person required on the part of the Participant in connection with the execution, delivery and performance by it of the Power Sales Contract or the Project Support Contract or the Capacity and Energy Sales Contract have been obtained or made.

7. There is no action, suit, litigation, inquiry, investigation or other proceeding by or before any court, governmental agency, public board or body or other tribunal of competent jurisdiction (either State or Federal) pending or, to the best of my knowledge after due inquiry, threatened against the Participant or its electric utility or other integrated utility system which (a) questions the creation, organization or existence of the Participant, (b) affects or seeks to prohibit, restrain or enjoin the Participant from entering into or complying with the obligations contained in the Power Sales Contract or the Project Support Contract or the Capacity and Energy Sales Contract, including the payment obligations to FMPA contained therein, or (c) in any way affects or questions the validity, legality or enforceability of the Power Sales Contract or the Project Support Contract or the Capacity and Energy Sales Contract, nor, to the best of my knowledge, is there any basis therefor.

A copy of this opinion is being delivered to Florida Power & Light Company and they may rely on this opinion as fully as though it were addressed directly to them.

Very truly yours,

Charles P. Vitunac

Charles P. Vitunac

ST. LUCIE DELIVERY SERVICE AGREEMENT
BETWEEN
FLORIDA POWER & LIGHT COMPANY
AND
FLORIDA MUNICIPAL POWER AGENCY

0.1 This St. Lucie Delivery Service Agreement ("Agreement") is made as of June, 27, 1983, between Florida Power & Light Company ("Company" or "FPL") and the Florida Municipal Power Agency ("FMPA"), collectively "the Parties."

WITNESSETH THAT:

0.2 WHEREAS, FMPA owns an 8.806 percent undivided ownership interest in St. Lucie Unit No. 2 ("SL-2"), and

0.3 WHEREAS, the Parties have entered into a St. Lucie Nuclear Reliability Exchange Agreement which provides for FMPA to exchange to FPL a portion of its capacity and energy entitlements from SL-2 in exchange for an equivalent capacity and energy entitlement from FPL's St. Lucie Unit No. 1 ("SL-1"), and

0.4 WHEREAS, the Parties have entered into a St. Lucie Replacement Power Agreement, under which, in certain instances, FPL will provide replacement power and energy to FMPA when SL-1 or SL-2 is operating at or below certain levels, and

0.5 WHEREAS, FMPA has requested, and FPL has agreed for the term specified herein, to deliver FMPA's power and energy entitlements from SL-1 and SL-2 over FPL's transmission facilities to the delivery point(s) identified hereafter.

0.6 NOW THEREFORE, it is agreed that FPL shall provide such delivery service under this Agreement in accordance with the following terms and conditions:

ARTICLE I

DEFINITIONS

1.1 The Exchange Agreement - the St. Lucie Nuclear Reliability Exchange Agreement between FPL and FMPA, made as of March 26, 1982, as amended from time to time.

1.2 Commencement Date for Delivery Service - the date that St. Lucie Unit No. 2 is synchronized with FPL's system and begins the production of net test energy.

1.3 Date of Firm Operation - the date that SL-2 is declared in Firm Operation pursuant to the participation agreement between FPL and FMPA.

1.4 FMPA's Participating Members - City of Alachua; City of Clewiston; City of Fort Meade; Fort Pierce Utilities Authority; City of Green Cove Springs; City of Homestead; City of Jacksonville Beach; City of Kissimmee; Lake Worth Utilities Authority; City of Leesburg; City of Moore Haven; City of Newberry; Utilities Commission, City of New Smyrna Beach; Sebring Utilities Commission; City of Starke; and City of Vero Beach.

1.5 FERC - Federal Energy Regulatory Commission or its successor.

1.6 Replacement Power Agreement - the St. Lucie Replacement Power Agreement between FPL and FMPA, made as of February 11, 1982, as amended from time to time.

1.7 Seasonal Net Capability - the net capability rating of St. Lucie Unit No. 1 or St. Lucie Unit No. 2 as established in accordance with the methodology described in Section 2.13 of the Exchange Agreement.

1.8 FMPA St. Lucie Nuclear Power Resources - the aggregate of FMPA's power and energy entitlements resulting from its ownership interest in St. Lucie Unit No. 2, the Exchange Agreement, and the Replacement Power Agreement.

1.9 St. Lucie Delivery Point - The high voltage side of the step-up transformers at St. Lucie Units No. 1 and No. 2.

1.10 OUC Delivery Point - the delivery point(s) between FPL and OUC as described in the Contract For Interchange Service Between Florida Power & Light Company and the Orlando Utilities Commission made as of May 17, 1979, as amended from time to time.

ARTICLE II

SERVICE PROVIDED

2.1 Prior to the Date of Firm Operation, FPL shall provide delivery service for FMPA St. Lucie Nuclear Power Resources from the St. Lucie Delivery Point to OUC for FMPA's account at the OUC Delivery Point.

2.2 On and after the Date of Firm Operation, FPL shall provide delivery service for FMPA St. Lucie Nuclear Power Resources from the St. Lucie Delivery Point to FMPA's Participating Members at the FMPA delivery points, as described in Article VII. FPL shall provide delivery service not to exceed the sum of the Contract Demand and the Excess Demand as described in Article III.

2.3 The service provided will be 60 Hertz, alternating current, and three phase and it will be supplied on a continuous availability basis subject to the provisions of this Agreement.

ARTICLE III

CONTRACT DEMAND

3.1 The initial Contract Demand, in MW rounded to the nearest whole MW, shall be determined as of the date of Firm Operation using the method illustrated in Exhibit I to this Agreement which, thereafter, shall be the basis for determining the Contract Demand unless and until revised pursuant to Section 3.2.

3.2 The Contract Demand will be increased at any time the winter Seasonal Net Capability of SL-1 or SL-2 is increased if such increase is reasonably expected to be permanent. Such increased Contract Demands shall apply for billing purposes

beginning with the monthly billing period following the month such revised Contract Demands are established.

3.3 The Excess Demand for a monthly billing period, expressed in MWh and rounded to the nearest whole MWh, shall be the sum of the hourly amounts, if any, of energy associated with FMPA St. Lucie Nuclear Power Resources, and measured at the St. Lucie Delivery Point, in excess of the hourly energy associated with the Contract Demand during such monthly period. In no event shall FPL be obligated to deliver, at any time, energy associated with FMPA St. Lucie Nuclear Power Resources in an amount greater than one hundred five (105) percent of the Contract Demand in effect at that time.

ARTICLE IV

INTERRUPTIONS OF DELIVERY SERVICE

4.1 It is understood and agreed that FPL shall provide delivery service hereunder, except (1) for interruptions or reductions due to a Force Majeure; (2) for interruptions or reductions due to action instituted by automatic or manual control which results in disconnection for the purpose of maintaining overall reliability and continuity of FPL's transmission system or for the purpose of protecting its generation or transmission facilities; (3) for temporary interruptions or reductions which, in the opinion of FPL, are necessary or desirable for the purpose of maintenance, repairs, replacements, or installation of equipment, or investigation and inspection; or (4) for failure of FMPA or Participating Members to comply with Articles X and XIII of this Agreement. FPL does not warrant or guarantee that the delivery service provided hereunder will be free from interruption or impairment, and FPL shall not be liable to FMPA or Participating Members for damages resulting therefrom. FPL will give FMPA reasonable advance notice of any scheduled temporary interruptions or impairment of delivery service. Each party (FPL or FMPA) will notify the other party

of any unscheduled interruption or impairment of delivery service by telephone and confirm such notice by teletype or letter on the same date such notice was given. FPL will use due diligence to remove all causes under FPL's control of such interrupted or impaired service.

ARTICLE V

ADJUSTMENTS FOR REDUCTION OR INTERRUPTION OF SERVICE

5.1 In the event that delivery service is not provided, or is provided in an amount less than 80% of the Contract Demand following the Date of Firm Operation, as a result of an unanticipated reduction or interruption in the operation of FMPA St. Lucie Nuclear Power Resources, and such reduction or interruption continues for a period of twelve consecutive months, FMPA may reduce the Contract Demand to the extent necessary to compensate for such reduction or interruption, provided FMPA gives FPL at least three years' written notice specifying the effective date of such reduced Contract Demand. FMPA subsequently may further reduce or may increase the Contract Demand to account for further reductions or interruptions, or for restoration following reduction or interruptions, in the operation of FMPA St. Lucie Nuclear Power Resources, provided FMPA gives FPL at least five years' written notice specifying the effective date of such adjusted Contract Demand.

5.2 Following any period of ten consecutive days in which delivery service is not provided or is provided in an amount less than 80% of the Contract Demand following the Date of Firm Operation, as the result of an unanticipated reduction or interruption in the operation of FMPA St. Lucie Nuclear Power Resources, FMPA shall have the right to reserve all or any part of the then effective Contract Demand, hereafter referred to as Reserved Contract Demand, for its own use or for assignment to third party utilities for purposes other than for the delivery of FMPA St. Lucie Nuclear Power Resources, provided that FMPA gives FPL adequate notice specifying

the proposed assignee, delivery points, magnitude and period of FMPA's or assignee's use in order that FPL may determine its ability to provide the requested service.

5.3 It is understood that the obligation of FPL to transmit power and energy associated with the Reserved Contract Demand pursuant to Section 5.2 to or from any third party with which FPL is interconnected shall be subject to FPL's ability to transmit and deliver such power consistent with the operation of its system under normal and emergency conditions for its own purposes, including performance of other transmission service obligations and the maintenance of appropriate margins of reserve capacity, and shall be limited to times during which said transmission can be accomplished without a change in the FPL generating schedule. The availability of transmission service associated with the Reserved Contract Demand shall be determined by FPL, and FPL shall have the right to decline to provide service to or from any delivery point, or to curtail or discontinue service to or from any such delivery point, upon notice to FMPA that is reasonable under the circumstances, in accordance with the conditions and limitations provided in this Section. In scheduling power for delivery to or from any delivery point or interconnection point, FMPA shall comply with reasonable procedures prescribed by FPL in order to provide FPL with such notice of FMPA's or third party utilities' proposed transmission service schedules as is necessary for FPL to determine whether it is able to provide the transmission service consistent with the provisions of this Section and to schedule and dispatch its system in an orderly manner. The obligation of FPL shall be further limited to times during which such power is actually received by FPL for further delivery. Nothing herein shall be construed as requiring FPL to enlarge its facilities to transmit such power.

5.4 Any use of the Reserved Contract Demand by FMPA or by any third party utilities, in accordance with the provisions of Section 5.2, which would prevent FPL from providing delivery service for FMPA St. Lucie Nuclear Power Resources, will be discontinued by FMPA within one hour after FPL has notified FMPA of this condition.

5.5 Subject to Section 5.4, FMPA shall withdraw any assignments of the Reserved Contract Demand made to third party utilities and shall discontinue using the Reserved Contract demand for transmission service other than for the delivery of FMPA St. Lucie Nuclear Power Resources one day after FMPA St. Lucie Nuclear Power Resources have attained a level equal to or greater than 80% of the Contract Demand for five (5) consecutive days.

5.6 In the event that delivery is not provided, or is provided in an amount less than FMPA St. Lucie Nuclear Power Resources, as a result of unanticipated interruptions or reductions in capabiity of the transmission system, FPL will adjust deliveries as soon as practicable thereafter so that FMPA will receive, as nearly as practicable, the amount of energy to which it is entitled.

ARTICLE VI

CHARGES

6.1 The charge for delivery service provided by FPL prior to the Date of Firm Operation shall be $2.15 per MWh.

6.2 The charge for delivery service not in excess of the Contract Demand provided by FPL on an after the Date of Firm Operation shall be $18,820 per MW of the Contract Demand per year ($1,568.33 per MW of the Contract Demand in effect during the billing month for periods less than entire years). Monthly billings will be based on one-twelfth (1/12th) of the annual charge.

6.3 The charge for delivery service of Excess Demand shall be $2.15 per MWh.

ARTICLE VII

DELIVERY POINTS

7.1 FMPA St. Lucie Nuclear Power Resources will be delivered to FPL for FMPA's account at the St. Lucie Delivery Point.

7.2 Prior to the Date of Firm Operation, FPL shall provide delivery service for FMPA St. Lucie Nuclear Power Resources to OUC for FMPA's account at the OUC Delivery Point.

7.3 FMPA shall designate the delivery points and allocation of FMPA St. Lucie Nuclear Power Resources to which FPL is to provide delivery service hereunder on and after the Date of Firm Operation. FMPA may change such delivery points and allocations only upon written notice to FPL given at least one year in advance of the change, provided that FPL determines that it has adequate transmission capacity to provide such delivery service.

ARTICLE VIII

RESPONSIBILITY FOR ARRANGEMENTS WITH OTHER PARTIES

8.1 In the event FMPA requests that a portion of its FMPA St. Lucie Nuclear Power Resources be delivered to a Participating Member which is not directly interconnected with FPL's transmission system, but which is connected to FPL's system by the transmission system of a third party, FMPA shall be responsible for consummating and maintaining all necessary arrangements with other third party systems regarding the deliveries of such FMPA St. Lucie Nuclear Power Resources to any such Participating Member. FMPA shall promptly furnish FPL with copies of agreements relating thereto and any arrangements or supplements thereto.

8.2 FMPA expressly agrees to indemnify and save harmless and defend FPL against all claims, demands, costs or expenses arising out of such arrangements for providing service under this Agreement, including, without limitation, claims or demands asserted by any third party in connection with the delivery of power for FMPA's account, unless such claim, demand, cost or expense shall arise out of or result from the negligence or wilful misconduct of FPL, its agents, servants or employees.

ARTICLE IX

LOSSES

9.1 Subject to the provisions of Articles IV, XIII and XV hereof, FPL will, in each hour that power and energy subject to this Agreement is delivered at the St. Lucie Delivery Point to FPL for FMPA's account, transmit and deliver such power and energy to the designated delivery points, less an amount attributable to losses (adjusted to the nearest whole MW for dispatching purposes only). Such losses will be based on FPL's most recent calendar year data for system average transmission loss percentage which will be determined each year prior to May 1st and applied to subsequent deliveries as of May 1st each year.

9.2 Subject to the provisions of Sections 5.2, 5.3 and 5.5 and Articles XIII and XV hereof, FPL will, in each hour that power and energy associated with the Reserved Contract Demand is received by FPL for further delivery, transmit and deliver such power and energy to the designated delivery point(s), less an amount attributable to losses (adjusted to the nearest whole MW for dispatching purposes only). Such losses will be based on FPL's most recent calendar year data for system average transmisison loss percentage which will be determined each year prior to May 1st and applied to subsequent deliveries as of May 1st each year.

ARTICLE X

REACTIVE POWER

10.1 It shall be FMPA's responsibility to insure that FMPA's Participating Members to which deliveries are made under this Agreement shall supply sufficient reactive power (MVAR) on their respective systems to maintain the power factor of the power delivered hereunder as near unity as practical, except as otherwise may be arranged from time to time between the operating representatives of FPL and FMPA or those Participating Members maintaining their own operating control area due to the then existing conditions.

ARTICLE XI

SCHEDULED DELIVERIES AND INADVERTENT INTERCHANGE

11.1 It is recognized that FPL, FMPA's Participating Members identified in Exhibit II to this Agreement and third party utilities to which the Reserved Contract Demand may be assigned pursuant to Section 5.2 may maintain interconnections with other utilities. For this reason, the actual flow of power on the interconnections maintained by FPL, FMPA' s Participating Members identified in Exhibit II to this Agreement and such third party utilities will usually differ from scheduled values due to flow or displacement of power through other systems. Therefore, unless otherwise agreed upon, deliveries of FMPA St. Lucie Nuclear Power Resources to the Delivery Point prior to the Date of Firm Operation, to the FMPA delivery points identified in Exhibit II to this Agreement on and after the Date of Firm Operation, or deliveries made pursuant to Section 5.2 shall be in accordance with the amount of power scheduled to be delivered.

The difference between scheduled deliveries and actual net deliveries shall be determined at the end of each hour of the scheduled delivery, and the difference, so determined, shall be classified as inadvertent interchange energy. This inadvertent energy includes the intentional interchange energy resulting from the use of frequency bias as well as the unscheduled interchange energy resulting from human or equipment error. Inadvertent interchange energy shall be returned in kind at times mutually agreed upon.

ARTICLE XII

CHANGES IN CHARGES AND TERMS AND CONDITIONS OF SERVICE

12.1 This Agreement, the service to be rendered, the terms, conditions and charges provided for herein, other than the Term, as set forth in Article XIV of this Agreement, are subject to being superseded, changed or modified, either in whole or in

part, from time to time by a legally effective filing of FPL with, or by order of, the regulatory authority having jurisdiction. Notwithstanding the execution of this Agreement, FMPA shall have the right at any time to make application to such regulatory authority for a change in the service, terms, conditions and charges provided for herein.

ARTICLE XIII

BILLING AND PAYMENT

13.1 Bills for service provided under this Agreement shall be rendered monthly by FPL and paid monthly by FMPA. All such bills shall be due and payable within 10 days from the date of mailing as determined by postmark. Any amount due and unpaid after the due date shall be termed delinquent and there shall be added interest at the current rate provided for refunds made under the Federal Power Act by the FERC.

13.2 In case of a disputed bill, payment will be made within the 10-day payment period, but the disputed portion of the bill may be paid under protest. Payments made and designated "Paid Under Protest" shall be accompanied by the reasons therefor. Any refunds due FMPA resulting from the settlement of the dispute will include interest at the current rate provided for refunds made under the Federal Power Act by the FERC.

13.3 FPL shall have the right to discontinue the delivery service to FMPA in the event FMPA shall fail to pay any sum due, or in the event FMPA otherwise violates this Agreement, provided that FPL shall give FMPA at least 60 days written notice of its intention to discontinue the delivery service. FMPA shall have such period in which to pay such sum or cure such default. Payments due hereunder shall not be subject to any reduction by offset or otherwise.

ARTICLE XIV

TERM

14.1 The Delivery Service provided for herein shall commence upon the Commencement Date of Delivery Service and will thereafter terminate at the earlier of (a) final retirement by FPL of both St. Lucie Unit No. 1 and St. Lucie Unit No. 2, or (b) the latest stated maturity date of any of the original bonds issued by FMPA to finance its ownership interest in St. Lucie Unit No. 2 (without regard to whether such bonds are retired, redeemed or otherwise repaid prior to such date or whether their maturity is in any way extended), provided however, FMPA may terminate this Agreement at any time by providing FPL written notice 5 years prior to the desired effective date of such termination.

ARTICLE XV

FORCE MAJEURE

15.1 In case either party hereto should be delayed in or prevented from performing or carrying out any of the agreements, covenants, and obligations made by and imposed upon said parties by this Agreement by reason of or through strike, stoppage in labor, failure of contractors or suppliers of materials, riot, fire, flood, ice, invasion, civil war, commotion, insurrections, military or usurped power, order of any Court granted in any bonafide adverse legal proceedings or action, or of any civil or military authority either de facto or de jure, explosion, act of God or the public enemies, or any cause reasonably beyond its control and not attributable to its neglect; then, and in such case or cases, such party shall not be liable to the other party for or on account of any loss, damage, injury or expense resulting from or arising out of such delay or prevention; provided, however, that the party suffering such delay or prevention shall use due and, in its judgment, practicable diligence to remove the cause or causes thereof; and provided, further, that neither party shall be required by

the foregoing provisions to settle a strike except when, according to its own best judgment, such settlement seems advisable.

ARTICLE XVI

MISCELLANEOUS

16.1 The Parties recognize that this Agreement must be filed with the FERC and is subject to the FERC's regulatory jurisdiction.

16.2 Any undertaking by one party to the other under any provision of this Agreement shall not constitute the dedication of the system or any portion thereof of either party to the public or to the other party, and it is understood and agreed that any such undertaking by either party shall cease upon termination of this Agreement.

16.3 Any waiver at any time by either party hereto of its rights with respect to the other party or with respect to any matter arising in connection with this Agreement shall not be considered a waiver with respect to any subsequent default or matter.

16.4 This Agreement shall inure to the benefit of and be binding upon the Parties hereto, their respective successor and assigns, and shall not be assignable by either Party without the written consent of the other party except as to a successor in the operation of its properties by reason of a merger, consolidation, reorganization, sale, or foreclosure where substantially all such properties are acquired by such a successor.

16.5 Any notice, demand, or request required or authorized by this Agreement shall be deemed properly given if mailed postage prepaid, to FLORIDA POWER & LIGHT COMPANY, P. O. Box 029100, Miami, Florida 33102, Attention: Manager, Inter-Utility Affairs, in the case of FPL; and to FLORIDA MUNICIPAL POWER AGENCY, 7200 Lake Ellenor Drive, Suite 154, Orlando, Florida 32809, Attention: General Manager, in the case of FMPA; or to such other person as may be designated

by FPL or by FMPA. The designation of the person to be notified or the address of such person may be changed by FPL or FMPA at any time, or from time to time, by similar notice.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized officers, and copies delivered to each Party, as of the date and year first above stated.

ATTEST:

BY: _____
Assistant Secretary

FLORIDA POWER & LIGHT COMPANY

BY: _____
Senior Vice President

ATTEST:

BY: _____

FLORIDA MUNICIPAL POWER AGENCY

BY: _____
Chairman

EXHIBIT I
TO THE ST. LUCIE DELIVERY SERVICE AGREEMENT
BETWEEN FLORIDA POWER & LIGHT COMPANY
AND
FLORIDA MUNICIPAL POWER AGENCY

Computation of Contract Demand

The Contract Demand shall be derived as follows:

$$CD = [AWSNC_2 \times .04403] + [AWSNC_1 \times EC_1]$$

where

CD	is the Contract Demand rounded to the nearest whole MW.
$AWSNC_2$	is the Adjusted Winter Seasonal Net Capability of St. Lucie Unit No. 2, established in accordance with the methodology described in Section 2.13 of the Exchange Agreement.
$AWSNC_1$	is the Adjusted Winter Seasonal Net Capability of St. Lucie Unit No. 1, established in accordance with the methodology described in Section 2.13 of the Exchange Agreement.
EC_1	is a percentage, expressed as a decimal, of the Available Net Generating Capability and Net Energy of St. Lucie Unit No. 1, as defined in the Exchange Agreement, and derived in accordance with the methodology described in Section 3.3 of the Exchange Agreement.

Corrected
7-29-83

EXHIBIT II
TO THE ST. LUCIE DELIVERY SERVICE AGREEMENT
BETWEEN FLORIDA POWER & LIGHT COMPANY
AND
FLORIDA MUNICIPAL POWER AGENCY

The following is the allocation of FMPA St. Lucie Nuclear Power Resources on and after the Date of Firm Operation:

FMPA Participating Members	Allocation of FMPA St. Lucie Nuclear Power Resources (%)	FMPA Delivery Points
Fort Pierce Utilities Authority	23.788	(1)
City of Homestead	8.269	(1)
Lake Worth Utilities Authority	24.870	(1)
Utilities Commission, City of New Smyrna Beach	9.884	(1)
City of Kissimmee	9.405	(2)
City of Vero Beach	23.784	(1)
Total	**100.000**	

Notes:

(1) Delivery point(s) as defined in the Contract for Interchange Service between FPL and the Participating Member.

(2) Deliveries to be made to Orlando Utilities Commission (OUC) for the account of the Participating Member at delivery point(s) as defined in the Contract for Interchange Service between FPL and OUC.

REVISED TO INCORPORATE
AMENDMENT # I Dated
March 26, 1982

REVISED TO INCORPORATE
AMENDMENT # 2 Dated
February 18, 1983

ST. LUCIE UNIT NO. 2
PARTICIPATION AGREEMENT
BETWEEN
FLORIDA POWER & LIGHT COMPANY
AND
FLORIDA MUNICIPAL POWER AGENCY

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ST. LUCIE UNIT NO. 2

PARTICIPATION AGREEMENT

This Participation Agreement ("Agreement") made as of February 11, 1982, between Florida Power & Light Company ("Company") and the Florida Municipal Power Agency, a legal entity organized and existing under the laws of the State of Florida ("Participant").

WITNESSETH THAT:

WHEREAS, Company is constructing a nuclear generating unit, to be called St. Lucie Unit No. 2, at a site on Hutchinson Island, in St. Lucie County, Florida; and

WHEREAS, Company has undertaken to obtain and has received from the Nuclear Regulatory Commission under NRC Docket No. 50-389A permit to construct St. Lucie Unit No. 2; and

WHEREAS, Company and Participant have negotiated the terms and conditions of this Agreement, and Company is willing to sell and Participant is willing to purchase ownership rights in St. Lucie Unit No. 2, all in accordance with the terms of this Agreement; and

WHEREAS, Company and Participant desire to establish the terms and conditions of their individual ownership as tenants in common of St. Lucie Unit No. 2 and their participation in and share of the cost of the acquisition, planning, design, construction, operation, maintenance, insuring, licensing, renewal, replacement, decommissioning and disposal of St. Lucie Unit No. 2.

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, Company and Participant agree as follows:

SECTION 1 - Definitions

1.1 "AFC" means an allowance for the cost of Company's capital computed by means of a rate (the "AFC rate") calculated from time to time by the same method as the method of calculation approved by the Florida Public Service Commission for Company for computing its allowance for funds used during construction, as adjusted hereafter. Subject to the adjustments hereafter described in this Section 1.1, the AFC rate, as calculated, is shown through 1980 in Exhibit VI. (The AFC rate is not factored down to reflect the effect of construction work in progress in Company's retail rate base). AFC or the AFC rate from time to time (including the rates shown in Exhibit VI) will be adjusted as follows for purposes of this Agreement:

(i) the resulting AFC shall not be compounded prior to the effective date of Federal Power Commission Order No. 561, but shall be compounded on and after the effective date of Order No. 561, January 1, 1977, in accordance with Order No. 561, the first such compounding to take effect on July 1, 1977;

(ii) the resulting AFC shall be grossed up to pay Federal and Florida income taxes (less deferred taxes related to AFC recorded on Company's books properly allocable to property covered under this transaction) actually incurred by Company as a result of the sales contemplated by this Agreement.

1.2 "Available Net Generating Capability" means the capability of St. Lucie Unit No. 2 to produce power at any time after Firm

Operation, less Station Service Requirements, taking into account limitations imposed by any governmental agency. Metering for this power will be located at the generator terminals and at the low side of its step-up, auxiliary and start-up transformers and appropriately adjusted for losses in these transformers.

1.3 "Capital Improvements" means the addition of any Unit of Property (as described in the Federal Energy Regulatory Commission's "Units of Property for Use in Accounting for Additions and Retirements of Electric Plant," Title 18, Chapter 1, Part 116, Code of Federal Regulations, as such may be amended or superseded from time to time), the addition of any land or land right, or the replacement, enlargement or improvement of any Unit of Property, land or land right which, in accordance with Company's accounting practice, is capitalized.

1.4 "Common Facilities" means those facilities at or contiguous to the St. Lucie Site only, that are: (i) owned by Company, and also (ii) necessary or useful to the operation of St. Lucie Unit No. 2 and one or more other units at the St. Lucie Site, including but not limited to those facilities set forth in Exhibit I, but excluding Related Facilities and transmission and switch yard facilities.

1.5 "Common Major Spare Parts" means the major spare parts which are capitalized by Company but not designated solely to St. Lucie Unit No. 2 or to any other unit owned in whole or in part by Company and which are interchangeable with equivalent parts of St. Lucie Unit No. 2 and at least one other unit owned in whole or in part by Company. Company shall provide Participant with an initial list of Common Major Spare Parts prior to test operation of St. Lucie Unit

No. 2 and shall update the list from time to time as necessary, at least annually if requested.

1.6 "Economic Life" of St. Lucie Unit No. 2 means the life over which operation of St. Lucie Unit No. 2 is economically justifiable when compared to other alternative sources of power and energy, as re-evaluated from time to time in accordance with Generally Accepted Electric Utility Practice.

1.7 "Energy" means energy measured in kilowatt hours (kWh).

1.8 "Estimated Useful Life" of St. Lucie Unit No. 2 means the life over which St. Lucie Unit No. 2, by virtue of equipment design, is anticipated to operate, as re-evaluated from time to time in accordance with Generally Accepted Electric Utility Practice.

1.9 "Firm Operation" commences for St. Lucie Unit No. 2 as of 12:01 a.m. the day after one of the following conditions is met:

(a) Satisfactory continuous operation for 100 hours at 99 percent or greater of licensed reactor power;

(b) Satisfactory continuous operation for 100 hours within 1 percent of any lower reactor power level, but no less than 60%, limited by regulatory or other operating restrictions expected to extend beyond 30 days;

(c) Satisfactory continuous operation for 100 hours at a power level below licensed reactor power level such that Company has reasonably determined, after consultation with Participant, that St. Lucie Unit No. 2 and its auxiliary equipment has operated at sufficient power levels to insure that St. Lucie Unit No. 2 is reliable for continued operation at such power level and that there are no significant deficiencies that would adversely affect such operation.

1.10 "Generally Accepted Electric Utility Practice" at a particular time means any of the practices, methods and acts (including but not limited to the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry prior thereto) which, in the exercise of reasonable judgment, in light of the facts known at the time the decision was made, would have been expected to accomplish the desired result at a reasonable cost consistent with reliability and safety. Generally Accepted Electric Utility Practice is not intended to be limited to the optimum practice, method or act, to the exclusion of all others, but includes any other practices, methods or acts which can be reasonably expected to accomplish the desired result at a reasonable cost consistent with reliability and safety.

1.11 "Initial Payment" means the payment described in Section 8.

1.12 "Insurance Costs" means any costs which Company may incur from time to time pursuant to Section 26 in order to obtain, maintain or terminate insurance or as the result of an agreement necessary to obtain, maintain or terminate insurance, including any deductible, self-insured or uninsured loss; regulatory, inspection or insurance fees or penalties; fees for governmental or other indemnity agreements; surety bonding costs; assessments; and retrospective and other premium costs.

1.13 "MW" references are to megawatts electrical.

1.14 "Net Energy" means the gross energy generated over any period of time by St. Lucie Unit No. 2, less its Station Service Requirements and its step-up, auxiliary and start-up transformer losses.

1.15 "Net Investment" means an Owner's actual capitalized investment less accumulated depreciation, or an equivalent allowance. For purposes of determining an Owner's Net Investment, Company's practices for determining whether to capitalize certain items and straight line depreciation rates and practices (including an allowance for Company's provision for decommissioning and disposal costs) shall be used, except that an allowance for the cost of Company's capital at the AFC rate shall be used in place of the allowance for funds used during construction attributable to St. Lucie Unit No. 2 and otherwise capitalized by Company.

1.16 "Nuclear Regulatory Commission" or "NRC" means the United States Nuclear Regulatory Commission or its successor.

1.17 "Owner" or "Owners" means Company, Participant and those transferees which hold undivided ownership interests in St. Lucie Unit No. 2 by virtue of any transfer by Company pursuant to Section 2 or any transfer pursuant to any of Sections 14 (Regulatory Licenses and Approvals), 31 (Transfers), 32 (Provisions for Completion of Construction) or 33 (Default), or pursuant to the exercise of a security interest created by an Owner pursuant to Section 30 (Creation of Security Interests), unless the context otherwise requires.

1.18 "Ownership Percentage" means the percentage of undivided interest in St. Lucie Unit No. 2 owned by an "Owner." For purposes of allocating responsibility for costs and other obligations herein between Company and Participant, Participant's Ownership Percentage shall be 8.806% and Company's Ownership Percentage shall be 91.194%; such Ownership Percentages may be adjusted as

provided in any of Sections 16, 20, 29, 31, and 33 of this Agreement, but shall not be adjusted as a result of any transfer by Company in accordance with license conditions imposed by the NRC in Docket No. 50-389A.

1.19 "Participation Costs" has the meaning set forth in Section 6.

1.20 "Participating Members" means those certain members of Participant who have duly executed or who duly execute from time to time Power Sales Contracts and Project Support Contracts. Such contracts (the "Power Sales Contracts" and "Project Support Contracts") shall be in substantially the form provided to Company by Participant and labelled Draft 1/6/82.

1.21 "Power" means megawatts electrical (MW).

1.22 "Prime Rate" means during any calendar month the rate per annum reported in the Money Rates column of the Wall Street Journal on the last business day of the preceding month as the "PRIME RATE," and the highest such rate if more than one is reported. Similar data from the New York Times may be used if the Wall Street Journal is not published that day.

1.23 "Project" means St. Lucie Unit No. 2 together with the St. Lucie Site, Common Facilities and Related Facilities.

1.24 "Related Facilities" means those facilities located in whole or in part outside the Unit Site which will be constructed and owned by Company for the use of St. Lucie Unit No. 2, in whole or in part, as follows: (a) waste disposal facilities, radiological facilities, and inventory and equipment storage facilities, all of which Company may designate as "Related Facilities" from time to time in the exercise of its reasonable discretion by notice to the Owners; and (b)

other facilities as Company may designate as "Related Facilities" from time to time in the exercise of its reasonable discretion by notice to the Owners.

1.25 "St. Lucie Site" means the land now owned by Company and shown on Exhibit II hereto comprising approximately 388 acres on Hutchinson Island in St. Lucie County, Florida, on which St. Lucie Unit No. 2 is now located, as well as any additional land acquired under Section 21.

1.26 "St. Lucie Unit No. 1" means the nuclear generating unit with a presently estimated net capability of 817 MW now located on the St. Lucie Site, and facilities ancillary thereto.

1.27 "St. Lucie Unit No. 2" means the nuclear generating unit to be constructed on the Unit Site (as defined in Section 1.31) with a presently estimated net capability of 802 MW together with additions, improvements, renewals and replacements thereto, or any replacement or reconstruction thereof pursuant to Section 29, including the nuclear steam supply system, its containment, the turbine generator, start-up transformers, station service transformers, step-up transformers, auxiliary transformers and all auxiliary structures and other systems or facilities located on the Unit Site. The estimated net capability of St. Lucie Unit No. 2 may materially differ upon operation from that set forth above and NO WARRANTY OR REPRESENTATION IS MADE AS TO THE ACTUAL NET CAPABILITY OF ST. LUCIE UNIT NO. 2.

1.28 "Seasonal Net Capability" means the net capability rating of St. Lucie Unit No. 2 as established from time to time by the Company for summer (June-September), spring/fall (April and May/October and November) and winter (December-March) in accordance with the method described and illustrated in Exhibit V of this Participation Agreement which shall be further appropriately adjusted for start-up, step-up and auxiliary transformer losses and an allocable portion of Station Service Requirements. The method described in Exhibit V of this Participation Agreement is presently applied uniformly to all nuclear generating units operated by the Company. This method may be changed by the Company from time to time, so long as such method, as changed, applies uniformly to all nuclear generating units operated by the Company. The Seasonal Net Capability so established is in conformance with the general guides and testing procedures in Sections III and IV, respectively, of the Southeastern Electric Reliability Council Guideline No. 2 for Uniform Generator Ratings for Reporting, dated February 1972, as amended October 1978.

1.29 "Station Service Requirements" means the Power and Energy required during any period for operation of all equipment and systems (including an allocable portion of the Power and Energy used for Common Facilities) used or useful in connection with the start-up, operations, shut-down and maintenance of St. Lucie Unit No. 2.

1.30 "Uniform System of Accounts" means the Federal Energy Regulatory Commission's "Uniform System of Accounts Prescribed for Public Utilities and Licensees (Class A and Class B)," in effect as of the date of this Agreement, or as such System of Accounts may be modified by the Federal Energy Regulatory Commission or its successor from time to time. References in this Agreement to a "FERC Account" or to any specific Account Number shall mean the Account Number in effect as of the date of this Agreement or any successor Account.

1.31 "Unit Site" means the portion of the St. Lucie Site described in the legal description contained in Exhibit III.

1.32 "Willful Action" is action knowingly or intentionally taken or not taken by an officer or employee of an Owner exercising managerial responsibility at a senior level with either the intent to cause injury or damage to the person or property of another or the knowledge that such action is a material breach of the provisions of this Agreement. Willful Action does not include action taken in good faith in connection with carrying out responsibilities to protect property, personnel or the public safety.

SECTION 2 - Ownership and Entitlement

Upon closing, Participant's Ownership Percentage will be 8.806%. All rights in the Unit Site and in St. Lucie Unit No. 2 will be owned and held by the Owners as tenants in common without right of partition, as provided in Section 28. Company will retain all ownership rights in the St. Lucie Site (except for that portion thereof which comprises the Unit Site) and in the Common Facilities, Related Facilities and inventory.

Effective from and after closing, and conditional upon closing, Company by this Agreement grants Participant a nonexclusive easement for the use of the Common Facilities and a nonexclusive easement for the use of that portion of the St. Lucie Site necessary or useful to the operation of St. Lucie Unit No. 2 and the Common Facilities insofar as said use is necessary or useful to the operation of St. Lucie Unit No. 2. The use of said easement is subject to all of the terms and conditions of this Agreement, and in the event of any conflict between any terms and conditions of this Agreement and any express or implied rights arising from this grant of easement, then the terms and conditions of this Agreement shall govern. Express reference to this grant of easement shall be made in the Special Warranty Deed and Bill of Sale to be delivered to Participant at closing.

In accordance with license conditions imposed by the NRC in Docket No. 50-389A, Company has transferred or may transfer portions of its Ownership Percentage to other electric utilities pursuant to one or more counterparts to or agreements similar to this Agreement, whereupon such transferees shall become Owners to the extent of the Ownership Percentage transferred; provided, however, that no transfer shall relieve Company of any of its obligations hereunder unless completed in accordance with the provisions of Section 31. Company shall give prior notice of any such future transfers to Participant.

SECTION 3 - Energy Entitlements

Participant shall be entitled to its Ownership Percentage of the Net Energy (including test energy) of St. Lucie Unit No. 2 from and after the date of closing. Metering for this energy will be located at the generator terminals and at the low voltage side of its step-up, auxiliary and start-up transformers and appropriately adjusted for losses in these transformers. Participant's Ownership Percentage of the Net Energy shall be delivered to Company for Participant's account at the high voltage terminals of the generator step-up transformers of St. Lucie Unit No. 2. Deliveries will be determined at the time of delivery in accordance with Company's scheduling practices. Differences between deliveries so determined and actual Net Energy will be determined after the fact on a monthly basis, and Company will adjust deliveries in the following month or as soon thereafter as practicable, to correct for any such differences, so that Participant will receive, as nearly as possible, the exact amount of Net Energy to which it is entitled.

SECTION 4 - Capability Entitlements

4.1 Each Owner shall be entitled to its Ownership Percentage of the Available Net Generating Capability of St. Lucie Unit No. 2 from and after the date of closing. Each Owner's Ownership Percentage of the Available Net Generating Capability shall be delivered to Company for the Owners account at the high voltage terminals of the generator step-up transformers of St. Lucie Unit No. 2. Deliveries will be determined at the time of delivery in accordance with Company's scheduling practices.

4.2 For purposes of planning, reporting and other ancillary arrangements, Company shall, from time to time, determine the Seasonal Net Capability of St. Lucie Unit No. 2 pursuant to Section 1.28 and shall notify each Participant of each determination and of any changes in its Seasonal Net Capability entitlement. The operating level used pursuant to Section 1.9 to determine Firm Operation will initially serve as the Seasonal Net Capability.

SECTION 5 - Conveyance of Interest in St. Lucie Unit No. 2

At the closing following execution of this Agreement, as set forth in Section 8, and subject to the approval of all requisite authorities, Company shall convey and transfer by separate Special Warranty Deed and Bill of Sale to Participant its Ownership Percentage of title, in fee simple, to St. Lucie Unit No. 2 and the land included in the Unit Site. Said Special Warranty Deed and Bill of Sale shall be substantially in the form of Exhibit IV hereto. It is agreed, however, that Company shall have and retain such authority to determine all activities (including exclusion and removal of personnel and property from the St. Lucie Site) as it deems necessary to qualify the St. Lucie Site as an "exclusion area" (or to meet any similar requirement) for any unit located on the St. Lucie Site for the purpose of the Atomic Energy Act of 1954, as amended (or comparable legislation) and regulations thereunder, or to comply with any other applicable government requirement or reasonable safety requirement.

Company's interest in St. Lucie Unit No. 2, the Unit Site and Common Facilities may be subject to the terms and conditions of that

certain Installment Purchase and Security Contract (the "Purchase Contract") between St. Lucie County, Florida and Company, dated as of January 1, 1974, and that certain Trust Indenture (the "Trust Indenture") between St. Lucie County, Florida and the First National Bank of Miami, as Trustee, dated as of January 1, 1974, or any renewal thereof, and Participant agrees to assume its Ownership Percentage of Company's obligations with respect to same, as required by Section 8.1 of the Purchase Contract. Except as set forth above, Company's conveyance shall be free and clear of any mortgage, attachment, lien or other encumbrance granted by the Company, other than unrecorded mechanics' liens, easements of record, and recorded utility easements, if any. Participant shall have no property interest in the St. Lucie Site other than that interest conveyed by the Special Warranty Deed and Bill of Sale referred to above.

Participant agrees that Company may occupy, control and use St. Lucie Unit No. 2 and the Unit Site, and may modify the Unit Site, as Company deems necessary or appropriate in performing the work described in this Agreement. Participant agrees that, upon request by Company, it will convey to Company any easements or other rights reasonably required by Company to perform its work under this Agreement in the most efficient manner consistent with Generally Accepted Electric Utility Practice, and Participant will join with Company in conveying to a third party or parties any easements or other rights where such conveyance is reasonably deemed by Company to be necessary or convenient to the performance of the work contemplated by this Agreement.

If, because of circumstances not foreseen at the time of the conveyance of the land to be included in the Unit Site, Company reasonably determines that either insufficient land or excess land has been conveyed,

Company agrees that it will to the extent necessary convey such additional land to Participant subject only to those encumbrances, if any, to which the original conveyance was subject, and Participant agrees that it will to the extent necessary use its best efforts to reconvey to Company such excess land, without additional cost either to Company or to Participant, free and clear of any encumbrances, granted, made or imposed hereafter and during the period of ownership by Participant.

SECTION 6 - Responsibility for Costs

6.1 General Principles. Each of Company and Participant shall be responsible for its Ownership Percentage of all "Participation Costs." "Participation Costs" consist of and include all costs, liabilities and obligations, both direct and indirect, incurred by Company before, upon, or after the date of this Agreement attributable to acquiring, planning, designing, studying, licensing, zoning, permitting, certifying, obtaining approvals, engineering, training personnel, constructing, inspecting, testing, fueling, operating, maintaining, insuring, securing, improving, renewing, replacing, decommissioning, disposing of and thereafter maintaining and securing St. Lucie Unit No. 2, including those properly allocable portions of such costs, liabilities and obligations related to the St. Lucie Site, Common Facilities and Related Facilities provided in Sections 6.2, 6.4 and 6.5 below, including without limitation all costs, liabilities, and obligations related to compliance with the Atomic Energy Act of 1954, as amended, the regulations of the Nuclear Regulatory Commission, conditions or requirements imposed by the Nuclear Regulatory Commission in connection with licenses for St. Lucie Unit No. 2, and all other federal, state, and local governmental requirements and standards.

Participant shall also be responsible for the payment to Company of its share of "Multiple Ownership Costs" as defined in Section 6.7 and for the payment to Company of the "Use Charges" provided in Section 6.6.

Notwithstanding the foregoing, Participant shall not be responsible pursuant to any provision of this Section 6 for any costs, liabilities, or obligations incurred by Company in connection with any antitrust review or proceeding before any court or agency, nor any costs associated with negotiating or preparing this Agreement.

All costs charged to Participant shall properly reflect discounts, credits, or commissions realized by Company which apply to Participation Costs, Multiple Ownership Costs and Use Charges including proceeds from salvage or disposal of the Project or any component thereof.

It is recognized that Participation Costs, Multiple Ownership Costs and Use Charges will include costs both directly and indirectly incurred by Company in connection with its responsibilities with respect to St. Lucie Unit No. 2, and that in the case of costs indirectly incurred it will be necessary to apply certain allocation methods and procedures to assign such costs to St. Lucie Unit No. 2. Where applicable, such costs shall be allocated by using the allocation methods and procedures set forth in this Agreement. If no allocation methods or procedures have been specified herein for a particular cost or cost component, and if Company, at the time such allocation is made, is using allocation methods or procedures for such costs with respect to its other nuclear generating units, such allocation methods and procedures, if fair and equitable, shall be used to allocate

Participation Costs, Multiple Ownership Costs and Use Charges. If no such allocation methods or procedures are being used for other nuclear generating units, or if such methods and procedures are inappropriate for use with respect to St. Lucie Unit No. 2, Company shall apply fair and equitable allocation methods and procedures. Allocation methods and procedures that are applied by Company in a consistent manner on a system-wide basis shall be presumed to be fair and equitable. Company shall submit to Participant all allocation methods and procedures that are used for purposes of this Agreement and are not applied by Company in a consistent manner on a system-wide basis, and an explanation of the basis therefor, as early as practicable and in no event later than when a charge to Participant is made based upon such allocation methods and procedures.

"AFC" and the "AFC rate" as defined in Section 1.1 and as used in this Agreement are intended to include compensation to Company for increased federal or Florida income tax liability related to the treatment of AFC due to the transfer to Participant of its Ownership Percentage of St. Lucie Unit No. 2. Notwithstanding anything to the contrary herein contained, that portion of AFC payments that is intended to compensate Company for such increased income taxes shall be billed separately by Company as needed for the payment of income taxes and shall be paid to Company as a part of Participation Costs on the business day on which Company must make a tax payment or payments in order to avoid interest or penalty charges. However, in recognition of the fact that Company's ultimate and final tax liability as a result of the sales contemplated

herein will not be established until after audit by the Internal Revenue Service or expiration of the statute of limitations for such audit, Participant further agrees to indemnify Company for any increase in Company's Federal or Florida income tax liability related to the tax treatment of AFC due to the transfer or transfers of an Ownership Percentage to Participant as contemplated by this Agreement, together with related interest or penalty charges. Company agrees to use its best efforts, in good faith and consistent with advice of tax counsel, to minimize such income tax liability by reporting as long term capital gain as much of the tax "gain" as may be so reported under the Internal Revenue Code and to cooperate fully with Participant in properly reporting such tax "gain" and in defending the proper reporting of such tax "gain" in the event of audit.

Notwithstanding any other provision of this Agreement, including any provision or provisions as to any cost or charge, Company and Participant agree, through the use of appropriate accounting and allocation methods and procedures, to include within Participation Costs, Multiple Ownership Costs and Use Charges set forth in this Section 6 all costs, liabilities, obligations and credits that are properly allocable to St. Lucie Unit No. 2, and to exclude from Participation Costs, Multiple Ownership Costs and Use Charges set forth in this Section 6 all costs, liabilities, obligations and credits that are not properly allocable to St. Lucie Unit No. 2, without duplication or omission of costs, liabilities and obligations properly allocable to St. Lucie Unit No. 2. The allocation methods and procedures set forth in this Section 6 have been developed with

reference to Company's present accounting practices; if such accounting practices change in the future so as to make the allocation methods and procedures specified in this Section 6 inappropriate, the allocation methods and procedures shall be deleted or changed to meet the new accounting practices of Company, provided such changed allocation methods and procedures are fair and equitable. Company shall submit all such changed allocation methods or procedures, and an explanation of the basis therefor, to Participant, as early as practicable and in no event later than when a charge to Participant is made based upon such allocation methods and procedures.

Various allocation methods contained herein reflect the present expectation of Company that St. Lucie Unit No. 1 and St. Lucie Unit No. 2 will be the only units located at the St. Lucie Site. However, if one or more additional units are constructed on the St. Lucie Site, fair and equitable allocations of the costs associated with the St. Lucie Site, Common Facilities and Related Facilities will be made, and Participant will be compensated equitably for any costs previously advanced which are properly allocable to the additional unit or units. Company shall submit all such changed allocations of costs, and an explanation of the basis therefor to Participant, as early as practicable and in no event later than when a charge to Participant is made based upon such allocation of costs.

The remainder of this Section 6 identifies and provides specific allocation methods and procedures regarding Participation Costs, Multiple Ownership Costs, and Use Charges attributable to the Project, but is not to be construed as limiting the general principles

set forth herein. The interrelationship of the various specific allocation methods set forth in the remainder of this Section 6 shall be construed consistently with the general principles set forth above.

Notwithstanding anything contained in this Agreement to the contrary, this Agreement shall be construed in all cases so as to avoid any duplication or omission of costs, liabilities and obligations properly allocable to St. Lucie Unit No. 2.

6.2 Participation Costs Related to the St. Lucie Site. Participation Costs include one-half of the costs described in subsections 6.2.1 through 6.2.7 related to the St. Lucie Site but excluding costs related to St. Lucie Unit No. 1, St. Lucie Unit No. 2, Common Facilities, Related Facilities (if any) and any other structure located on the St. Lucie Site.

6.2.1 Site Improvement Costs. Payments made for or in connection with site studies, studies of alternative sites, all other studies and tests preparatory to acquisition and utilization of the St. Lucie Site, and site improvement construction work for the St. Lucie Site (excluding construction work and Capital Improvements which are part of St. Lucie Unit No. 1, St. Lucie Unit No. 2, Common Facilities, Related Facilities or any other structures). Payments charged to St. Lucie Unit No. 1 shall include an allowance for the cost of Company's capital calculated at the rate defined in Section 1.1, from the date of each payment made by Company until the in-service date of St. Lucie Unit No. 1. Payments charged to St. Lucie Unit No. 2 shall include an allowance for the cost of Company's capital calculated at the rate defined in Section 1.1, from the

date of each payment made by Company until receipt by Company of Participant's Initial Payment pursuant to Section 8 (Closing). Site improvement costs that have been placed in service with St. Lucie Unit No. 1, including AFC, shall reflect an allowance for accumulated depreciation calculated by using Company's book depreciation rates, exclusive of negative salvage, from the later of the in-service date of St. Lucie Unit No. 1 or the date upon which a site improvement cost was incurred, until receipt by Company of Participant's Initial Payment pursuant to Section 8.

6.2.2 Land Costs. Payments made for or in connection with acquisition of the St. Lucie Site (including the Unit Site), including all costs for Land and Land Rights set forth in the Uniform System of Accounts, and also including an allowance for the cost of Company's capital calculated at the rate defined in Section 1.1 from the date of each payment made by Company until the in-service date of St. Lucie Unit No. 1.

6.2.3 Operation and Maintenance Expenses. All operation and maintenance expenses properly allocable to the St. Lucie Site, commencing with Firm Operation and terminating upon decommissioning of St. Lucie Unit No. 2, including the following:

(a) The operation expenses chargeable to FERC Accounts 517, 518 (excluding Nuclear Fuel Expenses otherwise included within Participation Costs), 519-525, inclusive, and 557.

(b) The maintenance expenses chargeable to FERC Accounts 528 to 532, inclusive.

(c) An allowance to reflect costs of payroll-related taxes, insurance, pensions and benefits determined in a manner consistent with Company's practices for determining construction payroll.

The above-mentioned accounts are currently prescribed for nuclear power generation in the Uniform System of Accounts. If these accounts are amended, then this section shall be construed to reflect the amended accounts prescribed by FERC; provided, however, that if the nuclear power generation accounting under the Uniform System of Accounts is eliminated, then the costs of Operation and Maintenance in this section shall be determined thereafter by applying the same methods and procedures used by Company to determine the costs of Operation and Maintenance of its other nuclear generation facilities.

6.2.4 Taxes Other Than Income and Payroll Taxes. All real property taxes incurred by Company attributable to the land comprising the St. Lucie Site and not attributable to any structures.

6.2.5 Regulatory Costs. All costs and expenses, including those of outside consultants and attorneys, incurred by Company with respect to the securing, modifying or amending of licenses, permits, certificates, and any other authorizations required by law, compliance with any applicable laws, rules or regulations

respecting the environment, conservation, protection of the public health and safety, and negotiation for and acquisition of land, land rights and water rights relating to constructing, improving, operating, maintaining and decommissioning the St. Lucie Site, other than those costs and expenses related solely to St. Lucie Unit No. 1.

6.2.6 Governmental Costs and Penalties. All governmental costs, penalties, fines and other assessments and all attorneys' fees and other costs of litigating, investigating, and defending same, relating primarily to both St. Lucie Unit No. 1 and St. Lucie Unit No. 2, but none of same relating primarily to St. Lucie Unit No. 1. To the extent that such costs and expenses are imposed directly upon all of the Owners, the Owners agree to share such costs and expenses in proportion to their Ownership Percentages.

6.2.7 Decommissioning and Disposal Costs. All costs incurred in connection with securing and maintaining the St. Lucie Site upon decommissioning and disposal of St. Lucie Unit No. 2. These costs may be incurred over an extensive period of time. However, regardless of the amount of these costs, and the time period over which they are incurred, the Owners shall share and pay all such costs in accordance with their respective Ownership Percentages.

6.3 Participation Costs Related to St. Lucie Unit No. 2. Participation Costs include 100% of the below-listed costs related to St. Lucie Unit No. 2 that are not otherwise included in Participation Costs pursuant to Section 6.2:

6.3.1 Construction Costs. Payments made for or in connection with construction work for St. Lucie Unit No. 2 and Capital Improvements to St. Lucie Unit No. 2. Construction costs include all Components of Construction Cost set forth in the Uniform System of Accounts (excluding contract retentions until paid) except that (i) the allowance for funds used during construction contained in the Uniform System of Accounts shall be calculated on the basis of the AFC rate set forth in Section 1.1, from the date of each payment made by Company until receipt by Company of Participant's Initial Payment pursuant to Section 8 (Closing), and (ii) no allowance shall be made for revenues received or earned for power produced during construction; provided, however, that this provision shall not affect Participant's rights to receive and dispose of test energy. After receipt by Company of Participant's Initial Payment pursuant to Section 8, Company will provide statements of current costs pursuant to Section 9 and will provide such statements in a timely fashion so that such statements do not include any allowance for the cost of Company's capital, provided however, where a facility or component is properly designated as related to St. Lucie Unit No. 2 after such facility or component has been acquired such statement shall include an allowance for the cost of Company's capital associated with the designated facility or component calculated in accordance with the AFC rate.

6.3.2 Pre-operational Operation and Maintenance Expenses. Non-capitalized payroll and expenses properly allocable to

St. Lucie Unit No. 2 based upon the amount of payroll and expenses incurred on behalf of St. Lucie Unit No. 2 prior to the date of Firm Operation, including for non-capitalized payroll an allowance to reflect costs of payroll-related taxes, insurance, pensions and benefits determined in a manner consistent with Company's practices for determining construction payroll.

6.3.3 Operation and Maintenance Expenses. All operation and maintenance expenses properly allocable to St. Lucie Unit No. 2, commencing with Firm Operation and terminating upon decommissioning of St. Lucie Unit No. 2, including the following:

(a) The operation expenses chargeable to FERC Accounts 517, 518 (excluding Nuclear Fuel Expenses otherwise included within Participation Costs), 519-525, inclusive, and 557.

(b) The maintenance expenses chargeable to FERC Accounts 528 to 532, inclusive.

(c) An allowance to reflect costs of payroll-related taxes, insurance, pensions and benefits determined in a manner consistent with Company's practices for determining construction payroll.

(d) Station Service Requirements of St. Lucie Unit No. 2 charged based on system average power production and transmission expenses for the month or months during which energy is delivered to St. Lucie Unit No. 2, not otherwise accounted for in the computation of Net Energy or otherwise.

The above-mentioned accounts are currently prescribed for nuclear power generation in the Uniform System of Accounts. If these accounts are amended, then this section shall be construed to reflect the amended accounts prescribed by FERC; provided, however, that if the nuclear power generation accounting under the Uniform System of Accounts is eliminated, then the costs of Operation and Maintenance in this section shall be determined thereafter by applying the same methods and procedures used by Company to determine the costs of Operation and Maintenance of its other nuclear generation facilities.

6.3.4 Nuclear Fuel Costs. All costs incurred by Company in connection with the nuclear fuel, fuel cycle services and related materials described in Section 17 shall be included in Participation Costs as more particularly set forth in Section 17.

6.3.5 Taxes Other Than Income and Payroll Taxes.

(a) All real and personal property taxes incurred by Company attributable to St. Lucie Unit No. 2. Company shall use its best efforts to have the levy of any taxes or payments in lieu thereof after the closing made directly against the Owners in proportion to their respective Ownership Percentages, in which event each Owner shall be responsible for such taxes or payments and for obtaining any exemption from taxes or payments to which it may be entitled. If any taxes or payments in lieu thereof are levied in any fashion other

than directly against each Owner, Company shall pay all such taxes and/or make such payments and shall include all of the same in Participation Costs to be billed to the Owners; however, Company will cooperate with the efforts of any other Owner to seek exemption from such levies or payments in lieu thereof with respect to its Ownership Percentage, and any Owner which is granted any such exemption will be relieved of its obligations to make payments to Company to the extent that such exemption relieves Company of obligations with respect to such levy or payment in lieu thereof.

(b) Sales and use taxes, excise taxes and all other similar taxes (excepting income taxes and payroll taxes).

(c) Participant agrees to indemnify and make Company whole for any taxes and fees (other than income taxes) imposed by governmental agencies on revenues received by Company from Participant to the extent that payments by Participant result in additional taxes or fees to Company.

6.3.6 Insurance Costs. Insurance Costs as defined in Section 1.12 generally are payable as provided in Section 26. Certain Insurance Costs that cannot clearly be allocated to St. Lucie Unit No. 2 or to another unit shall be determined and allocated as set forth below:

(a) For Property Insurance Costs applicable to St. Lucie Unit No. 1, St. Lucie Unit No. 2, the St. Lucie Site and

Common Facilities (but not to any other generating units), a properly allocable portion of such costs shall be included in Participation Costs, determined by the ratio of the most recent reported insurable value as determined for insurance premium purposes of St. Lucie Unit No. 2 to the most recent reported insurable value of the two units (allocating one-half of the most recent reported insurable value associated with the St. Lucie Site and Common Facilities to Participation Costs), including in both the numerator and denominator of such ratio the interests of other Owners in St. Lucie Unit No. 2.

(b) For non-capitalized costs incurred to provide for workmen's compensation (benefits and coverage) to protect against risk of loss due to liability incurred as an employer and to protect against risk of loss resulting from owning, operating, maintaining, or making managerial decisions resulting in whole or in part to St. Lucie Unit No. 2 shall be determined by the following methods:

(1) When the cost is specifically attributable to St. Lucie Unit No. 2, it will be included in Participation Costs in its full amount.

(2) When the cost is attributable to Company's total operations, a fair and equitable cost will be allocated to St. Lucie Unit No. 2 by multiplying the cost by a fraction to determine Participation

Costs. The numerator of the fraction is the total payroll charged to Participation Costs. The denominator of the fraction is the total payroll of Company.

6.3.7 Regulatory Costs. All costs and expenses, including those of outside consultants and attorneys, incurred by Company with respect to the securing, amending or modifying of licenses, permits, certificates, and any other authorizations required by law, compliance with any applicable laws, rules or regulations respecting the environment, conservation, protection of the public health and safety, and negotiation for and acquisition of land, land rights and water rights relating to constructing, improving, operating, maintaining and decommissioning St. Lucie Unit No. 2.

6.3.8 Governmental Costs and Penalties. All governmental costs, penalties, fines and other assessments, and all attorneys' fees and other costs of litigating, investigating, and defending same, relating primarily to St. Lucie Unit No. 2 or the Unit Site. To the extent that such costs and expenses are imposed directly upon all of the Owners, the Owners agree to share such costs and expenses in proportion to their Ownership Percentages.

6.3.9 System Control and Load Dispatching. A portion of all system control and load dispatching costs as defined and allocated in accordance with Exhibit VII.

6.3.10 Nuclear Support Services. From the date of Firm Operation and prior to retirement of St. Lucie Unit No. 2, Company will

account separately for its general overhead, administrative, payroll (including an allowance to reflect payroll-related taxes, insurance, pensions and benefits), equipment and other costs relating to the utilization of nuclear fuel as a power source which are not otherwise directly allocated to any other cost or to a particular generating unit. All of such costs shall be multiplied by a fraction, the numerator of which shall be one, and the denominator of which at any time shall be one plus the total number of nuclear units other than St. Lucie Unit No. 2 operated by Company which have been placed in commercial operation and have not been retired from service. The resulting product shall be included within Participation Costs.

6.3.11 Scientific, Economic or Engineering Services. All costs paid by Company to independent contractors and the cost of scientific, economic or engineering services by employees of Company, excluding costs allocated as administrative and general expenses or nuclear support services, determined in the same manner as labor costs allocated to operation and maintenance expenses in Section 6.3.3.

6.3.12 Administrative and General Expenses. Commencing on the date of Firm Operation of St. Lucie Unit No. 2, Company's administrative and general expenses shall be allocated monthly to St. Lucie Unit No. 2 in accordance with Exhibit XI.

6.3.13 Decommissioning and Disposal Costs. Decommissioning and disposal costs consist of all costs incurred in connection with decommissioning and disposal of, and thereafter maintaining,

St. Lucie Unit No. 2 and the Unit Site, including all associated waste materials. These costs may be incurred over an extensive period of time. However, regardless of the amount of these costs, and the time period over which they are incurred, the Owners shall share and pay all such costs in accordance with their respective Ownership Percentages.

6.4 Participation Costs Related to Common Facilities. Participation Costs include one-half of the below-listed costs related to Common Facilities that are not otherwise included in Participation Costs pursuant to Sections 6.2 or 6.3:

6.4.1 Construction Costs. Payments made for or in connection with construction work for Common Facilities. Construction costs include all Components of Construction Cost set forth in the Uniform System of Accounts (excluding contract retentions until paid) modified as follows:

(1) The allowance for funds used during construction contained in the Uniform System of Accounts shall be calculated on the basis of the AFC rate set forth in Section 1.1.

(2) The allowance for funds used during construction shall be computed on construction costs (incurred in connection with Common Facilities) that have been placed in service with St. Lucie Unit No. 1 from the date of each payment by Company to the in-service date of St. Lucie Unit No. 1.

(3) The allowance for funds used during construction shall be computed on construction costs that have not been

placed in service with St. Lucie Unit No. 1 from the date of each payment by Company until receipt by Company of Participant's Initial Payment pursuant to Section 8 (Closing).

(4) No allowance shall be made for revenues received or earned for power produced during construction.

(5) Construction costs that have been placed in service with St. Lucie Unit No. 1 (including AFC) shall reflect an allowance for accumulated depreciation calculated by using Company's book depreciation rates, exclusive of negative salvage, from the later of the in-service date of St. Lucie Unit No. 1 or the date upon which a Common Facilities cost was incurred, until receipt by Company of Participant's Initial Payment pursuant to Section 8 (Closing).

After receipt by Company of Participant's Initial Payment pursuant to Section 8, Company will provide statements of current costs pursuant to Section 9 in a timely fashion so that such statements do not include any allowance for the cost of Company's capital, provided however, where a facility or component is properly designated as a Common Facility after such facility or component has been acquired, such statement shall include an allowance for the cost of Company's capital associated with the designated facility or component calculated in accordance with the AFC rate.

6.4.2 Operation and Maintenance Expenses. All operation and maintenance expenses properly allocable to the Common Facilities, commencing with test operation and terminating upon decommissioning of St. Lucie Unit No. 2, including the following:

(a) The operation expenses chargeable to FERC Accounts 517, 518 (excluding Nuclear Fuel Expenses otherwise included within Participation Costs), 519-525, inclusive, and 557.

(b) The maintenance expenses chargeable to FERC Accounts 528 to 532, inclusive.

(c) An allowance to reflect costs of payroll-related taxes, insurance, pensions and benefits determined in a manner consistent with Company's practices for determining construction payroll.

The above-mentioned accounts are currently prescribed for nuclear power generation in the Uniform System of Accounts. If these accounts are amended, then this section shall be construed to reflect the amended accounts prescribed by FERC; provided, however, that if the nuclear power generation accounting under the Uniform System of Accounts is eliminated, then the costs of operation and maintenance in this section shall be determined thereafter by applying the same methods and procedures used by Company to determine the costs of operation and maintenance of its other nuclear generation facilities.

6.4.3 Taxes Other Than Income and Payroll Taxes.

(a) All real and personal property taxes incurred by Company attributable to the Common Facilities.

(b) Sales and use taxes, excise taxes and all similar taxes (excepting income taxes and payroll taxes), incurred by Company.

(c) Participant agrees to indemnify and make Company whole for any taxes and fees (other than income taxes) imposed by governmental agencies on revenues received by Company from Participant to the extent that payments by Participant result in additional taxes or fees to Company.

6.4.4 Regulatory Costs. All costs and expenses, including those of outside consultants and attorneys, incurred by Company with respect to the securing, modifying or amending of licenses, permits, certificates, and any other authorizations required by law, compliance with any applicable laws, rules or regulations respecting the environment, conservation, protection of the public health and safety, and negotiation for and acquisition of land, land rights and water rights relating to constructing, improving, operating, maintaining and decommissioning the Common Facilities.

6.4.5 Governmental Costs and Penalties. All governmental costs, penalties, fines and other assessments, and all attorneys' fees and other costs of litigating, investigating, and defending same, relating primarily to the Common Facilities. To the extent that such costs and expenses are imposed directly upon

all of the Owners, the Owners agree to share such costs and expenses in proportion to their Ownership Percentages.

6.4.6 Decommissioning and Disposal Costs. Decommissioning and disposal costs consist of all costs incurred in connection with decommissioning and disposal of, and thereafter maintaining, the Common Facilities, including all associated waste materials. These costs may be incurred over an extensive period of time. However, regardless of the amount of these costs, and the time period over which they are incurred, the Owners shall share and pay all such costs in accordance with their respective Ownership Percentages.

6.5 Participation Costs Related to Related Facilities. Participation Costs include the below-listed costs related to Related Facilities that are properly allocable to nuclear units and that are not otherwise included in Participation Costs pursuant to Sections 6.2, 6.3 or 6.4 (allocated fairly and equitably and in accordance with the utilization of each such facility to the units (including St. Lucie Unit No. 2) utilizing such facility), commencing when such Related Facilities are placed in service or designated as Related Facilities, whichever is later, and terminating upon decommissioning of St. Lucie Unit No. 2.

6.5.1 Operation and Maintenance Expenses. All operation and maintenance expenses properly allocable to Related Facilities, including the following:

(a) The operation expenses chargeable to FERC Accounts 517, 518 (excluding Nuclear Fuel Expenses otherwise included within Participation Costs), 519-525, inclusive, and 557.

(b) The maintenance expenses chargeable to FERC Accounts 528 to 532, inclusive.

(c) An allowance to reflect costs of payroll-related taxes, insurance, pensions and benefits determined in a manner consistent with Company's practices for determining construction payroll.

The above-mentioned accounts are currently prescribed for nuclear power generation in the Uniform System of Accounts. If these accounts are amended, then this section shall be construed to reflect the amended accounts prescribed by FERC; provided, however, that if the nuclear power generation accounting under the Uniform System of Accounts is eliminated, then the costs of operation and maintenance in this section shall be determined thereafter by applying the same methods and procedures used by Company to determine the costs of operation and maintenance of its other nuclear generation facilities.

6.5.2 Taxes Other Than Income and Payroll Taxes.

(a) All real and personal property taxes incurred by Company attributable to the Related Facilities.

(b) Sales and use taxes, excise taxes, and all similar taxes (excepting income taxes and payroll taxes), incurred by Company.

(c) Participant agrees to indemnify and make Company whole for any taxes and fees (other than income taxes)

imposed by governmental agencies on revenues received by Company from Participant to the extent that payments by Participant result in additional taxes or fees to Company.

6.5.3 Regulatory Costs. All costs and expenses, including those of outside consultants and attorneys, incurred by Company with respect to the securing, modifying or amending of licenses, permits, certificates, and any other authorizations required by law, compliance with any applicable laws, rules or regulations respecting the environment, conservation, protection of the public health and safety, and negotiation for and acquisition of land, land rights and water rights relating to constructing, improving, operating, maintaining and decommissioning Related Facilities.

6.6 Use Charges. The following use charges provided in this Section and not otherwise included in Participation Costs pursuant to Sections 6.2, 6.3, 6.4 or 6.5 shall be payable to Company directly, as an addition to and not as a part of Participation Costs:

6.6.1 Use Charge for Related Facilities. As of the date of this Agreement, Company has not designated any facilities as Related Facilities. Participant shall pay to Company a monthly use charge for such Related Facilities, in an amount equal to its Ownership Percentage of the applicable fixed charge in accordance with Exhibit VIII. This use charge shall commence when the Related Facilities are placed in service or designated as Related Facilities, whichever is later, and shall terminate when the Related Facilities are removed from

service or upon retirement of St. Lucie Unit No. 2, whichever first occurs. Thereupon, the unrecovered cost (net plant) of all Related Facilities not used by, or designated for use by, Company shall be included within Participation Costs, and all salvage and disposal revenues or other credits shall be credited against Participation Costs.

6.6.2 Use Charge for General Plant. Commencing upon Firm Operation of St. Lucie Unit No. 2, Participant shall pay to Company a monthly use charge for an allocated portion of the Company's general plant, in accordance with Exhibit IX. This use charge shall terminate upon retirement of St. Lucie Unit No. 2.

6.6.3 Use Charge for Inventory Held in Accounts 151 and 154 at the St. Lucie Site (St. Lucie Unit No. 2 Inventory).

(a) In the exercise of its reasonable discretion, Company may designate certain inventory solely to St. Lucie Unit No. 1, certain inventory solely to St. Lucie Unit No. 2, and certain inventory jointly to both St. Lucie Unit No. 1 and St. Lucie Unit No. 2.

(b) No use charge shall be paid for inventory designated solely to St. Lucie Unit No. 1 or to any other inventory not related to St. Lucie Unit No. 2.

(c) For those inventory items designated solely to St. Lucie Unit No. 2, Participant shall pay to Company a monthly use charge beginning at the time inventory items are charged to Account 151 or 154, but not sooner than the date of designation of such inventory items solely to

St. Lucie Unit No. 2, using a 13-month average rolling inventory in accordance with Exhibit X. Upon retirement of St. Lucie Unit No. 2, those inventory items remaining designated solely to St. Lucie Unit No. 2 will be charged to Participation Costs. Participation Costs shall reflect all credits received from the disposal of such inventory.

(d) All inventory not designated solely to either Unit shall be deemed inventory designated jointly to both Units. Beginning with test operations of St. Lucie Unit No. 2, Company will charge Participant a monthly use charge for the availability of such inventory in accordance with Exhibit X, applied to one-half of the 13-month rolling average inventory balance. In the event that St. Lucie Unit No. 1 is retired prior to the retirement of St. Lucie Unit No. 2, from and after the date of retirement of St. Lucie Unit No. 1, Company will charge Participant a use charge applied to the entire 13-month rolling average for inventory designated jointly to both Units' inventory balance. Upon the retirement of St. Lucie Unit No. 2, the remaining inventory will be charged to Participation Costs. Participation Costs shall reflect all credits received from the disposal of such inventory.

If St. Lucie Unit No. 2 is retired before St. Lucie Unit No. 1, all inventory designated jointly to both units shall be considered inventory designated solely to St. Lucie Unit No. 1 and no use charge will be applied.

6.6.4 Use Charge for Common Major Spare Parts. Company may purchase and own Common Major Spare Parts interchangeable with equivalent parts of St. Lucie Unit No. 2, and another unit or units owned by Company.

Company hereby extends to Participant and Participant hereby agrees to accept the right and obligation to use any of the Common Major Spare Parts for St. Lucie Unit No. 2 as follows:

(A) Use of Common Major Spare Parts. If at any time St. Lucie Unit No. 2 needs a Common Major Spare Part to replace an equivalent item which has been damaged, Company shall make such Common Major Spare Part (if available) available for St. Lucie Unit No. 2's use (at the location where the Common Major Spare Part is stored) as expeditiously as possible; provided, however, if there is also a need for the same Common Major Spare Part at that time for St. Lucie Unit No. 1 or any other unit, Company may exercise its sole discretion to utilize the item at any unit on Company's system so as to minimize the down time of units on Company's system.

(B) Repair of Items Replaced by Common Major Spare Parts. The Owner or Owners of the unit which uses the Common Major Spare Part shall pay for the cost of loading, freighting and unloading the Common Major Spare Part, and for the cost of repairing the damaged item and transporting it for repair and to its site of

storage. If the damaged item was used for St. Lucie Unit No. 2, all of such costs, together with all incidental expenses related thereto, shall be part of the St. Lucie Unit No. 2 monthly Operation and Maintenance costs pursuant to Section 6.3.3.

(C) Replacement of Items Replaced by Common Major Spare Parts. If Company determines that the damaged item has been damaged beyond repair, the Owner or Owners of such damaged item shall bear the entire cost of the retirement and replacement of such damaged item. If the damaged item was used for St. Lucie Unit No. 2 and is a Unit of Property, the costs associated with its removal, and the acquisition of a new item in place thereof, shall be capitalized to St. Lucie Unit No. 2; if, however, such damaged item is less than a Unit of Property, such costs shall be included in the St. Lucie Unit No. 2 monthly Operation and Maintenance costs pursuant to Section 6.3.3.

Participant shall pay to Company a monthly use charge for the availability of each Common Major Spare Part beginning with the later of:

(1) the date of commencement of test operation of St. Lucie Unit No. 2; or

(2) the date an item is designated as a Common Major Spare Part. Each such monthly use charge shall be an amount equal to Participant's Ownership Percentage of the applicable monthly

fixed charge determined in accordance with Exhibit XII. Each such use charge shall terminate upon retirement of St. Lucie Unit No. 2, whereupon the unrecovered cost (net plant) of all Common Major Spare Parts not used by, or designated for use by, Company shall be included within Participation Costs, and all salvage and disposal revenues or other credits shall be credited against Participation Costs.

6.6.5 Taxes Other Than Income and Payroll Taxes. All use charges provided in this Section 6.6 shall include the following:

(a) All taxes incurred by Company attributable to Use Charges.

(b) Sales and use taxes, excise taxes, and all similar taxes (excepting income taxes and payroll taxes), incurred by Company.

(c) Participant agrees to indemnify and make Company whole for any taxes and fees (other than income taxes) imposed by governmental agencies on revenues received by Company from Participant to the extent that payments by Participant result in additional taxes or fees to Company.

6.7 Multiple Ownership Costs. Multiple Ownership Costs include those costs incurred by Company resulting from the administration of this Agreement (as opposed to the administration of the Project), which would not otherwise be incurred but for the existence of this Agreement, including the costs incurred by Company associated with:

(i) performing allocations of costs required by this Agreement (and related billing and accounting costs); (ii) providing the accounting of costs and accommodating the audits provided in Sections 9 and 10; (iii) the consultation provided pursuant to Section 11; and (iv) the costs incurred in using its best efforts to have the levy of any taxes or payments in lieu thereof regarding the Unit Site, fixtures and personal property related wholly to St. Lucie Unit No. 2 made directly against the Owners, as provided herein. The above-described expenses will be distributed equally among and between all Owners as defined in this Agreement, including Company. If, however, the costs are incurred at the specific request of, or for the benefit of, one or more Owners, such costs will be charged to the Owner(s) causing the expense. Multiple Ownership Costs shall not include the costs incurred by Company's member of this Advisory Committee in attending meetings of the Advisory Committee. All costs billed under this Section 6.7 will be itemized and identified by Company.

6.8 Reiteration of General Principles. In Sections 6.2 through 6.7 hereof various items of costs described generally in Section 6.1 are identified and in some cases are identified in more than one of such sections, and various other costs described generally in Section 6.1 are not identified in any of such sections. Irrespective of such multiple identification or failure to identify various costs, nothing herein contained shall be construed to allow Company to include any of such costs or any part thereof in Participation Costs, Multiple Ownership Costs or Use Charges more than one time, and nothing herein shall be construed to omit such costs from Participation Costs, Multiple Ownership Costs or Use Charges by implication.

SECTION 7 - Accounting for Costs

Company records shall be maintained in conformity with generally accepted accounting principles and all costs will be reported to all other Owners with reference to the appropriate accounts set forth in the Uniform System of Accounts, except that (i) construction costs will be reported by major categories until such time that Company has distributed construction costs in its books to the electric plant in service accounts, and (ii) the Use Charges will not be reported in any more detail than is already described in the appropriate exhibits to this Agreement.

Nothing in this Agreement shall require Company to change, or otherwise affect, the corporate accounting practices and procedures used by it. All accounting practices, procedures and records necessary to obtain a proper allocation of all costs to St. Lucie Unit No. 2 under this Agreement may be maintained independently of Company's corporate records and may include allocations not otherwise utilized by Company.

SECTION 8 - Closing

8.1 Closing Date. The Closing shall be held on a date 60 days subsequent to issuance by the NRC of an amendment to the Construction Permit naming Participant a co-licensee, at 10:00 a.m. at the offices of Florida Power & Light Company, 9250 West Flagler Street, Miami, Florida, or at such other place as agreed by Company and Participant, provided that, as listed herein, all conditions precedent to the closing have occurred unless waived by the party benefited thereby. If one or more of such conditions precedent have not occurred and have not been waived, the closing shall be postponed from week to week or to a closing date agreed upon in writing by Company and Participant. Since time is of the essence, the closing

date shall not be later than six months from the date of Participant's signing of this Agreement unless waived in writing by Company and Participant provided that, if the NRC shall not have taken effective action approving or disapproving Participant as a co-licensee within four months from the date of Participant's signing of this Agreement, the closing date shall be extended until a date 60 days after approval of Participant as a co-licensee. If the NRC disapproves Participant as a co-licensee, and such action is subsequently reversed on appeal, the closing shall take place no later than 60 days after such reversal. Notwithstanding anything to the contrary herein contained, if a proceeding regarding validating the bonds proposed to be issued by Participant to finance Participant's acquisition of Participant's ownership interest in St. Lucie Unit No. 2 is pending before either a Florida Circuit Court or the Florida Supreme Court within 60 days of the time that closing would otherwise be required, the closing date shall be extended until 60 days after a decision by a Florida Circuit Court which is not appealed within 30 days from the issuance thereof or the Florida Supreme Court, as appropriate, has become final. If a decision denies validation of the bonds, then Participant shall file an appeal or shall file a petition for rehearing with the Florida Supreme Court, as applicable, and upon such filing, the closing date shall be further extended until 60 days after the denial of the petition for rehearing or, if the petition for rehearing is granted, until 60 days after the issuance of a decision granting validation of the bonds.

If the closing hereunder does not take place for any reason other than failure of Company to fulfill any of the conditions provided in Section 8.3 (A), (B), (C), (D) or (G) or Section 8.5, neither

Company nor Participant shall have any right or any remedy against the other under the terms of this Agreement and Participant shall have no further rights to participate in the ownership of St. Lucie Unit No. 2.

8.2 Conditions Precedent to Company's Obligation. Unless Company shall otherwise agree in writing, all obligations of Company to Participant under this Agreement are subject to the fulfillment, prior to or at the closing, of each of the following conditions:

(A) Company shall not have discovered any material error or material misstatement in the representations and warranties made by Participant in this Agreement.

(B) Participant's representations and warranties contained in this Agreement shall be deemed to have been made again at and as of the Closing Date and shall then be true in all material respects; and Participant shall have performed and complied with all agreements, covenants, and conditions required by this Agreement to be done by it, prior to or at the closing, as evidenced by delivery to Company, in form and substance reasonably satisfactory to Company, of each of the following:

(1) A certificate of the Secretary of Participant as to the due organization and existence of it as a lawful entity validly existing under the laws of the State of Florida;

(2) A certificate of the Secretary of Participant evidencing the legal authority of the Chairman and the Secretary to execute and deliver this Agreement;

(3) An opinion of counsel to Participant, acceptable to Company, covering the due authorization, execution

and delivery of this Agreement and the power and authority of Participant to perform all its obligations under this Agreement, such opinion to be substantially in the form attached hereto as Exhibit XIII;

(4) An Opinion of special counsel to Participating Members, acceptable to Company, and an Opinion of counsel to each Participating Member, that each of the Participating Members is bound by the Power Sales Contract and the Project Support Contract between each Participating Member and Participant, and that all proceedings necessary and appropriate to the authorization of such Power Sales Contracts and the Project Support Contracts by Participating Members have been taken, are validly existing and none have been repealed, such opinions to be substantially in the form of Exhibits XVI and XVII hereto;

(5) Resolutions of the governing bodies of Participant and each Participating Member authorizing the execution and delivery of this Agreement, each Power Sales Contract, and each Project Support Contract.

(6) A certificate of the Chairman of Participant regarding the representations, warranties and covenants contained in Sections 41 and 43 herein satisfactory in form and substance to Company.

(7) Certificates of appropriate officials of Participant and Participating Members covering litigation, petitions for referendum, if applicable, and such other matters as

may be reasonably required by Company evidencing the absence of efforts by persons not parties hereto to prevent the authorization, execution and delivery of this Agreement, the Power Sales Contracts and the Project Support Contracts.

(8) A certificate of the Secretary of Participant attaching true and correct copies of the resolutions of the Participant authorizing this Participation Agreement, the Power Sales Contracts, the Project Support Contracts and other related documents along with the Bond Resolution.

(C) At the closing, Participant shall deliver to Company the Initial Purchase Price as contemplated by Section 8.5.

8.3 Conditions Precedent to Participant's Obligations. Unless Participant otherwise agrees in writing, all obligations of Participant to Company under this Agreement are subject to the fulfillment, prior to or at the closing, of each of the following conditions:

(A) Participant shall not have discovered any material error or material misstatement in the representations and warranties made by Company in this Agreement.

(B) The representations and warranties of Company contained in this Agreement shall be deemed to have been made again at and as of the closing date and shall then be true in all material respects; and Company shall have performed and complied with all agreements, covenants, and conditions required by this Agreement to be done by Company prior to or at the closing, as evidenced by its delivery to Participant, in form and

substance reasonably satisfactory to Participant, of each of the following:

(a) A certificate of a Secretary or Assistant Secretary of Company as to the authenticity of a copy of its Charter;

(b) A certificate of the Secretary of State of Florida as to the good standing of Company in Florida;

(c) Resolution(s) of Company's Board of Directors authorizing this Agreement;

(d) A certificate of a Vice President of the Company to the effect that the execution of this Agreement will not cause a breach of its Charter, By-Laws, Mortgage and Deed of Trust, Trust Indenture or any other similar material agreements by which Company is bound, or, to the best of the knowledge and belief of such officer, except as previously disclosed to Participant, the execution of this Agreement and the transfer of an ownership interest to Participant contemplated hereby, will not cause a material breach of any material contract relating to St. Lucie Unit No. 2 (excluding any breach of any union contract, any breach which may be cured by Participant's assumption of its Ownership Percentage of any obligation or duty under the contract or agreement alleged to be breached or any breach which results in the costs of St. Lucie Unit No. 2 increasing by less than $100,000,000).

(e) Submission by Company to Participant of (i) the allocation methods used to determine Participant's Initial Payment and an explanation of the basis therefor as provided in Section 8.4 of this Agreement; (ii) the statement regarding the Initial Payment pursuant to Section 8.4 of this Agreement; (iii) a list of matters, if any, described in Section 41.2 of this Agreement, current to thirty (30) days prior to closing; (iv) documents regarding insurance described in Section 26 of this Agreement.

(C) Participant shall have been furnished with an opinion or opinions of counsel for Company, in form and substance satisfactory to Participant, dated the closing date, substantially in the form attached hereto as Exhibit XIV.

(D) Company shall have obtained and furnished evidence thereof to Participant that all necessary releases and other required documents from the trustees under a certain Mortgage and Deed of Trust between Company and Bankers Trust Company and the Florida National Bank of Jacksonville (now Florida First National Bank of Jacksonville), as Trustees, dated as of January 1, 1944, as supplemented by all supplemental indentures.

(E) Company shall have obtained an Amendment to Construction Permit issued by the Nuclear Regulatory Commission naming Participant a co-licensee.

(F) Participant shall have obtained an order of a court of competent jurisdiction, no longer subject to appeal, validating

the bonds proposed to be issued by Participant to finance Participant's ownership interest in the Unit Site and St. Lucie Unit No. 2.

(G) Company shall provide Participant a list of all prior transfers of ownership interests pursuant to Section 2, showing the transferees and percentage ownership interests transferred and shall furnish Participant with copies of such participation agreements.

8.4 Initial Payment Statement. At least 30 days prior to the closing scheduled under this Agreement, Company will forward to Participant a statement (the "Initial Payment Statement") of the costs incurred to the last day of the fourth month preceding the month in which the closing is scheduled to occur, minus the commitment payment of $5,911,305.39 that Participant paid to Company on August 26, 1981. Company shall simultaneously provide Participant with an estimate of the costs for the period from the first day of the third month preceding the month in which the closing is scheduled to occur through the last day in the month in which the closing is scheduled to occur. Such costs shall consist of the costs for which Participant is responsible pursuant to Section 6, including Participant's Ownership Percentage of all Participation Costs and together with costs which are Participant's responsibility pursuant to Section 6.6 (Use Charges) and 6.7 (Multiple Ownership Costs); however, no AFC costs shall be assessed against Participant in respect of time after August 26, 1981, for the funds transferred from Participant to Company and held by Company as a commitment payment. The estimates will be adjusted to reflect actual costs as

follows: (i) the second and third preceding month's estimate will be adjusted to the actual on the first billing after the month of closing and (ii) the first preceding month's estimate will be adjusted on the second billing after the month of closing, and (iii) the closing month's estimate will be adjusted on the third billing after the month of closing.

No interest shall be charged to Company or Participant for subsequent adjustments to estimated costs for the four months preceding the closing included in the Initial Payment Statement. However, should an audit or review reveal an underpayment or overpayment of costs billed pursuant to the Initial Payment Statement, Participant shall be liable for and shall be billed for any underpayment, or shall be entitled to and shall receive a refund for any overpayment, on the next monthly statement rendered after the overpayment or underpayment has been discovered, with interest at the Prime Rate, but not to exceed the highest rate allowed by law from the date of the closing.

8.5 Payment and Exchange of Documents. At the closing, Company shall deliver to Participant the Special Warranty Deed and Bill of Sale and all certificates, releases, opinions and evidences of authorizations and approvals as provided for herein; Participant shall deliver the purchase price as set forth in the Initial Payment Statement in Federal Funds or in any other manner agreed by Company and Participant immediately available to the Company prior to 12:00 noon on the closing date.

Time is of the essence of the provisions of this Section 8.5.

8.6 Closing Costs. At the closing, Participant shall pay the cost of all documentary stamp taxes required to be affixed to the Special Warranty Deed and Bill of Sale computed on the basis of the purchase price to the date of closing, without regard to any law or administrative regulation, Federal or state, heretofore or hereafter emacted, imposing a duty to pay all or any part of such taxes upon Company; provided, however, that nothing contained in this Agreement shall in any manner impair the right of Participant to pay such documentary stamp taxes under protest and thereafter seek a refund thereof from the taxing authority as provided by law or applicable administrative regulations. In the event Participant fails to pay said documentary stamp taxes as hereinabove provided, and not withstanding the rendering by any court of last resort of a decision that the undertaking by Participant as herein provided to pay said documentary stamp taxes is legally inoperative, then, unless Participant nevertheless pays such taxes, Participant's failure to pay the same shall constitute a default under Section 33 of this Agreement and entitle Company to exercise all of its remedies thereunder, including, specifically, but without limitation, the rights and remedies provided under subsection 33.4.3 of this Agreement.

Company hereby represents and Participant hereby acknowledges that but for the agreement of Participant to pay the cost of documentary stamp taxes required to be affixed to the Special Warranty Deed and Bill of Sale to Participant from Company as hereinabove set forth, Company would not sell an undivided ownership interest in the Unit Site and in St. Lucie Unit No. 2 to Participant.

Participant shall pay the cost of recording the Special Warranty Deed and Bill of Sale, and Company shall pay the cost of recording all necessary releases and other required documents obtained pursuant to Section 8.3(D).

SECTION 9 - Payment of Current Costs

By the first day of each month that this Agreement is in effect, beginning with the first calendar month after the month in which the closing provided for in Section 8 is scheduled to occur, Company will furnish to Participant an estimate of the costs described in Section 6 which are anticipated to be incurred in that month and the basis for such estimate.

Each such notification made by Company shall be accompanied by a preliminary accounting of costs incurred for the third preceding month. The estimate of costs to be incurred in the current month will be adjusted to reflect any difference between costs which were estimated to have been incurred in the third preceding month and the costs which were actually incurred in that month.

Participant will pay to Company its Ownership Percentage of such estimated costs, as adjusted, on or before the fifteenth day of the month. However, if the date of payment falls on a Sunday, or on a Monday that is a holiday, then the date of payment shall be the next business day after such Sunday or holiday. If the date of payment falls on a Saturday or on any holiday other than a Monday holiday, then the date of payment shall be the business day prior to such Saturday or holiday. A holiday, for purposes herein, shall be a day observed as a holiday by any of the banks involved in the wire transfer of funds between Participant and Company.

No interest shall be charged to Company or Participant for subsequent adjustments to estimated costs for the current month made by a

preliminary accounting. However, should an audit or review reveal an underpayment or overpayment of costs billed pursuant to a preliminary accounting, Participant shall be liable for and shall be billed for any underpayment, or shall be entitled to and shall receive a refund of any overpayment, on the next monthly statement rendered after the overpayment or underpayment has been discovered, with interest at the Prime Rate, but not to exceed the highest rate allowed by law from the date of payment pursuant to the preliminary accounting.

Where Company knows that it will have to make a particular payment or payments on specified dates, for an amount in excess of $15,000,000 for each payment, Company shall not include such payment or payments in its regular monthly estimate of costs but shall notify Participant of same, at least 15 days prior to the scheduled date of payment, and Participant shall pay its Ownership Percentage of same on or before the scheduled date of payment.

SECTION 10 - Accounting and Auditing

10.1 Initial Payment Statement. Not more than 90 days following the end of the calendar month in which the closing occurs, Company shall furnish Participant a written statement showing the costs included in the Initial Payment Statement broken down by Sections of the Agreement, and such statement shall also include a certificate of the Treasurer or Comptroller of Company stating that such costs have been computed in accordance with Section 6 hereof and that Company keeps its books in accordance with Section 7.

Participant may cause the accuracy of any costs charged to it pursuant to the Initial Payment Statement to be verified, at its own expense, by an examination of the accounts and records kept by

Company with respect to the Project either by the Participant's designated accounting personnel or by an independent certified public accountant, and Company shall make such accounts and records available at its offices at reasonable times for such purposes. Participant may not conduct such an examination of Company's accounts and records except on at least 30 days prior written notice to Company.

As promptly as practicable after completion of the procedures described in this Section 10.1, if (i) such statement (adjusted, as appropriate) specifies costs in excess of the amount paid by Participant at the closing, Participant shall pay the amount of such excess to Company or (ii) such statement (adjusted, as appropriate) specifies costs less than the amount paid by Participant at the closing, Company shall pay the amount of the difference to Participant, in either case, including interest as provided in Section 8.4.

10.2 Current Costs. At least annually, or more frequently as agreed by the Owners, Company shall provide an unaudited statement for the preceding year to all other Owners for all costs that have been incurred pursuant to Section 6 and the preliminary accountings provided pursuant to Section 9 shall be adjusted accordingly, and any resulting adjustment, payment or credit shall be made with interest as provided in Section 9. Company will make a reasonable effort to provide this accounting in a form that is acceptable to Participant. Participant may cause the accuracy of any costs charged to it to be verified, at its own expense, by an examination of the accounts and records kept by Company with respect to the Project either by

Participant's designated accounting personnel or by an independent certified public accountant, and Company shall make such accounts and records available at its offices at reasonable times for such purpose. However, Participant may not conduct such an examination of Company's accounts and records except on at least thirty (30) days prior written notice to Company, and Participant may not conduct any such examination more than once in any 12-month period, except as mutually agreed by the Parties. To the extent determined to be feasible by the Advisory Committee referred to in Section 11 hereof, all Owners shall coordinate their audit requests through the Advisory Committee.

Company shall provide financial information to the other Owners concerning St. Lucie Unit No. 2, including but not limited to the following types of information: timely estimates of intended capital improvements, annual capital expenditures budget, annual manpower budget, annual operation and maintenance budget, and annual estimates of cost and cash requirements by month, with updating from time to time as regularly performed by Company, and from time to time Company's current assessment of decommissioning costs. Company will assist other Owners in meeting their financial planning requirements to the extent practicable by providing such estimates and budgetary information, when requested, in their preliminary form, when available.

Participant may challenge the correctness of any statement, estimate, payment, or adjustment (including any payments previously made for the item so adjusted) made pursuant to Section 9 as not being proper pursuant to the terms of this Agreement, but all such

statements, payments and adjustments shall be conclusively presumed to be proper hereunder and not subject to challenge except where fraud is alleged and proved, or a mutual mistake has been made, or there has been an error in recording costs, unless within twenty-four months after payment of any cost or adjustment Participant shall have objected in writing to any such cost or adjustment. Where it is determined as a result of a challenge that an adjustment to a previous payment is appropriate, such adjustment shall be reflected in the monthly billing immediately following such determination, including interest as provided in Section 9.

Any payment made by Participant pursuant to this Agreement shall not constitute a waiver of any right of Participant to question or contest the correctness of any charge by Company, but no payment by Participant shall be delayed because of a question or contest as to the correctness of any charge by Company; nor shall any payment be withheld, reduced or delayed by way of recoupment, setoff or otherwise.

SECTION 11 - Consultation Among the Owners

11.1 Advisory Committee. As soon as practicable after execution of this Agreement, all of the Owners will form an Advisory Committee, consisting of one member and one alternate designated by each Owner. The member designated by Company shall serve as chairman, and shall convene the Advisory Committee at least once annually, with at least three months' advance written notice to each member. The chairman may also convene the Advisory Committee from time to time on his own motion or in response to the request of any two other Owners, or if there are no more than two Owners, at the

request of the other Owner. The annual meetings provided herein may be dispensed with by oral or written agreement of all members of the Advisory Committee.

The Advisory Committee will serve as a vehicle for communication among the Owners and consultation between Company and the other Owners regarding the progress of work performed in connection with St. Lucie Unit No. 2. To further these goals, the Advisory Committee shall have the following functions and powers:

(a) To provide liaison among all Owners and Company at the management level.

(b) To appoint ad hoc committees as necessary to perform work and conduct studies regarding matters requiring investigation.

(c) To perform such other functions and duties as may be unanimously agreed by the Advisory Committee. Company shall inform each member of the Advisory Committee of any agreements to sell ownership interests in St. Lucie Unit No. 2 to other Owners, and shall inform each other Owner of press releases by Company regarding St. Lucie Unit No. 2, and shall use its best efforts to provide such press releases to Participant prior to release to the public, where possible and consistent with applicable legal obligations. Company shall keep each member of the Advisory Committee informed concerning significant decisions regarding the acquisition, planning, designing, studying, licensing, improving, renewal, replacement, zoning, permitting, certifying, obtaining approvals, engineering, training personnel, construction,

inspection, testing, operation, maintenance, insuring, decommissioning, disposal and thereafter maintaining and securing the Project and where practicable shall consult with the Advisory Committee concerning such decisions. The costs of such consultation with the Advisory Committee shall be considered Multiple Ownership Costs and shared as provided in Section 6.7

Company will respond to any reasonable request for information not otherwise provided pursuant to this Agreement regarding the Project. Company will attempt to provide such information by the time and in the form requested, subject to Company's ability to do so without unreasonable interference with its other work. The Owner(s) making such request shall compensate Company for the additional costs of complying with any such request.

No consultation or advisory rights provided herein shall be allowed to delay any phase of work related to the Project or to affect the sole discretion of Company in making such decisions and except as provided in Section 25 no failure by Company to inform or consult with the Advisory Committee or the other Owners shall create any liability on the part of Company under this Agreement, relieve Participant of its obligations under this Agreement or entitle Participant to reimbursement or return of any payment. Company shall not be liable to Participant on account of its response to any request for information except as provided in Section 25 (Liability and Indemnification).

The Advisory Committee shall keep written records of all meetings.

Wherever reference is made in this Agreement to consultation with Owners, or any of them, Company may effect such consultation through the members of the Advisory Committee telephonically, in meetings, or otherwise.

Company and each other Owner shall notify the others promptly of any change in the designation of its representatives on the Committee. In the absence of an Owner's designated representative, any alternate appearing at a committee meeting shall be deemed to have authority to act on behalf of the organization he represents when the Committee Chairman is furnished with written notice of such authority.

Notwithstanding any other provision of this Agreement, the Owners agree that any information provided under this Agreement will not be used in a manner which (a) would compromise any part of the security system of St. Lucie Unit No. 2 or the St. Lucie Site, (b) would be in contravention of any applicable governmental regulation, or (c) would cause Company to violate any arrangement regarding confidentiality or proprietary rights which Company has with any third party.

In the event that any information provided under this Agreement could be used as provided in the preceding sentence, it is agreed that Participant shall have no right of access thereto except only under conditions prescribed by Company to insure the continued confidentiality thereof, which conditions shall include if necessary a prohibition against making copies of such information. Participant shall have no right to the disclosure of such information in any manner which could subject the information to a risk of disclosure as

a matter of public record that is different from any risk of disclosure which applies to Company acting solely on its own behalf. Further, Participant shall have no right to the disclosure of such information if the right to such disclosure could subject the information to a risk of disclosure as a matter of public record that is different from any risk of disclosure which applies to Company acting solely on its own behalf.

11.2 Cooperation by Company With Respect to Participant's Financing. Company will cooperate with Participant in connection with the sale by Participant of any bonds, notes or other evidence of indebtedness related to Participant's financing its acquisition of its ownership interest in St. Lucie Unit No. 2 or related to Participant's financing its payment of any other costs to be paid by Participant under this Agreement. Company will provide Participant prior to closing or prior to a secondary financing by Participant with copies of its most current Annual Report to Stockholders, Annual Report on Form 10-K and Proxy Statement as well as all reports on Form 10-Q or 8-K and all Registration Statements filed with the Securities and Exchange Commission since the end of Company's most recently completed fiscal year. Participant agrees, prior to contacting Company for other information to be used in connection with the offering of securities, to use its best efforts to obtain the information from public documents of Company on file with the various state and federal regulatory agencies. To the extent the information is not reasonably available to Participant, Company agrees to assist Participant in obtaining such information relating to St. Lucie Unit No. 2, including a current architectural and engineering monthly

progress report, status of any required licenses and permits, the estimated cost of nuclear fuel and a current estimate of construction costs, project master schedule, and projected annual operations and maintenance expenses.

Company agrees to reasonably make available to Participant, its counsel and consultants and Participant's managing underwriters and their counsel, senior technical and project accounting personnel who are familiar with the construction and operation of St. Lucie Unit No. 2, for the purpose of briefing Participant and the managing underwriters on the project and explaining the information referred to in the preceding paragraph. Such senior personnel, however, shall not attend any due diligence or similar meeting.

Participant agrees that any offering circular, official statement or similar statement used in connection with the sale by it of any securities will contain a representation to the effect that Company has made no representations as to the adequacy or accuracy of any information contained in such circular or statement.

SECTION 12 - Scope of Company's Authority and Discretion

Company or Company's successor pursuant to Section 31 shall perform or cause to be performed all work authorized or contemplated by this Agreement on its own behalf and as agent for Participant, and Participant hereby irrevocably appoints Company or Company's successor pursuant to Section 31 its agent for such purpose. Unless expressly prohibited in this Agreement, Company is authorized to take all actions which, in its sole discretion, are deemed necessary or advisable to effect the acquisition, planning, design, licensing, construction, completion, maintenance, operation, decommissioning and disposal of the Project or

otherwise to discharge its functions pursuant to this Agreement. Such authority shall include, but not be limited to the authority to incur costs, liabilities and obligations, and to perform and arrange for the performance of work, and to select and retain contractors, consultants, architect-engineers, attorneys, accountants and other persons, and to enter into, modify and terminate contracts and agreements and to do all things and take all actions in connection with acquiring, planning, designing, studying, licensing, zoning, permitting, certifying, obtaining approvals, engineering, training personnel, constructing, inspecting, testing, operating, maintaining, insuring, improving, renewing, replacing, decommissioning, disposing of and thereafter maintaining and securing, or in any other manner with respect to, the Project, and to make all decisions and choices in relation thereto, all without any limitation whatsoever.

Company may replace components of the Project and may, if it elects to do so, use components removed from the Project for purposes unrelated to St. Lucie Unit No. 2, in which event the salvage value of any such component shall be credited to Participation Costs as provided in Section 6.1 and Participant shall have no further ownership interest in such component.

Company is authorized to enforce, or to waive, adjust or compromise, any claim which the Owners may have against a third party arising out of the performance of work or supply of materials or services with respect to the Project and Participant hereby assigns its interest in any such claim to Company. Any sums recovered by Company as a result of any such claim shall be credited to Participation Costs. Company also is authorized to defend, bond off, concede, adjust or compromise any claim asserted against Company or the Owners arising out of the performance of work or supply of

materials or services with respect to the Project. Company also is authorized to initiate, defend or otherwise participate in legal and regulatory proceedings affecting the Project and (except when the subject is an antitrust review or proceeding directed solely at Company and not jointly at Company and all other Owners, or a dispute between Company and other Owners) to represent the Owners in any such proceeding. In performing such responsibilities, Company may exercise its sole discretion in making all decisions and may retain attorneys, consultants and other persons and incur costs (except when the subject is an antitrust review or proceeding directed solely at Company and not jointly at Company and all other Owners, or a dispute between Company and other Owners), all of which costs shall be includable in Participation Costs.

Company shall have sole responsibility for negotiating the valuation of each Owner's property tax assessments on St. Lucie Unit No. 2 or the Common Facilities.

Nothing in this Section 12, or otherwise in this Agreement, shall be construed to prevent Participant from disputing actions taken by Company under this Agreement, as provided in Section 36, and from selecting and retaining its own attorney for such purpose.

Participant acknowledges that Company may perform any of the above-described work through Company's own employees or affiliated entities.

SECTION 13 - Design and Construction

Company shall have sole responsibility for, and is fully authorized to act for Participant with respect to, the design, engineering, procurement, installation, testing and all other aspects of the construction of the Project and for any modifications, renewals, replacements or additions at any time

made to the Project. In furtherance of its responsibility, Company may select and employ design engineering services and shall select such engineering, construction, consulting and other firms as it deems desirable.

During the course of design and construction of the Project it will be necessary to make a number of decisions. These may include decisions on whether to continue to incur costs in the face of legal, regulatory and economic risks and may include decisions as to whether the construction should continue at all. Company is authorized in its sole discretion to make all decisions regarding design and construction of the Project, including decisions to (or not to) halt or defer construction or to cancel construction thereof, and decisions regarding modifications of the design of the Project, and Company's sole discretion in this regard shall not be affected by the other Owners' rights of consultation as described elsewhere herein.

No decision, action or inaction by Company pursuant to this Section 13 shall relieve Participant of its obligations under this Agreement, or entitle Participant to reimbursement or return of any payment, or create any liability on the part of Company other than as provided in Section 25.

SECTION 14 - Regulatory Licenses and Approvals

Company is authorized to proceed on its own behalf and on behalf of Participant to attempt to obtain all licenses, approvals and permits for the Project from the Nuclear Regulatory Commission, and other regulatory authorities, including the State of Florida, the Environmental Protection Agency, the Army Corps of Engineers and local and regional government authorities, required for construction and operation of St. Lucie Unit No. 2; Company shall be responsible for the conduct of such regulatory proceedings as are required for approval of transfer of an ownership interest to Participant, and shall extend its best efforts to obtain such approval.

Participant shall cooperate with Company and provide such assistance as is reasonably requested in connection with any legal or regulatory proceeding described in the preceding sentences. Participant shall be responsible for securing, and shall make its best effort to secure, any other approvals required to be obtained by it from any governmental authorities, including such approvals as are necessary for its participation in St. Lucie Unit No. 2, and Company shall cooperate in such efforts.

Company may, in its sole discretion, make all decisions regarding adherence to health, safety and environmental regulations and requirements imposed by any government authority, including the Nuclear Regulatory Commission.

Company shall be solely responsible for all relationships concerning the Project with the Nuclear Regulatory Commission, the State of Florida, Department of Environmental Regulation, and any other federal, state or local government agencies or authorities exercising regulatory jurisdiction over the Project. It is agreed that Participant will not utilize its position as an applicant or licensee to apply for or request any amendment to a license or permit for the Project, provided that Participant shall not by this sentence be foreclosed from petitioning the Nuclear Regulatory Commission or any other agency for any relief, or otherwise from appearing in regulatory proceedings, so long as the status of Participant as an applicant or licensee for the Project is not invoked.

SECTION 15 - Operation and Maintenance

15.1 St. Lucie Unit No. 2 shall be controlled and dispatched by Company. Company shall have the sole responsibility for, and is authorized to act for Participant with respect to operation and maintenance of the Project. In furtherance of such responsibility Company shall have the

authority reasonably to restrict access to the Project, and Company shall select, hire, control and discharge (when deemed appropriate by Company) such personnel as are required, which personnel shall be employees of Company, unless otherwise determined by Company. In addition, Company may select and employ such engineering, consulting and other firms as it deems desirable with respect to operation and maintenance of the Project.

Upon reasonable advance notice to Company, Participant's designated employees and agents shall be granted reasonable access to the Project, consistent with limitations imposed by Company in accordance with Generally Accepted Electric Utility Practice, subject to the regulations of the Nuclear Regulatory Commission.

In connection with operation and maintenance of the Project, it will be necessary to establish certain policies and to make a number of decisions. For example, refueling operations and routine maintenance must be scheduled. Moreover, it may become necessary to make, sometimes instantaneously, decisions concerning whether to continue operating St. Lucie Unit No. 2 under some circumstances. Further, it may be necessary at some future time or times to decide whether to operate St. Lucie Unit No. 2 at less than full power or whether to suspend or terminate operation altogether in light of technical, economic, legal, regulatory, power system or other considerations not now anticipated. Company is authorized in its sole discretion to make all decisions regarding operation and maintenance of the Project, including decisions concerning the times and power levels at and at which St. Lucie Unit No. 2 is to be operated and decisions regarding suspension and termination of operation, and

Company's sole discretion in this regard shall not be affected by the other Owner's rights of consultation as described elsewhere herein.

15.2 No decision, action or inaction by Company pursuant to this Section 15 shall relieve Participant of its obligations under this Agreement, or entitle Participant to reimbursement or return of any payment, or create any liability on the part of Company other than as provided in Section 25.

SECTION 16 - Planned Capital Improvements

Company shall have the authority to make such Capital Improvements to St. Lucie Unit No. 2 as it deems appropriate, and Participant shall be responsible for its Ownership Percentage of the costs associated with Capital Improvements. If at any time after Firm Operation Company proposes to embark upon a Capital Improvements project for St. Lucie Unit No. 2 (excluding repairs, restoration or reconstruction pursuant to Section 29 (Destruction, Damage or Condemnation)), which is estimated to cost in excess of $100,000,000, Company shall inform Participant thereof as soon as practicable under the circumstances, and shall make its best efforts to so inform Participant at least 120 days prior to commencement of the project.

As soon as practicable, Company shall provide Participant with a written notice of the proposed planned Capital Improvements project that describes Company's proposed plans and provides Company's estimate of the cost thereof, reasons therefor, and the proposed commencement date of the Project, and affords Participant an option of reducing its Ownership Percentage in lieu of contribution to the cost of the planned Capital Improvements project as set forth below.

Within 90 days from receipt of Company's written notice, but in no event less than 30 days prior to the proposed commencement date of the project, Participant shall exercise such option by providing written notice to Company that Participant elects not to contribute to the cost of the planned Capital Improvements project or such option shall expire and upon the expiration of such option Participant shall be responsible for its Ownership Percentage of the costs associated with the planned Capital Improvements project.

If Participant exercises its option not to contribute to the cost of the planned Capital Improvements project, adjustments will be made as expenditures are made for the Capital Improvements project, to reduce Participant's Ownership Percentage and increase Company's Ownership Percentage so that the respective Ownership Percentages of Company and Participant shall bear the same ratio one to the other as Company's and Participant's respective Net Investments in St. Lucie Unit No. 2 as of the first day of month following commencement of the Capital Improvements project. Nothing in this Section shall prevent Company from modifying its plans for Capital Improvements or from electing pursuant to Section 18 to retire St. Lucie Unit No. 2, whether or not Participant has exercised its option pursuant to this Section.

SECTION 17 - Nuclear Fuel

17.1 Supply and Disposal of Nuclear Fuel. Company shall have sole responsibility for and is fully authorized to act as agent for Participant with respect to all nuclear fuel and fuel cycle service needs for St. Lucie Unit No. 2 including, without limitation, the design, procurement (whether by purchase, lease or other means), insurance, conversion, enrichment, fabrication, transportation,

reprocessing, storage and disposal of nuclear fuel and related materials (including irradiated fuel and radioactive waste and other products resulting directly, or as a result of reprocessing, from unit operation). Company is authorized to enter into such arrangements as it deems appropriate and to make all decisions regarding nuclear fuel and fuel cycle services, and Company's discretion in this regard shall not be affected by the other Owners' rights of consultation as described elsewhere herein.

In discharging its responsibilities under this Section 17, Company itself may provide fuel materials, components or services associated with the provision of nuclear fuel and may purchase or lease any such fuel materials, components or services from a third party or from a corporation or other business association or entity owned or controlled in whole or in part by Company or in which Company is otherwise interested.

17.2 Ownership and Financing of Nuclear Fuel. Each Owner shall own an undivided interest in nuclear fuel equal to its Ownership Percentage whether acquired by purchase, lease or other means (including irradiated fuel and radioactive waste and other products resulting, directly or as a result of reprocessing, from unit operation) that are designated by Company as related to St. Lucie Unit No. 2 (which designation shall occur at or about the time of irradiation of such nuclear fuel or related material in the St. Lucie Unit No. 2 reactor or at such other earlier time as may be determined by Company).

Each Owner may provide its own method of financing its Ownership Percentage of the cost thereof, provided that no Owner shall enter into any financing arrangement which imposes any

obligation upon any other Owner or which restricts or limits the rights of the other Owners to finance the costs associated with their undivided interests without the consent of each Owner so affected. An Owner may sell or assign all or any part of its interest in nuclear fuel to any person or entity (the "Fuel Lessor") for leaseback to such Owner subject to the conditions that (i) the Fuel Lessor shall waive irrevocably all rights to partition of such nuclear fuel prior to completion of the reprocessing thereof; (ii) the Fuel Lessor shall not obtain any rights not possessed by such Owner with respect to the operation or scheduling of St. Lucie Unit No. 2 or the removal of nuclear fuel therefrom; (iii) the Fuel Lessor shall not become a party to this Agreement unless and until it succeeds to all of such Owner's rights, title and interest to the Project in accordance with Section 31; and (iv) such Owner shall indemnify all other Owners against any costs or expenses incurred by them because of such Owner's sale and leaseback of its interest in nuclear fuel.

Company operates nuclear generating units other than St. Lucie Unit No. 2 and is engaged in obtaining nuclear fuel and fuel cycle services for those other generating units. In this connection, and in connection with any other business activities in which Company may participate from time to time, Company will or may hold an interest in materials or equipment related to nuclear fuel (including, by way of example and not limitation, uranium ore reserves, mined or unmined, and uranium concentrates (U_3O_8)). It is agreed that Participant's ownership of an interest in St. Lucie Unit No. 2 will not result in Participant receiving or holding any ownership interest in any nuclear fuel, fuel cycle services, or related material

or equipment or related right or asset (such as a contract for provision of enrichment or other services) until and unless Company has, by express written notice directed and transmitted to Participant, designated such nuclear fuel or related material or equipment or right or asset as related to St. Lucie Unit No. 2 (which designation shall occur at or about the time of irradiation of such nuclear fuel or related material in the St. Lucie Unit No. 2 reactor).

17.3 Uranium Account.

17.3.1 Final Accountings. Company shall set up a separate Uranium Account in order to provide final accountings to the Owners from time to time for all costs pertaining to all nuclear fuel, fuel cycle services and related materials charged to Participation Costs.

17.3.2 Accounting for Uranium Concentrates Supplied from Company's Inventory. Company shall designate uranium concentrates that are supplied from Company's inventory (and/or other comparable fuel materials, such as mixed oxide fuel material) to the Uranium Account at or about the time of the irradiation of such material in the St. Lucie Unit No. 2 reactor. At such time, Company shall determine the actual cost basis of such material as of the date that such material was transferred on Company's books from FERC Account 120.2 to FERC Account 120.1, modified as set forth in Section 17.3.3, and with the actual costs of such material accounted for on a "first in-first out" basis exclusive of any AFUDC on Company's books. As soon thereafter as practicable, Company shall transfer such costs from the Uranium Account to

Participation Costs, to be billed to Participant (with appropriate credits pursuant to Section 17.4) on its next regular monthly billing of operating costs.

17.3.3 Combustion Engineering, Inc. Contracts. Company has contracted with Combustion Engineering, Inc., for the supply of the initial fuel core and first reload core for St. Lucie Unit No. 2 and may contract with Combustion Engineering, Inc. for additional fuel and/or fuel services for St. Lucie Unit No. 2. Company's cost basis in these contractual rights will be included in the Uranium Account to the extent that such contractual rights can be used by St. Lucie Unit No. 2. The special allocation set forth in this subsection is without prejudice to the general allocation principles set forth in Section 6.1.

17.3.4 Westinghouse Settlement. Company has entered into a settlement with Westinghouse Electric Corporation of that certain action filed under Docket No. M.D.L. 235, U.S. District Court, E.D. Va., Richmond Division. Costs pertaining to any nuclear fuel, fuel cycle services and related materials supplied to Company by Westinghouse Electric Corporation pursuant to said settlement shall be excluded from the Uranium Account.

17.3.5 Nuclear Fuel AFC. Company shall add an allowance for its cost of capital at the AFC rate to all costs included in the Uranium Account, from the date of each expenditure until payment by Participant pursuant to each final accounting contemplated by the Uranium Account. Company's allowance

for its cost of capital shall be set off against Participant's allowance for its cost of capital as set forth in Section 17.4.

17.4 Advance Payments by Participant to the Uranium Account. Company shall notify Participant of the amount and expected date of each expenditure that Company anticipates will be included in the Uranium Account pursuant to its then projected fuel loading schedules, and shall request payment by Participant of its approximate Ownership Percentage thereof at least 15 days in advance of the date required of Participant for payment, and where practicable in conjunction with payment of Participant's monthly statement of current costs provided pursuant to Section 9 for the month following such request. Failure by Participant to timely make such payment shall be a default under Section 33.

Solely for the purposes of the accounting provided in this Section 17.4, each advance payment made by Participant pursuant to this Section 17.4 shall have added to it an allowance for the cost of capital computed at the AFC rate, from the date of receipt of each such payment by Company until the date that such expenditure is transferred from the Uranium Account to Participation Costs. The purpose of this allowance is to provide a convenient accounting method for ofsetting Company's allowance for funds included in the Uranium Account (computed at the AFC rate), so that advance payments made by Participant to the Uranium Account should eliminate Company's allowance for funds, on average.

All advances made by Participant pursuant to this Section 17.4 (including the above allowance) shall be set off against the costs in the Uranium Account for which Participant is responsible.

Since Participant's advances will be based on estimates of future requirements, the Owners anticipate that this setoff will result in a balance owing to either Company or Participant. Such balance, whether owed by Company to Participant, or by Participant to Company, will continue to accrue an allowance for funds at the AFC rate until paid, and shall be paid with or credited against the next monthly statement for Participation Costs upon each transfer of costs from the Uranium Account to Participation Costs.

In requesting advance payments from Participant pursuant to this Section 17.4, Company shall use its best efforts to request payments at such times and in such amounts that the setoffs anticipated above will result in a zero balance owing to either Company or Participant on average.

Amounts paid pursuant to this Section 17.4 shall not be segregated, but shall be credited by Company to Participant's account.

17.5 Spent Fuel Storage Capability.

17.5.1 Use by Company. Company shall have the exclusive right to utilize the spent fuel storage capability at the Unit Site for other than St. Lucie Unit No. 2. When this right is being exercised, Company shall pay Participant a monthly charge therefor to be calculated in accordance with Exhibit XV. Such charge shall be payable when Company first utilizes such storage for nuclear fuel other than St. Lucie Unit No. 2 fuel, and shall be payable only so long as and to the extent that Company utilizes such storage for that purpose.

If and to the extent that Company's utilization of such spent fuel storage capability creates a situation where St. Lucie Unit No. 2 fuel cannot be stored at the Unit Site, then Company shall either remove its fuel assemblies stored at the Unit Site in order to provide storage at the location for St. Lucie Unit No. 2 fuel assemblies, or provide comparable storage and safeguarding for St. Lucie Unit No. 2 spent fuel at another facility provided by Company, in which event Participant shall pay Company a monthly charge therefor to be calculated in accordance with Exhibit XV. In this latter event, Company shall pay the cost of transporting the St. Lucie Unit No. 2 fuel assemblies to any interim location, and the Owner or Owners shall pay for such transport from the interim location to any location then understood to be the final destination of assemblies so displaced, provided however, that if the St. Lucie Unit No. 2 fuel assemblies would have been stored permanently at the Unit Site except for Company's use of such storage capacity for other fuel assemblies Participant shall not be required to bear any transportation cost.

17.5.2 Indemnification by Company. Company hereby agrees to indemnify and hold harmless Participant and its agents, servants and employees for liability to third parties incurred as a result of Company's transporting St. Lucie Unit No. 2 spent fuel to another location because of Company's use of the spent fuel storage capability at the Unit Site for spent fuel other than St. Lucie Unit No. 2 spent fuel. Such

indemnificaton shall hold harmless Participant, its agents, servants, and employees, against any and all liability and any and all losses, damages, injuries, costs and expenses, including expenses incurred by Participant, its agents, servants and employees, in connection with investigating any claim or defending any action and including reasonable attorneys fees incurred or suffered by Participant, its agents, servants and employees, by reason of the assertion of any such claim against Participant, its agents, servants or employees.

17.5.3 Assumption of Defense by Company. Company may assume on behalf of Participant, its agents, servants and employees, at its option after written notification to Participant, the defense of any action at law or in equity which may be brought against Participant, its agents, servants or employees, upon any claim described in Section 17.5.2. Company, regardless of whether it assumes the defense of any action against Participant or defends such action, will pay on behalf of Participant, its agents, servants or employees, all costs associated with the defense of the claim and the amount of any judgment that may be entered against Participant, its agents, servants or employees, in any such action.

17.6 Title to and Liability for St. Lucie Unit No. 2 Spent Fuel. Title to and liability in regard to any spent fuel originating from St. Lucie Unit No. 2 shall remain at all times with the Owners in proportion to their respective Ownership Percentages, subject to the provisions of Section 17.5.2 as to liability, where applicable.

17.7 Fuel Plan. In conjunction with Company's fuel procurement planning, Company shall prepare a ten-year fuel plan which will initially be made available to Participant upon closing and which shall be updated by March 1 of each year following the year of closing. This fuel plan shall describe, for a period of ten calendar years following the year in which the plan is submitted to Participant, the estimated annual costs and schedule for meeting forward requirements for nuclear fuel for St. Lucie Unit No. 2.

The fuel plan shall set forth the then-current fueling schedule for the St. Lucie Unit No. 2 generating facility. Based upon the requirements of such facility, Company shall provide Participant with a summary of the advance payments for the next 12 months anticipated from Participant pursuant to Section 17.4. Company shall not be required to include in the fuel plan any information which in Company's sole judgment would violate confidentiality provisions of its supply or service contracts or the disclosure of which could impair Company's competitive position in the nuclear fuels market.

The fuel plan shall be provided for planning purposes only, and shall not bind Company in any respect or govern for the purpose of determination of the cost or payment schedule required under this Agreement.

The fuel plan and all information contained therein, and any information derived therefrom, are confidential and proprietary information of Company, and Participant shall not disclose any such information without obtaining the advance written consent of Company, except where such disclosure is required by law or regulation or in connection with assertion of a claim or defense in

judicial or administrative proceedings involving Participant in which event Participant shall advise Company in advance and cooperate to the maximum extent practicable to minimize the disclosure of such information.

SECTION 18 - Decommissioning and Disposal

Company in its sole discretion shall have the authority to determine at any time when the Estimated Useful Life or Economic Life of St. Lucie Unit No. 2 has ended and thereupon to retire St. Lucie Unit No. 2. Company shall exercise said discretion in good faith. Thereupon, Company may take such action, on behalf of all Owners, as may be necessary to terminate operation and to place St. Lucie Unit No. 2 in a safe shutdown condition, and further may, in its sole discretion, decommission and dispose of and thereafter maintain St. Lucie Unit No. 2. Company shall have sole responsibility for, and is fully authorized to act on behalf of Participant with respect to termination of operation, decommissioning, disposal and subsequent maintenance of St. Lucie Unit No. 2 (including all related waste products and materials). Each Owner shall be responsible for its Ownership Percentage of all costs incurred in connection therewith (in accordance with Section 6), and shall be entitled to its Ownership Percentage of the salvage value of St. Lucie Unit No. 2. The provisions of this Section 18 are subject to the limited option provided in Section 20.

SECTION 19 - Provision for Decommissioning Costs

Beginning with Firm Operation, Company intends to provide for decommissioning and disposal costs through including in its depreciation rates and charges a negative salvage value applicable to St. Lucie Unit No. 2. Participant shall provide through its depreciation rates or through charges to its members or from other cash sources a provision for

decommissioning and disposal costs based on Participant's Ownership Percentage no less at any time than that accumulated by Company in its depreciation rates or through other charges as reported to or ordered by the Federal Energy Regulatory Commission or its successor based on Company's Ownership Percentage. If Company, by its own decision or by order of any governmental authority, provides at any time a fund or other security for decommissioning and/or disposal of St. Lucie Unit No. 2, Participant shall contribute to such fund or other security in proportion to its Ownership Percentage or establish a separate fund or security in proportion to its Ownership Percentage of such decommissioning and/or disposal costs which fund or security shall be available for the payment of decommissioning and disposal costs with no less priority than the fund provided by Company.

SECTION 20 - Limited Purchase Option for Owners

20.1 Prior to Firm Operation. Prior to the date of Firm Operation of St. Lucie Unit No. 2, in the event, and only in the event, Company permanently retires and/or permanently abandons St. Lucie Unit No. 2, then each Owner other than Company owning an Ownership Percentage of St. Lucie Unit No. 2 may, at its option, require Company to convey its Ownership Percentage to such Owner, free and clear of all mortgages, liens, and other encumbrances, at a cost equal to Company's Net Investment in St. Lucie Unit No. 2 as of the date of conveyance. Payment shall be made for such conveyance in readily available funds. In the event that more than one Owner wishes to exercise this option, each Owner shall be entitled to purchase a pro rata share of Company's Ownership Percentage, based on the relative Ownership Percentages of each Owner wishing to exercise this option. The determination of Company, subject to

disapproval by the Federal Energy Regulatory Commission or its successor, shall be conclusive as to whether Company has retired or permanently abandoned St. Lucie Unit No. 2.

20.2 At or After Firm Operation. On and after the date of Firm Operation of St. Lucie Unit No. 2, in the event that, and only in the event that, Company shall permanently retire St. Lucie Unit No. 2, then each Owner other than Company owning an Ownership Percentage of St. Lucie Unit No. 2 may, at its option, require Company to convey its Ownership Percentage of St. Lucie Unit No. 2 to such Owner, free and clear of all mortgages, liens and other encumbrances, at a cost equal to Company's Net Investment in St. Lucie Unit No. 2 as of the date of retirement by Company of St. Lucie Unit No. 2. If Company's Net Investment is negative at such date, Company shall pay Participant such amount and Participant shall place such funds in trust or make comparable arrangements to assure that such funds shall be devoted to defraying decommissioning and disposal costs and to no other use. Payment shall be made for such conveyance in readily available funds. In the event that more than one Owner wishes to exercise this option, each Owner shall be entitled to purchase a pro rata share of Company's Ownership Percentage, based on the relative Ownership Percentages of each Owner wishing to exercise this option. The determination of Company, subject to disapproval by the Federal Energy Regulatory Commission or its successor, shall be conclusive as to whether Company has retired St. Lucie Unit No. 2.

20.3 Conditions Precedent. No option provided in this Section 20 shall be valid or exercisable unless and until each Owner wishing to exercise

said option shall have obtained all necessary regulatory approvals, and unless Company shall have been released from all obligations and liability relating to St. Lucie Unit No. 2.

20.4 Common Facilities, Related Facilities and St. Lucie Site. Should Participant and/or other Owners exercise one of the options provided in Sections 20.1 and 20.2, Company shall permit such Owner(s) to use the St. Lucie Site, Common Facilities and Related Facilities as required for enjoyment of St. Lucie Unit No. 2 on terms which equitably. apportion the costs associated with Common Facilities, Related Facilities and the St. Lucie Site between Company and such Owner(s).

SECTION 21 - St. Lucie Site and Common Facilities

Company will make such use as is appropriate of the St. Lucie Site in carrying out its responsibilities under this Agreement, and will maintain the St. Lucie Site in a manner that accommodates the operation of St. Lucie Unit No. 2. Company may, in its sole discretion, acquire additional property rights, dispose of existing property rights (except the Unit Site), or otherwise modify the St. Lucie Site at any time. This Agreement shall not be construed as conveying to Participant any real property rights or interests in the St. Lucie Site, except the interests in the Unit Site conveyed pursuant to Section 5.

Company may, in its sole discretion, acquire or construct additional Common Facilities, modify, remove or add to existing Common Facilities, and maintain, repair, replace and renew Common Facilities without consulting Participant. Company will maintain the Common Facilities in a manner that accommodates operation of St. Lucie Unit No. 2; however, Company shall not be liable to Participant with respect to its maintenance

of the St. Lucie Site and Common Facilities except as provided in Section 25.

Except for transfers of undivided ownership interests as contemplated by Sections 2 and 31, in the event of sale of any portion of the St. Lucie Site or Common Facilities one-half of the net proceeds of such sale shall be credited to Participation Costs and reflected on the second succeeding monthly statement provided thereafter pursuant to Section 9 (and on following monthly statements if required until such credit has been fully offset against Participation Costs). Proceeds from the sale of portions of the St. Lucie Site which contain structures or fixtures related solely to St. Lucie Unit No. 1 shall be reduced by the net proceeds from the sale of such structures or fixtures (as determined in good faith by Company) before the net proceeds referred to above are determined.

SECTION 22 - Inventories and Related Facilities

Company has sole responsibility for acquiring Related Facilities and acquiring and maintaining at appropriate levels inventories of materials, supplies and spare parts required for operation and maintenance of St. Lucie Unit No. 2. However, Company shall not be liable to Participant with respect to these responsibilities except as provided in Section 25.

SECTION 23 - Execution of Contracts

Contracts covering design, engineering, scientific studies, ecological monitoring, radiological and other monitoring, procurement, construction and installation services and major components of St. Lucie Unit No. 2 and all other contracts relating to procurement, operation and maintenance of, or otherwise with respect to, St. Lucie Unit No. 2, including contracts for the acquisition of materials, inventories, supplies, spare parts, equipment or services therefor, shall be executed solely by Company. However, all

benefits derived from such contracts related to St. Lucie Unit No. 2 that are not realized on behalf of St. Lucie Unit No. 2 (e.g., because of a contractor's default and recovery by Company of damages therefor, or because of the sale or assignment of a contract right) shall be credited to Participation Costs. Whether or not a contract is entered into in the name of all Owners, Participant and Company shall be responsible to each other for their respective Ownership Percentages of all amounts which are payable under or with respect to such contracts. Participant, to the extent of its ownership interest in St. Lucie Unit No. 2, shall be bound by the terms of such contracts to the same extent as Company, and, upon Company's request, Participant shall execute any and all such contracts as an Owner of an Ownership Percentage of St. Lucie Unit No. 2 and execute any and all other related instruments evidencing its undertaking of obligations equivalent to those undertaken by Company. To the extent reasonably requested by Participant, Company shall give formal written notice, with a copy to Participant, to the other party to such contract of the sale by Company to Participant of an undivided ownership interest in St. Lucie Unit No. 2 and of the extent of Participant's ownership interest in St. Lucie Unit No. 2.

SECTION 24 - Generally Accepted Electric Utility Practice

Company shall perform its obligations according to Generally Accepted Electric Utility Practice, but Company shall have no liability to Participant under any circumstances except as provided in Section 25 nor shall Participant be relieved of any obligation to make payment.

SECTION 25 - Liability and Indemnification

Except for the obligation to make any payments or provide any credits required by this Agreement, and except as provided in Section 17.5.2 herein, and except to the extent that such liability is discharged by the

insurance described in Section 26, no Owner or its directors, officers, Commissioners, Councilmen, agents, or employees, shall have any liability in contract, in tort or otherwise to other Owners, or to any of them, for any direct, indirect or consequential loss, cost, damage or other expense incurred or sustained as a result of any act or failure to act, whether or not negligent (including gross negligence, sole negligence or any other type of negligence), or otherwise, by such Owner, or its governing board members, directors, officers, Commissioners, Councilmen, agents, employees or contractors, or by any other person or persons for whom such party is deemed responsible, in performing or failing to perform the provisions of this Agreement. Each Owner shall be liable only for such loss, cost, damage or other expense that results from Willful Action.

Except to the extent that such liability is discharged by applicable insurance, no Owner or its governing board members, directors, officers, agents, or employees, shall have any liability in contract, tort or otherwise to the other Owners, or to any of them, for any direct, indirect or consequential loss, cost, or damage, or other expenses incurred or sustained as a result of any act or failure to act, whether or not negligent (including gross negligence, sole negligence or any other type of negligence), or otherwise, by Company, or its directors, officers, agents, employees or contractors or any other person or persons for whom Company is deemed responsible arising out of Company's construction, maintenance of, or other activities in respect of any other generating unit at the St. Lucie Site. Company shall be liable only for such loss, cost, damage or other expense that results from Willful Action.

Company and Participant shall share in proportion to their Ownership Shares the cost incurred by the Owners or any of them in discharging

liability and other responsibilities to third parties incurred in the performance of the work contemplated by this Agreement, except to the extent that such liability results from Willful Action. Participant shall, to the extent of its Ownership Percentage, indemnify and save harmless Company, its directors, officers, agents, employees or contractors, from and against the cost of discharging liability to or compromising or satisfying claims or demands by any third party or parties (including without limitation attorneys' fees, costs and expenses in connection therewith, whether incurred at pretrial, trial or appellate proceedings) arising out of any personal injury, including death resulting therefrom, or out of any damage to or loss or destruction of property, or out of any claim based on tort, contract, or otherwise, which is in any manner based upon, occasioned by or attributable to the undertaking or performance or omission or failure to perform by Company, its directors, officers, agents, employees, contractors or by any other person or persons for whom Company is deemed responsible, of the responsibilites assigned to Company by this Agreement, notwithstanding that such damage, loss or claim may be the result of negligence, sole negligence, gross negligence, or otherwise, except to the extent that such liability, losses, claims or demand are discharged by the insurance described in Section 26 or are caused by Willful Action on the part of Company.

SECTION 26 - Insurance and Uninsured Losses

Company is authorized to procure and maintain, and shall procure and maintain if reasonably available, policies of insurance with respect to St. Lucie Unit No. 2 and the construction, operation, ownership, output, maintenance, decommissioning and disposal thereof which, subject to the other provisions set forth in this Section 26, shall afford protection against

such uninsurable hazards and risks as Company in its sole discretion shall determine. Each Owner shall be responsible for its Ownership Percentage of the cost of such insurance, as provided in Section 6, and shall be entitled to benefits, coverages and emoluments therefrom as herein set forth. (Any insurance credits shall be credited to Participation Costs.) Insurance may become unavailable against certain risks, or Company may elect not to insure against certain risks, in which event such risks shall be borne by the Owners in proportion to their respective Ownership Percentages.

Company shall procure and maintain in force liability insurance from the Nuclear Energy Liability Insurance Association (NELIA) and/or the Mutual Atomic Energy Liability Underwriters (MAELU), or other insurer(s), to the extent reasonably available, in such form and amount as shall meet the financial protection requirements of the Nuclear Regulatory Commission pursuant to Section 170b of the Atomic Energy Act of 1954, as amended. If reasonably available, Company shall also secure a Government Indemnity Agreement with the Nuclear Regulatory Commission pursuant to Section 170c of the Atomic Energy Act of 1954, as amended. In the event that the nuclear liability protection system contemplated by Section 170 of the Atomic Energy Act of 1954, as amended, is repealed or otherwise modified by final legislative or judicial action, Company will procure and maintain in force, to the extent reasonably available and consistent with the then prevalent industry practice, nuclear liability protection through indemnity, limitation of liability, or liability insurance. To the extent that any such nuclear liability insurance system may require that the licensee or licensees of St. Lucie Unit No. 2 purchase surety bond protection, create reserve funds for security, enter into guaranty agreements, make payments upon the happening of a contingency that are in addition to regular premium

payments (in the form of deferred premiums or otherwise), or otherwise enter into any contractual obligations whatsoever and in whatever form, the method or methods utilized for satisfying such obligations shall be at the sole discretion of Company. Participant agrees to assume its Ownership Share of such obligations and to be responsible for its Ownership Percentage of all such costs.

All policies of insurance provided pursuant to this Section shall, unless otherwise specifically provided herein, provide such insurance values, limits, deductibles, retentions and other terms as determined by Company.

Except as otherwise specified herein, each policy obtained pursuant to this Section shall to the extent of its insurable interests, and provided it is so permitted by the policy, include Participant as an insured, as its interests may appear, to the same effect as if separately insured, and shall, if Participant shall so request, include, as insured or loss payees, mortgagees and others holding a security interest in Participant's undivided interest in St. Lucie Unit No. 2, or the revenues to be derived therefrom, and certificates of insurance for all such policies shall be provided to Participant upon request. In the event that Participant or such other person is not named as an insured in any policy obtained pursuant to this Section, Company shall execute and deliver to Participant an instrument in writing, in form reasonably acceptable to Participant, which assigns to Participant or such other person an interest in any proceeds received under such policy determined as provided in this Section.

Company shall make reasonable efforts to amend existing policies and to obtain future policies that shall not be cancelled unless at least sixty (60) days' advance notice of such proposed cancellation is furnished to the Owners by the insurer.

Company shall annually notify the Owners of insurance in effect, and from time to time of any notice of cancellation, cancellation or substantive change of insurance in effect as they occur.

If policies obtained pursuant to this Section cover more than one unit at the St. Lucie Site, the premium shall be allocated among all such units in accordance with Section 6.

Company shall have authority on behalf of Participant to settle any loss covered by any policy of insurance carried by Company.

Company is currently a member of mutual insurance companies organized by electric utilities, and may from time to time determine to continue or discontinue these memberships or to procure additional or different insurance coverage through one or more mutual insurance companies. All costs incurred by Company in connection with its participation in any such mutual insurance companies which are properly allocable to St. Lucie Unit No. 2 shall be deemed Participation Costs; and it is understood that such costs include a portion of the cost associated with loan commitments obtained by any such mutual insurance companies from lending institutions and that such costs may include significant, extraordinary payments by Company in respect of Company's contingent obligations pursuant to any agreement or agreements with any such mutual insurance companies or otherwise, which, if incurred, shall be allocated pursuant to Section 6. Participant shall not be entitled, by virtue of its status as an Owner, to participate in any such mutual insurance companies or to exercise any voice in the management or control thereof. Participant does not acquire any interest in any mutual insurance company reserve fund or other fund where Participant has not directly paid money to such mutual insurance company reserve fund, provided that fair and equitable credits

shall be made to Participation Costs based on the payment by Participant to Company on account of such fund.

To the extent permitted by law and the applicable insurance companies, Company hereby agrees to include the insurable interests of any Owner(s) (or any mortgagee or other person holding a security interest in that Owner's undivided interest or the revenues to be derived therefrom) as an insured or mortgagee as the case may be on any policy issued by any mutual insurance company, and any payment received by Company from any such mutual insurance companies in respect of St. Lucie Unit No. 2 shall be credited to Participation Costs.

It is recognized that the amount of property insurance available to generating units at a nuclear electric generating site may be subject to an overall site limitation and that if so, Company may be unable to obtain all of the property insurance coverage which would otherwise be desirable. In this event, insurance proceeds received on account of damage shall be allocated in the following manner:

(a) In the event that any unit or units or the St. Lucie Site or any property thereon ("Insured Facility" or "Facilities") sustains damages that are less than the insurance policy limit of coverage, all proceeds payable on account of such damages shall be wholly allocated to the damaged Insured Facility or Facilities as damages may have been sustained thereby.

(b) If damages to Insured Facilities are greater than the insurance policy limit of coverage, then proceeds payable on account of such damages shall be allocated to each damaged Insured Facility in proportion to the most recent reported insurable value of such damaged Insured Facility to the total most recent reported insurable value of all

damaged Insured Facilities; provided, however, that if the insurance proceeds so allocated to any damaged Insured Facility are in excess of damages sustained by such Insured Facility then the difference shall be reallocated to the other Insured Facility or Facilities. For purposes of this provision the insurable value of Common Facilities shall be equally divided between St. Lucie Unit No. 1 and St. Lucie Unit No. 2.

Except as provided in Section 25, Company shall not be liable as a result of any failure (i) to procure or maintain insurance with respect to any interest of, or risk or hazard incurred by, any other Owner, or (ii) to secure the presence or exclusion of certain limits, deductibles, retentions, insurable values, endorsements or other terms or conditions in any policy of insurance relating to St. Lucie Unit No. 2, or (iii) to procure or maintain insurance under any particular type or form of policy, or (iv) to cause any Owner or other person or entity to be named as an insured on any insurance policy; nor shall Company be liable to any other Owner as a result of its procuring or maintaining any insurance with any particular insurers, underwriters, stock companies, mutuals, pools or groups of underwriters.

Subject to the approval of Company, which approval will not be unreasonably withheld, Participant may purchase additional insurance at its own expense, or may request Company to purchase such insurance at the expense of Participant. Participant will pay all incremental costs incurred as a result of purchasing such insurance, including costs of inspections and other requirements of the insurer. The proceeds from such additional insurance shall be disbursed to Participant.

SECTION 27 - Relatiionship of Owners

The covenants, obligations and liabilities of the Owners are intended to be severall and not joint or collective and nothing herein contained shall ever be construed to create an association, joint venture, trust or partnership, or to impose a trust or partnership covenant, obligation or liability on or with regard to any one or more of the Owners. Each Owner shall be indiividually responsible for its own covenants, obligations and liabilities as herein provided. No Owner or group of Owners shall be under the control of or shall be deemed to control any other Owner or the Owners as a group. No Owner shall be the agent of or have a right or power to bind any other Owner without its express written consent, except as expressly provided in this Agreement.

If it should appear that one or more changes to this Agreement would be required in order not to create such an entity, the Owners agree to negotiate promptly in good faith with respect to such changes.

The Owners hereby elect to be excluded from the application of Subchapter "K" of Chapter 1 of Subtitle "A" of the Internal Revenue Code of 1954, or such portion or portions thereof as may be permitted or authorized by the Secretary of the Treasury or his delegate insofar as such Subchapter, or any portion or portions thereof, may be applicable to the Owners under this Agreement.

Upon the request of any Owner, and at the expense of the requesting Owner, the other Owners agree to furnish information and otherwise provide cooperation, in a timely manner, as may be requested by any Owner in connection with a ruling requested by such Owner from the Internal Revenue Service because of this Agreement.

SECTION 28 - Waiver of Partition

The Owners hereby individually waive any rights which each may have to partition all of the Project or any part of the Project, including without limitation the Unit Site, whether by partition in kind or by sale and division of the proceeds, and each Owner further agrees that it will not resort to any action in law or in equity for partition, and each waives the benefits of all laws that may now or hereafter authorize such partitions, which waiver shall be for a term (i) which shall be coterminous with this Agreement, or (ii) which shall be for such lesser period as may be required under applicable law.

SECTION 29 - Destruction, Damage or Condemnation

29.1 If St. Lucie Unit No. 2 (including any portion) is destroyed, damaged or otherwise rendered inoperative, Company may, in its discretion, elect to complete construction or repair, restore or reconstruct St. Lucie Unit No. 2. In such event Participant shall pay its Ownership Percentage of the costs thereof and shall continue in every other respect to meet its obligations under this Agreement. If Company elects not to complete construction or repair, restore or reconstruct St. Lucie Unit No. 2, the obligations of Participant under this Agreement shall in no way be affected. If Company elects to permanently retire St. Lucie Unit No. 2, Participant shall have the option provided in Section 20.

If, after Firm Operation has commenced, Company proposes any project for planned Capital Improvements pursuant to Section 16 in conjunction with the repair, restoration or reconstruction of St. Lucie Unit No. 2, which involves planned Capital Improvements which are estimated to cost more than $100,000,000, Company shall

afford Participant the option of reducing its Ownership Percentage in lieu of contributing to the cost of the planned Capital Improvements project (but not in lieu of contributing to the cost of the repair, restoration, or reconstruction of St. Lucie Unit No. 2), in accordance with Section 16.

Although the sole responsibility and authority for making any election whether to complete construction or repair, restore or reconstruct St. Lucie Unit No. 2 in the circumstances described above shall rest with Company, it shall, to the extent practicable, consult with the other Owners concerning the completion of construction or repair, restoration or reconstruction of St. Lucie Unit No. 2; provided, however, that such consultation shall not be allowed to delay work or repair, restoration or reconstruction of St. Lucie Unit No. 2 or to affect the decision making authority of Company.

29.2 If (i) St. Lucie Unit No. 2 (including any portion) is destroyed, damaged or otherwise rendered inoperative, and (ii) Participant's share of the cost of completion, repair, restoration or reconstruction would exceed $20,000,000 in addition to the proceeds of insurance available for Participant's Ownership Share of St. Lucie Unit No. 2, and (iii) Participant is unable to finance its share of the cost of completion, repair, restoration or reconstruction, Company may, in its discretion, elect to proceed with such work, and the following conditions shall apply:

(a) Participant's failure to pay its Ownership Share of the costs of completion, repair, restoration or reconstruction shall not be deemed an event of default under Section 33 except as provided in (d) below. Participant's failure to pay any other

payment required by this Agreement shall be deemed an event of default under Section 33.

(b) Participant shall remain responsible for its Ownership Share of the costs of completion, repair, restoration or reconstruction, together with interest as provided in Section 33.3.

(c) Until Participant has paid the costs described in paragraph (b), above, Participant's entitlement to Net Energy and its responsibility for variable operating costs attributable directly to Energy production associated with such Net Energy shall be determined as if an adjustment in Ownership Percentages had occurred pursuant to the final paragraph of Section 16.

(d) Unless Participant shall have made all payments required under Section 29.1 plus interest, as applicable, required under Section 29.2 within 18 months from the date of the first payment made by Company under Section 29.1, Participant shall at that time be deemed to be in default and Company may then immediately suspend Participant's right to receive Net Energy, pursuant to Section 33.4.1, and may immediately give Participant notice of exercise of the option provided in Section 33.4.3.

29.3 For purposes of Section 29.2, Participant shall be deemed to be unable to finance only if it shall have offered at competitive bidding bonds having a term of at least 5 years and not more than 30 years issued under and pursuant to the Bond Resolution under which Participant issued bonds to provide funds for the Initial Payment (or if the bonds issued to provide funds for the Initial Payment have been refunded, the bond resolution under which the refunding bonds were

issued) and shall have either received no bids for such bonds or shall have only received bids which would produce an average net interest cost rate on the bonds offered which is more than 150% of the most recently published 20 "Bond-buyer" Average Yield Index.

SECTION 30 - Creation of Security Interests

Each Owner shall have, without the need for consent from or prior offer to any other Owner, the right at any time and from time to time to create any form of security interest in all or any undivided part of its Ownership Percentage of St. Lucie Unit No. 2 as security for its present or future securities or money market instruments, including a mortgage conveyance to a trustee or trustees. Any such creation of a security interest shall be subject to all the terms and conditions of this Agreement. Subject to such terms and conditions and subject to applicable regulatory requirements, any such trustee, mortgagee or holder of a security interest, any successor or assign thereof, and any receiver or trustee in bankruptcy, reorganization or receivership of an Owner may, without need for consent of any other Owner, succeed to and acquire all rights and be subject to all covenants and obligations of an Owner pursuant to this Agreement. An Owner shall have no right, power or authority to create any security interest in the ownership right of any other Owner.

SECTION 31 - Transfers

31.1 In accordance with all applicable provisions of law and with the provisions of this Section 31, but not otherwise, any Owner may at any time sell, lease, convey, assign or otherwise transfer its undivided ownership interest in St. Lucie Unit No. 2, or any percentage thereof, together with all other rights accruing under or as a result of this Agreement ("Transfer"), provided that the Transfer

is to an entity which is engaged or authorized to engage in the electric utility business in Florida, including an entity lawfully created and validly exercising its powers pursuant to the Joint Power Act, Chapter 361, Florida Statutes, or the Florida Interlocal Cooperation Act, Section 163.01, Florida Statutes, as either of said Acts presently exists or may be hereafter amended. A contract by an Owner for the sale of Power or Energy shall not be deemed a Transfer.

No Transfer by either party to this Agreement shall relieve the transferring party of its obligations hereunder without express release of the other party, but such express release shall be granted to such party or any subsequent transferee upon assumption by the transferee of the transferor's obligations hereunder and upon the furnishing to the other party of reasonable assurance that the transferee is financially and legally able to perform its obligations under this Agreement (including decommissioning and disposal obligations) and pursuant to the requirements of any licensing authorities, provided that Company shall be released from its obligations to perform or cause to be performed the work contemplated by this Agreement only as provided hereafter.

No Transfer by Company shall relieve Company of its obligations and authority to perform or cause to be performed the work contemplated by this Agreement without express release of Participant, but such express release shall be granted to Company or any successor to such obligations and authority upon the forwarding to Participant of reasonable assurance that the transferee is technically qualified to perform or cause to be performed such work

and is competent to exercise such authority. A final determination by the Nuclear Regulatory Commission that the transferee is technically qualified to assume such obligations pursuant to the requirements of the Nuclear Regulatory Commission shall be conclusive as to the technical qualifications of the transferee to perform such obligations under this Agreement. Company may not, without Participant's express consent, transfer any of its obligations and authority to perform or cause to be performed the work contemplated by this Agreement to any entity which does not hold, after such transfer, an Ownership Percentage greater than twenty-five percent (25%).

31.2 Should Company, as a result of one or more transfers of its interest pursuant to Section 31.1, have its Ownership Percentage reduced to below thirty-five percent (35%) and be entitled (taking into the aggregate of Company's ownership interest and any entitlement resulting from lease or purchase of power) to less than thirty-five percent (35%) of the Available Net Generating Capability of St. Lucie Unit No. 2, any Owner or Owners holding Ownership Percentages totalling at least six percent (6%) may, by written notice to the other Owners, require renegotiation of this Agreement to amend it in the following respects only: (a) major policy decisions concerning St. Lucie Unit No. 2, including decisions whether to halt or delay construction, whether to make major Capital Improvements, and whether finally to retire St. Lucie Unit No. 2 would require the approval of Owners holding a majority of the Ownership Percentages; and, (b) Company's responsibilities to perform or cause to be performed the work contemplated by this Agreement could be

assigned to another Owner with the assent of Owners holding a majority of the Ownership Percentages, subject to obtaining all requisite regulatory approvals, and provided that Company would maintain the responsibility, discretion, and control initially provided in this Agreement with respect to all components at the Project necessary to construction, operation, or maintenance of any other generating unit at the St. Lucie Site, including the St. Lucie Site, Common Facilities, and Related Facilities. For purposes of this Section 31.2, "Company" includes Florida Power & Light Company and any affiliated corporation, as well as any successor to Florida Power & Light Company as a result of merger, consolidation, reorganization or acquisition of substantially all of the assets thereof.

SECTION 32 - Provisions for Completion of Construction

Prior to Firm Operation, should Company determine to halt or substantially delay construction of St. Lucie Unit No. 2, and/or all necessary Common Facilities and Related Facilities, for financial reasons, Company shall, subject to applicable regulatory approval and to required mortgage consents (all of which Company shall use its best efforts to obtain), permit Participant to contribute additional capital to St. Lucie Unit No. 2, in proportion to the relationship that Participant's Ownership Percentage bears to the Ownership Percentage(s) of any other Owners of St. Lucie Unit No. 2 who wish to contribute additional capital, sufficient to allow completion of St. Lucie Unit No. 2. In such event, the Ownership Percentages of Participant, Company and any other affected Owners, if any, shall be temporarily adjusted in accordance with the respective Net Investment of Company and each Owner as of the first day of the month succeeding

Participant's contribution(s) of additional capital. Said adjustment(s) shall become final on the earlier of the date when energy is first produced from St. Lucie Unit No. 2 or subsequent to the date(s) last set forth above, and Company may totally avoid said final adjustment(s) prior to that time, but not thereafter, by repaying such additional contribution(s) of capital, with interest at the Prime Rate, but not to exceed the highest rate allowed by law, from the date of each such contribution to the date of payment.

SECTION 33 - Default

33.1 The following shall be events of default: (1) failure of an Owner, for any reason, to make any payment to another Owner as required by and at the time prescribed by this Agreement; (2) failure of an Owner to comply with any court order or decision resulting from arbitration, which order or decision is no longer subject to appeal, concerning any dispute described in Section 36. In the event of default by an Owner the non-defaulting Owner shall be free to invoke such remedies at law or in equity as may be available to it, and the provisions of Section 33.4 shall be in addition to, and not to the exclusion of, such rights.

33.2 Upon receipt of notice of default, a defaulting Owner shall take all steps necessary to remedy such default as promptly as possible.

33.3 A defaulting Owner shall remain responsible for all of its obligations under this Agreement except as otherwise provided in Section 33.4.3(d), and shall be responsible for interest on any late payment at a daily rate based on the Prime Rate plus five percent (5%) per annum until paid, provided, however, that in no event shall interest accrue or be payable in excess of the highest rate allowed by law. The defaulting Owner shall also be responsible for any costs (other

than the amount to be paid for a defaulting Owner's interest in St. Lucie Unit No. 2 upon any exercise of the option provided for in Section 33.4.3) incurred by the non-defaulting Owner in connection with such default or the suspension or acquisition of the defaulting owner's rights under this Agreement, including expenses and attorneys' and other professional fees.

33.4 In the event of a default by Owner by nonpayment as provided in Section 33.1(1), Company shall have the following rights in addition to other rights provided in this Agreement.

33.4.1 If Owner is in default and has failed to cure such default within 30 days after Company has provided written notice to Owner, or, if there is a dispute as to whether Owner is in default, within 30 days after issuance of a final order or decision declaring Owner in default, Company may suspend the right of the defaulting Owner to receive all or any part of its Ownership Percentage of the Net Energy. During the period of such suspension Company will be entitled to the Net Energy associated with the suspended rights, and Company will be responsible for variable operating costs attributable directly to Energy production associated with such Net Energy. The suspended Owner shall continue, during and notwithstanding the suspension, to be responsible for its Ownership Percentage of all other Participation Costs and all other costs for which it is responsible pursuant to Section 6.6 (Use Charges) and 6.7 (Multiple Ownership Costs).

33.4.2 The suspension of the defaulting Owner shall be terminated and its full rights under this Agreement restored from and

after cure of its default, including payment of all monies due including satisfaction of the obligations provided in Section 33.3.

33.4.3 If a default by Participant continues for 180 days after Company has provided notice of default, Company shall have the option, but no obligation, to purchase Participant's interest in St. Lucie Unit No. 2. Such option to purchase shall be exercisable by the service of written notice of intent to purchase to Participant. All of Participant's rights under this Agreement shall be acquired by Company on the date specified in such notice, which date shall not be less than thirty days after the giving of such notice; provided, however, that if there is a dispute as to whether Participant is in default, such date of acquisition shall not be until 60 days after issuance of a binding arbitrator's final order or the final decision of a court of competent jurisdiction declaring Participant in default. Upon the date of acquisition:

(a) The Participant shall cease to have any rights in the capacity and output of St. Lucie Unit No. 2 or any other rights under this Agreement except as set forth in this Section 33.

(b) Upon the conveyance described in paragraph (d) Company shall succeed to all of Participant's rights and obligations under all contracts and other instruments relating to St. Lucie Unit No. 2, including this Agreement.

(c) Participant shall pay to Company all amounts then owed by Participant under the terms of this Agreement, including the amounts owed pursuant to Section 33.3.

(d) Subject to obtaining necessary regulatory approvals and mortgage indenture releases where applicable (which Participant agrees to use its best efforts to obtain), Participant shall convey, transfer and assign to Company, free and clear of all liens and encumbrances other than those which existed at the time of conveyance to Participant, all its right, title and interest in St. Lucie Unit No. 2 and all contracts, leases or other instruments relating to St. Lucie Unit No. 2. Upon the delivery of such conveyance, transfer or assignment, Company shall pay to Participant (or to the extent required to obtain all necessary releases, to the holders of all liens and encumbrances on Participant's interests in or relating to St. Lucie Unit No. 2) an amount equal to (i) Participant's Net Investment in St. Lucie Unit No. 2, (except that for purposes of determining Participant's cost of capital during construction commencing with the day of closing, Participant's cost of capital as capitalized on its books shall be used in lieu of the AFC rate in calculating Participant's Net Investment) less (ii) all amounts owed to Company pursuant to the terms of clause (c) above, exclusive of decommissioning and disposal costs. If the amount required to be deducted under clause (ii) of the

preceding sentence is greater than the amount described in clause (i), Participant shall remain liable for the deficiency, plus interest on the deficiency until paid, at the rate provided in Section 33.3. Upon the delivery of such conveyance, transfer or assignment, Company shall release Participant from all costs, liabilities and obligations under this Agreement; provided, only that the Participant shall remain liable for the excess of the amount required to be deducted under clause (ii) of the second preceding sentence over the amount described in clause (i), plus interest on the deficiency until paid, at the rate provided in Section 33.3.

(e) Participant and Company agree that the purpose of this Section 33.4.3 is to provide Company the option of rescinding this Agreement upon the happening of a default extending for the period specified in the first paragraph of this Section 33.4.3. In order to avoid the uncertainty, expense, inconvenience and delay of determining disputed factual issues under now unknown circumstances, Participant and Company agree that the use of the term "Net Investment" herein is intended to restore Participant and Company to their original positions (as to St. Lucie Unit No. 2) at any point in time, recognizing that Net Investment may not fully recover or may more than recover ultimate decommissioning and disposal costs.

33.5 In the event that a default by Participant resulting from any nonpayment as provided in Section 33.1(1) has occurred and has not been remedied and concurrently therewith there exists a default under the Power Sales Contract and/or Project Support Contract of any Participating Member which has also not been remedied, the Participant agrees that it will take such steps as are reasonably necessary under the circumstances to enforce its rights under the Power Sales Contract and/or Project Support Contract with such Participating Member. In the event that the default under Section 33.1(1) has not been remedied within 90 days from the date of such default, Company may take any action which Participant would be entitled to take under Section 24(c) of the Power Sales Contract and/or Section 17 of the Project Support Contract to enforce, by action taken directly against the Participating Member, all or any obligations of the Participating Member under any Power Sales Contract and/or Project Support Contract under which a default has then occurred and continued unremedied for a period of 90 days.

33.6 Failure of any Owner to: (i) enforce any of the provisions of this Agreement, or (ii) require performance by the other party of any of the provisions of this Agreement shall not release either of the parties of any of their obligations under this Agreement and shall not be deemed a waiver of any rights of the parties to insist upon performance thereof, or of any of the parties' rights or remedies under this Agreement or by law, and shall in no way affect the validity of these terms and conditions or any part thereof, or the right of either party thereafter to enforce each and every provision hereof. No purported oral modification or rescission of this

Agreement by an employee or agent of the parties shall operate as a waiver of any of the provisions hereof.

SECTION 34 - Payment

Each Owner shall make all payments required to be made by it to the other Owner by the date when such payments are due or required to be made under the terms of this Agreement and failure to do so shall not be excusable on any ground whatsoever.

It is agreed that any late payments shall bear interest at a daily rate based on the Prime Rate plus five percent (5%) per annum until paid, or at such higher rate allowed by law; provided, however, that in no event shall interest accrue or be payable in excess of the highest rate allowed by law. In the event that no applicable maximum contract rate is provided by law, then any late payments shall bear interest at a daily rate based on the Prime Rate plus five percent (5%) per annum until paid.

Payments are deemed to have been made only upon actual receipt by the Owner entitled to payment of a wire transfer of funds to such Owner's designated bank account, or as otherwise agreed in writing by the Owner entitled to payment, no later than 12:00 noon of the date of payment. Payments made after 12:00 noon, local time of the place of receipt of payment, are deemed made on the following business day.

SECTION 35 - Notices

Any notice, demand or request by an Owner pursuant to Sections 16 or 33 of this Agreement shall be made in writing and shall be delivered either in person, by prepaid telegram, or by telex or facsimile transmission or by first class mail postage prepaid, certified - return receipt requested, to such officer of the Owner as shall have executed this Agreement or his legally designated successor at the principal place of business of such

Owner. Such officer and address for notices may be changed from time to time by written notice of an Owner to the other Owners. If a post office box is designated as an address for notices, an alternate street address for notices shall also be designated.

A notice, demand or request is deemed to have been given or made: (1) upon receipt, if delivered in person or by telex, facsimile transmission, or telegram, or (2) as of the date of the signed return receipt, if delivered by first class mail, certified return receipt requested.

SECTION 36 - Resolution of Disputes

36.1 Where a dispute arises concerning interpretation or application of any provision of this Agreement, the Owners which are parties to such dispute will attempt to resolve the dispute by discussion between their members on the Advisory Committee (established pursuant to Section 11). If such representatives are unable to resolve the dispute, the dispute may be referred to higher authority within each of the Owners which are parties to the dispute. An Owner may invoke such remedies at law or equity as may be available to it for resolution of a dispute concerning interpretation or application of this Agreement, except that no Owner shall be liable to any other Owner except as provided in Section 25.

36.2 The Owners involved in a dispute may agree in writing to submit the dispute to arbitration and to be bound by the decision of the arbitrator or arbitrators, in which event the other Owners shall be kept informed of the progress of the arbitration proceeding and timely provided with copies of the agreement to arbitrate and the decision of the arbitrator or arbitrators.

SECTION 37 - Severability of Provisions

A holding by any court or other tribunal of competent jurisdiction that any provision of this Agreement is invalid shall not result in invalidation of the entire Agreement and all remaining terms shall remain in full force and effect. Thereupon, the Owners shall promptly renegotiate in good faith new provisions to restore this Agreement as nearly as possible to its original intent and effect.

SECTION 38 - Complete Agreement

This written Agreement is intended as the exclusive statement of the agreement between Company and Participant pertaining to the subject matter contained herein. Company and Participant agree that parol or extrinsic evidence may not be used to vary or contradict the express terms of this Agreement and that recourse may not be had to alleged prior dealings or course of dealing to explain or supplement the express terms of this Agreement. This Agreement shall not be amended or modified, and no waiver of any provision hereof shall be effective, unless set forth in a written instrument authorized and executed by duly designated and authorized officers of Company, and Participant with the same formality as this Agreement.

This Agreement shall constitute the entire understanding between the Company and the Participant, superseding any and all previous oral understandings pertaining to the subject matter contained herein. Neither the Company nor the Participant has relied or will rely upon any oral or written representation or oral or written information heretofore made or given to either of them by any representative of the other or anyone on its behalf.

Nothing in this Agreement shall constitute an admission by either Company or Participant of the correctness or applicability of any principle or method of ratemaking or cost-of-service determination. This Agreement is executed upon the explicit understanding that it constitutes a negotiated agreement with respect to the joint ownership of St. Lucie Unit No. 2. In executing this Agreement, Company and Participant shall not be considered as agreeing with or conceding the applicability of any principle, or any method of ratemaking or cost-of-service determination, or design of rate schedule, or terms or conditions of service that may underlie, or be thought to underlie, this Agreement. It is further agreed that in any past or future negotiation or proceeding (other than any proceeding involving the honoring, enforcement or construction of this Agreement), this Agreement shall not have any effect as a precedent.

SECTION 39 - Applicable Law

This Agreement is made under and shall be governed by the laws of the State of Florida.

SECTION 40 - Term of Agreement

This Agreement shall remain in effect until the abandonment of St. Lucie Unit No. 2 and authorization by the Nuclear Regulatory Commission of the surrender of all licenses, renewals of licenses and replacements of licenses for and final disposition of all components of St. Lucie Unit No. 2, or for a period of two hundred years from the date hereof, whichever is less; but the covenants and agreements of Company and Participant contained in Sections 6 (Responsibility for Costs), 18 (Decommissioning and Disposal) and 25 (Liability and Indemnification) shall continue in effect beyond such term of this Agreement, and shall be governed by the provisions of Section 33 (Default).

SECTION 411 – Representations

41.1 ST. LUCIE UNIT NO. 2 IS TO BE SOLD "AS IS" AND "WHERE IS." COMPANY MAKES NO REPRESENTATION OR WARRANTY WHATSOEVER IN THIS AGREEMENT, EXPRESS OR IMPLIED, AS TO THE VALUE, QUALITY, CONDITION, SALEABILITY, OBSOLESCENCE, MERCHANTABILITY, FITNESS OR SUITABILITY FOR USE OR WORKING ORDER OF ST. LUCIE UNIT NO. 2 NOR ANY PART THEREOF, NOR DOES COMPANY REPRESENT OR WARRANT THAT THE USE OR OPERATION OF ST. LUCIE UNIT NO. 2 WILL NOT VIOLATE PATENT, TRADEMARK OR SERVICE MARK RIGHTS OF ANY THIRD PARTIES. PARTICIPANT IS WILLING TO PURCHASE ITS OWNERSHIP PERCENTAGE OF ST. LUCIE UNIT NO. 2 "AS IS" AND "WHERE IS" AND IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THIS AGREEMENT.

Notwithstanding the foregoing, Participant shall have the benefit, in proportion to its Ownership Percentage, of all patent, trademark, and service mark rights running to Company in connection with St. Lucie Unit No. 2.

41.2 Prior to execution of this Agreement, Company has furnished to Participant a list of: (i) any overtly threatened or pending litigation which would materially impair Company's ability to perform this Agreement, and (ii) known defects in construction or design peculiar to St. Lucie Unit No. 2 or those parts of the Project pertaining to St. Lucie Unit No. 2, known to Company's management and reported

or reportable to the Nuclear Regulatory Commission as of this date. Company certifies that there have been no changes in such list as of the date of execution of this Agreement.

For purposes of this Section, overtly threatened litigation means instances where a potential claimant has manifested to the Company in writing an awareness of a possible violation of law, governmental claim or private cause of action.

Participant acknowledges that it has had an opportunity to investigate the matters disclosed to it by Company in this Agreement, and that all of such matters are ownership risks acceptable to Participant.

41.3 Company represents and warrants that:

(A) it is a corporation duly organized, validly existing and in good standing in the State of Florida, and has the power, authority and legal ability to execute this Agreement; and

(B) this Agreement has been duly and validly authorized, executed and delivered by, and constitutes a valid and binding obligation, of the Company, enforceable in accordance with its terms.

41.4 Participant represents and warrants that:

(A) It is a legal entity duly created and validly existing under the laws of the State of Florida and has the power, authority and legal ability to execute this Agreement, and

(B) this Agreement has been duly and validly authorized, executed and delivered by, and constitutes a valid and binding obligation, of the Participant, enforceable in accordance with its terms.

SECTION 42 - Miscellaneous

(a) Successors and Assigns. Subject to Section 31 (Transfers), this Agreement shall be binding on the successors and assigns of Company and Participant and, insofar as permitted by law, on any receiver or trustee in bankruptcy, receivership, or reorganization of Company and Participant. References herein to Company and Participant shall be deemed to include the successors thereof.

(b) Captions. The captions and headings appearing in this Agreement are inserted merely to facilitate reference and shall have no bearing upon the interpretation thereof.

(c) Counterparts. Any number of counterparts of this Agreement may be executed, and each shall have the full force and effect as the original.

(d) Rule Against Perpetuities. Any obligations created hereunder as to which a court of competent jurisdiction shall hold that the rule against perpetuities shall apply shall terminate upon the expiration of 20 years after the death of the last survivor of the following persons living as of the date of this Agreement:

Names of Measuring Lives	Birthdate or Age as of 4/24/80	Address	Parents
Frank Miguel Gomez	5/8/78	2681 S.W. 51st Street Apt. A. Ft. Lauderdale, Fla. 33312	Francisco Gomez, Jr. Jeannine Mierisch Gomez
Teresa Michelle Brown	13 Mos.	5018 Shelley Court Orlando, Fla. 32807	Clyde David Brown II Karen Luff Brown
Emily Rebecca Luff	1 day	1501 Hazelwood Drive Orlando, Fla. 32806	Harry David Luff Marcia Ann Luff
Jessica Anne Haycock	12/11/77	411 Hidden Valley Lane Cincinnati, Ohio	Michael W. Haycock Adrienne Haycock

Odessa Joy Hickman	3 yrs.	1948 S. Conway, #3 Orlando, Fla. 32806	Robert C. Hickman Donna D. Hickman
John H. Meador III	4 yrs.	P.O. Box 317 Hinesville, Ga 31313	John H. Meador, Jr. Juanette H. Meador
Amy Elizabeth Stanford	2/17/79	2260 Coldstream Dr. Winter Park, Fla. 32792	Julie Stanford
John Derick Max	11/20/77	5413 Ferdinand Drive Orlando, Fla. 32808	John Max Betty Sharon Max
Cally Colene Howell	1/3/79	5010 Tangerine Way Orlando, Fla. 32807	Herman E. Howell Loretta M. Howell
Kathleen Erin Hughes	9/8/78	904 Summer Winds Dr. Winter Park, Fla. 32792	James Anthony Hughes Mary Susan Hughes
Steven Scott Dennis, Jr.	2/21/76	824 Gaston Foster Rd. Orlando, Fla. 32807	Steven Scott Dennis, Sr. Lynda S. Dennis
John David Whitman, Jr.	4/25/79	Rt. 4, Box 812 Orlando, Fla. 32807 (Christmas, Fla.)	John David Whitman, Sr. Valita S. Whitman
Jeffrey Lee Conner	1/8/78	Rt. #1, Box 9A MacArthur Circle Cocoa, Fla. 32922	Joseph Brittan Conner Charlotte Jo Conner
Cory McRae Sutton	8/18/78	4901 N. Carmel Drive Mobile, Alabama 36608	Robert T. Sutton Claire S. Sutton
Henry Alan Jennings	8/24/77	967 Wagonwheel Ft. Collins, CO 80526	Henry F. Jennings Sarah Kathryn Jennings

(e) Force Majeure. No Owner shall be liable or responsible for any delay in the performance of, or the inability to perform, any duty or obligation required by this Agreement caused by a force majeure occurrence. The obligation of either Company or Participant to pay money in a timely manner is absolute and shall not be subject to the force majeure provisions. Force majeure as used herein means, without limitation, the following: acts of God, strikes, lockouts or other industrial disturbances; acts of public enemies; orders, or absence of necessary orders and permits of any kind which have been properly applied for, from the government of the United States, or

from the State of Florida, or any of their departments, agencies or officials, or from any civil or military authority (including but not limited to courts and administrative bodies) pertaining to St. Lucie Unit No. 2; insurrections; riots; extraordinary delay in transportation; unforeseen soil conditions; equipment, material, supplies, labor or machinery shortages; epidemics, landslides, lightning, earthquakes, fire, hurricanes, tidal surges, tornadoes, storms, floods, washouts, drought, arrest, war, civil disturbances, explosions, breakage or accident to machinery, transmission lines, pipes or canals; partial or entire failure of utilities necessary or useful for the physical operation of the St. Lucie Project; breach of contract by any supplier, contractor, subcontractor, laborer or materialman, other than the Owner asserting the force majeure occurrence as excusing or delaying its performance; sabotage, injunction, blight, famine, blockade, quarantine; or any other similar cause or event not reasonably within the control of the Owner affected, and which by reasonable efforts the Owner is unable to overcome. The Owner suffering an occurrence of force majeure shall use its best efforts to remedy with all reasonable dispatch the cause or causes preventing such Owner from carrying out its agreements; provided, that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the Owner suffering the labor dispute or other industrial disturbance, and it shall not be required to make settlement of strikes, lockouts and other industrial disturbances by acceding to the demands of the opposing party or parties when such course is unfavorable, in the sole judgment of the Owner affected.

(f) No Pattern of Adverse Distinction or Undue Discrimination. Company agrees that there shall be no unreasonable pattern of adverse distinction and no pattern of undue discrimination in carrying out its obligations under this Agreement relating to St. Lucie Unit No. 2 as compared to its other generating units and Company further agrees to take no action adverse to the interests of Participant where such action is based in whole or in part upon the fact that St. Lucie Unit No. 2 is owned in common with Participant.

(g) Notwithstanding any other provision of this Agreement to the contrary, in no event shall interest be reserved, charged, or taken by any party at a rate higher than that permitted by law.

SECTION 43 - Third Party Beneficiary

Company hereby acknowledges and accepts its position as a third-party beneficiary of the Power Sales Contracts and the Project Support Contracts. Subject only to the restrictions on the availability of remedies set forth in Section 33.5, Company and Participant acknowledge that this Agreement has been executed and delivered in reliance upon Company's being a third-party beneficiary of the Power Sales Contracts and the Project Support Contracts and, consequently, Section 24(c) of the Power Sales Contracts and Section 17 of the Project Support Contracts may not be rescinded, amended, supplemented or altered in any way without the express written consent of Company. Company and Participant further acknowledge that the Power Sales Contracts, except for Section 24(c), and the Project Support Contracts, except for Section 17, may not be rescinded, amended, supplemented or altered in any material way that would lessen, release or alter the rights of Company or the obligations of the Participating Members to Company without the express written consent of Company. In addition to

the rights otherwise granted in this Section 43, Company shall have the right to intervene in any legal action or arbitration proceeding between Participant and any one or more Participating Members arising out of the Power Sales Contract or Project Support Contract regardless of whether the 90 day period specified in Section 33.5 has elapsed.

At any time that Participant gives notice to the other party to a Power Sales Contract or Project Support Contract of default thereunder, or initiates or appears in any legal action or arbitration proceeding in which rights or remedies thereunder are in issue, Participant shall notify Company promptly thereof.

SECTION 44 - Rate Covenant

In the event that any Participating Member shall assume any portion of Participant's rights and obligations pursuant to Section 8.1 of this Participation Agreement, during the term of this Participation Agreement, each Participating Member will establish, impose, maintain, enforce and collect from its customers such rates, fees and charges for all services and facilities of its electric or integrated utility system sufficient to provide revenues at the times and in the amounts required to pay all of such Participating Member's costs, liabilities and obligations, including those costs, liabilities and obligations for which such Participating Member is responsible under this Participation Agreement as well as all other costs of operation, administration, maintenance and debt service of its electric and other integrated utility system and all other amounts payable from or constituting a lien or charge on the revenues of its electric or other integrated utility system.

IN WITNESS WHEREOF the undersigned p...

Agreement to be duly executed as of the day and year set forth at the beginning of this Agreement.

Witnesses as to FLORIDA POWER & LIGHT COMPANY

FLORIDA POWER & LIGHT COMPANY

~~Secretary~~

By

Senior Vice President

Attest

Asst. Secretary

CORPORATE SEAL

Witnesses as to FLORIDA MUNICIPAL POWER AGENCY

FLORIDA MUNICIPAL POWER AGENCY

By

Chairman

Attest

Assistant Secretary

ST. LUCIE COMMON FACILITIES

	Construction Account Number	
ROADS, WALKS AND PAVING AREA	321.121 321.122	Service building parking areas and plant entrance road to be used by plant operations, maintenance and administrative personnel.
SERVICE AND FIRE WATER	321.151 321.152	Distribution lines and associated equipment, pumps, valves and instrumentation from the city water storage tanks to all serviceable areas.
SEWER SYSTEM	321.16	Includes leechfield, septic tank and associated pipe. Backfit is currently installing a sewage treatment facility and associated piping.
WATER TREATMENT	321.221	83 ft. x 116 ft. neutralizing basin and discharge lines with associated equipment, piping and instrumentation.
CITY WATER TRANSFER PUMPS	321.2253	Included in city water supply.
CITY WATER	321.2261	Pipeline from the city limits to and including two job-site city water storage tanks.
NOSE CONE PROTECTION	321.2824	Discharge Canal protection against stalled hurricanes.
SERVICE BUILDING	321.63	Two-story 113 ft. x 66 ft. CBS structure for housing operations, maintenance and administrative personnel.
WAREHOUSE	321.66	186 ft. x 66 ft. structure attached to the service building for maintaining tool and equipment supplies.
RECORDS & SECURITY BUILDING	321.67	35 ft. x 55 ft. two-story security records building at the main plant entrance.

ST. LUCIE COMMON FACILITIES

	Construction Account Number	
LAWN MOWER BUILDING	321.691	A Bellair metal building 15 ft. x 24 ft. for housing groundskeeping equipment.
PAINT STORAGE BUILDING	321.692	60 ft. x 24 ft. CBS structure for storage of paint, lube oil, and fire fighting equipment.
CHLORINATION BUILDING	321.693	41 ft. x 15 ft. concrete structure for housing of chlorination equipment.
GAS SUPPLY FACILITY	321.694	88 ft. x 68 ft. area including foundation for hydrogen and nitrogen supply trailers with associated mainfold connections and piping.
AMBULANCE GARAGE	321.697	Houses all emergency vehicles.
LAB GAS STORAGE AREA	321.698	Gas bottle racks with manifolds and associated gas lines.
INTAKE CANAL	321.721	The water channel running from the ocean headwall structure at the dune line to approximately Sta N 770.13.
INTAKE CANAL HEADWALL STRUCTURE	321.722	Concrete structure located at the transition point of the subaqueous ocean intake pipes.
OCEAN INTAKE STRUCTURE	321.723	Underwater structure including the velocity cap located at the end of the subaqueous intake lines.
WARNING SIGNAL STRUCTURE	321.724	Two warning signal structures located at each end of subaqueous pipe lines extending above the water line.
INTAKE CONDUITS	321.731	Subaqueous pipe extending from Ocean Intake Structure to Ocean Headwall.
DISCHARGE CONDUITS	321.732	Two subaqueous pipes extending from the ocean discharge headwall structures out into the ocean some 1,550 ft. and 3,110 ft.

ST. LUCIE COMMON FACILITIES

	Construction Account Number	
DISCHARGE CANAL	321.741	The water canal running from each unit's discharge headwall to the ocean discharge headwall.
DISCHARGE HEADWALL STRUCTURES	321.742	Two concrete structures at the end of discharge canal.
ULTIMATE HEAT SINK	321.792	Concrete structure separating intake canal from Big Mud Creek including associated piping, valves, instrumentation, excavation, canal and basin, cathodic protection, security, roadway, and landscaping. To provide emergency cooling water for Unit #1 and Unit #2.
HURRICANE PROTECTION	321.795	Located near Heat Sink and consists of sheet piling and cathodic protection and is to protect Heat Sink against hurricanes.
RADIATION MONITORS	322.527	Instrumentation located throughout the plant site.
AUXILIARY BOILER	322.83	Boiler, piping, valves, instrumentation required for start-up.
MISCELLANEOUS EQUIPMENT	325.31 325.32 325.33 325.34 325.35 325.36	All office furniture, office equipment, lab equipment, Warehouse equipment, machine shop equipment, health physic equipment.
WEATHER STATION/ METEOROLOGICAL STATION	325.38	Weather recording devices.
STEAM GENERATOR BLOWDOWN/ DRUMMING FACILITY	321 322 324	Building, heat exchangers, pumps, filters, tanks, associated valves, piping and instrumentation for processing steam generator blowdown to ensure discharge of Iodine 131 in liquid effluents are as low as reasonably achievable.

ST. LUCIE SITE

DESCRIPTION: 388.3 acre ± Parcel, Florida Power & Light, Hutchinson Island.

Being a parcel in Sections 9, 15, 16, and 17, Township 36 South, Range 41 East, all being in St. Lucie County, Florida, more particularly described as follows:

Commencing at the intersection of the North line of said Section 16 and the Westerly Right of Way line of State Road A1A, said point being a 4" x 4" concrete monument; thence N 29°02'43" W, along the Westerly Right of Way line of State Road A1A, 539.94 feet to a 4" x 4" concrete monument; thence S 60°20'29" W, 755.52 feet; thence N 37°13'47" W, 91.70 feet; thence S 60°50'44" W, 100 feet, more or less, to the approximate shoreline of Big Mud Creek; thence Southwesterly along the approximate shoreline of Big Mud Creek, 3600 feet, more or less, to a 4" x 4" concrete monument; thence S 09°54'46" W, 413.98 feet to the approximate shoreline of the Indian River, said point being a 4" x 4" concrete monument; thence Southerly and Easterly along the approximate shoreline of the Indian River, 4900 feet, more or less, to a 4" x 4" concrete monument; thence N 19°10'30" W, 160.94 feet to a 4" x 4" concrete monument; thence N 60°18'13" E, 1344.91 feet to a 4" x 4" concrete monument in the Westerly Right of Way line of State Road A1A; thence N 61°17'35" E, 100.00 feet to a 4" x 4" concrete monument in the Easterly right of Way of State Road A1A; thence continue N 61°17'35" E, 1225.13 feet to a 4" x 4" concrete monument; thence continue N 61°17'35" E, 88 feet, more or less, to the approximate shoreline of the Atlantic Ocean; thence Northwesterly along the approximate shoreline of the Atlantic Ocean, 2807 feet, more or less; thence S 60°37'53" W, 85 feet, more or less, to a 4" x 4" concrete monument; thence continue S 60°37'53" W, 1481.66 feet to a 4" x 4" concrete monument in the Easterly Right of Way of State Road A1A; thence continue S 60°37'53" W, 100.00 feet to a 4" x 4" concrete monument in the Westerly Right of Way of State Road A1A; thence N 29°02'43" W along the Westerly Right of Way of State Road A1A, 312.83 feet to the POINT OF BEGINNING. Less and Excepting a 100 foot Right of Way for State Road A1A.

ST. LUCIE UNIT NO. 2

UNIT SITE

A parcel of lamd lying in the North one-half (N 1/2) of fractional Section 16, Township 36 South, Range 41 East, St. Lucie County, Florida, being more particularly described as follows:

Commencing at the intersection of the North line of Section 16, Township 36 South, Range 41 East, and the Westerly Right of Way lime of State Road A1A, said point being a 4" x 4" concrete monument; thence S 29° 02'43" E, 454.50 feet along the said Right of Way of State Road A1A; thence S 60° 57'17" W, 767.47 feet to the POINT OF BEGINNING; thence S 29° 02'43" E, 165.31 feet; thence N 60° 57'17" E, 70.00 feet; thence S 29° 02'43" E, 99.47 feet; thence S 60° 57'17" W, 61.44 feet; thence S 29° 02'43" E, 74.67 feet; thence N 60° 57'17" E, 113.86 feet; thence S 29° 02'43" E, 42.74 feet; thence S 60° 57'17" W, 121.75 feet; thence N 29° 02'43" W, 64.47 feet; thence S 60° 57'17" W, 111.56 feet; thence N 29° 02'43" W, 11.95 feet; thence S 60° 57'17" W, 246.90 feet; thence S 29° 02'43" E, 73.98 feet; thence S 60° 57'17" W, 183.61 feet; thence N 29° 02'43" W, 39.43 feet; thence S 60° 57'17" W, 97.21 feet; thence N 29° 02'43" W, 118.48 feet; thence S 60° 57'17" W, 95.72 feet; thence N 29° 02'43" W, 87.14 feet; thence S 60° 57'17" W, 20.00 feet; thence N 29° 02'43" W, 23.30 feet; thence N 60° 57'17" E, 23.12 feet; thence N 29° 02'43" W, 6.43 feet; thence N 60° 57'17" E, 85.13 feet; thence N 29° 02'43" W, 77.88 feet; thence N 60° 57'17" E, 110.35 feet; thence N 29° 02'43" W, 35.19 feet; thence N 60° 57'17" E, 204.55 feet; thence S 29° 02'43" E, 8.73 feet; thence N 60° 57'17" E, 30.50 feet; thence N 29° 02'43" W, 8.73 feet; thence N 60° 57'17" E, 190.05 feet; thence S 29° 02'43" E, 1.28 feet; thence N 60° 57'17" E, 40.11 feet; thence S 29° 02'43" E, 6.82 feet; thence N 60° 57'17" E, 70.53 feet to the POINT OF BEGINNING.

FORM OF
SPECIAL WARRANTY DEED AND BILL OF SALE

THIS INDENTURE, made as of this _____ day of _____, 19 ____, between FLORIDA POWER & LIGHT COMPANY, a Florida corporation, hereinafter called the "Grantor," and FLORIDA MUNICIPAL POWER AGENCY, a legal entity organized under the laws of the State of Florida, whose post office address is Orlando Central Park, Suite 148, 7200 Lake Ellenor Drive, Orlando, Florida 32809, hereinafter called the "Grantee."

(Wherever used herein, the terms "Grantor" and "Grantee" include all the parties to this instrument and their successors and assigns.)

W I T N E S S E T H:

WHEREAS, Grantor is the owner of certain lands in St. Lucie County, Florida, upon which a nuclear generating plant known as St. Lucie Unit No. 2 is being constructed; and

WHEREAS, Grantor and Grantee have heretofore entered into that certain Participation Agreement dated as of , hereinafter called the "Participation Agreement," whereby Grantee will participate in the cost and power output of St. Lucie Unit No. 2 as provided therein; and

WHEREAS, Grantee wishes to acquire, and Grantor is willing to grant, an interest to Grantee as a tenant in common in the property more particularly described hereafter, subject however, to all of the terms and conditions of the Participation Agreement.

NOW, THEREFORE, Grantor, for and in consideration of TEN DOLLARS ($10.00) and other good and valuable considerations, the receipt whereof is hereby acknowledged, has and by these presents does grant, bargain and sell unto the Grantee an undivided _____% interest in fee simple in and to that certain real property located in St. Lucie County, Florida, to-wit:

[legal description of Unit Site]

TOGETHER WITH an undivided _____% interest in and to all structures, equipment and facilities now or hereafter constructed and installed in or on the above described real property (excluding transmission facilities).

RESERVING unto the Grantor an easement in the entire property to enter upon, locate, construct, install, place, operate, maintain, inspect, repair, replace, relocate, disassemble and remove such machinery and equipment as may be necessary, including without limitation certain air and/or water pollution control machinery and equipment including structures and related facilities and improvements presently existing or under construction or to be constructed, together with the right of ingress and egress in, to, through and over the above described premises for the purpose of doing anything necessary, useful or convenient to the enjoyment of the easement, which easement and rights pursuant to said easement shall be assignable.

Title to said property is to be held as tenants in common by Grantor, Grantee and certain other joint owners to which undivided interests therein have heretofore been, or will hereafter be, conveyed by Grantor by deed or deeds duly recorded in the Public Records of St. Lucie County, Florida.

Furthermore, and also as an incident to the foregoing, Grantee shall have a non-exclusive easement for the use of certain Common Facilities and for the use of that portion of the St. Lucie Site necessary or useful to the operation of St. Lucie Unit No. 2 insofar as said use is necessary or useful to the operation of St. Lucie Unit No. 2, the terms and conditions of which easement are more particularly set forth in Section 2 of the Participation Agreement. The legal description of the St. Lucie Site is attached hereto as Exhibit "A" and incorporated herein by reference.

Grantee, as an incident to the foregoing, shall have a non-exclusive right to ingress and egress upon adjoining lands of Grantor for access to the above described property from adjacent public roads exercisable over such improved roads as Grantor shall make available and at reasonable times, in accordance with Grantor's rules and regulations, limitations of licenses, and limitations of other regulatory authorities.

As part of the consideration for this conveyance, and as an incident to the title conveyed hereby, Grantor and Grantee covenant as follows:

(1) This conveyance is made pursuant to all the terms and provisions of the Participation Agreement.

(2) Said property shall be used only for the purposes of constructing and operating St. Lucie Unit No. 2 thereon in accordance with the terms of the Participation Agreement, or for such other purpose as may be mutually agreed upon.

(3) Grantee, for itself, its successors and assigns, hereby accepts title to said property as a tenant in common with Grantor and others who may now hold or hereafter acquire interests as tenants in common in said property, and agrees that: (a) the interests hereby conveyed shall be held as tenancies in common; (b) Grantee waives the right to partition the property, real or personal, hereby conveyed whether by partition in kind or by sale and division of the proceeds thereof; (c) Grantee will not resort to any action at law or in equity to partition said property; (d) Grantee waives the benefit of all such laws as may now or hereafter authorize such partition; (e) the covenants herein made and restrictions set forth in this conveyance shall be binding upon Grantee, its successors and assigns, shall be an attribute of the title herein conveyed to Grantee, and shall be and remain covenants running with the real and personal property hereby conveyed; (f) Grantee recognizes and represents to the Grantor and others who may now or hereafter acquire interests in said property as tenants in common, that the common ownership created hereby and the reservations, conditions, restrictions, waivers and covenants herein set forth are for the mutual benefit of the parties and their successors and assigns, and that such benefit is best realized by insuring to each tenant in common the value of ownership, use and operation of St. Lucie 2 during the term of the useful life of St. Lucie Unit No. 2 including any repairs or replacements thereof, and for a reasonable period thereafter for safe decommissioning and disposal of St. Lucie Unit No. 2, up to a maximum period of two hundred years; and (g) said reservations, conditions, restrictions, waivers and covenants are reasonably related to a proper purpose to be accomplished, and that said period is therefore reasonable when so considered.

(4) Grantor and Grantee shall have, without need for consent from or prior offer to any other tenant in common, the right at any time or from time to time to convey or create any form of security interest in all of their respective interests in all or any part of the property hereby conveyed, as security for their present or future bonds,

obligations or securities, including a mortgage or conveyance to a trustee or trustees. Any such conveyance or creation shall be subject to all the terms and conditions of this deed and of the Participation Agreement. Subject to such terms and conditions, any such trustee or trustees, mortgagee or holder of a security interest, any successor or assign thereof, and any receiver or trustee in bankruptcy, reorganization or receivership of either party may, without need for consent of any other tenant in common, succeed to and acquire all rights of either party and be subject to all obligations of either party pursuant to this deed.

(5) Grantor covenants with Grantee that Grantor shall likewise be bound by all of the terms, conditions, restrictions, waivers and covenants hereof with respect to any interest retained by Grantor in said real estate and improvements thereon; and Grantor further covenants that any further conveyances of any interest in said property shall include all of the same terms, conditions, restrictions, waivers and covenants as contained herein.

This conveyance is subject to taxes and assessments for the current year and subsequent years, conditions, restrictions, covenants, limitations and easements of record, and the terms and conditions of that certain unrecorded Installment Purchase Contract between St. Lucie County, Florida and Grantor dated as of January 1, 1974, and that certain unrecorded Trust Indenture between St. Lucie County, Florida and the First National Bank of Miami, as trustee, dated as of January 1, 1974.

TO HAVE AND TO HOLD the same fee simple forever.

AND the Grantor hereby covenants with said Grantee that, except as above noted, at the time of delivery of this deed the premises were free from all encumbrances made by it, and that it will warrant the same against the lawful claims and demands of all persons claiming by, through or under it, but against none other.

IN WITTNESS WHEREOF, the Grantor and Grantee have executed these presents the day and year first above written.

Witnesses:
(Two are required)

FLORIDA POWER & LIGHT COMPANY
(GRANTOR)

_____

By: _____
Its Vice President

_____

(AFFIX CORPORATE SEAL)

FLORIDA MUNICIPAL POWER AGENCY
(GRANTEE)

_____

By: _____

_____

(AFFIX OFFICIAL SEAL)

STATE OF FLORIDA)
) SS
COUNTY OF DADE)

The foregoing instrument was acknowledged before me this _____ day of _____, 19____, by _____, Vice President of Florida Power & Light Company, a Florida corporation, on behalf of the corporation.

_____
Notary Public

My Commission Expires:

STATE OF FLORIDA)
) SS
COUNTY OF)

The foregoing instrument was acknowledged before me this _____ day of _____, 19 _____, by _____, Chairman of Florida Municipal Power Agency, a legal entity organized under the laws of the State of Florida , on behalf of such entity.

_____
Notary Public

My Commission Expires:

ST. LUCIE SITE

DESCRIPTION: 388.3 acre ± Parcel, Florida Power & Light, Hutchinson Island.

Being a parcel in Sections 9, 15, 16, and 17, Township 36 South, Range 41 East, all being in St. Lucie County, Florida, more particularly described as follows:

Commencing at the intersection of the North line of said Section 16 and the Westerly Right of Way line of State Road A1A, said point being a 4" x 4" concrete monument; thence N 29°02'43" W, along the Westerly Right of Way line of State Road A1A, 539.94 feet to a 4" x 4" concrete monument; thence S 60°20'29" W, 755.52 feet; thence N 37°13'47" W, 91.70 feet; thence S 60°50'44" W, 100 feet, more or less, to the approximate shoreline of Big Mud Creek; thence Southwesterly along the approximate shoreline of Big Mud Creek, 3600 feet, more or less, to a 4" x 4" concrete monument; thence S 09°54'46" W, 413.98 feet to the approximate shoreline of the Indian River, said point being a 4" x 4" concrete monument; thence Southerly and Easterly along the approximate shoreline of the Indian River, 4900 feet, more or less, to a 4" x 4" concrete monument; thence N 19°10'30" W, 160.94 feet to a 4" x 4" concrete monument; thence N 60°18'13" E, 1344.91 feet to a 4" x 4" concrete monument in the Westerly Right of Way line of State Road A1A; thence N 61°17'35" E, 100.00 feet to a 4" x 4" concrete monument in the Easterly right of Way of State Road A1A; thence continue N 61°17'35" E, 1225.13 feet to a 4" x 4" concrete monument; thence continue N 61°17'35" E, 88 feet, more or less, to the approximate shoreline of the Atlantic Ocean; thence Northwesterly along the approximate shoreline of the Atlantic Ocean, 2807 feet, more or less; thence S 60°37'53" W, 85 feet, more or less, to a 4" x 4" concrete monument; thence continue S 60°37'53" W, 1481.66 feet to a 4" x 4" concrete monument in the Easterly Right of Way of State Road A1A; thence continue S 60°37'53" W, 100.00 feet to a 4" x 4" concrete monument in the Westerly Right of Way of State Road A1A; thence N 29°02'43" W along the Westerly Right of Way of State Road A1A, 312.83 feet to the POINT OF BEGINNING. Less and Excepting a 100 foot Right of Way for State Road A1A.

ST. LUCIE SITE
UNIT "1" AND UNIT "2"

Commencing at the intersection of the North line of Section 16, Township 36 South, Range 41 East, and the Westerly Right of Way line of State Road A1A, said point being a 4" x 4" concrete monument; thence S 29°02'43" E, 454.50 feet along the said Right of Way of State Road A1A; thence S 60°57'17" W, 767.47 feet to the POINT OF BEGINNING: thence S 29°02'43" E, 165.31 feet; thence N 60°57'17" E, 70.00 feet; thence S 29°02'43" E, 99.47 feet; thence S 60°57'17" W, 61.44 feet; thence S 29°02'43" E, 74.67 feet; thence N 60°57'17" E, 113.86 feet; thence S 29°02'43" E, 42.74 feet; thence S 60°57'17" W, 121.75 feet; thence N 29°02'43" W, 64.47 feet; thence S 60°57'17" W, 111.56 feet; thence N 29°02'43" W, 11.95 feet; thence S 60°57'17" W, 246.90 feet; thence S 29°02'43" E, 73.98 feet; thence S 60°57'17" W, 183.61 feet; thence N 29°02'43" W, 39.43 feet; thence S 60°57'17" W, 97.21 feet; thence N 29°02'43" W, 118.48 feet; thence S 60°57'17" W, 95.72 feet; thence N 29°02'43" W, 87.14 feet; thence S 60°57'17" W, 20.00 feet; thence N 29°02'43" W, 23.30 feet; thence N 60°57'17" E, 23.12 feet; thence N 29°02'43" W, 6.43 feet; thence N 60°57'17" E, 85.13 feet; thence N 29°02'43" W, 77.88 feet; thence N 60°57'17" E, 40.00 feet; thence N 29°02'43" W, 57.10 feet; thence S 60°57'17" W, 52.68 feet; thence N 29°02'43" W, 60.91 feet; thence S 60°57'17" W, 75.00 feet; thence N 29°02'43" W, 86.33 feet; thence S 60°57'17" W, 20.00 feet; thence N 29°02'43" W, 23.30 feet; thence N 60°57'17" E, 23.12 feet; thence N 29°02'43" W, 50.03 feet; thence N 60°57'17" E, 189.17 feet; thence N 29°02'43" W, 94.19 feet; thence N 60°57'17" E, 184.69 feet; thence S 29°02'43" E, 35.37 feet; thence N 60°57'17" E, 109.30 feet; thence N 29°02'43" W, 42.59 feet; thence N 60°57'17" E, 88.12 feet; thence N 01°32'55" E, 93.01 feet; thence N 60°57'17" E, 29.75 feet; thence S 29°02'43" E, 30.15 feet; thence N 60°57'17" E, 83.07 feet; thence S 29°02'43" E, 56.75 feet; thence N 60°57'17" E, 122.64 feet; thence S 29°02'43" E, 42.64 feet; thence S 60°57'17" W, 122.62 feet; thence S 29°02'43" E, 152.77 feet; thence N 60°57'17" E, 65.41 feet; thence S 29°02'43" E, 84.99 feet; thence S 60°57'17" W, 47.79 feet; thence S 29°02'43" E, 64.76 feet; thence S 60°57'17" W, 18.50 feet to the POINT OF BEGINNING.

DETERMINATION OF SEASONAL NET CAPABILITY
ST. LUCIE UNIT NO. 2

1. General Procedures:

Reactor power level is determined by NRC approved procedures. Power Level is adjusted to 100%.

Generation is determined by stopwatch and revolution counting of the generator watt-hour meter disc.

Auxiliary power is determined in the same manner from the auxiliary transformer watt-hour meter. Net capability (output) is the difference between generation and auxiliary power.

Circulating water temperature is the average temperature of the water entering C.W. pumps, determined by calibrated resistance thermometers.

Seasonal circulating water temperatures are:
Summer 85°F, Spring & Fall 80°F, Winter 72°F. These temperatures were derived from historical data collected in the 10 year period immediately prior to construction of the St. Lucie Plant.

Seasonal Net Capability is calculated from the net capability determined above by applying a correction factor based on the test temperature and the respective seasonal temperatures. The correction factors are derived from curves supplied by the turbine manufacturer which relate generation to back pressure and from condenser performance data, which related back pressure at 100% reactor power to inlet circulation water temperature.

Duration of the test is at least one hour.

Capability tests are conducted at least semiannually.

2. Seasonal Capability:

Date of Test				
Generation	MW	_____		
Auxiliary Power	MW	_____		
Net Capability as tested	MW	_____		
Circ. Water Temperature	F	_____		
Corr. Factor		____ at 85°F	____ at 80°F	____ at 72°F
Seasonal Net Capability	MW	____ Summer	____ Spring & Fall	____ Winter
Seasonal Net Capability Adjusted per Section 1.28	MW	____ Summer	____ Spring & Fall	____ Winter

AFC Rates
(calculated in accordance with Section 1.1 of the Participation Agreement)

Line No.	Period	Rate
1	January - December 1968	8.03%
2	January - December 1969	7.88%
3	January - December 1970	7.92%
4	January - December 1971	8.00%
5	January - December 1972	8.00%
6	January - December 1973	8.00%
7	January - December 1974	8.00%
8	January - March 1975	8.50%
9	*April - December 1975	9.27%
10	January - March 1976	9.35%
11	April - June 1976	9.41%
12	July - December 1976	9.28%
13	January - December 1977	9.28%
14	January - December 1978	9.10%
15	January - December 1979	9.06%
16	January - September 1980	9.12%
17	October - December 1980	9.28%

* Beginning April 1, 1975 deferred taxes were provided on the debt portion of AFUDC.

Allocation of System Control and Load Dispatching Costs
(As set forth in Section 6.3.9 of the Participation Agreement)
Month _____, Year _____

Line No.				
1	1.	Allocation Factor - No. of Hours Operated During Month of _____		
2		a) St. Lucie Unit No. 2 (Plant daily report - Form 1192)		hrs.
3		b) Total of All Company Owned Units (Same as above)	÷ _____	hrs.
4		c) St. Lucie Unit No. 2 Allocation Factor	_____	%
5	2.	Allocation of System Control and Load Dispatching Costs		
6		to St. Lucie Unit No. 2		
7		a) Monthly Charge to Account No. 556*	$	
8		b) St. Lucie Unit No. 2 Allocation Factor (1(c) above)	_____	%
9		c) Allocation to St. Lucie Unit No. 2	$ _____	

(as set forth in Section 6.6.1 of the Participation Agreement)
Month_____, Year _____

Line			
	Monthly Fixed Charges		
2	1. Monthly Revenue requirement related to capital cost		
3	a) Net plant balance for Related Facilities (Note 1)		$
4	b) Monthly Capital Charge Rate (See Exhibit VIII, pg. 3 of 4)	x	_____ %
5	c) Monthly Revenue Requirement		$
6	2. Monthly depreciation expense		
7	a) Depreciable plant balance (Note 2)		$
8	b) Monthly depreciation rate		
9	(Calculated in a manner consistent with		
10	Exhibit VIII, page 4 of 4)	x	_____ %
11	c) Monthly depreciation expense (calculated in a manner		
12	consistent with Note 3 on Exhibit VIII, page 2 of 4)		$
13	3. Insurance		
14	a) 1/12 of annual insurance properly allocable to		
15	related facilities and not recovered as		
	Participation Costs		$
	4. Amortization of Investment Tax Credit (I.T.C.)		
18	a) I.T.C. generated by Related Facilities		$
19	b) Average Service Life	÷	
20	c) Annual Amortization of I.T.C.		$
	d) Monthly Amortization of I.T.C. (4c divided by 12)		$
21	5. Total Monthly Fixed Charges (sum of 1(c), 2(c), 3(a)		
22	less 4(d))		$
23	6. Monthly fixed charges applicable to St. Lucie Unit No. 2		
24	a) Monthly fixed charges (See 5 above)		$
25	b) Percentage representing the utilization of the		
	Related Facility by St. Lucie Unit No. 2	x	_____ %
26	c) Monthly fixed charges to St. Lucie Unit No. 2		$
27	7. Participants Monthly Costs		
28	a) Monthly fixed charges to St. Lucie Unit No. 2		$
29	b) Participants ownership percentage	x	_____
30	c) Participants monthly cost		$

Line No.

NOTE:

1. Net plant balance will be adjusted to include an Allowance for the Cost of Company's Capital in accordance with Section 1.1, in place of the booked allowance for funds used during construction until the facility is placed in service, excluding the expansion for income taxes.

2. Depreciable plant balance will be adjusted to include an allowance for the Cost of Company's Capital in accordance with Section 1.1, until the facility is placed in service.

3. Monthly depreciation expense shall cease to be included in this calculation when the accumulated depreciation expense determined pursuant to this calculation equals 100% of depreciable plant (line 2a) plus the appropriate net salvage consistent with Exhibit VIII page 4 of 4.

FPL & Subsidiaries as of _____

No.		Column 1 Amount $000	Column 2 % of Capital	Column 3 Cost of Capital %	Column 4 Weighted Cost of Capital %	Column 5 Weighted Cost of Capital Adjusted for Income Tax %
1	Long Term Debt				(3)	
2	Preferred Stock				(3)	
3	Common Equity			(4)		
4	Accumulated Deferred Income Taxes (1)			0		
5	Total				Monthly	

NOTE:

(1) Includes Accounts 190, 281, 282, 283

(2) Column 4 ÷ (1-beginning of the year state tax rate) times (1-beginning of the year federal tax rate)

In the event that the federal or state income tax laws are changed so as to make the use of their statutory rates as a basis for adjustments for income taxes hereunder an unreasonable and inequitable method, a substituted fair and equitable method for adjustments for income taxes will be applied.

(3) The weighted cost of capital for Long Term Debt and Preferred Stock will be updated on an annual basis as of December 31 of the prior year.

(4) The cost of capital for common equity shall be the latest rate granted for common equity by the Florida Public Service Commission (PSC). A recalculation of the capital carrying charge rate shall be made and the revised rate shall be applied to billings in the month following the month in which a new common equity rate is granted by the PSC.

Calculation of Depreciation Rate for Related Facilities
Month _____, Year _____

Line	Account	(1) Average Service Life (Yrs.)	(2) Account Balance $	(3) Weighted Cost $ - Yrs. Column (1) x (2)	
1	321 - Structures and Improvements				
2	322 - Reactor Plant Equipment				
3	324 - Accessory Electric Equipment				
4	325 - Misc. Power Plant Equipment				
5	Estimated decommissioning costs*		_____	_____	
	Total		_____	_____	
6	Weighted Average Service Life Column 3 ÷ 2 =			_____	Yr
7	Annual Depreciation Rate 100 ÷ Weighted Average Service Life =			_____	%
8	Monthly			_____	%

* The estimated decommissioning costs for the Related Facilities were arrived at by applying the present cost of removal rate of 20% to the cost of the related facilities. If in the future the Florida Public Service Commission would change the negative salvage rate or the average service life the change will be reflected in this Exhibit.

Calculation of Use Charge for General Plant
(As set forth in Section 6.6.2 of the
Participation Agreement)
Month _____, Year _____

Line No.				
1	Allocation Factors - (Fiscal Year ___)			
2	1. St. Lucie Unit No. 2 Payroll Allocation Factor			
3	a) St. Lucie O&M Payroll		$	
4	b) Total Company O&M Payroll excluding A & G			
5	(page 356, line 65, col. d of Form 1)			
6		÷	$ _____	
7	c) St. Lucie Plant Payroll Allocation Factor			%
8	d) Number of Units at St. Lucie Plant	÷	_____	
9	e) St. Lucie Unit No. 2 Payroll Allocation Factor			
10	2. St. Lucie Unit No. 2 Vehicle Usage Allocation Factor			
11	a) St. Lucie Plant Vehicle Expense		$	
12	b) Total Company Vehicle Expense excluding A & G	÷	$ _____	
13	c) St. Lucie Plant Vehicle usage allocation factor			%
14	d) Number of Units at St. Lucie Plant	÷	_____	
15	e) St. Lucie Unit No. 2 Vehicle Usage allocation factor			%
16	Monthly Revenue Requirement Related to Capital Cost			
17	3. Consolidated Net Plant Balance Allocated Based on Payroll (excluding transportation equipment)			

		Plant	Reserve	
19	a) 389 - Land & Land Rights			
20	(page 403 of Form 1)			$
21	b) 390 - Structures & Improvements			
22	(page 403 of Form 1)			
23	c) 391 - Office Furniture & Equipment			
24	(page 403 of Form 1)			
25	d) 395 - Laboratory Equipment			
26	(Page 403 of Form 1)	_____	_____	_____
27	e) 398 - Miscellaneous Equipment			
28	(page 403 of Form 1)			
29	f) Sum of (a) thru (e) above			$
30	g) St. Lucie Unit No. 2 Payroll Allocation			
31	Factor (1(e) above)			x _____ %
32	h) Total Net Plant Balance Allocated on Payroll			$

Calculation of Use Charge for General Plant
(As set forth in Section 6.6.2 of the
Participation Agreement)
Month _____, Year _____

4. Consolidated Net Plant Balance Allocated based on vehicle expense (transportation equipment)

   a) 392 - Transportation Equipment
      Less accumulated depreciation (page 403 of Form 1) $
   b) St. Lucie Unit No. 2 Vehicle Allocation Factor
      (2(e) above) x _____ %
   c) Total Net Plant Balance Allocated on Vehicle Expense $_____

5. Monthly Revenue Requirement Related to Capital Cost

   a) Total Net Plant Balance (Sum 3(h) + 4(c)) $
   b) Monthly Capital Charge Rate (See Exhibit VIII,
      pg. 3 of 4) x _____ %
   c) Monthly Revenue Requirement $_____

Monthly Depreciation Expense

6. Depreciation Expense allocated based on Payroll (excluding transportation equipment)

   a) Monthly Depreciation Expense related to accounts
      389, 390, 391, 395, 398
   b) St. Lucie Unit No. 2 Payroll Allocation Factor
      (Exhibit IX, 1(e) pg. 1 of 3) x _____ %
   c) Monthly Depreciation Expense Allocated to St.
      Lucie Unit No. 2 $_____

Taxes Other Than Income - (Fiscal Year ____)

7. Allocation based on payroll to St. Lucie Unit No. 2

   a) 1/12 Taxes attributed to property in Accounts
      389, 390, 391, 395, 398 $
   b) St. Lucie Unit No. 2 Payroll Allocation Factor
      (Exhibit IX, 1(e) pg. 1 of 3) x _____ %
   c) Total Taxes Allocated to St. Lucie Unit No. 2 $_____

Calculation of Use Charge for General Plant
(As set forth in Section 6.6.2 of the
Participation Agreement)
Month _____, Year _____

1	Property Insurance - (Fiscal Year __)		
2	8. Allocation based on Payroll to St. Lucie No. 2		
3	a) 1/12 Property Insurance Cost Attributed to Property in Accounts		
4	389, 390, 391, 395, 398	$	
5	b) St. Lucie No. 2 Payroll Allocation Factor		
6	(Exhibit IX, 1(e) pg. 1 of 3)	_____	%
7	c) Property Insurance Allocated to St. Lucie No. 2	$ _____	
8	9. Allocation based on Vehicle Expense		
9	a) 1/12 Property Insurance Cost Attributed to Property		
10	in Account 392	$	
11	b) St. Lucie No. 2 Vehicle Allocation Factor		
12	(Exhibit IX, 2(e) pg. 1 of 3)	x _____	%
13	c) Property Insurance Allocated to St. Lucie No. 2	$ _____	
14	10. Monthly Insurance Allocated to St. Lucie No. 2		
	(8(c) + 9(c))	$ _____	
16	11. Participants Monthly Cost		
	a) Total Fixed Costs (5(c) + 6(c) + 7(c) + 10)	$ _____	
18	b) Participants Ownership Percentage	x _____	
19	c) Participants Monthly Cost	$ _____	

References on this exhibit to Form 1 page and line numbers are for illustrative purposes only and reflect the accounting treatment under the FERC Uniform System of Accounts for items as shown on Company's 1980 FERC Form 1.

Inventory Service Charge Rate

No.			
1	The following percentage inventory service charge rate, rounded to three decimals shall be used		
2	in computing the monthly inventory service charges applicable to Participant as set forth		
3	in Section 6.6.3 of this Participation Agreement.		
4	Annual Inventory Tax Rate applicable in St. Lucie		
5	County, Florida		
6	Note 1	_____	%
7	Annual Capital Charge Rate (See Exhibit VIII,		
8	(pg. 3 of 4)	_____	%
9	Sum of the above equals TOTAL Annual Carrying Rate	_____	%
10	1/12 of the above equals Inventory Service Charge Rate	_____	%
11	Participant's Ownership Percentage	x _____	
12	Participant's Monthly Inventory Service Charge Rate for Accounts 151 and 154 related to the St. Lucie Project in Section 6.6.3	_____	

NOTE:

1. The rate shall be calculated by taking the prior years inventory taxes paid in St. Lucie County for inventory included in Section 6.6.3 divided by prior years 13-month average inventory balance at December 31 of such inventory. This calculation of the rate shall be made once annually, preferrably at the beginning of the calendar year, so that the same rate will be applied monthly for the entire calendar year. Since this rate is only an approximation of the true rate a determination of the actual inventory tax rate shall be made upon receipt of the tax bill from St. Lucie County and Participation Costs shall be adjusted accordingly to reflect an over or under recovery of taxes for the year.

Allocation of Administrative & General Expenses
(As set forth in Section 6.3.12 of the
Participation Agreement)
Month _____, Year _____

Line No.		
1	The general and administrative expenses of the Company will be allocated to each participant,	
2	monthly, based on the following rate, estimated for the current month and adjusted to actual in	
3	the second succeeding month.	
	Description of Account	
4	1. St. Lucie 2 allocable Production Expenses	
5	a) Total Production Expenses St. Lucie 2	$
6	b) Fuel for St. Lucie 2	
7	c) St. Lucie 2 allocable Production Expenses (1(a) - 1(b))	$
8	2. O & M Allocation Base	
9	a) Total O & M Expenses (page 420, line 184,	
10	col. d of Form 1)	$
11	b) Administrative & General Expenses (page 420, line 183,	
12	col. d of Form 1)	$
13	c) Fuel - Account 501 (page 417, line 5, col. d of	
14	Form 1)	$
15	d) Fuel - Account 518 (page 417, line 24, col. b	
16	of Form 1)	$
	e) Fuel - Account 547 (page 418, line 62, col. b	
	of Form 1)	$
19	f) Purchased Power - Account 555 (page 418, line	
20	75, col. b of Form 1)	$
21	g) O&M Allocation base (2(a) - 2(b) - 2(c) - 2(d) - 2(e) -	
22	2(f))	$
23	3. Administrative & General Overhead Rate (1(c) ÷ 2(g))	
24	4. Monthly A & G Expenses allocation	
25	a) Monthly total A & G Expenses (Sum of Accounts 920-932)	$
26	(page 420, line 167, col. b of Form 1)	
27	b) Outside services - Account 923 (page 419, line 153,	$
28	col. b of Form 1)	
29	c) Property insurance - Account 924 (page 419, line 154	$
30	col. b of Form 1)	
31	d) Injuries and damages - Account 925 (page 419, line 155,	$
32	col. b of Form 1)	
33	e) Employee benefits (See Exhibit XI, pg. 3 of 3)	$
34	f) Regulatory Commission Expenses - Account 928	$
35	(page 419, line 158, col. b of Form 1)	
36	g) Advertising - Account 930.1 (page 419, line 160,	$
37	col. b of Form 1)	

Allocation of Administrative & General Expenses
(As set forth in Section 6.3.12 of the
Participation Agreement)
Month _____, Year _____

L No.		Description of Account	
38	h)	Miscellaneous General Expense - Account 930.2 -	
39		(only the amount relating to EPRI Research	
40		Support) (page 418 of Form 1)	$
41	i)	Rents - Account 931 - (only the amount pertaining	
42		to district and division operations)	$
43	j)	Allocable monthly A & G Expenses (4(a) - 4(b) - 4(c) -	
44		4(d) - 4(e) - 4(f) - 4(g) - 4(h) - 4(i))	$
45	5.	Participant's Monthly Costs	
46	a)	Allocable monthly A & G expenses (See 4(j) above)	$
47	b)	Administrative & General Overhead Rate (See 3 pg. 1 of 3)	x
48	c)	Total allocated monthly costs	$
49	d)	Participant's percentage	x
50	e)	Participant's monthly A & G expenses	$

Allocation of Administrative & General Expenses
(As set forth in Section 6.3.12 of the
Participation Agreement)
Month _____, Year _____

			Percentage of Straight Time Payroll
1	1.	Employee Benefit Costs	
2		a) Retirement	%
3		b) Federal Insurance Contributions Act	
4		c) Group Insurance	
5		d) Unemployment Compensation Tax	
6		e) Other	
7		f) Total employee benefit costs as a percent	_____
8		of straight time payroll (1a through 1e)	_____ %
9	2.	Attributed to A & G	$
10		a) Payroll charged to account 920 (page 419, line 150,	
11		col. b of Form 1)	
12		b) Employee benefits as a percent of straight	
13		time payroll (1(f) above)	_____ %
14		c) Employee benefits attributed to A & G	
15		Salaries (2(a) x 2(b))	$ _____
	3.	Employee benefits to be reduced from Total A & G Expenses	
		a) Total employee benefits charged to O & M (Account 926)	
19		(page 419, line 156, col. b of Form 1)	$
20		b) Total employee benefits attributed to A & G	
21		salaries (2(c) above)	$ _____
22		c) Total employee benefits to be included in	
23		Exhibit XI, pg. 1 of 3, line 33(a) - 3(b))	$ _____

References on this exhibit to Form 1 page and line numbers are for illustrative purposes only and reflect the accounting treatment under the FERC Uniform System of Accounts for items as shown on Company's 1980 FERC Form 1.

Calculation of Use Charge for Common Major Spare Parts
(As set forth in Section 6.6.4 of the Participation Agreement)
Month _____, Year _____

Line

Monthly Fixed Charges

2 1. Monthly Revenue requirement related to capital cost

3 a) Net plant balance for Common Major Spare Parts (Note 1) $
4 b) Monthly Capital Charge Rate (See Exhibit VIII, pg. 3 of 4) x _____
5 c) Monthly Revenue Requirement $

6 2. Monthly depreciation expense

7 a) Depreciable plant balance (Note 2) $
8 b) Monthly depreciation rate
9 (Calculated in a manner consistent with
10 Exhibit VIII, page 4 of 4) x _____ %
11 c) Monthly depreciation expense (calculated in a manner
12 consistent with Note 3 on Exhibit VIII, page 2 of 4) $

13 3. Insurance

14 a) 1/12 of annual insurance properly allocable to Common
15 Major Spare Parts and not recovered as
Participation Costs $

4. Amortization of Investment Tax Credit (I.T.C.)
a) I.T.C. generated by Common Major Spare Parts $
19 b) Average Service Life
20 c) Annual Amortization of I.T.C. $
d) Monthly Amortization of I.T.C. (4c divided by 12) $

21 5. Total Monthly Fixed Charges (sum of 1(c), 2(c), 3(a)
22 Less 4(d)) $

23 6. Monthly fixed charges applicable to St. Lucie Unit No. 2

24 a) Monthly fixed charges (see 5 above) $
25 b) Percentage representing the number of units which item
serves as a Common Major Spare Part x _____ %
26 c) Monthly fixed charges to St. Lucie Unit No. 2 $

27 7. Participant's Monthly Costs

28 a) Monthly fixed charges to St. Lucie Unit No. 2 $
29 b) Participant's ownership percentage x _____
30 c) Participant's monthly cost $

NOTE:

1. Net plant balance will be adjusted to include an allowance for the Cost of Company's Capital in accordance with Section 1.1 in place of the booked allowance for funds used during construction until the Common Major Spare Part is placed in service, excluding the expansion for income taxes.

2. Depreciable plant balance will be adjusted to include an allowance for the Cost of Company's Capital in accordance with Section 1.1 until the Common Major Spare Part is placed in service.

Florida Power & Light Company
9250 West Flagler Street
P. O. Box 529100
Miami, FL 33152

Gentlemen:

We have acted as counsel on behalf of Florida Municipal Power Agency (the "Participant") in connection with an agreement entitled "St. Lucie Unit No. 2 Participation Agreement" between Florida Power & Light Company and _____" with Exhibits ___ through ___, inclusive, (collectively the "Participation Agreement"). We have participated in the review of the Participation Agreement for the Participant and in all proceedings in connection therewith on behalf of the Participant before the Participant's governing body.

Based upon our familiarity with these transactions and the affairs of the Participant generally, we are of the opinion that:

(i) The Participant has the power, authority and legal ability to execute the Participation Agreement.

(ii) The Participation Agreement has been duly and validly authorized, executed and delivered by, and constitutes a valid and binding obligation of the Participant.

(iii) The Participation Agreement is enforceable against the Participant according to its terms.

(iv) No further approval, authorization, consent or order of any board or body (public or private) is legally required for the performance of the Participant's obligations under the Participation Agreement.

(v) The execution and delivery of the Participation Agreement by Participant will not result in a breach of any federal, state or local statute, law, ordinance or regulation or of any of the terms or provisions of or constitute a default under the documents creating and establishing the Participant or of any indenture or other agreement or instrument which the Participant has assumed or to which it is now a party, or any order, rule, decree or regulation applicable to the Participant of any federal or state court, legislative or administrative body having jurisdiction over Participant.

This opinion is subject to the following qualifications:

(a) The enforceability of the rights and remedies of any party to the Participation Agreement may be subject to, or affected by, applicable bankruptcy, insolvency, arrangement, reorganization, moratorium or similar laws affecting the rights of creditors generally.

(b) We express no opinion as to the specific remedy that any court or other tribunal may grant, impose or render and, in particular, we express no opinion as to the availability of equitable remedies, as such, for the enforcement of the Participation Agreement.

(c) The various purchase options contained in the Participation Agreement are subject to the limitations of Section 689.22, Florida Statutes, codifying the rule against perpetuities and limiting to 40 years the enforceability of options to purchase in gross.

Very truly yours,

Florida Municipal Power Agency
Orlando Central Park
Suite 148
7200 Lake Ellenor Drive
Orlando, FL 32809

Gentlemen:

We have acted as counsel on behalf of Florida Power & Light Company (the "Company") in connection with an agreement entitled "St. Lucie Unit No. 2 Participation Agreement between the Company and _____" with Exhibits ____ through ____, inclusive, (collectively the "Participation Agreement"). We have participated in the review of the Participation Agreement for the Company and in all proceedings in connection therewith on behalf of the Company before the Company's governing body.

Based upon our familiarity with these transactions and the affairs of the Company generally, we are of the opinion that:

(i) The Company has the power, authority and legal ability to execute the Participation Agreement.

(ii) The Participation Agreement has been duly and validly authorized, executed and delivered by, and constitutes a valid and binding obligation of the Company.

(iii) The Participation Agreement is enforceable against the Company according to its terms.

(iv) No further approval, authorization, consent or order of any board or body (public or private) is legally required for the performance of the Company's obligations under the Participation Agreement.

(v) The execution and delivery of the Participation Agreement by the Company will not result in a breach of any federal, state or local statute, law, ordinance or regulation or of any of the terms or provisions of or constitute a default under the documents creating and establishing the Company or of any indenture or other agreement or instrument which the Company has assumed or to which it is now a party (excluding contracts with vendors, servicers and suppliers) or any order, rule, decree or regulation applicable to the Company of any federal or state court, legislative or administrative body having jurisdiction over Company.

This opinion is subject to the following qualifications:

(a) The enforceability of the rights and remedies of any party to the Participation Agreement may be subject to, or affected by, applicable bankruptcy, insolvency, arrangement, reorganization, moratorium or similar laws affecting the rights of creditors generally.

(b) We express no opinion as to the specific remedy that any court or other tribunal may grant, impose or render and, in particular, we express no opinion as to the availability of equitable remedies, as such, for the enforcement of the Participation Agreement.

(c) The various purchase options contained in the Participation Agreement are subject to the limitations of Section 689.22, Florida Statutes, codifying the rule against perpetuities and limiting to 40 years the enforceability of options to purchase in gross.

Very truly yours,

(As set forth in Section 17.5.1 of the Participation Agreement)
Month _____, Year _____

Line			
1	1.	Monthly Revenue requirement related to capital costs	
2 3		a) Original cost of St. Lucie Unit No. 2 spent fuel pit billed to the Participant by FPL	$
4 5 6		b) Accumulated Provision for Depreciation, (calculated in a manner consistent with Exhibit VIII, Pg. 4 of 4), from the in-service date of St. Lucie Unit No. 2	$_____
7 8		c) Net Plant balance for St. Lucie Unit No. 2 spent fuel pit (1(a) - (1b))	$_____
9 10		d) FPL's Monthly Capital Charge Rate (See Exhibit VIII, Page 3 of 4)	x _____ %
11		e) Monthly Revenue Requirement	$_____
12	2.	Monthly Depreciation Expense	
13		a) Depreciable plant balance (See 1(c) above)	$
		b) Monthly depreciation rate (calculated in a manner consistent with Exhibit VIII, Pg. 4 of 4)	x _____ %
16 17		c) Monthly depreciation expense (calculated in a manner consistent with Note 3 on Exhibit VIII, Pg. 2 of 4)	$_____
18	3.	Total Monthly Revenue Requirement and Depreciation Expense (sum of 1(e) & 2(c))	$_____
19	4.	Monthly Charge	
20		a) Total Monthly Revenue Requirement and Depreciation Expense (See 3 above)	$
21		b) Percentage of use (Note 1)	x _____ %
22		c) Monthly Charge	$_____

NOTE:

1. The percentage of use shall be calculated by dividing (1) the number of extrinsic fuel rods being stored in the spent fuel pit by (2) the number of fuel rods which can be stored in the St. Lucie Unit No. 2 spent fuel pit.

[Letterhead of Special Counsel to the Participating Members]

Florida Municpal Power Agency
7200 Lake Ellenor Drive
Suite 148
Orlando, FL 32809

Gentlemen:

As Special Counsel to those certain members of the Florida Municipal Power Agency (the "Agency") participating in the Participation Agreement between the Agency and Florida Power & Light Company ("FPL") we have reviewed the terms of the Power Sales Contract and the Project Support Contract, each dated as of _____, 1982 (the "Contracts"), by and between the Agency and [List of Participating Members] (the "Participating Members"), the proceedings taken by the Participating Members' governing bodies approving the Contracts and authorizing their execution and delivery, and such other documents and matters of law as we have deemed relevant and necessary as a basis for the opinions set forth herein.

The Contracts and their execution on behalf of each Participating Member are authorized pursuant to the provisions of Chapter 361, Part II, Chapter 163, Part I, and Chapter 166, Part II, Florida Statutes, and other applicable provisions of law, and a resolution [or ordinance] duly adopted by each Participating Member's governing body on _____, 1982 (hereinafter collectively referred to as the "Resolution"). The Resolution provides for the payment by each Participating Member of Monthly Power Payments, and certain other payments pursuant to the terms of the Contracts, as defined therein. The Resolution provides that payments, if any, required to be made by each Participating Member pursuant to the Power Sales Contract will be made solely from the revenues derived by each Participating Member from the operation of its electric system [prior to] [on a parity with] payments required to be made therefrom by the provisions of ordinances or resolutions authorizing the issuance

of each Participating Member's debt obligations payable from such revenues as the same shall be outstanding from time to time. The Resolution provides that payments, if any, required to be made by each Participating Member pursuant to the Project Support Contracts will be made solely from the revenues derived by each Participating Member from the operation of its electric system, junior and subordinate to payments required to be made therefrom by the provisions of ordinances or resolutions authorizing the issuance of each Participating Member's debt obligations payable from such revenues as the same shall be outstanding from time to time. The Resolution further provides that each Participating Member's obligation to make payments, if any, pursuant to the Contracts shall not be deemed to be or constitute a lien upon any property of each Participating Member or within its boundaries or service area, but shall constitute a lien only upon the revenues of its electric system. The Resolution further provides that neither the Company nor any subsequent assignee of Agency's rights under the Agreement shall ever have the right to require or compel the levy of ad valorem taxation upon any property of each Participating Member or within its boundaries or service area to make any payments under the Contracts, but that said payments shall be made only from the aforementioned revenues.

The Resolution provides that FPL is a third-party beneficiary of the Contracts and that the Contracts, subject to certain restrictions on the availability or timing of remedies, may be enforced by FPL directly against each Participating Member.

Based upon the foregoing, we are of the opinion that:

1. Each Participating Member has full power and authority to enter into the Contracts and to carry out its obligations thereunder.

2. Assuming that the Agency has all the requisite power and authority to execute and deliver, and has duly authorized, executed and delivered, the Contracts, the Contracts constitute the legal, valid and binding obligations of each Participating Member enforceable in accordance with their terms by the Agency or FPL, except as enforcement may be limited by bankruptcy, insolvency or other similar laws affecting creditor's rights generally.

No opinion is being rendered as to the availability of any particular remedy.

3. The execution and delivery of the Contracts by each Participating Member, the performance by each Participating Member of its obligations thereunder and the consummation of the transactions contemplated therein do not and will not result in a breach or violation of any of the terms and provisions of, or constitute a default under, any existing ordinance, resolution, indenture, mortgage, deed of trust or other agreement or instrument pursuant to which each Participating Member has incurred indebtedness for money borrowed secured by the revenues of its electric system.

We have undertaken no investigation of and express no opinion as to each Participating Member's financial condition or as to its ability to make the payments, if any, required to be made pursuant to the Contracts from the revenues of its electric system.

A copy of this opinion is being delivered to Florida Power & Light Company and they may relay on this opinion as fully as though it were addressed directly to them.

Respectfully submitted:

By: _____

[Letterhead of City Attorney]

Florida Municipal Power Agency
7200 Lake Ellenor Drive, Suite 148
Orlando, Florida 32809

Gentlemen:

I am an attorney admitted to practice in the State of Florida and I am familiar with the Power Sales Contract and the Project Support Contract (the "Contracts"), dated as of _____, 1982, by and between Florida Municipal Power Agency and [Participating Member] (the "Member"), and with the proceedings taken by the [name of governing body], the governing body of the Member, approving the Contracts and authorizing their execution and delivery, and I have examined such documents and matters of law as I have deemed relevant and necessary as a basis for the opinion set forth herein.

Based upon the foregoing, I am of the opinion that:

1. The Member is a public agency as defined in Section 163.01(3)(b), Florida Statutes, as amended, and an electric utility as defined in Section 361.11(2), Florida Statutes, as amended, duly created and validly existing pursuant to the Constitution and statutes of the State of Florida [add local ordinance if applicable].

2. The proceedings of the Member's governing body approving the Contracts and authorizing their execution and delivery have been duly and lawfully adopted at meetings duly called and held in accordance with all applicable law including Section 286.011, Florida Statutes.

3. The governing body of the Member has approved the Contracts and their execution and delivery on behalf of the Member, and the Contracts have been duly authorized, executed and delivered by the appropriate officers of the Member.

4. The execution and delivery of the Contracts by the Member, the performance by the Member of its obligations thereunder and the consummation of the transactions contemplated therein do not and will not contravene any applicable law or any applicable order, injunction, judgment, decree, rule or regulation of any court or administrative agency having jurisdiction over the Member or its property or result in a breach or violation of any of the terms and provisions of, or constitute a default

under, any existing ordinance, resolution, indenture, mortgage, deed of trust or other agreement or instrument to which the Member is a party or by which it or its property is bound.

5. All approvals, consents or authorizations of, or registrations or filings with, any governmental or public agency, authority or person required on the part of the Member in connection with the execution, delivery and performance by it of the Contracts have been obtained or made.

6. To my knowledge after due inquiry, there is no litigation or other proceedings pending or threatened in any court or other tribunal of competent jurisdiction (either State or Federal) questioning the creation, organization or existence of the Member or the validity, legality or enforceability of the Contracts.

A copy of this opinion is being delivered to Florida Power & Light Company and they may rely on this opinion as fully as though it were addressed directly to them.

Very truly yours,

By_____

REVISED TO INCORPORAT
AMENDMENT NO. 1
dated Feb. 18, 1983

ST. LUCIE NUCLEAR RELIABILITY EXCHANGE AGREEMENT BETWEEN FLORIDA POWER & LIGHT COMPANY AND THE FLORIDA MUNICIPAL POWER AGENCY

This St. Lucie Nuclear Reliability Exchange Agreement, made March 26, 1982 is between the Florida Municipal Power Agency ("FMPA"), a legal entity organized and existing under the laws of the State of Florida, and Florida Power & Light Company ("FPL"), a corporation duly organized, created, and existing under and by virtue of the laws of the State of Florida, who are the "Parties."

Article 1 - Recitals

This Nuclear Reliability Exchange Agreement (Agreement) is made with reference to the following facts, among others:

1.1 The Parties have entered into the St. Lucie Unit No. 2 Participation Agreement between FPL and FMPA which provides for the transfer from FPL to FMPA of a 7.80825 percent undivided ownership interest in St. Lucie Unit No. 2, a nuclear generating facility being constructed by FPL.

1.2 FPL has agreed that, in the event that certain conditions are met, the Participation Agreement shall be amended to increase FMPA's ownership interest to 8.806 percent.

1.3 FPL and FMPA have entered into the St. Lucie Replacement Power Agreement ("Replacement Power Agreement").

NOW, THEREFORE, in consideration of the premises, the payments to be made by each Party to the other hereunder, and covenants herein contained, the Parties agree as follows:

Article 2 - Definitions

2.1 "Available Net Generating Capability" - The capability of either St. Lucie Unit No. 1 or St. Lucie Unit No. 2 to produce power at any time (after Firm Operation of St. Lucie Unit No. 2), less Station Service Requirements, taking into account limitations imposed by any governmental agency. Metering for this power will be located at the generator terminals and at the low side of the associated step-up, auxiliary and start-up transformers and appropriately adjusted for losses in these transformers.

2.2 "Energy" - Kilowatt Hours (kWh) or Megawatt Hours (MWh).

2.3 "Exchange Capacity from St. Lucie Unit No. 1" - the Available Net Generating Capability and associated Energy provided to FMPA by FPL from St. Lucie Unit No. 1 pursuant to Article 3 hereof.

2.4 "Exchange Capacity from St. Lucie Unit No. 2" - the Available Net Generating Capability and associated Energy provided to FPL by FMPA from FMPA's Ownership Percentage in St. Lucie Unit No. 2 pursuant to Article 3 hereof.

2.5 "FERC" - the Federal Energy Regulatory Commission or its successor.

2.6 "Firm Operation of St. Lucie Unit No. 2" - has the meaning set forth in Section 1.9 of the Participation Agreement.

2.7 "Net Energy" - the gross Energy generated over any period of time by either St. Lucie Unit No. 1 or St. Lucie Unit No. 2 less the associated Station Service Requirements, the step-up, auxiliary, and start-up transformer losses.

2.8 "FMPA's Ownership Percentage" - the 7.80825 percent undivided interest in St. Lucie Unit No. 2 which will be owned by FMPA upon closing in accordance with the Participation Agreement, or, if the Participation Agreement is so amended, 8.806 percent.

2.9 "Participation Agreement" - the St. Lucie Unit No. 2 Participation Agreement between FPL and FMPA dated February 11, 1982.

2.10 "Parties" - FPL and FMPA.

2.11 "Power" - megawatts electrical.

2.12 "Prime Rate" - during any calendar month the rate per annum reported in the Money Rates column of the Wall Street Journal on the last business day of the preceding month as the "PRIME RATE: The charge by large U. S. money center commercial

banks to their best business borrowers", and the highest such rate if more than one is reported. Similar data from The New York Times may be used if the Wall Street Journal is not published that day.

2.13 "Seasonal Net Capability" - the net capability rating of St. Lucie Unit No. 1 or St. Lucie Unit No. 2 as established from time to time by FPL for summer (June-September), spring/fall (April, May, October, and November) and winter (December-March) in accordance with the method described and illustrated in Exhibit V of the Particiaption Agreement. This method is presently applied uniformly to all nuclear generating units operated by FPL. This method may be changed by FPL from time to time, so long as such method, as changed, applies uniformly to all nuclear generating units operated by FPL. The Seasonal Net Capability so established is in conformance with the general guides and testing procedures in Section III and IV, respectively, of the Southeastern Electric Reliability Council Guideline No. 2 for Uniform Generator Ratings for Reporting, dated February 1972, as amended October 1978.

2.14 "St. Lucie Unit No. 1 Fuel Costs" - the costs determined pursuant to Exhibit 1 hereof.

2.15 "St. Lucie Unit No. 2 Fuel Costs" - the costs determined pursuant to Exhibit 1 hereof.

2.16 "St. Lucie Unit No. 1 Production Operation and Maintenance Costs" - the costs determined pursuant to Exhibit 2 hereof.

2.17 "St. Lucie Unit No. 2 Production Operation and Maintenance Costs" - the costs determined pursuant to Exhibit 3 hereof.

2.18 "Station Service Requirements" - the Power and Energy required during any period for operation of all equipment and systems (including an allocable portion of the Power and Energy used for Common Facilities as the term "Common Facilities" is used in Section 1.4 of the Participation Agreement) used or useful in connection with the start-up, operations, shut-down and maintenance of St. Lucie Unit No. 1 or St. Lucie Unit No. 2.

Article 3 - Nuclear Reliability Exchange

3.1 FMPA hereby agrees to exchange to FPL the rights to Available Net Generating Capability and associated Net Energy from FMPA's Ownership Percentage of St. Lucie Unit No. 2 described in Section 3.2 ("Exchange Capacity from St. Lucie Unit No. 2) for the rights to Available Net Generating Capability and associated Net Energy from St. Lucie Unit No. 1 described in Section 3.3 ("Exchange Capacity from St. Lucie Unit No. 1") which FPL hereby agrees to exchange to FMPA, in each instance on the terms and subject to the conditions set forth in this Agreement.

Each year, FMPA shall pay to FPL a charge of $0.01/kW day for each kilowatt of Exchange Capacity from St. Lucie Unit No. 1 (expressed in kilowatts). The only other consideration received by each Party is the right, subject to the terms and conditions set forth in this Agreement, to Available Net Generating Capability and Net Energy of the generating capacity specified herein, and neither Party has entered into this Agreement with any assurance or expectation that Power or Energy will be available to it for any definite duration or in any definite quantity. The intent of the Parties is to share the risks that Power and Energy will not be available, or will be available in reduced quantities, from the generating capacity exchanged for whatever reason.

3.2 Exchange Capacity from St. Lucie Unit No. 2 shall be equal to 4.403 percent of the Available Net Generating Capability and Net Energy of St. Lucie Unit No. 2.

3.3 Exchange Capacity from St. Lucie Unit No. 1 shall be equal to a percentage of the Available Net Generating Capability and Net Energy of St. Lucie Unit No. 1, derived as follows:

$$EC_1 = \frac{POP \times SNC_2}{2 \times SNC_1}$$

Where:

"EC1" is the Exchange Capacity from St. Lucie Unit No. 1 expressed as a percentage of the Available Net Generating Capability and Net Energy of St. Lucie Unit No. 1.

"POP" is FMPA's Ownership Percentage in St. Lucie Unit No. 2 expressed as a percentage.

"SNC2" is the anticipated summer Seasonal Net Capability of St. Lucie Unit No. 2 in kW as determined by FPL as of the date of Firm Operation of Unit No. 2 (subject to modification in accordance with Section 3.4).

"SNC1" is the normal summer Seasonal Net Capability in kW of St. Lucie Unit No. 1, determined as of the date of Firm Operation of St. Lucie Unit No. 2 (subject to modification in accordance with Section 3.4).

3.4 Exchange Capacity from St. Lucie Unit No. 1 shall be determined as of the date of Firm Operation of St. Lucie Unit No. 2, and the percentage so determined shall remain fixed throughout the term of this Agreement, except that "EC1" shall be recalculated in accordance with the formula provided in Section 3.3 for prospective application only, when and if (i) FPL applies for and obtains from the Nuclear Regulatory Commission, or its successor, authority to operate either St. Lucie Unit No. 1 or St. Lucie Unit No. 2 in a manner which permits an increase in the ability of such unit to produce electric power over that

authorized at the date of Firm Operation of St. Lucie Unit No. 2; and (ii) such unit produces electric power at such higher level on a dependable basis for a reasonable period of time.

3.5 The exchange provided in this Agreement involves the exchange of rights to receive Power and Energy, if any, associated with certain specified nuclear generating facilities owner by FPL and FMPA respectively. Nothing in this Agreement is intended to effect a transfer of ownership or any incident of ownership of any generating facility, and none of the obligations of either Party under the Participation Agreement shall be deemed to be affected by this Agreement.

3.6 The exchange provided in Section 3.1 shall commence if and when FPL declares St. Lucie Unit No. 2 in Firm Operation pursuant to the Participation Agreement and shall be effective until the earlier of (a) final retirement by FPL of both St. Lucie Unit No. 1 and St. Lucie Unit No. 2, or (b) the latest stated maturity date of any of the original bonds issued by FMPA to finance its ownership interest in St. Lucie Unit No. 2 (without regard to whether such bonds are retired, redeemed or otherwise repaid prior to such date or whether their maturity is in any way extended). FPL may finally retire St. Lucie Unit No. 2 in accordance with the Participation Agreement and may finally retire St. Lucie Unit No. 1 at such time and under such circumstances as it in its sole discretion deems appropriate. As the intent of the Parties in agreeing to the exchange is to share the risks of operation and premature retirement of the two generating units (including the risks of government action), the exchange, once initiated, shall remain in

effect until the earlier of (a) final retirement of both St. Lucie Unit No. 1 and St. Lucie Unit No. 2 whether or not each such unit is operable or operating at any time or from time to time or has been retired or (b) the latest stated maturity date of any of the original bonds issued by FMPA to finance its ownership interest in St. Lucie Unit No. 2 (without regard to whether such bonds are retired, redeemed or otherwise repaid prior to such date or whether their maturity is in any way extended).

Article 4 - Costs

4.1 Except as provided below, FPL shall be responsible for all costs associated with St. Lucie Unit No. 1, which it owns, and FMPA will be responsible for all costs associated with its Ownership Percentage of St. Lucie Unit No. 2.

4.2 For each kilowatt-hour of energy supplied by one Party ("Owner") to the other Party in each month, the receiving Party shall pay the Owner a charge per kilowatt-hour equal to the higher of (i) the average monthly fuel cost per kWh incurred by FPL for St. Lucie Unit No. 2 in such month or (ii) the average monthly fuel cost per kWh incurred by FPL For St. Lucie Unit No. 1 in such month, all calculated in accordance with Exhibit No. 1.

4.3 For each month during the term of this Agreement but prior to the retirement of either St. Lucie Unit No. 1 or St. Lucie Unit No. 2 (a) FMPA shall pay FPL one-third (1/3) of the Production Operation and Maintenance Costs associated with the Exchange Capacity from St. Lucie Unit No. 1 calculated in

accordance with Exhibit No. 2 and (b) FPL shall pay FMPA one-third (1/3) of the Production Operation and Maintenance Costs associated with the Exchange Capacity from St. Lucie Unit No. 2, calculated in accordance with Exhibit No. 3.

4.4 In the event St. Lucie Unit No. 2 is retired during the term of this Agreement then, during each month thereafter, FMPA shall pay FPL one hundred percent (100%) of that part of the Production Operation and Maintenance Costs of St. Lucie Unit No. 1 calculated in accordance with Exhibit No. 2.

4.5 In the event St. Lucie Unit No. 1 is retired during the term of this Agreement then, during each month thereafter, FPL shall pay FMPA one hundred percent (100%) of that part of the Production Operation and Maintenance Costs of St. Lucie Unit No. 2 calculated in accordance with Exhibit No. 3.

Article 5 - Operation

FMPA's right to Exchange Capacity from St. Lucie Unit No. 1 shall not vest in FMPA any right, duty, or obligation to exercise any supervision or control over any aspect of the management, operation, maintenance, control and/or dispatch of or from St. Lucie Unit No. 1. St. Lucie No. 1 shall be controlled and dispatched in the sole discretion of FPL. FPL shall, in its sole discretion, make all decisions regarding management, operation and maintenance of St. Lucie Unit No. 1, including decisions

concerning the times and power levels at and at which St. Lucie Unit No. 1 is to be operated and decisions regarding refueling and suspension and termination of operation, and FMPA's rights to receive Power and Energy from St. Lucie Unit No. 1 are subject to FPL's rights to make such decisions.

Article 6 - Representations and Liability

Entering into this Agreement is not to be construed as a warranty or representation by either Party that Power or Energy from St. Lucie Unit No. 1 or St. Lucie Unit No. 2 will be available at any time. Neither Party, or its governing board members, directors, officers, Commissioners, Councilmen, agents, employees or contractors shall have any liability in contract, in tort or otherwise to the other Party for any direct, indirect or consequential loss, cost, damage or other expense incurred or sustained as a result of any failure to deliver Power or Energy or otherwise arising out of the performance of this Agreement, except for an intentional breach of this Agreement.

Article 7 - Delivery

Power and Energy associated with Exchange Capacity from St. Lucie Unit No. 1 shall be delivered to FPL for FMPA's account at the high voltage terminals of the generator step-up transformer(s) of St. Lucie Unit No. 1. Power and Energy associated with Exchange Capacity from St. Lucie Unit No. 2 shall

be delivered to FPL at the high voltage terminals of the generator step-up transformer(s) of St. Lucie Unit No. 2. In each instance, metering will be located at the generator terminals and at the low voltage side of each unit's step-up, auxiliary and start-up transformers, and appropriately adjusted for losses in those transformers. Differences between deliveries so determined and actual Net Energy will be determined after the fact on a monthly basis, and FPL will adjust deliveries in the following month or as soon thereafter as practicable to correct for any such differences, so that each Party will receive, as nearly as possible, the exact amount of Net Energy to which it is entitled.

Article 8 - Billing and Payment

8.1 On or before the tenth day of each month that this Agreement is in effect, beginning with the first calendar month after the month in which the exchange provided in Section 3.1 shall commence, FPL will calculate, in accordance with Exhibit 1 hereof, the St. Lucie Unit No. 1 and St. Lucie Unit No. 2 Fuel Costs for the preceding month and render a net billing statement showing the amounts due to each of the Parties and the Net Amount due from one Party to the other. The Party responsible for any net payment will pay such costs to the other Party on or before fifteen days after such rendition of the net billing statement.

8.2 By the first day of each month that this Agreement is in effect, beginning with the first calendar month after the month

in which the exchange provided in Section 3.1 shall commence, FPL will furnish to FMPA estimates in accordance with Exhibits 2 and 3 hereof of the St. Lucie Unit No. 1 and St. Lucie Unit No. 2 Production Operation and Maintenance Costs which are anticipated to be incurred in that month and the basis for each such estimate. (The first such estimates furnished by FPL will include such costs incurred or estimated to have been incurred during the first calendar month that this Agreement has been in effect.) Each such notification made by FPL shall be accompanied by a preliminary accounting of costs incurred for the third preceding month (if applicable). The estimates of costs to be incurred in the current month will be adjusted to reflect any difference between costs which were estimated to have been incurred in the third preceding month and the costs which were actually incurred in that month.

8.3 The amounts derived in Section 8.2 shall be netted against each other. The Party owing a net sum to the other will pay such sum on or before the fifteenth day of the month.

8.4 No interest shall be charged to FPL or FMPA for subsequent adjustments to estimated costs for the current month made by a preliminary accounting. However, FMPA shall have reasonable rights to audit or dispute a bill and should an audit or review reveal an underpayment or overpayment of costs billed pursuant to a preliminary accounting, the appropriate Party shall be liable for and shall be billed for any underpayment, or shall

be entitled to and shall receive a refund of any overpayment, on the next monthly statement rendered after the overpayment or underpayment has been discovered, with interest at the Prime Rate, but not to exceed the highest contract rate allowed by law from the date of payment pursuant to the preliminary accounting.

Article 9 - Remedies

9.1 Subject to the provisions of Article 6, in the event of a breach of this Agreement the non-breaching Party shall be free to seek such remedies at law or equity as may be available to it.

9.2 If FMPA's right to receive Power and Energy from all or part of its Ownership Percentage of St. Lucie Unit No. 2 is suspended pursuant to Section 33.4.1 of the Participation Agreement, the exchange provided in this Agreement shall be suspended during the term of such suspension. If FMPA's rights under the Participation Agreement are terminated pursuant to Section 33.4.3 of the Participation Agreement, the exchange provided in this Agreement shall also terminate at the same time.

9.3 Should either Party fail to make any payment required by this Agreement at the time provided herein, it shall be responsible for interest on any late payment at a daily rate based on the Prime Rate plus five percent (5%) per ahnum until paid; provided, however, that in no event shall interest accrue or be payable in excess of the highest contract rate allowed by

law. The Party failing to make such payment shall also be responsible for any costs incurred by the other Party in connection with collection of any late payment, including expenses and attorneys' and other professional fees.

Article 10 - Miscellaneous

10.1 Term of Agreement -

This Agreement will be effective from the first day of the first month following its execution and will thereafter continue in force and effect until the termination of the exchange in accordance with Section 3.6.

10.2 Assignment -

Neither Party may assign its rights or obligations under this Agreement except in connection with a conveyance of ownership interest in St. Lucie Unit No. 1 or St. Lucie Unit No. 2.

10.3 Binding on Successors and Assigns -

This Agreement shall be binding on the successors and assigns of each Party, and, insofar as permitted by law, on any receiver or trustee in bankruptcy, receivership, or reorganization of a Party. References herein to FPL and FMPA shall be deemed to include the successors thereof.

10.4 Regulation -

The Parties recognize that this Agreement must be filed with the FERC and is subject to the FERC's regulatory jurisdiction. The Parties agree not to seek, or lend their support to any effort to seek, any changes in this Agreement, upon or after filing of such Agreement with the FERC. If FERC conditions its initial acceptance or approval of this Agreement in a final order which requires modifications hereto which any Party is unwilling to accept, the Parties shall undertake, during the 90 days immediately following the issuance of such order, to renegotiate this Agreement to achieve such modifications as are necessary to restore the overall economic benefits to each Party to the levels provided for in this Agreement as originally executed. If such renegotiation does not produce a modified Agreement during the aforesaid 90-day period, each Party shall have the absolute right to withdraw from this Agreement.

If FERC or any other governmental agency or court have jurisdiction to do so, as a result of a proceeding or investigation not initiated contemporaneously with the filing of this Agreement, modifies this Agreement in a manner which alters the economic benefits flowing to either Party, the Parties shall forthwith undertake renegotiation of this Agreement in order to achieve such

modifications as are necessary to restore the overall economic benefits to each Party to the levels provided for in the Agreement as originally executed. No Party shall be required to renegotiate before such order becomes final and nonappealable or while any appeal from such final order is pending. Nothing in this Agreement shall be construed to prevent FPL from effecting, by unilateral filing with the FERC or otherwise, any changes in rates or service hereunder that are consistent with the provisions of this Agreement, including changes to reflect changes in the data used to determine the cost or amount of the exchange under Articles 3 and 4 of this Agreement; provided, however, that FMPA shall not be precluded from contesting whether any such change made or proposed by FPL is consistent with the terms of this Agreement.

10.5 Notice -

Any notice, demand or request by a Party pursuant to any provisions of this Agreement shall be made in writing and shall be delivered either in person, by prepaid telegram, or by first class mail, postage prepaid, to such officer of the Party as shall have executed this Agreement or his legally designated successor at the principal place of business of such Party. Such officer and address for notice may be changed from time to time by written notice of one Party to the other. If a post office box is designated as an address for notices, an alternate street address for notices shall also be designated.

A notice, demand or request is deemed to have been given or made: (1) upon receipt, if delivered in person or by telegram; or (2) as of the date of the signed return receipt, if delivered by first-class mail, certified return receipt requested.

IN WITNESS WHEREOF, the undersigned have executed this Agreement on this 26TH day of MARCH 1982.

ATTEST:

By _____
Secretary

FLORIDA POWER & LIGHT COMPANY

By _____
Senior Vice President

ATTEST:

By _____

FLORIDA MUNICIPAL POWER AGENCY

By _____

EXHIBIT NO. 1

Page 1

Determination of Fuel Cost Payments for Energy Supplied
By Any Owner Pursuant to this Agreement
For the Month of , 19 ___

Line No.		
1	Owner's kWh supplied pursuant to this Agreement	kWh
2	Rate in ¢/kWh applicable to kWh in Line 1 above:	
	a. Based on fuel cost per kWh at St. Lucie Unit No. 1 Exhibit I, page 2, line 7.	¢/kWh
	b. Based on fuel cost per kWh at St. Lucie Unit No. 2 Exhibit I, page 3, line 7.	¢/kWh
3	Monthly charge for fuel costs (Line 1 x higher of 2a or 2b)	$ _____

EXHIBIT NO. 1

Page 2

Determination of FPL Actual Monthly
St. Lucie Unit No. 1 Fuel Costs Per kWh
For the Month of , 19

Line No.	Item	Amount	
	Nuclear Fuel Expense (Acct. No. 518) (a)	$	
1	Burned owned fuel		
2	Burned leased fuel		
3	Nuclear fuel disposal cost		
4	Other nuclear charges/credit		
5	Total fuel expense	$	
6	Net kWh generated by St. Lucie Unit No. 1 (b)		kWh
7	Line 5 divided by line 6 (in kWh)(b)		¢/kWh

(a) Amortization and cost determination to be consistent with the methodology used by FPL at its other nuclear stations at the time the calculation is made in accordance with the uniform system of accounts defined in Section 1.30 of the Participation Agreement but adjusted to exclude any nuclear fuel, fuel cycle services and related materials which FPL received as settlement of claims against third parties for losses or damages incurred prior to the effective date of exchange provided in the Agreement.

(b) If the calculation of ¢/kWh in line 7 is determined to be abnormal because of a monthly capacity factor of the unit less than 40%, then an adjustment will be made to net generation and nuclear fuel costs per kWh to reflect the normal percentage Station Service Requirements reasonably associated with a 70% capacity factor.

EXHIBIT NO. 1

Page 3

Determination of FPL Actual Monthly
St. Lucie Unit No. 2 Fuel Costs Per kWh
For the Month of _____, 19

Line No.	Item	Amount	
	Nuclear Fuel Expense (Acct. No. 518)(a)	$	
1	Burned owned fuel		
2	Burned leased fuel		
3	Nuclear fuel disposal cost		
4	Other nuclear charges/credit		
5	Total fuel expense	$	
6	Net kWh generated by St. Lucie Unit No. 2 (b)	_____	kWh
7	Line 5 divided by line 6 (in kWh)(b)	_____	¢/kWh

(a) Amortization and cost determination to be consistent with the methodology used by FPL at its other nuclear stations at the time the calculation is made in accordance with the uniform system of accounts defined in Section 1.30 of the Participation Agreement but adjusted to exclude any nuclear fuel, fuel cycle services and related materials which FPL received as settlement of claims against third parties for losses or damages incurred prior to the effective date of exchange provided in the Agreement.

(b) If the calculation of ¢/kWh in line 7 is determined to be abnormal because of a monthly capacity factor of the unit less than 40%, then an adjustment will be made to net generation and nuclear fuel costs per kWh to reflect the normal percentage Station Service Requirements reasonably associated with a 70% capacity factor.

EXHIBIT NO. 2

St. Lucie Unit No. 1 Production Operation and Maintenance Costs

The St. Lucie Unit No. 1 Production Operation and Maintenance costs shall be 100 percent of all operation and maintenance expenses properly allocable to St. Lucie Unit No. 1 plus 50 percent of all operation and maintenance expenses properly allocable to common facilities (as "Common Facilities" is defined in the Participation Agreement). The operation and maintenance expenses include the following:

(A) The operation expenses chargeable to FERC Accounts 517, 518 (excluding Nuclear Fuel Expenses); 519-525, inclusive, and 557.

(B) The maintenance expenses chargeable to FERC Accounts 528 to 532, inclusive.

(C) An allowance to reflect costs of payroll-related taxes, insurance, pensions and benefits determined in a manner consistent with the Company's practices for determining construction payroll.

These costs will be consistent with the costs billed FMPA in Section 6.3.3 and 6.4.2 of the St. Lucie Unit No. 2 Participation Agreement.

The amount which FMPA shall pay shall be calculated as follows:

Above Production O&M Costs x Exchange Capacity from St. Lucie Unit No. 1 expressed as a percentage, pursuant to Section 4.3.

EXHIBIT No. 3

St. Lucie Unit No. 2 Production Operation and Maintenance Costs

The St. Lucie Unit No. 2 Production Operation and Maintenance costs shall be 100 percent of all operation and maintenance expenses which FPL has billed to FMPA for St. Lucie Unit No. 2 in accordance with Section 6.3.3 of the St. Lucie Unit No. 2 Participation Agreement plus 100 percent of all operation and maintenance expenses which FPL has billed FMPA for Common Facilities (as "Common Facilities" is defined in the Participation Agreement) in accordance with Section 6.4.2 of the St. Lucie Unit No. 2 Particiation Agreement.

The amount which FPL shall pay shall be calculated as follows:

Above Production O&M Costs x 50 percent.

EXHIBIT B
ATTACHMEN

ST. LUCIE
REPLACEMENT POWER AGREEMENT
BETWEEN
FLORIDA POWER & LIGHT COMPANY
AND
FLORIDA MUNICIPAL POWER AGENCY

This St. Lucie Replacement Power and Energy Agreement (Agreement), made February 11, 1982, is between Florida Power & Light Company (FPL), a corporation duly organized, created, and existing under and by virtue of the laws of the State of Florida, and Florida Municipal Power Agency (FMPA), a legal entity organized and existing under the laws of the State of Florida, who are the "Parties".

Article 1 - Recitals

This Agreement is made with reference to the following facts, among others:

1.1 The Parties have entered into the St. Lucie Unit No. 2 Participation Agreement dated February 11, 1982, ("Participation Agreement") which provides for the transfer from FPL to FMPA of an undivided ownership interest of 7.80825 percent in St. Lucie Unit No. 2, a nuclear generating facility being constructed by FPL.

1.2 FPL, subject to certain conditions precedent, has agreed to offer FMPA, a St. Lucie Nuclear Reliability Exchange Agreement ("Reliability Exchange Agreement"), prior to the Firm Operation of St. Lucie Unit No. 2, whereby a portion of FMPA's entitlement to Power and Energy from FPL's St. Lucie Unit No. 2 would be exchanged for an entitlement to Power and Energy from FPL's St. Lucie Unit No. 1, so that the Parties may share the risks that Power and Energy will not be available, or will be available in reduced quantities from the generating capacity so exchanged.

1.3 FPL has agreed with certain Florida Cities that, in certain events, it will offer to amend the Participation Agreement, to increase FMPA's Ownership Percentage to 8.806 percent, and the Reliability Exchange Agreement provides that, upon such modification of the Participation Agreement, the Reliability Exchange Agreement will also be amended to apply to FMPA's new Ownership Percentage. Now, therefore, in consideration of the promises and mutual covenants herein contained, FPL and FMPA agree as follows:

Article 2 - Definitions

2.1 "Available Net Generating Capability" - The capability of either St. Lucie Unit No. 1 or St. Lucie Unit No. 2 to produce power at any time (after Firm Operation of St. Lucie Unit No. 2), less station service requirements, taking into account limitations imposed by any governmental agency. Metering for this power will be located at the generator terminals and at the low side of its step-up, auxiliary and start-up transformers, and appropriately adjusted for losses in these transformers.

2.2 "Economic Life" of St. Lucie Unit No. 2 means the life over which operation of St. Lucie Unit No. 2 is economically justifiable when compared to other alternative sources of power and energy, as re-evaluated from time to time in accordance with Generally Accepted Electric Utility Practice.

2.3 "Energy" means energy measured in kilowatt hours (kWh).

2.4 "Estimated Useful Life of St. Lucie Unit No. 2" means the life over which St. Lucie Unit No. 2, by virtue of equipment design, is anticipated to operate, as re-evaluated from time to time in accordance with Generally Accepted Electric Utility Practice.

2.5 "Exchange Capacity from St. Lucie Unit No. 1" means the Available Net Generating Capability and Associated Energy provided to FMPA by FPL pursuant to the Reliability Exchange Agreement.

2.6 "Exchange Capacity from St. Lucie Unit No. 2" means the Available Net Generating Capability and Associated Energy provided to FPL by FMPA pursuant to the Reliability Exchange Agreement.

2.7 "Firm Operation" commences for St. Lucie Unit No. 2 at the time that it is declared in Firm Operation pursuant to the Participation Agreement.

2.8 "Generally Accepted Electric Utility Practice" at a particular time means any of the practices, methods and acts (including but not limited to the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry prior thereto) which, in the exercise of reasonable judgment, in light of the facts known at the time the decision was made, would have been expected to accomplish the desired result at a reasonable cost consistent with reliability and safety. Generally Accepted Electric Utility Practice is not intended to be limited to the optimum practice, method or act, to the exclusion of all others, but includes any other practices, methods or acts which can be reasonably expected to accomplish the desired result at a reasonable cost consistent with reliability and safety.

2.9 "Power" means megawatts electrical. (MW).

2.10 "St. Lucie Unit No. 1" is FPL's operating nuclear generating unit with a presently estimated net capability of 777 MW, and facilities ancillary thereto.

Article 3 - Replacement Power and Energy for FMPA's St. Lucie Unit No. 2 Entitlement

3.1 If, and only if, after Firm Operation, FPL voluntarily ceases to operate or reduces output from St. Lucie Unit No. 2 (i) because the cost of Energy that could have been generated by St. Lucie Unit No. 2 would have been more expensive to FPL than the cost of Energy available to FPL from sources other than St. Lucie Unit No. 2 or (ii) because of valley load situations, FPL will make available to FMPA replacement Power and Energy in each hour equal to the amount thereof reasonably anticipated to have been available to FMPA from St. Lucie Unit No. 2, based on its entitlement to such Power and Energy from St. Lucie Unit No. 2 provided in the Participation Agreement but excluding any Exchange Capacity from St. Lucie Unit No. 2 provided to FPL by FMPA pursuant to the Reliability Exchange Agreement, if executed, at a cost equal to the estimated variable cost of producing such Power and Energy from St. Lucie Unit No. 2 that would have been incurred if St. Lucie Unit No. 2 were continued in operation without such cessation or reduction of output, with appropriate adjustments being made for reasonably determinable changes in operating conditions. FPL shall make available such replacement Power and Energy, in accordance with this Section 3.1, until such time as St. Lucie Unit No. 2 is permanently retired from FPL service.

3.2 FPL shall provide FMPA the opportunity to purchase replacement Power and Energy, based on its entitlement to Power and Energy from St. Lucie Unit No. 2 provided in the Participation Agreement but excluding any Exchange Capacity from St. Lucie Unit No. 2 provided to FPL by FMPA pursuant to the

Reliability Exchange Agreement, if executed, upon and subject to the terms and conditions provided below if FPL permanently retires St. Lucie Unit No. 2 (a) after Firm Operation, but less than thirty (30) years after St. Lucie Unit No. 2 entered Firm Operation, and (b) where the Estimated Useful Life of St. Lucie Unit No. 2 has not ended, and (c) FPL has determined that the Economic Life of its ownership percentage of St. Lucie Unit No. 2 has ended, and (d) under circumstances, then existing, where, viewed from the perspective of FMPA, the Economic Life of its ownership percentage of St. Lucie Unit No. 2 has not ended.

3.2.1 The term for which such replacement Power and Energy shall be available shall commence as soon after permanent retirement of St. Lucie Unit No. 2 as is practical in light of the provisions of this Article and shall end at a date thirty (30) years after the date that St. Lucie Unit No. 2 entered Firm Operation or at such earlier time as is specified by FMPA, provided that FMPA upon ninety (90) days notice may terminate such agreement at any time.

3.2.2 Replacement Power and Energy shall be made available for a term permitted by Article 3.2.1 at any time on the same basis as FPL provides short term firm service to generating utilities with which it is interconnected during maintenance outages of their generating units ("maintenance service"), and the rates and terms and conditions of the agreement between FPL and FMPA for the sale of replacement Power and Energy shall be subject to change at any time and from time to time by application by, or unilateral action of, FPL to accord with FPL's schedules for maintenance service to other generating utilities.

3.2.3 If FMPA desires replacement Power and Energy under this Article, it shall so indicate by notice to FPL indicating the amount of such replacement Power and Energy which FMPA desires to purchase under this Article, up to its maximum entitlement to power and energy from St. Lucie Unit No. 2 under this Article, given not more than ninety (90) days after FPL has provided notice that it has permanently retired, or intends to retire permanently, St. Lucie Unit No. 2, and shall promptly execute an agreement for the purchase of such replacement Power and Energy for a term permitted by Article 3.2.1; otherwise FMPA shall have no right to replacement Power and Energy under this Article. The notice provided by FMPA shall state the basis for FMPA's claim that the Economic Life of its Ownership Percentage of St. Lucie Unit No. 2 has not ended.

3.2.4 If FPL disputes FMPA's claim that the Economic Life of FMPA's Ownership Percentage of St. Lucie Unit No. 2 has not ended, the Parties shall promptly submit the dispute to arbitration, in accordance with the provisions of the Florida Arbitration Code as supplemented by the Rules of the American Arbitration Association. The arbitrator or arbitrators shall be a person or persons familiar with the electric utility industry. In the event of a dispute, FPL shall have no obligation to provide replacement Power and Energy to FMPA until a reasonable time after an order resulting from the arbitration and favorable to FMPA shall have become final. The Parties shall cooperate in expediting the arbitration proceeding.

Article 4 - Replacement Power and Energy for Exchange Capacity from St. Lucie Unit No. 1

4.1 If, and only if, FPL voluntarily ceases to operate or reduces output from St. Lucie Unit No. 1 (i) because the cost of Energy that could have

been generated by St. Lucie Unit No. 1 would have been more expensive to FPL than the cost of Energy available to FPL from sources other than St. Lucie Unit No. 1, or (ii) because of valley load situations, FPL will make available to FMPA replacement Power and Energy in each hour equal to the amount thereof reasonably anticipated to have been available to FMPA from St. Lucie Unit No. 1 based on its Exchange Capacity from St. Lucie Unit No. 1 provided in the Reliability Exchange Agreement, if executed, at a cost equal to the estimated variable cost that would have been incurred by FMPA pursuant to the Reliability Exchange Agreement, if St. Lucie Unit No. 1 were continued in operation without cessation or reduction of output, with appropriate adjustments being made for reasonably determinable changes in operating conditions. FPL shall make available such replacement Power and Energy, in accordance with this Section 4.1, until the earlier of (i) such time as St. Lucie Unit No. 1 is permanently retired from FPL service, or (ii) termination of the Reliability Exchange Agreement.

4.2 FPL shall provide FMPA the opportunity to purchase Replacement Power and Energy, based on its entitlement to Power and Energy from St. Lucie Unit No. 1 provided in the Reliability Exchange, if executed, upon and subject to the terms and conditions provided below if FPL permanently retires St. Lucie Unit No. 1 (a) after Commercial Operation, but less than thirty (30) years after St. Lucie Unit No. 1 entered Commercial Operation, and (b) where the Estimated Useful Life of St. Lucie Unit No. 1 has not ended, and (c) FPL has determined that the Economic Life of St. Lucie Unit No. 1 has ended, and (d) under circumstances, then existing, where, viewed from the perspective of FMPA, and hypothesizing for this purpose that FMPA were the owner with all attendant rights and responsibilities of an undivided interest in St. Lucie Unit No. 1

equal to its Exchange Capacity from St. Lucie Unit No. 1, the Economic Life of St. Lucie Unit No. 1 has not ended.

4.2.1 The term for which such replacement Power and Energy shall be available shall commence as soon after permanent retirement of St. Lucie Unit No. 1 as is practical in light of the provisions of this Article and shall end at the earlier of (i) a date thirty (30) years after the date that St. Lucie Unit No. 1 entered Commercial Operation or (ii) termination of the Reliability Exchange Agreement or (iii) at such earlier time as is specified by FMPA; provided that FMPA upon ninety (90) days notice may terminate such agreement at any time.

4.2.2 Replacement Power and Energy shall be made available for a term permitted by Article 4.2.1 at any time on the same basis as FPL provides short term firm service to generating utilities with which it is interconnected during maintenance outages of their generating units ("maintenance service"), and the rates and terms and conditions of the agreement between FPL and FMPA for the sale of replacement Power and Energy shall be subject to change at any time and from time to time by application by, or unilateral action of, FPL to accord with FPL's schedules for maintenance service to other generating utilities.

4.2.3 If FMPA desires replacement Power and Energy under this Article, it shall so indicate by notice to FPL indicating the amount of such replacement Power and Energy which FMPA desires to purchase under this Article, up to its maximum entitlement to Exchange Capacity from St. Lucie Unit No. 1, given not more than ninety (90) days after FPL has provided notice that it has permanently retired, or intends to retire permanently, St. Lucie Unit No. 1, and shall promptly execute an agreement for the purchase of such

replacement Power and Energy for a term permitted by Article 4.2.1; otherwise FMPA shall have no right to replacement Power and Energy under this Article. The notice provided by FMPA shall state the basis for FMPA's claim that the Economic Life of St. Lucie Unit No. 1 has not ended.

4.2.4 If FPL disputes FMPA's claim that the Economic Life of St. Lucie Unit No. 1 has not ended, the Parties shall promptly submit the dispute to arbitration, in accordance with the provisions of the Florida Arbitration Code as supplemented by the Rules of the American Arbitration Association. The arbitrator or arbitrators shall be a person or persons familiar with the electric utility industry. In the event of a dispute, FPL shall have no obligation to provide replacement Power and Energy to FMPA until a reasonable time after an order resulting from the arbitration and favorable to FMPA shall have become final. The Parties shall cooperate in expediting the arbitration proceeding.

Article 5 - Miscellaneous

5.1 Assignment -

Neither Party may assign its rights or obligations under this Agreement except in connection with a conveyance of ownership interest in St. Lucie Unit No. 1 or St. Lucie Unit No. 2.

5.2 Binding on Successors and Assigns -

This Agreement shall be binding on the successors and assigns of each party, and, insofar as permitted by law, on any receiver or trustee in bankruptcy, receivership, or reorganization of a Party. References herein to FPL and FMPA shall be deemed to include the successors thereof.

5.3 Regulation -

The Parties recognize that this Agreement must be filed with the FERC and is subject to the FERC's regulatory jurisdiction. The Parties agree not to seek, or lend their support to any effort to seek, any changes in this Agreement, upon or after filing of this Agreement with the FERC. If the FERC imposes conditions upon the filing of this Agreement, or modifies the terms or conditions of this Agreement as a result of a proceeding or investigation initiated contemporaneously with the FERC's acceptance of this Agreement for filing, either Party may terminate this Agreement if, in its good faith judgment such modification(s) or condition(s) materially change the rights, benefits, duties, or obligations under this Agreement of the Party desiring to terminate. Either Party may so terminate by giving written notice within thirty (30) days after such modifications or conditions become effective; provided, however, if either Party gives such notice, the Parties shall undertake to renegotiate this Agreement to achieve such modifications as are necessary to restore the overall economic benefits to each Party to the levels provided for in this Agreement as originally executed. If the Parties are unable to negotiate a new Agreement within ninety (90) days after such notice, such termination shall become effective on the ninetieth (90th) day after such notice. If FERC or any other governmental agency or court having jurisdiction to do so, as a result of a proceeding or investigation not initiated contemporaneously with the filing of this Agreement, modifies this Agreement in a manner which alters the economic benefits flowing to either Party, the Parties shall forthwith undertake renegotiation of this Agreement in order to achieve such modifications as are necessary to restore the overall economic benefits to each Party to the levels provided for in the Agreement as originally executed. No Party shall be

required to renegotiate before such order becomes final and nonapplicable or while any appeal from such final order is pending. Nothing in this Agreement shall be construed to prevent FPL from effecting, by unilateral filing with the FERC or otherwise, any changes in rates or service hereunder that are consistent with the provisions of this Agreement, including changes to reflect changes in the data used to determine the cost or amount of replacement power under this Agreement, or to prevent unilateral action of FPL with regard to FPL's schedules for maintenance service under Article 3.2.2 of this Agreement; provided, however, that FMPA shall not be precluded from contesting whether any such change made or proposed by FPL is consistent with the terms of this Agreement.

5.4 Notice -

Any notice, demand or request by a Party pursuant to any provisions of this Agreement shall be made in writing and shall be delivered either in person, by prepaid telegram, or by first class mail, postage prepaid, to such officer of the Party as shall have executed this Agreement or his legally designated successor at the principal place of business of such Party. Such officer and address for notice may be changed from time to time by written notice of one Party to the other. If a post office box is designated as an address for notices, an alternate street address for notices shall also be designated.

A notice, demand or request is deemed to have been given or made; (1) upon receipt, if delivered in person or by telegram; or (2) as of the date of the signed return receipt, if delivered by first-class mail, certified return receipt requested.

IN WITNESS WHEREOF, the undersigned have executed this Agreement on this 11th day of February, 1982.

FLORIDA POWER & LIGHT COMPANY

By: _____
Robert J. Gardner
Senior Vice President

ATTEST: _____
ASSISTANT SECRETARY

(SEAL)

FLORIDA MUNICIPAL POWER AGENCY

By: _____
Barbara Bidwell, Chairman

ATTEST: _____
Joseph M. Tardugno, Jr.
Assistant Secretary-
Treasurer

(SEAL)

REVISED TO INCORPORAT
AMENDMENT NO. 1
dated Feb. 18, 1983

ST. LUCIE NUCLEAR RELIABILITY EXCHANGE AGREEMENT BETWEEN FLORIDA POWER & LIGHT COMPANY AND THE FLORIDA MUNICIPAL POWER AGENCY

This St. Lucie Nuclear Reliability Exchange Agreement, made March 26, 1982 is between the Florida Municipal Power Agency ("FMPA"), a legal entity organized and existing under the laws of the State of Florida, and Florida Power & Light Company ("FPL"), a corporation duly organized, created, and existing under and by virtue of the laws of the State of Florida, who are the "Parties."

Article 1 - Recitals

This Nuclear Reliability Exchange Agreement (Agreement) is made with reference to the following facts, among others:

1.1 The Parties have entered into the St. Lucie Unit No. 2 Participation Agreement between FPL and FMPA which provides for the transfer from FPL to FMPA of a 7.80825 percent undivided ownership interest in St. Lucie Unit No. 2, a nuclear generating facility being constructed by FPL.

1.2 FPL has agreed that, in the event that certain conditions are met, the Participation Agreement shall be amended to increase FMPA's ownership interest to 8.806 percent.

1.3 FPL and FMPA have entered into the St. Lucie Replacement Power Agreement ("Replacement Power Agreement").

NOW, THEREFORE, in consideration of the premises, the payments to be made by each Party to the other hereunder, and covenants herein contained, the Parties agree as follows:

Article 2 - Definitions

2.1 "Available Net Generating Capability" - The capability of either St. Lucie Unit No. 1 or St. Lucie Unit No. 2 to produce power at any time (after Firm Operation of St. Lucie Unit No. 2), less Station Service Requirements, taking into account limitations imposed by any governmental agency. Metering for this power will be located at the generator terminals and at the low side of the associated step-up, auxiliary and start-up transformers and appropriately adjusted for losses in these transformers.

2.2 "Energy" - Kilowatt Hours (kWh) or Megawatt Hours (MWh).

2.3 "Exchange Capacity from St. Lucie Unit No. 1" - the Available Net Generating Capability and associated Energy provided to FMPA by FPL from St. Lucie Unit No. 1 pursuant to Article 3 hereof.

2.4 "Exchange Capacity from St. Lucie Unit No. 2" - the Available Net Generating Capability and associated Energy provided to FPL by FMPA from FMPA's Ownership Percentage in St. Lucie Unit No. 2 pursuant to Article 3 hereof.

2.5 "FERC" - the Federal Energy Regulatory Commission or its successor.

2.6 "Firm Operation of St. Lucie Unit No. 2" - has the meaning set forth in Section 1.9 of the Participation Agreement.

2.7 "Net Energy" - the gross Energy generated over any period of time by either St. Lucie Unit No. 1 or St. Lucie Unit No. 2 less the associated Station Service Requirements, the step-up, auxiliary, and start-up transformer losses.

2.8 "FMPA's Ownership Percentage" - the 7.80825 percent undivided interest in St. Lucie Unit No. 2 which will be owned by FMPA upon closing in accordance with the Participation Agreement, or, if the Participation Agreement is so amended, 8.806 percent.

2.9 "Participation Agreement" - the St. Lucie Unit No. 2 Participation Agreement between FPL and FMPA dated February 11, 1982.

2.10 "Parties" - FPL and FMPA.

2.11 "Power" - megawatts electrical.

2.12 "Prime Rate" - during any calendar month the rate per annum reported in the Money Rates column of the Wall Street Journal on the last business day of the preceding month as the "PRIME RATE: The charge by large U. S. money center commercial

banks to their best business borrowers", and the highest such rate if more than one is reported. Similar data from The New York Times may be used if the Wall Street Journal is not published that day.

2.13 "Seasonal Net Capability" - the net capability rating of St. Lucie Unit No. 1 or St. Lucie Unit No. 2 as established from time to time by FPL for summer (June-September), spring/fall (April, May, October, and November) and winter (December-March) in accordance with the method described and illustrated in Exhibit V of the Particiaption Agreement. This method is presently applied uniformly to all nuclear generating units operated by FPL. This method may be changed by FPL from time to time, so long as such method, as changed, applies uniformly to all nuclear generating units operated by FPL. The Seasonal Net Capability so established is in conformance with the general guides and testing procedures in Section III and IV, respectively, of the Southeastern Electric Reliability Council Guideline No. 2 for Uniform Generator Ratings for Reporting, dated February 1972, as amended October 1978.

2.14 "St. Lucie Unit No. 1 Fuel Costs" - the costs determined pursuant to Exhibit 1 hereof.

2.15 "St. Lucie Unit No. 2 Fuel Costs" - the costs determined pursuant to Exhibit 1 hereof.

2.16 "St. Lucie Unit No. 1 Production Operation and Maintenance Costs" - the costs determined pursuant to Exhibit 2 hereof.

2.17 "St. Lucie Unit No. 2 Production Operation and Maintenance Costs" - the costs determined pursuant to Exhibit 3 hereof.

2.18 "Station Service Requirements" - the Power and Energy required during any period for operation of all equipment and systems (including an allocable portion of the Power and Energy used for Common Facilities as the term "Common Facilities" is used in Section 1.4 of the Participation Agreement) used or useful in connection with the start-up, operations, shut-down and maintenance of St. Lucie Unit No. 1 or St. Lucie Unit No. 2.

Article 3 - Nuclear Reliability Exchange

3.1 FMPA hereby agrees to exchange to FPL the rights to Available Net Generating Capability and associated Net Energy from FMPA's Ownership Percentage of St. Lucie Unit No. 2 described in Section 3.2 ("Exchange Capacity from St. Lucie Unit No. 2) for the rights to Available Net Generating Capability and associated Net Energy from St. Lucie Unit No. 1 described in Section 3.3 ("Exchange Capacity from St. Lucie Unit No. 1") which FPL hereby agrees to exchange to FMPA, in each instance on the terms and subject to the conditions set forth in this Agreement.

Each year, FMPA shall pay to FPL a charge of $0.01/kW day for each kilowatt of Exchange Capacity from St. Lucie Unit No. 1 (expressed in kilowatts). The only other consideration received by each Party is the right, subject to the terms and conditions set forth in this Agreement, to Available Net Generating Capability and Net Energy of the generating capacity specified herein, and neither Party has entered into this Agreement with any assurance or expectation that Power or Energy will be available to it for any definite duration or in any definite quantity. The intent of the Parties is to share the risks that Power and Energy will not be available, or will be available in reduced quantities, from the generating capacity exchanged for whatever reason.

3.2 Exchange Capacity from St. Lucie Unit No. 2 shall be equal to 4.403 percent of the Available Net Generating Capability and Net Energy of St. Lucie Unit No. 2.

3.3 Exchange Capacity from St. Lucie Unit No. 1 shall be equal to a percentage of the Available Net Generating Capability and Net Energy of St. Lucie Unit No. 1, derived as follows:

$$EC_1 = \frac{POP \times SNC_2}{2 \times SNC_1}$$

Where:

"EC1" is the Exchange Capacity from St. Lucie Unit No. 1 expressed as a percentage of the Available Net Generating Capability and Net Energy of St. Lucie Unit No. 1.

"POP" is FMPA's Ownership Percentage in St. Lucie Unit No. 2 expressed as a percentage.

"SNC2" is the anticipated summer Seasonal Net Capability of St. Lucie Unit No. 2 in kW as determined by FPL as of the date of Firm Operation of Unit No. 2 (subject to modification in accordance with Section 3.4).

"SNC1" is the normal summer Seasonal Net Capability in kW of St. Lucie Unit No. 1, determined as of the date of Firm Operation of St. Lucie Unit No. 2 (subject to modification in accordance with Section 3.4).

3.4 Exchange Capacity from St. Lucie Unit No. 1 shall be determined as of the date of Firm Operation of St. Lucie Unit No. 2, and the percentage so determined shall remain fixed throughout the term of this Agreement, except that "EC1" shall be recalculated in accordance with the formula provided in Section 3.3 for prospective application only, when and if (i) FPL applies for and obtains from the Nuclear Regulatory Commission, or its successor, authority to operate either St. Lucie Unit No. 1 or St. Lucie Unit No. 2 in a manner which permits an increase in the ability of such unit to produce electric power over that

authorized at the date of Firm Operation of St. Lucie Unit No. 2; and (ii) such unit produces electric power at such higher level on a dependable basis for a reasonable period of time.

3.5 The exchange provided in this Agreement involves the exchange of rights to receive Power and Energy, if any, associated with certain specified nuclear generating facilities owner by FPL and FMPA respectively. Nothing in this Agreement is intended to effect a transfer of ownership or any incident of ownership of any generating facility, and none of the obligations of either Party under the Participation Agreement shall be deemed to be affected by this Agreement.

3.6 The exchange provided in Section 3.1 shall commence if and when FPL declares St. Lucie Unit No. 2 in Firm Operation pursuant to the Participation Agreement and shall be effective until the earlier of (a) final retirement by FPL of both St. Lucie Unit No. 1 and St. Lucie Unit No. 2, or (b) the latest stated maturity date of any of the original bonds issued by FMPA to finance its ownership interest in St. Lucie Unit No. 2 (without regard to whether such bonds are retired, redeemed or otherwise repaid prior to such date or whether their maturity is in any way extended). FPL may finally retire St. Lucie Unit No. 2 in accordance with the Participation Agreement and may finally retire St. Lucie Unit No. 1 at such time and under such circumstances as it in its sole discretion deems appropriate. As the intent of the Parties in agreeing to the exchange is to share the risks of operation and premature retirement of the two generating units (including the risks of government action), the exchange, once initiated, shall remain in

effect until the earlier of (a) final retirement of both St. Lucie Unit No. 1 and St. Lucie Unit No. 2 whether or not each such unit is operable or operating at any time or from time to time or has been retired or (b) the latest stated maturity date of any of the original bonds issued by FMPA to finance its ownership interest in St. Lucie Unit No. 2 (without regard to whether such bonds are retired, redeemed or otherwise repaid prior to such date or whether their maturity is in any way extended).

Article 4 - Costs

4.1 Except as provided below, FPL shall be responsible for all costs associated with St. Lucie Unit No. 1, which it owns, and FMPA will be responsible for all costs associated with its Ownership Percentage of St. Lucie Unit No. 2.

4.2 For each kilowatt-hour of energy supplied by one Party ("Owner") to the other Party in each month, the receiving Party shall pay the Owner a charge per kilowatt-hour equal to the higher of (i) the average monthly fuel cost per kWh incurred by FPL for St. Lucie Unit No. 2 in such month or (ii) the average monthly fuel cost per kWh incurred by FPL For St. Lucie Unit No. 1 in such month, all calculated in accordance with Exhibit No. 1.

4.3 For each month during the term of this Agreement but prior to the retirement of either St. Lucie Unit No. 1 or St. Lucie Unit No. 2 (a) FMPA shall pay FPL one-third (1/3) of the Production Operation and Maintenance Costs associated with the Exchange Capacity from St. Lucie Unit No. 1 calculated in

accordance with Exhibit No. 2 and (b) FPL shall pay FMPA one-third (1/3) of the Production Operation and Maintenance Costs associated with the Exchange Capacity from St. Lucie Unit No. 2, calculated in accordance with Exhibit No. 3.

4.4 In the event St. Lucie Unit No. 2 is retired during the term of this Agreement then, during each month thereafter, FMPA shall pay FPL one hundred percent (100%) of that part of the Production Operation and Maintenance Costs of St. Lucie Unit No. 1 calculated in accordance with Exhibit No. 2.

4.5 In the event St. Lucie Unit No. 1 is retired during the term of this Agreement then, during each month thereafter, FPL shall pay FMPA one hundred percent (100%) of that part of the Production Operation and Maintenance Costs of St. Lucie Unit No. 2 calculated in accordance with Exhibit No. 3.

Article 5 - Operation

FMPA's right to Exchange Capacity from St. Lucie Unit No. 1 shall not vest in FMPA any right, duty, or obligation to exercise any supervision or control over any aspect of the management, operation, maintenance, control and/or dispatch of or from St. Lucie Unit No. 1. St. Lucie No. 1 shall be controlled and dispatched in the sole discretion of FPL. FPL shall, in its sole discretion, make all decisions regarding management, operation and maintenance of St. Lucie Unit No. 1, including decisions

concerning the times and power levels at and at which St. Lucie Unit No. 1 is to be operated and decisions regarding refueling and suspension and termination of operation, and FMPA's rights to receive Power and Energy from St. Lucie Unit No. 1 are subject to FPL's rights to make such decisions.

Article 6 - Representations and Liability

Entering into this Agreement is not to be construed as a warranty or representation by either Party that Power or Energy from St. Lucie Unit No. 1 or St. Lucie Unit No. 2 will be available at any time. Neither Party, or its governing board members, directors, officers, Commissioners, Councilmen, agents, employees or contractors shall have any liability in contract, in tort or otherwise to the other Party for any direct, indirect or consequential loss, cost, damage or other expense incurred or sustained as a result of any failure to deliver Power or Energy or otherwise arising out of the performance of this Agreement, except for an intentional breach of this Agreement.

Article 7 - Delivery

Power and Energy associated with Exchange Capacity from St. Lucie Unit No. 1 shall be delivered to FPL for FMPA's account at the high voltage terminals of the generator step-up transformer(s) of St. Lucie Unit No. 1. Power and Energy associated with Exchange Capacity from St. Lucie Unit No. 2 shall

be delivered to FPL at the high voltage terminals of the generator step-up transformer(s) of St. Lucie Unit No. 2. In each instance, metering will be located at the generator terminals and at the low voltage side of each unit's step-up, auxiliary and start-up transformers, and appropriately adjusted for losses in those transformers. Differences between deliveries so determined and actual Net Energy will be determined after the fact on a monthly basis, and FPL will adjust deliveries in the following month or as soon thereafter as practicable to correct for any such differences, so that each Party will receive, as nearly as possible, the exact amount of Net Energy to which it is entitled.

Article 8 - Billing and Payment

8.1 On or before the tenth day of each month that this Agreement is in effect, beginning with the first calendar month after the month in which the exchange provided in Section 3.1 shall commence, FPL will calculate, in accordance with Exhibit 1 hereof, the St. Lucie Unit No. 1 and St. Lucie Unit No. 2 Fuel Costs for the preceding month and render a net billing statement showing the amounts due to each of the Parties and the Net Amount due from one Party to the other. The Party responsible for any net payment will pay such costs to the other Party on or before fifteen days after such rendition of the net billing statement.

8.2 By the first day of each month that this Agreement is in effect, beginning with the first calendar month after the month

in which the exchange provided in Section 3.1 shall commence, FPL will furnish to FMPA estimates in accordance with Exhibits 2 and 3 hereof of the St. Lucie Unit No. 1 and St. Lucie Unit No. 2 Production Operation and Maintenance Costs which are anticipated to be incurred in that month and the basis for each such estimate. (The first such estimates furnished by FPL will include such costs incurred or estimated to have been incurred during the first calendar month that this Agreement has been in effect.) Each such notification made by FPL shall be accompanied by a preliminary accounting of costs incurred for the third preceding month (if applicable). The estimates of costs to be incurred in the current month will be adjusted to reflect any difference between costs which were estimated to have been incurred in the third preceding month and the costs which were actually incurred in that month.

8.3 The amounts derived in Section 8.2 shall be netted against each other. The Party owing a net sum to the other will pay such sum on or before the fifteenth day of the month.

8.4 No interest shall be charged to FPL or FMPA for subsequent adjustments to estimated costs for the current month made by a preliminary accounting. However, FMPA shall have reasonable rights to audit or dispute a bill and should an audit or review reveal an underpayment or overpayment of costs billed pursuant to a preliminary accounting, the appropriate Party shall be liable for and shall be billed for any underpayment, or shall

be entitled too and shall receive a refund of any overpayment, on the next monthly statement rendered after the overpayment or underpayment has been discovered, with interest at the Prime Rate, but not to exceed the highest contract rate allowed by law from the date of payment pursuant to the preliminary accounting.

Article 9 - Remedies

9.1 Subject to the provisions of Article 6, in the event of a breach of this Agreement the non-breaching Party shall be free to seek such remedies at law or equity as may be available to it.

9.2 If FMPA's right to receive Power and Energy from all or part of its Ownership Percentage of St. Lucie Unit No. 2 is suspended pursuant to Section 33.4.1 of the Participation Agreement, the exchange provided in this Agreement shall be suspended during the term of such suspension. If FMPA's rights under the Participation Agreement are terminated pursuant to Section 33.4.3 of the Participation Agreement, the exchange provided in this Agreement shall also terminate at the same time.

9.3 Should either Party fail to make any payment required by this Agreement at the time provided herein, it shall be responsible for interest on any late payment at a daily rate based on the Prime Rate plus five percent (5%) per ahnum until paid; provided, however, that in no event shall interest accrue or be payable in excess of the highest contract rate allowed by

law. The Party failing to make such payment shall also be responsible for any costs incurred by the other Party in connection with collection of any late payment, including expenses and attorneys' and other professional fees.

Article 10 - Miscellaneous

10.1 Term of Agreement -

This Agreement will be effective from the first day of the first month following its execution and will thereafter continue in force and effect until the termination of the exchange in accordance with Section 3.6.

10.2 Assignment -

Neither Party may assign its rights or obligations under this Agreement except in connection with a conveyance of ownership interest in St. Lucie Unit No. 1 or St. Lucie Unit No. 2.

10.3 Binding on Successors and Assigns -

This Agreement shall be binding on the successors and assigns of each Party, and, insofar as permitted by law, on any receiver or trustee in bankruptcy, receivership, or reorganization of a Party. References herein to FPL and FMPA shall be deemed to include the successors thereof.

10.4 Regulation -

The Parties recognize that this Agreement must be filed with the FERC and is subject to the FERC's regulatory jurisdiction. The Parties agree not to seek, or lend their support to any effort to seek, any changes in this Agreement, upon or after filing of such Agreement with the FERC. If FERC conditions its initial acceptance or approval of this Agreement in a final order which requires modifications hereto which any Party is unwilling to accept, the Parties shall undertake, during the 90 days immediately following the issuance of such order, to renegotiate this Agreement to achieve such modifications as are necessary to restore the overall economic benefits to each Party to the levels provided for in this Agreement as originally executed. If such renegotiation does not produce a modified Agreement during the aforesaid 90-day period, each Party shall have the absolute right to withdraw from this Agreement.

If FERC or any other governmental agency or court have jurisdiction to do so, as a result of a proceeding or investigation not initiated contemporaneously with the filing of this Agreement, modifies this Agreement in a manner which alters the economic benefits flowing to either Party, the Parties shall forthwith undertake renegotiation of this Agreement in order to achieve such

modifications as are necessary to restore the overall economic benefits to each Party to the levels provided for in the Agreement as originally executed. No Party shall be required to renegotiate before such order becomes final and nonappealable or while any appeal from such final order is pending. Nothing in this Agreement shall be construed to prevent FPL from effecting, by unilateral filing with the FERC or otherwise, any changes in rates or service hereunder that are consistent with the provisions of this Agreement, including changes to reflect changes in the data used to determine the cost or amount of the exchange under Articles 3 and 4 of this Agreement; provided, however, that FMPA shall not be precluded from contesting whether any such change made or proposed by FPL is consistent with the terms of this Agreement.

10.5 Notice -

Any notice, demand or request by a Party pursuant to any provisions of this Agreement shall be made in writing and shall be delivered either in person, by prepaid telegram, or by first class mail, postage prepaid, to such officer of the Party as shall have executed this Agreement or his legally designated successor at the principal place of business of such Party. Such officer and address for notice may be changed from time to time by written notice of one Party to the other. If a post office box is designated as an address for notices, an alternate street address for notices shall also be designated.

A notice, demand or request is deemed to have been given or made: (1) upon receipt, if delivered in person or by telegram; or (2) as of the date of the signed return receipt, if delivered by first-class mail, certified return receipt requested.

IN WITNESS WHEREOF, the undersigned have executed this Agreement on this 26TH day of MARCH 1982.

ATTEST:

By _____
Secretary

FLORIDA POWER & LIGHT COMPANY

By _____
Senior Vice President

ATTEST:

By _____

FLORIDA MUNICIPAL POWER AGENCY

By _____

EXHIBIT NO. 1

Page 1

Determination of Fuel Cost Payments for Energy Supplied
By Any Owner Pursuant to this Agreement
For the Month of , 19 ___

Line No.			
1	Owner's kWh supplied pursuant to this Agreement		kWh
2	Rate in ¢/kWh applicable to kWh in Line 1 above:		
	a.	Based on fuel cost per kWh at St. Lucie Unit No. 1 Exhibit I, page 2, line 7.	¢/kWh
	b.	Based on fuel cost per kWh at St. Lucie Unit No. 2 Exhibit I, page 3, line 7.	¢/kWh
3	Monthly charge for fuel costs (Line 1 x higher of 2a or 2b)	$ _____	

EXHIBIT NO. 1

Page 2

Determination of FPL Actual Monthly
St. Lucie Unit No. 1 Fuel Costs Per kWh
For the Month of , 19

Line No.	Item	Amount	
	Nuclear Fuel Expense (Acct. No. 518) (a)	$	
1	Burned owned fuel		
2	Burned leased fuel		
3	Nuclear fuel disposal cost		
4	Other nuclear charges/credit		
5	Total fuel expense	$	
6	Net kWh generated by St. Lucie Unit No. 1 (b)		kWh
7	Line 5 divided by line 6 (in kWh)(b)		¢/kWh

(a) Amortization and cost determination to be consistent with the methodology used by FPL at its other nuclear stations at the time the calculation is made in accordance with the uniform system of accounts defined in Section 1.30 of the Participation Agreement but adjusted to exclude any nuclear fuel, fuel cycle services and related materials which FPL received as settlement of claims against third parties for losses or damages incurred prior to the effective date of exchange provided in the Agreement.

(b) If the calculation of ¢/kWh in line 7 is determined to be abnormal because of a monthly capacity factor of the unit less than 40%, then an adjustment will be made to net generation and nuclear fuel costs per kWh to reflect the normal percentage Station Service Requirements reasonably associated with a 70% capacity factor.

EXHIBIT NO. 1

Page 3

Determination of FPL Actual Monthly
St. Lucie Unit No. 2 Fuel Costs Per kWh
For the Month of , 19

Line No.	Item	Amount	
	Nuclear Fuel Expense (Acct. No. 518)(a)	$	
1	Burned owned fuel		
2	Burned leased fuel		
3	Nuclear fuel disposal cost		
4	Other nuclear charges/credit		
5	Total fuel expense	$	
6	Net kWh generated by St. Lucie Unit No. 2 (b)		kWh
7	Line 5 divided by line 6 (in kWh)(b)		¢/kWh

(a) Amortization and cost determination to be consistent with the methodology used by FPL at its other nuclear stations at the time the calculation is made in accordance with the uniform system of accounts defined in Section 1.30 of the Participation Agreement but adjusted to exclude any nuclear fuel, fuel cycle services and related materials which FPL received as settlement of claims against third parties for losses or damages incurred prior to the effective date of exchange provided in the Agreement.

(b) If the calculation of ¢/kWh in line 7 is determined to be abnormal because of a monthly capacity factor of the unit less than 40%, then an adjustment will be made to net generation and nuclear fuel costs per kWh to reflect the normal percentage Station Service Requirements reasonably associated with a 70% capacity factor.

EXHIBIT NO. 2

St. Lucie Unit No. 1 Production Operation and Maintenance Costs

The St. Lucie Unit No. 1 Production Operation and Maintenance costs shall be 100 percent of all operation and maintenance expenses properly allocable to St. Lucie Unit No. 1 plus 50 percent of all operation and maintenance expenses properly allocable to common facilities (as "Common Facilities" is defined in the Participation Agreement). The operation and maintenance expenses include the following:

(A) The operation expenses chargeable to FERC Accounts 517, 518 (excluding Nuclear Fuel Expenses); 519-525, inclusive, and 557.

(B) The maintenance expenses chargeable to FERC Accounts 528 to 532, inclusive.

(C) An allowance to reflect costs of payroll-related taxes, insurance, pensions and benefits determined in a manner consistent with the Company's practices for determining construction payroll.

These costs will be consistent with the costs billed FMPA in Section 6.3.3 and 6.4.2 of the St. Lucie Unit No. 2 Participation Agreement.

The amount which FMPA shall pay shall be calculated as follows:

Above Production O&M Costs x Exchange Capacity from St. Lucie Unit No. 1 expressed as a percentage, pursuant to Section 4.3.

EXHIBIT No. 3

St. Lucie Unit No. 2 Production Operation and Maintenance Costs

The St. Lucie Unit No. 2 Production Operation and Maintenance costs shall be 100 percent of all operation and maintenance expenses which FPL has billed to FMPA for St. Lucie Unit No. 2 in accordance with Section 6.3.3 of the St. Lucie Unit No. 2 Participation Agreement plus 100 percent of all operation and maintenance expenses which FPL has billed FMPA for Common Facilities (as "Common Facilities" is defined in the Participation Agreement) in accordance with Section 6.4.2 of the St. Lucie Unit No. 2 Particiation Agreement.

The amount which FPL shall pay shall be calculated as follows:

Above Production O&M Costs x 50 percent.