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15	

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RECEIVED

JAN 17 1994

V.S. Power Plant

AMENDMENT
FIRM TRANSPORTATION SERVICE AGREEMENT
RATE SCHEDULE FTS-2

THIS AMENDMENT is entered into on the 13th day of December, 1993, between Florida Gas Transmission Company ("Transporter"), a Delaware corporation and Florida Gas Utility ("Shipper"), a Florida Non-Profit Interlocal Joint Action Agency whose members consist of various Florida Municipalities.

W I T N E S S E T H

WHEREAS, Transporter and Shipper are parties to a Firm Transportation Service Agreement dated December 9, 1991, for service under Rate Schedule FTS-2 of Transporter's F.E.R.C. Gas Tariff ("FTS-2 Service Agreement") and Shipper is a Phase III Shipper; and,

WHEREAS, Transporter and Shipper are parties to the Offer of Settlement filed on August 25, 1992, in Docket No. CP92-182, et al., which represented the agreement between the parties resolving all non-environmental issues, including but not limited to, rate design, levelized rate methodology, cost allocation, supply area capacity, allocation of receipt point capacity, and terms and conditions of firm transportation service through Transporter's Phase III Expansion ("Settlement"); and,

WHEREAS, the parties agreed, pursuant to paragraph 3 of Article II (Negotiated Allocation Of Risk Among FGT And The Signatory Parties) of the Stipulation and Agreement contained in the Settlement, to execute, within sixty (60) days of Transporter's acceptance of an order from the Federal Energy Regulatory Commission ("Commission"), an amendment to the FTS-2 Service Agreement between Transporter and each Phase III Shipper that (i) incorporates the Rate Caps elected by such Phase III Shipper; and (ii) deletes any pre-existing termination rights of the Phase III Shipper under the FTS-2 Service Agreement or any related agreements between Transporter and Shipper; and,

WHEREAS, on September 15, 1993, the Commission issued an order, satisfactory to Transporter, in Docket No. CP92-182, et al., approving and accepting the Settlement without modification ("Order"); and,

WHEREAS, Transporter accepted the certificate issued by the Order on October 14, 1993; and,

WHEREAS, Transporter and Shipper desire to implement the amendment process agreed to in the Settlement, as approved by the Order.

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein, Transporter and Shipper agree as follows:

1. Section 3.1 of the FTS-2 Service Agreement is hereby deleted and replaced in its entirety with the following provisions:

During the first twenty (20) years of service under this Agreement, Shipper shall pay Transporter the lower of (1) the rates established under Transporter's Rate Schedule FTS-2, as filed with and approved by the FERC and as said Rate Schedule may hereafter be legally amended or superseded, or (2) the Final Rate Cap as determined below:

- (i) For the first two years of service, the Rate Cap shall be \$0.80 per MMBtu.
- (ii) Commencing on the third year of service and extending for a period of one year, the Rate Cap shall be \$0.82 per MMBtu.
- (iii) Commencing on the fourth year of service and extending for a period of one year, the Rate Cap shall be \$0.84 per MMBtu.
- (iv) Commencing on the fifth year of service and extending to the end of the eighth year of service, the Rate Cap shall be \$0.86 per MMBtu.
- (v) Commencing on the ninth year of service and extending to the end of the twentieth year of service, the Rate Cap shall be calculated as follows:

On each Anniversary ("Anniversary Date"), the Final Rate Cap to be effective for the subsequent twelve-month period shall be determined as the sum of (a) seventy percent (70%) of the Rate Cap which was effective for the eighth year of service ("Base Rate Cap") and (b) thirty percent (30%) of the Base Rate Cap escalated (but not decreased) through use of the GDP Implicit Price Deflator (or any substitute index that the parties mutually agree to in writing) determined by multiplying thirty percent (30%) of the Base Rate Cap by a fraction, the numerator of which is the GDP Implicit Price Deflator for the last calendar quarter immediately preceding the Anniversary Date and the denominator of which is the GDP Implicit Price Deflator for the calendar quarter immediately preceding the first month of the eighth year of service.

The Initial Base Rate Cap and all Final Rate Caps to be calculated hereunder are stated in nominal dollars and are 100 percent load factor rates, exclusive of all applicable surcharges and fuel. The Initial Base Rate Cap assumes the levelized rate methodology which Transporter filed for approval in the Offer of Settlement and Stipulation and Agreement of the parties in Docket No. CP92-

182, et al., on August 25, 1992 ("Settlement").

The Initial Base Rate Cap and any subsequent Rate Cap used in the calculation of a Final Rate Cap hereunder shall be adjusted for the impact of changes in State and Federal income tax rates by adding or subtracting from the applicable Rate Cap the difference between the applicable Commission approved rate and such rate as adjusted to include changes in State and/or Federal income tax rates utilizing the cost of service underlying such rate. In the event of changes in State and/or Federal income tax rates prior to the effectiveness of initial FTS-2 rates, the Rate Cap adjustment shall be determined by adding or subtracting the difference between the initial rates and the initial rates as recalculated to include the State and Federal income tax rates as included in the April 15, 1992 filing in Docket No. CP92-182-001.

Rate Cap adjustments shall be implemented on the date of effectiveness of tariff sheets filed by Transporter incorporating changes in State and/or Federal income tax rates.

The Initial Base Rate Cap is based on \$23.5 million of pipeline rehabilitation costs allocated to the existing cost-of-service. In the event more than \$23.5 million of rehabilitation costs are allocated to the existing cost-of-service, then the Initial Base Rate Cap and any subsequent Rate Cap used in the calculation of a Final Rate Cap shall be adjusted downward by \$.0006 per every \$1 million (or portion thereof) allocated to the existing cost-of-service over and above the \$23.5 million. In the event less than \$23.5 million of rehabilitation costs are allocated to the existing cost-of-service, then the Initial Base Rate Cap and any subsequent Rate Cap used in the calculation of a Final Rate Cap shall be adjusted upward by \$.0006 per every \$1 million (or portion thereof) less than the \$23.5 million currently allocated to the Phase III cost-of-service.

Shipper agrees that it shall not avail itself of any other Rate Cap that may be made available to it by the Commission.

2. Section 10.2(g) of Article 10 (Other Provisions) of the FTS-2 Service Agreement regarding Shipper's right to terminate in the event the Maximum Daily Transportation Quantity allocation was less than the amount stated in Shipper's Subscription Quantity Form is no longer applicable and shall be deleted in its entirety.

3. Letter Agreement dated December 5, 1991, and Letter dated November 25, 1991, providing assurances on capacity cost mitigation measures, protection on initial rates of service, and FGT's execution of the FTS-2 Service Agreement are either no longer applicable or have been satisfied; therefore, the Letter Agreement shall be terminated in its entirety and the Letter deemed to be of no further force or effect.

4. THIS AMENDMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS NOTWITHSTANDING ANY CONFLICT OF LAW RULES WHICH MAY REQUIRE THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION.

5. Upon execution by both parties, this Amendment shall be deemed effective for all purposes as of the date of the FTS-2 Service Agreement.

6. Transporter and Shipper each represent and warrant to the other, as applicable, that it is either (i) a corporation duly organized and validly existing under the laws of the State of its incorporation and has the power and authority to execute, deliver, and carry out the terms and provisions of the FTS-2 Service Agreement, as amended herein and in the Settlement; or (ii) has received all authorizations, consents, and approvals of governmental bodies, state or local agencies, committees, boards, or councils having jurisdiction, necessary to execute, deliver, and carry out the terms and provisions of the FTS-2 Service Agreement, as amended herein and in the Settlement.

7. Except as otherwise amended herein and in the Settlement, the FTS-2 Service Agreement, shall remain in full force and effect

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed as of the date written above by their duly authorized officers and representatives.

"Shipper"
FLORIDA GAS UTILITY

Katrina R. Vaughan

By: Katrina R. Vaughan

Title: General Manager

"Transporter"
FLORIDA GAS TRANSMISSION COMPANY

Peter E. Weidler

By: Peter E. Weidler

Title: Vice President of Marketing

Atty B

City of Vero Beach

100 - 17th STREET - P. O. BOX 1389
VERO BEACH, FLORIDA - 32961-1389
Telephone: (407) 567-5151
Fax: (407) 569-5981

MUNICIPAL POWER PLANT

June 22, 1993

Mr. Colin Botts
Florida Gas Transmission
Contract Management
1400 Smith St
Houston, Texas, 77251

Dear Colin,

This letter is to confirm the volume of firm transportation service-1 (FTS-1) entitlements under contract #3600 which the City of Vero Beach desires to have included in the Florida Gas Utility's (FGU) contract which will aggregate FTS-1 entitlement under the proposed restructured tariff.

All notices, payments and communications with respect to this Agreement shall be in writing and sent to the address stated below or at any other such address as may hereafter be designated in writing:

General Manager
Florida Gas Utility
P.O. Box 147117 Station A137
Gainesville, Florida 32614-7117
Telephone: 904-334-3400 ext. 1737, Fax: 904-334-2786

The City of Vero Beach herein requests the following volumes be included in the FGU FTS-1 contract, but remain entitled to the City of Vero Beach as a division of the aggregated contract.

Description of Point(s) of Delivery	POI	Maximum Daily Quantities (MMBtu)			
		Oct	Nov-March	April	May-Sept
1. Vero Beach Generating	16261	12,160	5,156	6,872	10,375
2. Fort Pierce Power Plant	16262	8,550	4,665	6,217	9,387
Total City of Vero Beach Division MDTQ		12,160	5,156	6,872	10,374

The City of Vero Beach hereby agrees to pay any and all charges which result from the reservation of the above capacity in the City of Vero Beach's behalf.

Mr. Colin Botts
 Florida Gas Transmission Contract Management
 June 22, 1993
 Page 2

The primary receipt points for this capacity are as follows:

Description of Point(s) of Receipt	POI	Maximum Daily Quantities (MMBtu)			
		Oct	Nov-March	April	May-Sept
1. Mustang Island 755/738 Subs	49112	556	956	1,160	0
2. Sun Starr	8798	3,952	956	1,388	3,848
3. CSX Residue	23060	2,693	1,142	1,522	1,748
4. NGPL Vermillion	57391	1,158	0	0	0
5. LRC Cow Island	16509	1,535	1,142	1,522	1,298
6. Acadian Assumption	58130	0	0	0	1,550
7. UGPL St Helena	10109	0	191	204	781
8. Prosper	10126	1,315	557	743	1,121
9. Tenn Stone Carnes	10258	1,315	367	539	341
Total VER Division MDTQ		12,524	5,311	7,078	10,687

The City of Vero Beach also wishes to aggregate the following NNTS service volumes into a single NNTS Addendum to Florida Gas Utility's FTS-1 service agreement, but remain entitled to the City of Vero Beach as a division of the aggregated contract.

Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec
2,000	2,000	1,000	1,000	1,500	1,500	1,500	1,500	1,500	2,000	1,000	2,000

The term of this service agreement shall be the underlying term applicable to the MDTQ and MDQ which is herein being aggregated. The City of Vero Beach selects the 10-year rollover provision, as put forth in Section 20-C-2 of the General Terms and Conditions of Florida Gas Transmission's FERC Gas Tariff Third Revised Volume, to be applicable to this aggregated MDTQ and MDQ.

Sincerely,

Jimmy Castleberry
 Jimmy Castleberry
 Supervisor of Energy Control



CITY OF VERO BEACH

POWER PLANT

Date: June 28, 1993

FACSIMILE TRANSMITTAL LETTER

To: Kelly Russ / Florida Gas Utility

From: Jimmy Castleberry / Vero Beach Municipal Power Plant

FAX Number:

Regarding: Letter of June 22, 1993

We are transmitting 3 pages including this cover page. If you do not receive all pages please telephone us immediately at (407) 562-7231

To send copy to us please use (407) 569-5981.

City of Vero Beach

100 - 17th STREET - P. O. BOX 1389
VERO BEACH, FLORIDA - 32961-1389
Telephone: (407) 567-5151
Fax: (407) 569-5981

MUNICIPAL POWER PLANT

June 11, 1993

Colin Botts
Florida Gas Transmission
Contract Management
1400 Smith St.
Houston, Texas 77251

Dear Mr. Botts:

This letter is in response to your letter dated June 3, 1993 regarding receipt point allocation nominations. Following is a table showing where Vero Beach wishes to place its unapproved preliminary firm receipt point requests per instruction in your letter:

Zone	Receipt Point	Description	Period	Amount (MMBtu)
1	8798	Sun Starr Plant	Oct	1698
1	8798	Sun Starr Plant	Apr	114
1	8798	Sun Starr Plant	May-Sep	1924
2	58130	Acadian Assumption	May-Sep	1550
3	10109	United St. Helena	Nov-Mar	191
3	10109	United St. Helena	Apr	204
3	10109	United St. Helena	May-Sep	339

If you have any questions, please call me at (407) 562-7231.

Sincerely,


Jimmy Castleberry
City of Vero Beach

FGT, file
cc: J. Callahan



Florida Gas Transmission Company

P. O. Box 945100 Maitland, Florida 32794-5100 (407) 875-5800

RECEIVED

SEP 21 1992

V.B. Power Plant

September 16, 1992

CERTIFIED MAIL

Mr. Tom Klaric
City Manager
City of Vero Beach
Post Office Box 1389
Vero Beach, FL 32960

Re: Temporary Increase in Firm Transportation Service for Agreement No. 3600

Dear Tom:

Enclosed for your files is one fully executed original each of the Letter Agreement amending the above Firm Transportation Service Agreement to temporarily increase your firm transportation capacity due to the relinquishment of capacity by Gainesville Regional Utilities. We have retained the second original for our files.

If you have any questions on this matter, please feel free to give me a call.

Very truly yours,

David Terlip
DAVID A. TERLIP
Account Director

DAT:ben
Enclosure





Florida Gas Transmission Company

P. O. Box 1188 Houston, Texas 77251-1188 (713) 853-6161

RECEIVED

SEP 21 1992

V.B. Power Plant

August 24, 1992

City of Vero Beach
P.O. Box 1389
Vero Beach, Florida 32961-1389

RE: Temporary Increase in Firm Transportation
Service Agreement No. 3600

Gentlemen:

This **LETTER AGREEMENT** made and entered into by and between Florida Gas Transmission Company ("FGT") and City of Vero Beach ("Shipper") amends the Firm Transportation Service Agreement dated July 1, 1991 between FGT and Shipper ("Service Agreement") in order to temporarily increase the Maximum Daily Transportation Quantities (MDTQ) and the Maximum Annual Transportation Quantity (MATQ) under the Service Agreement as a result of the temporary relinquishment of capacity by Gainesville Regional Utilities made pursuant to Section 13.5 of FGT's General Terms and Conditions. Notwithstanding any other provision of the Service Agreement and in consideration of the mutual covenants contained herein, FGT and Shipper agree as follows:

1. Shipper's MDTQ for September, 1992, as set forth in the Service Agreement's Fourth Revised Exhibit C dated July 17, 1992 shall be increased by 422 MMBtu per day. Such quantities, shall be available for receipt at the following FGT receipt points:

23060	CSX COW ISLAND PLANT OUTLET	253 MMBtu/d
10258	TENN STONE CARNES	182 MMBtu/D

Such quantities shall be available for delivery at the Points of Delivery specified in the Service Agreement's Fourth Revised Exhibit B dated July 17, 1992. Delivery of the additional quantities shall be subject to the provisions of the Service Agreement.

2. Shipper agrees to pay the applicable rate under its existing Service Agreement for such additional quantities for September, 1992.

1 Receipt point volumes inclusive of 3% fuel charge

CITY OF VERO BEACH
LETTER AGREEMENT
PAGE TWO

3. If Gainesville Regional Utilities fails to execute and return to FGT (via telefax or U.S. Mail) by 5:00 p.m. Central Time on or before August 24, 1992, an amendment to its existing Service Agreement reflecting the relinquishment of capacity, this Letter Agreement shall be null and void.
4. If Shipper fails to execute and return this Letter Agreement to FGT (via telefax or U.S. Mail) by 5:00 p.m. Central Time on or before August 24, 1992, this Letter Agreement shall be null and void.
5. This Letter Agreement only changes Shipper's MDTQ to the extent revised by this Letter Agreement. All other terms and conditions of the Service Agreement shall remain in effect.
6. This Letter Agreement shall expire at 8:00 a.m. Eastern Standard Time, on October 1, 1992, at which time the provisions of the Service Agreement effective immediately prior to this Letter Agreement shall go into effect.

If the foregoing sets forth our understanding, please indicate your acceptance and agreement hereto by signing and returning two (2) executed copies of this Agreement to the undersigned. A fully executed copy will be returned to you for your records.

FLORIDA GAS TRANSMISSION COMPANY

CITY OF VERO BEACH

BY: Wiley M. Gauthier

BY: J.M. Klasic

TITLE: Vice President, Marketing

TITLE: CITY MANAGER

DATE: September 15, 1992

DATE: August 24, 1992

File
cc: J. Castleberg



RECEIVED
APR 15 1992
V.B. Power Plant

H.D. KING ELECTRIC GENERATING PLANT
311 North Indian River Drive (34950)
Post Office Box 1298 (34954)
Fort Pierce, Florida
(407) 464-5792

April 8, 1992

Florida Gas Transmission Company
Enron Bldg.
1400 Smith Street, Suite 3807
P.O. Box 1188
Houston, TX 77002-1188

Attn: Tracey Prothro

Dear Mrs. Prothro:

Re: Relinquishment of Thermo Electron Corporation's
Firm Transportation Service

Please accept this letter as Fort Pierce Utilities Authority's official request for Firm Transportation Service for the following volumes:

2,750 MMBtu/Day	June 1, 1992 through September 30 1992
2,000 MMBtu/Day	October 1, 1992 through April 30, 1993
2,750 MMBtu/Day	May 1, 1993 through September 30, 1993
2,000 MMBtu/Day	October 1, 1993 through April 30, 1994
2,750 MMBtu/Day	May 1, 1994 through July 31, 1994

Fort Pierce Utilities Authority has Request #961 on Florida Gas Transmission's Log for Firm Transportation and #0127 unfulfilled request for Firm Service. Fort Pierce Utilities Authority presently has an existing Agreement for Firm Transportation Service.

If you have any further questions, please contact Tony Vincik or me.

Sincerely,

FORT PIERCE UTILITIES AUTHORITY

Harry Lamb, Supt.
Power Resources

TV/HL:m

pc: Tom Richards
Tony Vincik
Shuler Massey - Vero Beach

City of Vero Beach

100 - 17th STREET - P. O. BOX 1389

VERO BEACH, FLORIDA - 32961-1389

Telephone: (407) 562-7231

Fax: (407) 569-5981

MUNICIPAL POWER PLANT

April 8, 1992

Mr. Colin D. Botts
Contract Management
Florida Gas Transmission Company
P.O. Box 1188
1400 Smith Street
Houston, Texas 77251-1188

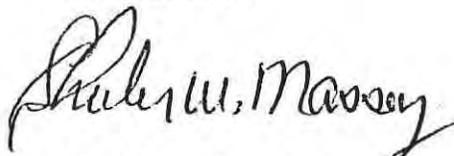
Dear Mr. Botts:

This letter constitutes formal notice of the City of Vero Beach's request for the Firm Transportation Natural Gas temporarily released by Thermoelectron as follows:

MMBtu/Day	Period		
2750	June, 1992	thru	September, 1992
2000	October, 1992	thru	April, 1993
2750	May, 1993	thru	September, 1993
2000	October, 1993	thru	April, 1994
2750	May, 1994	thru	July, 1994

The City of Vero Beach asks that the above described MMBtu's be transferred to Vero Beach in a Firm Transportation Service (FTS) Contract. If you have any questions, please call me at (407) 567-5151 ext: 301.

Sincerely,



Shuler W. Massey,
Director of Power Resources

SWM/js

cc: T. M. Klaric, CVB
Doug John
William Miller
Darin Cook

Certified Mail P 831 634 117

J. G. Gentry



originals - City Clerk
1 copy - S. Massey
1 copy - file

1-30-92/ja

Florida Gas Transmission Company

P. O. Box 945100 Maitland, Florida 32794-5100 (407) 875-5800

January 28, 1992

RECEIVED

JAN 31 1992

V.B. Power Plant

CERTIFIED MAIL

Mr. Tom Klaric
City Manager
City of Vero Beach
Post Office Box 1389
Vero Beach, FL 32960

**Re: Temporary Increase in Firm Transportation
Service Agreement No. 3600**

Dear Tom:

Enclosed for your files is one fully executed original of the Letter Agreement providing for the temporary increase in firm transportation for the above Service Agreement. We have retained the second set of originals for our files.

If you have any questions on this matter, please feel free to give me a call.

Very truly yours,

D. W. (BILL) MANUEL
Account Director

DWM:ben

Enclosures





Florida Gas Transmission Company

P. O. Box 1188 Houston, Texas 77251-1188 (713) 853-6161

December 19, 1991

City of Vero Beach
P.O. Box 1389
Vero Beach, Florida 32961-1389

RE: Temporary Increase in Firm Transportation
Service Agreement No. 3600

Gentlemen:

This **LETTER AGREEMENT** made and entered into by and between Florida Gas Transmission Company ("FGT") and City of Vero Beach ("Transporter") amends the Firm Transportation Service Agreement dated July 1, 1991 between FGT and Transporter ("Service Agreement") in order to temporarily increase the Maximum Daily Transportation Quantities (MDTQ) and the Maximum Annual Transportation Quantity (MATQ) under the Service Agreement as a result of the temporary relinquishment of capacity by Thermo-Electron Corporation made pursuant to Section 13.5 of FGT's General Terms and Conditions. Notwithstanding any other provision of the Service Agreement and in consideration of the mutual covenants contained herein, FGT and Transporter agree as follows:

1. Shipper's MDTQ for April of 1992, as set forth in the Service Agreement's Third Revised Exhibit C dated August 1, 1991 shall be increased by 2,000 MMBtu per day. Shipper's MDTQ for May of 1992, as set forth in the Service Agreement's Third Revised Exhibit C dated August 1, 1991 shall be increased by 678 MMBtu per day. Such quantities shall be available for delivery at the Points of Delivery specified in Third Revised Exhibit B to the Service Agreement. Delivery of additional quantities shall be subject to the provisions of the Service Agreement.
2. Shipper's MATQ as set forth in the Service Agreement's Third Revised Exhibit C dated August 1, 1991 shall be increased by 81,018 MMBtu per year.
3. Shipper agrees to pay the applicable rate under its existing Service Agreement for such additional quantities for April and May of 1992.
4. If Thermo-Electron Corporation fails to execute and return to FGT by 5:00 p.m. Central Time on or before December 31, 1991, an amendment to its existing Service Agreement reflecting the relinquishment of capacity, this Letter Agreement shall be null and void.

5. If Shipper fails to execute and return this Letter Agreement to FGT by 5:00 p.m. Central Time on or before December 30, 1991, this Letter Agreement shall be null and void.
6. This Letter Agreement only changes Shipper's MDTQ and MATQ to the extent revised by this Letter Agreement and all other terms and conditions of the Service Agreement shall remain in effect.
7. This Letter Agreement shall expire at 8:00 a.m. Eastern Standard Time, on June 1, 1992, at which time the provisions of the Service Agreement effective immediately prior to this Letter Agreement shall go into effect.

If the foregoing sets forth our understanding, please indicate your acceptance and agreement hereto by signing and returning two (2) executed copies of this Agreement to the undersigned. A fully executed copy will be returned to you for your records.

FLORIDA GAS TRANSMISSION COMPANY

BY: Wiley M. Cantler

TITLE: Vice President, Marketing

DATE: January 27, 1992

CITY OF VERO BEACH

BY: Shubert M. Massey

TITLE: Director of Power Resources

DATE: 12/26/91



Florida Gas Transmission Company

P. O. Box 1188 Houston, Texas 77251-1188 (713) 853-6161

December 19, 1991

City of Vero Beach
P.O. Box 1389
Vero Beach, Florida 32961-1389

RE: Temporary Increase in Firm Transportation
Service Agreement No. 3600

Gentlemen:

This **LETTER AGREEMENT** made and entered into by and between Florida Gas Transmission Company ("FGT") and City of Vero Beach ("Shipper") amends the Firm Transportation Service Agreement dated July 1, 1991 between FGT and Shipper ("Service Agreement") in order to temporarily increase the Maximum Daily Transportation Quantities (MDTQ) and the Maximum Annual Transportation Quantity (MATQ) under the Service Agreement as a result of the temporary relinquishment of capacity by St. Joe Natural Gas Company, Inc. made pursuant to Section 13.5 of FGT's General Terms and Conditions. Notwithstanding any other provision of the Service Agreement and in consideration of the mutual covenants contained herein, FGT and Shipper agree as follows:

1. Shipper's MDTQ for January and February of 1992, as set forth in the Service Agreement's Third Revised Exhibit C dated August 1, 1991 shall be increased by 555 MMBtu per day. Shipper's MDTQ for March of 1992, as set forth in the Service Agreement's Third Revised Exhibit C dated August 1, 1991 shall be increased by 1,376 MMBtu per day. Such quantities shall be available for delivery at the Points of Delivery specified in Third Revised Exhibit B to the Service Agreement and delivery of the additional quantities shall be subject to the provisions of the Service Agreement.
2. Shipper's MATQ as set forth in the Service Agreement's Third Revised Exhibit C dated August 1, 1991 shall be increased by 75,956 MMBtu per year.
3. Shipper agrees to pay the applicable rate under its existing Service Agreement for such additional quantities for January, February and March of 1992.
4. If St. Joe Natural Gas, Inc. fails to execute and return to FGT by 5:00 p.m. Central Time on or before December 31, 1991, an amendment to its existing Service Agreement reflecting the relinquishment of capacity, this Letter Agreement shall be null and void.

CITY OF VERO BEACH
LETTER AGREEMENT
PAGE TWO

5. If Shipper fails to execute and return this Letter Agreement to FGT by 5:00 p.m. Central Time on or before December 30, 1991, this Letter Agreement shall be null and void.
6. This Letter Agreement only changes Shipper's MDTQ and MATQ to the extent revised by this Letter Agreement and all other terms and conditions of the Service Agreement shall remain in effect.
7. This Letter Agreement shall expire at 8:00 a.m. Eastern Standard Time, on May 1, 1992, at which time the provisions of the Service Agreement effective immediately prior to this Letter Agreement shall go into effect.

If the foregoing sets forth our understanding, please indicate your acceptance and agreement hereto by signing and returning two (2) executed copies of this Agreement to the undersigned. A fully executed copy will be returned to you for your records.

FLORIDA GAS TRANSMISSION COMPANY

CITY OF VERO BEACH

BY: Wiley M. Caution

BY: Shuler W. Massey

TITLE: Vice President, Marketing

TITLE: Director of Plant Resources

DATE: January 27, 1992

DATE: 12/26/91

City of Vero Beach

100 - 17th STREET - P. O. BOX 1389
VERO BEACH, FLORIDA - 32961-1389
Telephone: (407) 562-7231

MUNICIPAL POWER PLANT

December 26, 1991

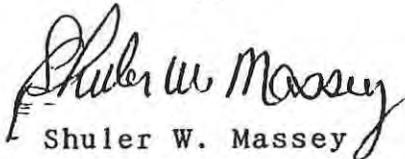
Tracey L. Prothro
Assoc. Contract Administrator
Florida Gas Transmission Company
P.O. Box 1188
Houston, Texas 77251-1188

Dear Ms. Prothro:

Please find enclosed two original Letter Agreements effectuating the increase of Vero Beach's MDTQ and MATQ as a result of the temporary relinquishment of FTS gas made by Thermo-Electron Corporation which have been executed by the City.

Should any additional action be required, please advise. Thank you.

Sincerely,



Shuler W. Massey
Director of Powder Resources

SWM/js

mail certified No. P 905 682 652



Florida Gas Transmission Company

P. O. Box 1188 Houston, Texas 77251-1188 (713) 853-6161

RECEIVED

DEC 26 1991

V.B. Power Plant

December 19, 1991

Mr. Shuler Massey
City of Vero Beach
P.O. Box 1389
Vero Beach, FL 32961-1389

RE: Temporary Relinquishment Letter Agreement

Dear Mr. Massey:

Please find enclosed two original Letter Agreements effectuating the increase of Vero Beach's MDTQ and MATQ as a result of the temporary relinquishment of FTS gas made by Thermo-Electron Corporation. This relinquishment is effective January 1, 1992.

Please execute and return these originals to my attention. Feel free to give me a call at (713) 853-6188 if you have any further questions.

Sincerely,

Tracey L. Prothro

Tracey L. Prothro
Assoc. Contract Administrator

Enclosures

cc: File 3600



CITY OF VERO BEACH

POWER PLANT

Date: December 26, 1991

FACSIMILE TRANSMITTAL LETTER

To: Tracey Prothro / Florida Gas Transmission Company
From: Shuler W. Massey / Vero Beach Municipal Power Plant
FAX Number: 1-713-853-7390
Regarding: Contracts

We are transmitting 7 pages including this cover page. If you do not receive all pages please telephone us immediately at (407) 562-7231

To send copy to us please use (407) 569-5981.

ENRON CORP
FLORIDA GAS TRANSMISSION COMPANY

1400 SMITH STREET

38TH FLOOR

HOUSTON, TEXAS 77002

TELECOPY (713) 853-7390

DATE 12-23-91

To Mr. Shuler Massey

COMPANY Vero Beach

TELECOPY NUMBER (407) 569-0130

FROM Tracy Prothro

TELEPHONE (713) 853-6188

NUMBER OF PAGES TO FOLLOW 6

PLEASE CALL THE ABOVE TELEPHONE NUMBER IF YOU DO NOT RECEIVE THE TRANSMISSION IN ITS ENTIRETY.

Please execute & return by fax. Originals mailed today.

Thank you!

RECEIVED
DEC 23 1991
V.B. Power Plant

TE

PAGE 001

4075690130

XEROX TELECOPIER 296 : 12-23-91: 1:09 PM: 713 853 7390
FROM FLORIDA GAS TRANS.CO.
DEC 23 '91 12:08

December 19, 1991

Mr. Shuler Massey
City of Vero Beach
P.O. Box 1389
Vero Beach, FL 32961-1389

RE: Temporary Relinquishment Letter Agreement

Dear Mr. Massey:

Please find enclosed two original Letter Agreements effectuating the increase of Vero Beach's MDTQ and MATQ as a result of the temporary relinquishment of FTS gas made by St. Joe Natural Gas. This relinquishment is effective January 1, 1992.

Please execute and return these originals to my attention. Feel free to give me a call at (713) 853-6188 if you have any further questions.

Sincerely,
Original Signed by:

Tracey L. Prothro
Assoc. Contract Administrator

Enclosures

cc: File 3600

December 19, 1991

City of Vero Beach
P.O. Box 1389
Vero Beach, Florida 32961-1389

RE: Temporary Increase in Firm Transportation
Service Agreement No. 3600

Gentlemen:

This **LETTER AGREEMENT** made and entered into by and between Florida Gas Transmission Company ("FGT") and City of Vero Beach ("Shipper") amends the Firm Transportation Service Agreement dated July 1, 1991 between FGT and Shipper ("Service Agreement") in order to temporarily increase the Maximum Daily Transportation Quantities (MDTQ) and the Maximum Annual Transportation Quantity (MATQ) under the Service Agreement as a result of the temporary relinquishment of capacity by St. Joe Natural Gas Company, Inc. made pursuant to Section 13.5 of FGT's General Terms and Conditions. Notwithstanding any other provision of the Service Agreement and in consideration of the mutual covenants contained herein, FGT and Shipper agree as follows:

1. Shipper's MDTQ for January and February of 1992, as set forth in the Service Agreement's Third Revised Exhibit C dated August 1, 1991 shall be increased by 555 MMBtu per day. Shipper's MDTQ for March of 1992, as set forth in the Service Agreement's Third Revised Exhibit C dated August 1, 1991 shall be increased by 1,376 MMBtu per day. Such quantities shall be available for delivery at the Points of Delivery specified in Third Revised Exhibit B to the Service Agreement and delivery of the additional quantities shall be subject to the provisions of the Service Agreement.
2. Shipper's MATQ as set forth in the Service Agreement's Third Revised Exhibit C dated August 1, 1991 shall be increased by 75,956 MMBtu per year.
3. Shipper agrees to pay the applicable rate under its existing Service Agreement for such additional quantities for January, February and March of 1992.
4. If St. Joe Natural Gas, Inc. fails to execute and return to FGT by 5:00 p.m. Central Time on or before December 31, 1991, an amendment to its existing Service Agreement reflecting the relinquishment of capacity, this Letter Agreement shall be null and void.

CITY OF VERO BEACH
LETTER AGREEMENT
PAGE TWO

5. If Shipper fails to execute and return this Letter Agreement to FGT by 5:00 p.m. Central Time on or before December 30, 1991, this Letter Agreement shall be null and void.
6. This Letter Agreement only changes Shipper's MDTQ and MATQ to the extent revised by this Letter Agreement and all other terms and conditions of the Service Agreement shall remain in effect.
7. This Letter Agreement shall expire at 8:00 a.m. Eastern Standard Time, on May 1, 1992, at which time the provisions of the Service Agreement effective immediately prior to this Letter Agreement shall go into effect.

If the foregoing sets forth our understanding, please indicate your acceptance and agreement hereto by signing and returning two (2) executed copies of this Agreement to the undersigned. A fully executed copy will be returned to you for your records.

FLORIDA GAS TRANSMISSION COMPANY

CITY OF VERO BEACH

BY: _____

BY: Shuler W. Mossey

TITLE: Vice President, Marketing

TITLE: Director of Power Revenue

DATE: _____

DATE: 12/26/91

December 19, 1991

Mr. Shuler Massey
City of Vero Beach
P.O. Box 1389
Vero Beach, FL 32961-1389

RE: Temporary Relinquishment Letter Agreement

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Original Signed by:
Tracey L. Prothro
Assoc. Contract Administrator

Enclosures

cc: File 3600

December 19, 1991

City of Vero Beach
P.O. Box 1389
Vero Beach, Florida 32961-1389

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2. Shipper's MATQ as set forth in the Service Agreement's Third Revised Exhibit C dated August 1, 1991 shall be increased by 81,018 MMBtu per year.
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CITY OF VERO BEACH
LETTER AGREEMENT
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FLORIDA GAS TRANSMISSION COMPANY

CITY OF VERO BEACH

BY: _____

BY: Charles W. Massey

TITLE: Vice President, Marketing

TITLE: Director of Dam Resource

DATE: _____

DATE: 12/26/91



CITY OF VERO BEACH

POWER PLANT

Date: December 26, 1991

FACSIMILE TRANSMITTAL LETTER

To: Tracey Prothro / Florida Gas Transmission Company
From: Shuler W. Massey / Vero Beach Municipal Power Plant
FAX Number: 1-713-853-7390
Regarding: Contracts

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To send copy to us please use (407) 569-5981.

ENRON CORP
FLORIDA GAS TRANSMISSION COMPANY

1400 SMITH STREET

38TH FLOOR

HOUSTON, TEXAS 77002

TELECOPY (713) 853-7390

DATE 12-23-91

To Mr. Shuler Massey

COMPANY Vero Beach

TELECOPY NUMBER (407) 569-0130

FROM Tracy Prothro

TELEPHONE (713) 853-6188

NUMBER OF PAGES TO FOLLOW 6

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Please execute & return by fax. Originals mailed today.

Thank you!

RECEIVED
DEC 23 1991
V.B. Power Plant

J & TE

4075890130 # 1
PAGE 001

XEROX TELECOPIER 286 ; 12-23-91; 1:09 PM; 713 853 7390
FROM FLORIDA GAS TRANS.CO.
DEC 23 '91 12:03

December 19, 1991

Mr. Shuler Massey
City of Vero Beach
P.O. Box 1389
Vero Beach, FL 32961-1389

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Original Signed by:

Tracey L. Prothro
Assoc. Contract Administrator

Enclosures

cc: File 3600

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City of Vero Beach
P.O. Box 1389
Vero Beach, Florida 32961-1389

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CITY OF VERO BEACH
LETTER AGREEMENT
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FLORIDA GAS TRANSMISSION COMPANY

CITY OF VERO BEACH

BY: _____

BY: Shuler W. Massey

TITLE: Vice President, Marketing

TITLE: Director of Power Revenue

DATE: _____

DATE: 12/26/91

December 19, 1991

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City of Vero Beach
P.O. Box 1389
Vero Beach, FL 32961-1389

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Original Signed by:
Tracey L. Prothro
Assoc. Contract Administrator

Enclosures

cc: File 3600

December 19, 1991

City of Vero Beach
P.O. Box 1389
Vero Beach, Florida 32961-1389

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CITY OF VERO BEACH
LETTER AGREEMENT
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FLORIDA GAS TRANSMISSION COMPANY

CITY OF VERO BEACH

BY: _____

BY: Charles W. Massey

TITLE: Vice President, Marketing

TITLE: Director of Dam Resource

DATE: _____

DATE: 12/26/91

City of Vero Beach

100 - 17th STREET - P. O. BOX 1389
VERO BEACH, FLORIDA - 32961-1389
Telephone: (407) 562-7231

MUNICIPAL POWER PLANT

November 8, 1991

Mr. Colin Botts
Florida Gas Transmission Company
Contract Management
1400 Smith Street
Houston, Texas 77251

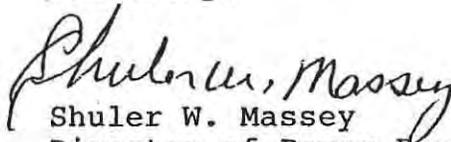
Dear Mr. Botts:

This letter constitutes formal notice of the City of Vero Beach's request for firm transportation natural gas temporarily released by Thermo Electron Corporation in the following amounts:

January, 1991	2,000 MMBtu/Day
February, 1991	2,000 MMBtu/Day
March, 1991	2,000 MMBtu/Day
April, 1991	2,000 MMBtu/Day
May, 1991	2,000 MMBtu/Day

The City of Vero Beach requests this gas as Firm Transportation and is not valid for any other type of firm service. If you have any questions, please call Jimmy Castleberry at (407) 562-7231.

Sincerely,


Shuler W. Massey
Director of Power Resources

SWM/js

cc: Jimmy Castleberry, CVB
T. M. Klaric, CVB

DRAFT

November 8, 1991

Colin Botts
Florida Gas Transmission
Contract Management
1400 Smith St.
Houston, Texas 77251

Dear Mr. Botts:

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January, 1992	2,000 MMBtu/Day
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March, 1992	2,000 MMBtu/Day
April, 1992	2,000 MMBtu/Day
May, 1992	2,000 MMBtu/Day

The City of Vero Beach requests this gas as Firm Transportation and is not valid for any other type of firm service. If you have any questions, please call me at (407) 567-5151.

Sincerely,

Tom Klaric
City of Vero Beach

SERVICE AGREEMENT
FOR FIRM TRANSPORTATION SERVICE

RECEIVED
SEP 13 1991
V.B. Power Plant

THIS AGREEMENT entered into this 1st day of July, 1991, by and between FLORIDA GAS TRANSMISSION COMPANY a Corporation of the State of Delaware (herein called "Transporter"), and CITY OF VERO BEACH, (herein called "Shipper").

W I T N E S S E T H :

WHEREAS, Shipper wishes to purchase firm natural gas transportation service from Transporter and Transporter wishes to provide firm natural gas transportation service to Shipper; and

WHEREAS, Shipper has completed and submitted to Transporter a valid request for transportation service under Rate Schedule FTS-1 ("Request"); and

WHEREAS, in accordance with such Request, such service will be provided by Transporter for Shipper in accordance with the terms hereof.

NOW THEREFORE, in consideration of the premises and of the mutual covenants and agreements herein contained, the sufficiency of which is hereby acknowledged, Transporter and Shipper do covenant and agree as follows:

ARTICLE I
Definitions

In addition to the definitions incorporated herein through Transporter's Rate Schedule FTS-1, the following terms when used herein shall have the meanings set forth below:

CONTRACT NO. 3600

1.1 The term "Gas" shall mean pipeline quality natural gas which complies with the quality provisions set forth in the General Terms and Conditions of Transporter's effective FERC Gas Tariff, Volume No. 1, and includes gas well gas, casinghead gas and residue gas remaining after processing thereof.

1.2 The term "Rate Schedule FTS-1" shall mean Transporter's Rate Schedule FTS-1 as filed with the FERC as changed and adjusted from time to time by Transporter in accordance with Section 3.3 hereof or in compliance with any final FERC order affecting such rate schedule.

1.3 The term "FERC" shall mean the Federal Energy Regulatory Commission or any successor regulatory agency or body, including the Congress, which has authority to regulate the rates and services of Transporter.

ARTICLE II Quantity

2.1 The Maximum Annual Transportation Quantity (the "MATQ") per service year shall be set forth in Exhibit C attached hereto; provided, however, that the MATQ shall not exceed the sum of the seasonal Maximum Daily Transportation Quantities set forth in Exhibit C hereto times the number of days in the applicable season. In the case of a fractional Service Year, the MATQ shall equal the MATQ for a full Service Year times the number of days in the fractional Service Year, divided by 365.

2.2 The Maximum Daily Transportation Quantity ("MDTQ") shall be set forth in Exhibit C attached hereto. The applicable MDTQ shall be the largest daily quantity of gas Shipper may

tender for transportation in the aggregate to all Points of Receipt, exclusive of Transporter's Fuel if applicable, and receive at all Point(s) of Delivery as specified on Exhibits A and B hereto on any day.

2.3 Shipper may tender natural gas for transportation to Transporter up to the MATQ in any Service Year and, on any day, up to the MDTQ plus Transporter's Fuel, if applicable. Transporter agrees to receive the aggregate of the quantities of natural gas that Shipper tenders for transportation at the Receipt Points, up to the maximum daily quantity specified for each such Point on Exhibit A hereto, and to transport and deliver to Shipper at each Delivery Point specified on Exhibit B, up to the maximum daily quantity specified for each such point on Exhibit B, the amount tendered by Shipper less Transporter's Fuel, if applicable (as provided in Rate Schedule FTS-1), provided, however, that Transporter shall never be required to transport and deliver in any Service Year more than the MATQ or on any day more than the MDTQ. Transporter's and Shipper's obligations hereunder shall be subject to the provisions of any final FERC order determining an allocation of capacity of Transporter's gas pipeline transmission system.

ARTICLE III
Rate Schedule

3.1 Upon the commencement of service hereunder, Shipper shall pay Transporter, for all service rendered hereunder, the rates established under Transporter's Rate Schedule FTS-1 as

filed with the FERC and as said Rate Schedule may hereafter be legally amended or superseded.

3.2 This Agreement in all respects shall be and remain subject to the provisions of said Rate Schedule and of the applicable provisions of the General Terms and Conditions of Transporter on file with the FERC (as the same may hereafter be legally amended or superseded), all of which are made a part hereof by this reference.

3.3. Transporter shall have the unilateral right to file with the appropriate regulatory authority and make changes authorized by such authority in (a) the rates and charges applicable to its Rate Schedule FTS-1, (b) Rate Schedule FTS-1 pursuant to which this service is rendered; provided, however, that the firm character of service shall not be subject to change hereunder, or (c) any provisions of the General Terms and Conditions applicable to Rate Schedule FTS-1. Transporter agrees that Shipper may protest or contest the aforementioned filings, or seek authorization from duly constituted regulatory authorities for such adjustment of Transporter's existing FERC Gas Tariff as may be found necessary in order to assure that the provisions in (a), (b), or (c) above are just and reasonable.

ARTICLE IV
Term of Agreement

4.1 This Agreement shall be effective on July 1, 1991 and shall continue in effect for a primary term of fifteen (15) years from the initial delivery date of the Natural Gas Contract (Direct Sale) for Firm Service dated November 1, 1989 and from

year to year thereafter unless and until terminated either by Transporter or by Shipper upon one hundred eighty (180) days prior written notice to the other specifying a termination date at the end of any yearly period thereafter.

4.2 Service hereunder shall commence as set forth in Section 2 of Rate Schedule FTS-1.

ARTICLE V
Point(s) of Receipt and Delivery
and Maximum Daily Quantities

5.1 The Point(s) of Receipt and maximum daily quantity for each point(s), for all gas delivered by Shipper into Transporter's pipeline system under this Agreement shall be at the Point(s) of Receipt on Transporter's pipeline system as set forth in Exhibit A attached hereto.

5.2 The Point(s) of Delivery and maximum daily quantity for each point(s) for all gas delivered by Transporter to Shipper, or for the account of Shipper, under this Agreement shall be at the Point(s) of Delivery as set forth in Exhibit B.

ARTICLE VI
Notices

All notices, payments and communications with respect to this Agreement shall be in writing and sent to the addresses stated below or at any other such address as may hereafter be designated in writing:

CONTRACT NO. 3600

ADMINISTRATIVE MATTERS

Transporter: Florida Gas Transmission Company
P. O. Box 1188
Houston, Texas 77251-1188
Attention: Contract Management Department

Shipper: City of Vero Beach
P. O. Box 1389
Vero Beach, FL 32461-1389

PAYMENT BY WIRE TRANSFER

Transporter: Florida Gas Transmission Company
NCNB National Bank
Account No. 001658806
Charlotte, North Carolina

ARTICLE VII
Facilities

Transporter shall not be obligated to, but may, at its sole discretion, construct or acquire new facilities, or expand existing facilities, in order to perform service under this Agreement. For purposes of this Agreement and Section 11 of Rate Schedule FTS-1, an expanded facility shall be deemed to be a new facility. If in Transporter's reasonable judgment it is necessary to construct or acquire new facilities, or to expand existing facilities, in order to enable Transporter to receive or deliver Shipper's MDTQ at the Point(s) of Receipt and Delivery, and Transporter determines as provided herein to construct, acquire, or expand such facilities, then Transporter shall notify Shipper of the additional cost required, and such facilities shall, subject to the receipt and acceptance by Transporter of any necessary authorizations, permits and approvals, be

CONTRACT NO. 3600

constructed, acquired or expanded to permit the receipt and delivery of gas as provided for herein. Shipper agrees to reimburse Transporter, promptly upon receipt of Transporter's invoices, for all costs and expenses incurred under this Article VII by Transporter for any facilities, other than electronic measurement and data communications equipment for existing meters, including without limiting the foregoing, the cost of any tap, electronic measurement equipment or data communications equipment for new meters, and appurtenant equipment and materials, and overhead expenses. To the extent such reimbursement qualifies as a contribution in aid of construction under the Tax Reform Act of 1986, P.L. 99-514 (1986), Shipper also shall reimburse Transporter for the income taxes incurred by Transporter as a direct result of such contribution in aid of construction by Shipper, as calculated pursuant to the Commission's order in Transwestern Pipeline Company, 45 FERC Paragraph 61,116 (1988). Transporter shall have title to and the exclusive right to operate and maintain all such facilities.

ARTICLE VIII
Regulatory Authorizations and Approvals

8.1 Transporter's obligation to provide service is conditioned upon receipt and acceptance of any necessary regulatory authorization to provide Firm Transportation Service to Shipper in accordance with the terms of Rate Schedule FTS-1 and this Service Agreement. Shipper agrees to reimburse

Transporter for all reporting and/or filing fees incurred by Transporter in providing service under this Service Agreement.

ARTICLE IX
Pressure

9.1 The quantities of gas delivered or caused to be delivered by Shipper to Transporter hereunder shall be delivered into Transporter's pipeline system at a pressure sufficient to enter Transporter's system, but in no event shall such gas be delivered at a pressure exceeding the maximum authorized operating pressure or such other pressure as Transporter permits at the Point(s) of Receipt.

9.2 Transporter shall have no obligation to provide compression and/or alter its system operations to effectuate deliveries at the Point(s) of Delivery hereunder.

ARTICLE X
Other Provisions

10.1 None.

ARTICLE XI
Miscellaneous

11.1 This Agreement shall bind and benefit the successors and assigns of the respective parties hereto; provided, however, neither party shall assign this Agreement or any of its rights or obligations hereunder without first obtaining the written consent of the other party.

11.2 No waiver by either party of any one or more defaults by the other in the performance of any provisions of this

CONTRACT NO. 3600

Agreement shall operate or be construed as a waiver of any future defaults of a like or different character.

11.3 THIS AGREEMENT SHALL BE GOVERNED BY AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS.

11.4 This Agreement contains Exhibits A, B and C which are incorporated fully herein.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by their duly authorized officers effective as of the date first written above.

TRANSPORTER

SHIPPER

FLORIDA GAS TRANSMISSION COMPANY

CITY OF VERO BEACH

By: Wiley M. Caution RB

By: J. M. Klavis

Title: Vice President, Marketing

Title: CITY MANAGER

Date: September 4, 1991

Date: AUGUST 12, 1991

Exhibit A
 to
 Firm Gas Transportation Service Agreement
 Between
 Florida Gas Transmission Company
 and
 City of Vero Beach
 Dated
 July 1, 1991

Description of Point(s) of <u>Receipt</u>	<u>POI</u>	<u>Maximum Daily Quantities*</u> (MMBtu)			
		<u>Oct.</u>	<u>Nov-March</u>	<u>April</u>	<u>May-Sept</u>
Plant Sun Starr County	8798	2160	622	622	1934

* Inclusive of 2.7% for Fuel

Date of this Exhibit A: July 1, 1991

CONTRACT NO. 3600

First Revised Exhibit A
to
Firm Gas Transportation Service Agreement
Between
Florida Gas Transmission Company
and
City of Vero Beach
Dated
July 1, 1991

Description of Point(s) of Receipt	POI	Maximum Daily Quantities* (MMBtu)			
		Oct.	Nov-March	April	May-Sept
Plant Sun Starr County	8798	2166	624	624	1939

This First Revised Exhibit A shall supersede original Exhibit A attached hereto in its entirety on the "in-service date of the Phase II Facilities", as that term is defined in the Stipulation and Agreement filed by Seller on October 16, 1989, in Docket Nos. RP89-50, et al.

* Buyer and Seller agree to amend the First Revised Exhibit A be effective concurrently with the "in-service date of the Phase II Facilities", to reflect any conversions to firm transportation service exercised by Buyer subsequent to the date of this Exhibit.

* Inclusive of 3.0% for Fuel

ACCEPTED AND AGREED TO THIS
4th. DAY OF September, 1991

ACCEPTED AND AGREED TO THIS
12TH DAY OF AUGUST, 1991

TRANSPORTER

SHIPPER

FLORIDA GAS TRANSMISSION COMPANY

CITY OF VERO BEACH

By: Wiley M. Caution TCB

By: J.M. Klauic

Title: Vice President, Marketing

Title: CITY MANAGER

Date: September 4, 1991

Date: AUGUST 12, 1991

Date of this First Revised Exhibit A: July 1, 1991

CONTRACT NO. 3600

Second Revised Exhibit A
to
Firm Gas Transportation Service Agreement
Between
Florida Gas Transmission Company
and
City of Vero Beach
Dated
July 1, 1991

Description of Point(s) of Receipt	POI	<u>Maximum Daily Quantities*</u> (MMBtu)			
		<u>Oct.</u>	<u>Nov-March</u>	<u>April</u>	<u>May-Sept</u>
Plant Sun Starr County	8798	2912	935	935	2901

This Second Revised Exhibit A shall be superseded in its entirety by Third Revised Exhibit A attached hereto upon the "in-service date of the Phase II Facilities", as that term is defined in the Stipulation and Agreement filed by Seller on October 16, 1989, in Docket Nos. RP89-50, et al.

* Inclusive of 2.7% for Fuel

ACCEPTED AND AGREED TO THIS
4th. DAY OF September, 1991

ACCEPTED AND AGREED TO THIS
12th DAY OF AUGUST, 1991

TRANSPORTER

SHIPPER

FLORIDA GAS TRANSMISSION COMPANY

CITY OF VERO BEACH

By: Wiley M. Caution RB

By: J.M. Klauic

Title: Vice President, Marketing

Title: CITY MANAGER

Date: September 4, 1991

Date: AUGUST 12, 1991

Date of this Second Revised Exhibit A superseding original Exhibit A dated July 1, 1991: August 1, 1991

Third Revised Exhibit A
to
Firm Gas Transportation Service Agreement
Between
Florida Gas Transmission Company
and
City of Vero Beach
Dated
July 1, 1991

Description of Point(s) of Receipt	POI	Maximum Daily Quantities* (MMBtu)			
		Oct.	Nov-March	April	May-Sept
Plant Sun Starr County	8798	2920	1593	2124	3206

This Third Revised Exhibit A shall supersede Second Revised Exhibit A attached hereto in its entirety on the "in-service date of the Phase II Facilities", as that term is defined in the Stipulation and Agreement filed by Seller on October 16, 1989, in Docket Nos. RP89-50, et al.

* Buyer and Seller agree to amend this Third Revised Exhibit A be effective concurrently with the "in-service date of the Phase II Facilities", to reflect any conversions to firm transportation service exercised by Buyer subsequent to the date of this Exhibit.

* Inclusive of 3.0% for Fuel

ACCEPTED AND AGREED TO THIS
4th. DAY OF September, 1991

ACCEPTED AND AGREED TO THIS
12TH DAY OF AUGUST, 1991

TRANSPORTER

SHIPPER

FLORIDA GAS TRANSMISSION COMPANY

CITY OF VERO BEACH

By: Wiley M. Cauthen ^{ccB}

By: J.M. Klavic

Title: Vice President, Marketing

Title: CITY MANAGER

Date: September 4, 1991

Date: AUGUST 12, 1991

Date of this Third Revised Exhibit A superseding First Revised Exhibit A dated July 1, 1991: August 1, 1991

Exhibit B
to
Firm Gas Transportation Service Agreement
Between
Florida Gas Transmission Company
and
City of Vero Beach
Dated
July 1, 1991

Point(s) of Delivery

<u>Description of Point(s) of Delivery</u>	<u>POI #</u>	<u>Maximum Daily Quantities*</u> (MMBtu)			
		<u>Oct</u>	<u>Nov-March</u>	<u>April</u>	<u>May-Sept</u>
Vero Beach Generating	16261	1103	306	306	1000
Fort Pierce Power Plant	16262	1000	300	300	883

Date of this Exhibit B: July 1, 1991

First Revised Exhibit B
to
Firm Gas Transportation Service Agreement
Between
Florida Gas Transmission Company
and
City of Vero Beach
Dated
July 1, 1991

Point(s) of Delivery

Description of Point(s) of Delivery	POI	Maximum Daily Quantities (MMBTU)			
		Oct	Nov-Mar	April	May-Sept
Vero Beach Generating	16261	1103	306	306	1000
Fort Pierce Power Plant	16262	1000	300	300	883

This First Revised Exhibit B shall supersede original Exhibit B attached hereto in its entirety on the "in-service date of the Phase II Facilities", as that term is defined in the Stipulation and Agreement filed by Seller on October 16, 1989, in Docket Nos. RP89-50, et al.

* Buyer and Seller agree to amend the First Revised Exhibit B to be effective concurrently with the "in-service date of the Phase II Facilities", to reflect any conversions to firm transportation service exercised by Buyer subsequent to the date of this Exhibit.

ACCEPTED AND AGREED TO THIS
4th DAY OF September, 1991

ACCEPTED AND AGREED TO THIS
12th DAY OF AUGUST, 1991

TRANSPORTER

SHIPPER

FLORIDA GAS TRANSMISSION COMPANY

CITY OF VERO BEACH

By: Wiley M. Conlithen

By: J. M. Klavic

Title: Vice President, Marketing

Title: CITY MANAGER

Date: September 4, 1991

Date: AUGUST 12, 1991

Date of this First Revised Exhibit B: July 1, 1991

CONTRACT NO. 3600

Second Revised Exhibit B
to
Firm Gas Transportation Service Agreement
Between
Florida Gas Transmission Company
and
City of Vero Beach
Dated
July 1, 1991

Point(s) of Delivery

<u>Description of Point(s) of Delivery</u>	<u>Maximum Daily Quantities*</u> (MMBtu)				
	<u>POI #</u>	<u>Oct</u>	<u>Nov-March</u>	<u>April</u>	<u>May-Sept</u>
Vero Beach Generating	16261	1418	455	455	1412
Fort Pierce Power Plant	16262	1417	455	455	1413

This Second Revised Exhibit B shall supersede in its entirety by Third Revised Exhibit B attached hereto upon the "in-service date of the Phase II Facilities", as that term is defined in the Stipulation and Agreement filed by Seller on October 16, 1989, in Docket Nos. RP89-50, et al.

ACCEPTED AND AGREED TO THIS
4th DAY OF September, 1991

TRANSPORTER

FLORIDA GAS TRANSMISSION COMPANY

By: Wiley M. Cauthers

Title: Vice President, Marketing

Date: September 4, 1991

ACCEPTED AND AGREED TO THIS
12th DAY OF AUGUST, 1991

SHIPPER

CITY OF VERO BEACH

By: J.M. Glavin

Title: CITY MANAGER

Date: AUGUST 12, 1991

Date of this Second Revised Exhibit B superseding original Exhibit B dated July 1, 1991: August 1, 1991

Third Revised Exhibit B
to
Firm Gas Transportation Service Agreement
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Florida Gas Transmission Company
and
City of Vero Beach
Dated
July 1, 1991

Point(s) of Delivery

<u>Description of Point(s) of Delivery</u>	<u>POI</u>	<u>Maximum Daily Quantities</u> (MMBTU)			
		<u>Oct</u>	<u>Nov-Mar</u>	<u>April</u>	<u>May-Sept</u>
Vero Beach Generating	16261	1417	773	1031	1556
Fort Pierce Power Plant	16262	1418	774	1031	1557

This Third Revised Exhibit B shall supersede Second Revised Exhibit B attached hereto in its entirety on the "in-service date of the Phase II Facilities", as that term is defined in the Stipulation and Agreement filed by Seller on October 16, 1989, in Docket Nos. RP89-50, et al.

- * Buyer and Seller agree to amend this Third Revised Exhibit B to be effective concurrently with the "in-service date of the Phase II Facilities", to reflect any conversions to firm transportation service exercised by Buyer subsequent to the date of this Exhibit.

ACCEPTED AND AGREED TO THIS
4th DAY OF September, 1991

ACCEPTED AND AGREED TO THIS
12th DAY OF AUGUST, 1991

TRANSPORTER

SHIPPER

FLORIDA GAS TRANSMISSION COMPANY

CITY OF VERO BEACH

By: Willy M. Carthen
Title: Vice President, Marketing

By: J.M. Klauis
Title: CITY MANAGER

Date: September 4, 1991

Date: AUGUST 12, 1991

Date of this Third Revised Exhibit B superseding First Revised Exhibit B dated July 1, 1991: August 1, 1991

Exhibit C
To
Firm Gas Transportation Service Agreement
Between
Florida Gas Transmission Company
And
City Of Vero Beach
Dated
July 1, 1991

Maximum Daily Transportation Quantity

During each day of the months indicated below, the MDTQ applicable hereunder shall be as set forth below:

<u>Period</u>	<u>MDTO (MMBTU)</u>
October	2103
November-March	606
April	606
May-September	1883

Maximum Annual Transportation Quantity: 463,112 MMBTU

Date of this Exhibit C: July 1, 1991

CONTRACT NO. 3600

First Revised Exhibit C
To
Firm Gas Transportation Service Agreement
Between
Florida Gas Transmission Company
And
City Of Vero Beach
Dated
July 1, 1991

Maximum Daily Transportation Quantity

During each day of the months indicated below, the MDTQ applicable hereunder shall be as set forth below:

<u>Period</u>	<u>MDTQ (MMBTU)</u>
October	2103
November-March	606
April	606
May-September	1883

Maximum Annual Transportation Quantity: 463,112 MMBTU

Date of this First Revised Exhibit C: July 1, 1991

CONTRACT NO. 3600

Second Revised Exhibit C
To
Firm Gas Transportation Service Agreement
Between
Florida Gas Transmission Company
And
City Of Vero Beach
Dated
July 1, 1991

Maximum Daily Transportation Quantity

During each day of the months indicated below, the MDTQ applicable hereunder shall be as set forth below:

<u>Period</u>	<u>MDTO (MMBTU)</u>
October	2835
November-March	910
April	910
May-September	2825

Maximum Annual Transportation Quantity: 684,763 MMBTU

This Second Revised Exhibit C shall be superseded in its entirety by Third Revised Exhibit C attached hereto upon the "in-service date of the Phase II Facilities", as that term is defined in the Stipulation and Agreement filed by Seller on October 16, 1989, in Docket Nos. RP89-50, et al.

TRANSPORTER

SHIPPER

FLORIDA GAS TRANSMISSION COMPANY

CITY OF VERO BEACH

By: Wiley M. Cauffman

By: J.M. Klavic

Title: Vice President, Marketing

Title: CITY MANAGER

Date: September 4, 1991

Date: AUGUST 12, 1991

Date of this Second Revised Exhibit C superseding original Exhibit C dated July 1, 1991: August 1, 1991

Third Revised Exhibit C
To
Firm Gas Transportation Service Agreement
Between
Florida Gas Transmission Company
And
City Of Vero Beach
Dated
July 1, 1991

Maximum Daily Transportation Quantity

During each day of the months indicated below, the MDTQ applicable hereunder shall be as set forth below:

<u>Period</u>	<u>MDTO (MMBTU)</u>
October	2835
November-March	1547
April	2062
May-September	3113

Maximum Annual Transportation Quantity: 859,512 MMBTU

TRANSPORTER

SHIPPER

FLORIDA GAS TRANSMISSION COMPANY

CITY OF VERO BEACH

By: Wiley M. Coulter *WB*

By: J. M. Kharic

Title: Vice President, Marketing

Title: CITY MANAGER

Date: September 4, 1991

Date: AUGUST 12, 1991

Date of this Third Revised Exhibit C superseding First Revised Exhibit C dated July 1, 1991: August 1, 1991

**Florida Gas Utility
"FGU"**

POST OFFICE BOX 490 STATION 52
700 S.E. 3RD ST.

GAINESVILLE, FLORIDA 32602

TEL: (904) 334-2955

FAX: (904) 334-2786

TELECOPY

DATE: 9/11/91

TIME:

TO: Jimmy Castleberry
City of Vero Beach

RECEIVED

PHONE #

SEP 12 1991

V.B. POWER PLANT

TELECOPY#

FROM: Darin R. Cook

COMMENTS:

Following is a draft letter that requests the waiving of 5650 MMBtu of your FD entitlement during the time period your unit will be down. Please describe in this letter some specifics as to why the unit will be brought down. This waiver will save the City of Vero Beach over \$12,000 in demand charges if the duration of the unit being brought down remains as expected. If you have any question, please call me at (904) 334-2980.

Number of Pages (Including this page) 2

City of Vero Beach

1053 - 20th PLACE - P. O. BOX 1389
VERO BEACH, FLORIDA - 32961-1389
Telephone: (407) 567-5151

OFFICE OF THE
CITY MANAGER

September 12, 1991

Mr. Colin Botts, Contract Management
Florida Gas Transmission Company
1400 Smith Street Houston, Texas 77251

Dear Mr. Botts:

This letter constitutes formal notice of the City of Vero Beach's intention to claim a Force Majeure situation under section 8A and 8C of the General Terms and Conditions of the Florida Gas Transmission Company's FERC Gas Tariff.

During the time period of September 14, 1991 through September 24, 1991, Vero Beach will be bringing one of its gas units down to perform maintenance work. This unit comprises 60% of the usage of the total gas capacity of Vero Beach. In accordance with the section of the tariff quoted, Vero Beach requests that demand charges for 60% of our firm entitlement in the amount of 5650 MMBtu/Day be waived out of Firm Direct Sales gas during this time period.

If you have any questions regarding the "outage", please call Jimmy Castleberry at (407) 562-7231.

Sincerely,

T. M. Klaric
City Manager

TMK/js

cc: Don Hambrick, Chairman, FGU
Darin, Cook, FGU
Tracy Prothro, Florida Gas Transmission
Doug John - John, Hengerer & Esposito

DRAFT

September 11, 1991

Mr. Colin Botts
Florida Gas Transmission
Contract Management
1400 Smith St
Houston, Texas, 77251

Dear Mr. Botts:

This letter constitutes formal notice of Vero Beach's intention to claim a Force Majeure situation under section 8A and 8C of the General Terms and Conditions of the Florida Gas Transmission Company FERC Gas Tariff. During the time period of September 14, 1991 through September 24, 1991 Vero Beach will be bringing one of our gas units down to do maintenance work. This unit comprises 60% of the usage of the total gas capacity of Vero Beach.

Therefore, Vero Beach requests that demand charges for 60% of our firm entitlement in the amount of 5650 MMBtu/Day be waived out of Firm Direct Sales gas during the time period mentioned in accordance with the section of the tariff quoted above. If you have any questions regarding the "outage", please call Jimmy Castleberry at (407) 567-5151.

Sincerely,

Tom Klaric
Vero Beach City Manager

DRC

pc: Don Hambrick, Chairman, FGU
Darin Cook, FGU
Tracy Prothro, Florida Gas Transmission
Doug John - John, Hengerer & Esposito
FCOOK\wp\darial\veroforce

SERVICE AGREEMENT
FOR FIRM TRANSPORTATION SERVICE

THIS AGREEMENT entered into this 1st day of July, 1991, by and between FLORIDA GAS TRANSMISSION COMPANY a Corporation of the State of Delaware (herein called "Transporter"), and CITY OF VERO BEACH, (herein called "Shipper").

W I T N E S S E T H :

WHEREAS, Shipper wishes to purchase firm natural gas transportation service from Transporter and Transporter wishes to provide firm natural gas transportation service to Shipper; and

WHEREAS, Shipper has completed and submitted to Transporter a valid request for transportation service under Rate Schedule FTS-1 ("Request"); and

WHEREAS, in accordance with such Request, such service will be provided by Transporter for Shipper in accordance with the terms hereof.

NOW THEREFORE, in consideration of the premises and of the mutual covenants and agreements herein contained, the sufficiency of which is hereby acknowledged, Transporter and Shipper do covenant and agree as follows:

ARTICLE I
Definitions

In addition to the definitions incorporated herein through Transporter's Rate Schedule FTS-1, the following terms when used herein shall have the meanings set forth below:

CONTRACT NO. 3600

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AUG 22 1991

V.B. Power Plant

1.1 The term "Gas" shall mean pipeline quality natural gas which complies with the quality provisions set forth in the General Terms and Conditions of Transporter's effective FERC Gas Tariff, Volume No. 1, and includes gas well gas, casinghead gas and residue gas remaining after processing thereof.

1.2 The term "Rate Schedule FTS-1" shall mean Transporter's Rate Schedule FTS-1 as filed with the FERC as changed and adjusted from time to time by Transporter in accordance with Section 3.3 hereof or in compliance with any final FERC order affecting such rate schedule.

1.3 The term "FERC" shall mean the Federal Energy Regulatory Commission or any successor regulatory agency or body, including the Congress, which has authority to regulate the rates and services of Transporter.

ARTICLE II Quantity

2.1 The Maximum Annual Transportation Quantity (the "MATQ") per service year shall be set forth in Exhibit C attached hereto; provided, however, that the MATQ shall not exceed the sum of the seasonal Maximum Daily Transportation Quantities set forth in Exhibit C hereto times the number of days in the applicable season. In the case of a fractional Service Year, the MATQ shall equal the MATQ for a full Service Year times the number of days in the fractional Service Year, divided by 365."

2.2 The Maximum Daily Transportation Quantity ("MDTQ") shall be set forth in Exhibit C attached hereto. The applicable MDTQ shall be the largest daily quantity of gas Shipper may

tender for transportation in the aggregate to all Points of Receipt, exclusive of Transporter's Fuel if applicable, and receive at all Point(s) of Delivery as specified on Exhibits A and B hereto on any day.

2.3 Shipper may tender natural gas for transportation to Transporter up to the MATQ in any Service Year and, on any day, up to the MDTQ plus Transporter's Fuel, if applicable. Transporter agrees to receive the aggregate of the quantities of natural gas that Shipper tenders for transportation at the Receipt Points, up to the maximum daily quantity specified for each such Point on Exhibit A hereto, and to transport and deliver to Shipper at each Delivery Point specified on Exhibit B, up to the maximum daily quantity specified for each such point on Exhibit B, the amount tendered by Shipper less Transporter's Fuel, if applicable (as provided in Rate Schedule FTS-1), provided, however, that Transporter shall never be required to transport and deliver in any Service Year more than the MATQ or on any day more than the MDTQ. Transporter's and Shipper's obligations hereunder shall be subject to the provisions of any final FERC order determining an allocation of capacity of Transporter's gas pipeline transmission system.

ARTICLE III
Rate Schedule

3.1 Upon the commencement of service hereunder, Shipper shall pay Transporter, for all service rendered hereunder, the rates established under Transporter's Rate Schedule FTS-1 as

filed with the FERC and as said Rate Schedule may hereafter be legally amended or superseded.

3.2 This Agreement in all respects shall be and remain subject to the provisions of said Rate Schedule and of the applicable provisions of the General Terms and Conditions of Transporter on file with the FERC (as the same may hereafter be legally amended or superseded), all of which are made a part hereof by this reference.

3.3. Transporter shall have the unilateral right to file with the appropriate regulatory authority and make changes authorized by such authority in (a) the rates and charges applicable to its Rate Schedule FTS-1, (b) Rate Schedule FTS-1 pursuant to which this service is rendered; provided, however, that the firm character of service shall not be subject to change hereunder, or (c) any provisions of the General Terms and Conditions applicable to Rate Schedule FTS-1. Transporter agrees that Shipper may protest or contest the aforementioned filings, or seek authorization from duly constituted regulatory authorities for such adjustment of Transporter's existing FERC Gas Tariff as may be found necessary in order to assure that the provisions in (a), (b), or (c) above are just and reasonable.

ARTICLE IV Term of Agreement

4.1 This Agreement shall be effective on July 1, 1991 and shall continue in effect for a primary term of fifteen (15) years from the initial delivery date of the Natural Gas Contract (Direct Sale) for Firm Service dated November 1, 1989 and from

year to year thereafter unless and until terminated either by Transporter or by Shipper upon one hundred eighty (180) days prior written notice to the other specifying a termination date at the end of any yearly period thereafter.

4.2 Service hereunder shall commence as set forth in Section 2 of Rate Schedule FTS-1.

ARTICLE V
Point(s) of Receipt and Delivery
and Maximum Daily Quantities

5.1 The Point(s) of Receipt and maximum daily quantity for each point(s), for all gas delivered by Shipper into Transporter's pipeline system under this Agreement shall be at the Point(s) of Receipt on Transporter's pipeline system as set forth in Exhibit A attached hereto.

5.2 The Point(s) of Delivery and maximum daily quantity for each point(s) for all gas delivered by Transporter to Shipper, or for the account of Shipper, under this Agreement shall be at the Point(s) of Delivery as set forth in Exhibit B.

ARTICLE VI
Notices

All notices, payments and communications with respect to this Agreement shall be in writing and sent to the addresses stated below or at any other such address as may hereafter be designated in writing:

CONTRACT NO. 3600

ADMINISTRATIVE MATTERS

Transporter: Florida Gas Transmission Company
P. O. Box 1188
Houston, Texas 77251-1188
Attention: Contract Management Department

Shipper: City of Vero Beach
P. O. Box 1389
Vero Beach, FL 32461-1389

PAYMENT BY WIRE TRANSFER

Transporter: Florida Gas Transmission Company
NCNB National Bank
Account No. 001658806
Charlotte, North Carolina

ARTICLE VII
Facilities

Transporter shall not be obligated to, but may, at its sole discretion, construct or acquire new facilities, or expand existing facilities, in order to perform service under this Agreement. For purposes of this Agreement and Section 11 of Rate Schedule FTS-1, an expanded facility shall be deemed to be a new facility. If in Transporter's reasonable judgment it is necessary to construct or acquire new facilities, or to expand existing facilities, in order to enable Transporter to receive or deliver Shipper's MDTQ at the Point(s) of Receipt and Delivery, and Transporter determines as provided herein to construct, acquire, or expand such facilities, then Transporter shall notify Shipper of the additional cost required, and such facilities shall, subject to the receipt and acceptance by Transporter of any necessary authorizations, permits and approvals, be

CONTRACT NO. 3600

constructed, acquired or expanded to permit the receipt and delivery of gas as provided for herein. Shipper agrees to reimburse Transporter, promptly upon receipt of Transporter's invoices, for all costs and expenses incurred under this Article VII by Transporter for any facilities, other than electronic measurement and data communications equipment for existing meters, including without limiting the foregoing, the cost of any tap, electronic measurement equipment or data communications equipment for new meters, and appurtenant equipment and materials, and overhead expenses. To the extent such reimbursement qualifies as a contribution in aid of construction under the Tax Reform Act of 1986, P.L. 99-514 (1986), Shipper also shall reimburse Transporter for the income taxes incurred by Transporter as a direct result of such contribution in aid of construction by Shipper, as calculated pursuant to the Commission's order in Transwestern Pipeline Company, 45 FERC Paragraph 61,116 (1988). Transporter shall have title to and the exclusive right to operate and maintain all such facilities.

ARTICLE VIII
Regulatory Authorizations and Approvals

8.1 Transporter's obligation to provide service is conditioned upon receipt and acceptance of any necessary regulatory authorization to provide Firm Transportation Service to Shipper in accordance with the terms of Rate Schedule FTS-1 and this Service Agreement. Shipper agrees to reimburse

Transporter for all reporting and/or filing fees incurred by Transporter in providing service under this Service Agreement.

ARTICLE IX
Pressure

9.1 The quantities of gas delivered or caused to be delivered by Shipper to Transporter hereunder shall be delivered into Transporter's pipeline system at a pressure sufficient to enter Transporter's system, but in no event shall such gas be delivered at a pressure exceeding the maximum authorized operating pressure or such other pressure as Transporter permits at the Point(s) of Receipt.

9.2 Transporter shall have no obligation to provide compression and/or alter its system operations to effectuate deliveries at the Point(s) of Delivery hereunder.

ARTICLE X
Other Provisions

10.1 None.

ARTICLE XI
Miscellaneous

11.1 This Agreement shall bind and benefit the successors and assigns of the respective parties hereto; provided, however, neither party shall assign this Agreement or any of its rights or obligations hereunder without first obtaining the written consent of the other party.

11.2 No waiver by either party of any one or more defaults by the other in the performance of any provisions of this

CONTRACT NO. 3600

Agreement shall operate or be construed as a waiver of any future defaults of a like or different character.

11.3 THIS AGREEMENT SHALL BE GOVERNED BY AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS.

11.4 This Agreement contains Exhibits A, B and C which are incorporated fully herein.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by their duly authorized officers effective as of the date first written above.

TRANSPORTER

FLORIDA GAS TRANSMISSION COMPANY

By: _____

Title: Vice President, Marketing

Date: _____

SHIPPER

CITY OF VERO BEACH

By: *JM Klavic*

Title: CITY MANAGER

Date: AUGUST 12, 1991

Exhibit A
to
Firm Gas Transportation Service Agreement
Between
Florida Gas Transmission Company
and
City of Vero Beach
Dated
July 1, 1991

<u>Description of Point(s) of Receipt</u>	<u>POI</u>	<u>Maximum Daily Quantities*</u> (MMBtu)			
		<u>Oct.</u>	<u>Nov-March</u>	<u>April</u>	<u>May-Sept</u>
Plant Sun Starr County	8798	2160	622	622	1934

* Inclusive of 2.7% for Fuel

Date of this Exhibit A: July 1, 1991

CONTRACT NO. 3600

First Revised Exhibit A
to
Firm Gas Transportation Service Agreement
Between
Florida Gas Transmission Company
and
City of Vero Beach
Dated
July 1, 1991

Description of Point(s) of Receipt	POI	Maximum Daily Quantities* (MMBtu)			
		Oct.	Nov-March	April	May-Sept
Plant Sun Starr County	8798	2166	624	624	1939

This First Revised Exhibit A shall supersede original Exhibit A attached hereto in its entirety on the "in-service date of the Phase II Facilities", as that term is defined in the Stipulation and Agreement filed by Seller on October 16, 1989, in Docket Nos. RP89-50, et al.

* Buyer and Seller agree to amend the First Revised Exhibit A be effective concurrently with the "in-service date of the Phase II Facilities", to reflect any conversions to firm transportation service exercised by Buyer subsequent to the date of this Exhibit.

* Inclusive of 3.0% for Fuel

ACCEPTED AND AGREED TO THIS
_____ DAY OF _____, 1991

ACCEPTED AND AGREED TO THIS
12th DAY OF AUGUST, 1991

TRANSPORTER

SHIPPER

FLORIDA GAS TRANSMISSION COMPANY

CITY OF VERO BEACH

By: _____

By: J. M. Kline

Title: Vice President, Marketing

Title: CITY MANAGER

Date: _____

Date: AUGUST 12, 1991

Date of this First Revised Exhibit A: July 1, 1991

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Second Revised Exhibit A
to
Firm Gas Transportation Service Agreement
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Description of Point(s) of Receipt	POI	Maximum Daily Quantities* (MMBtu)			
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* Inclusive of 2.7% for Fuel

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_____ DAY OF _____, 1991

ACCEPTED AND AGREED TO THIS
12th DAY OF AUGUST, 1991

TRANSPORTER

SHIPPER

FLORIDA GAS TRANSMISSION COMPANY

CITY OF VERO BEACH

By: _____

By: J. M. Klame

Title: Vice President, Marketing

Title: CITY MANAGER

Date: _____

Date: AUGUST 12, 1991

Date of this Second Revised Exhibit A superseding original Exhibit A dated July 1, 1991: August 1, 1991

Third Revised Exhibit A
to
Firm Gas Transportation Service Agreement
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Florida Gas Transmission Company
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Dated
July 1, 1991

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This Third Revised Exhibit A shall supersede Second Revised Exhibit A attached hereto in its entirety on the "in-service date of the Phase II Facilities", as that term is defined in the Stipulation and Agreement filed by Seller on October 16, 1989, in Docket Nos. RP89-50, et al.

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* Inclusive of 3.0% for Fuel

ACCEPTED AND AGREED TO THIS
_____ DAY OF _____, 1991

ACCEPTED AND AGREED TO THIS
12th DAY OF AUGUST, 1991

TRANSPORTER

SHIPPER

FLORIDA GAS TRANSMISSION COMPANY

CITY OF VERO BEACH

By: _____

By: J.M. Klau

Title: Vice President, Marketing

Title: CITY MANAGER

Date: _____

Date: AUGUST 12, 1991

Date of this Third Revised Exhibit A superseding First Revised Exhibit A dated July 1, 1991: August 1, 1991

First Revised Exhibit B
to
Firm Gas Transportation Service Agreement
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Florida Gas Transmission Company
and
City of Vero Beach
Dated
July 1, 1991

Point(s) of Delivery

Description of Point(s) of Delivery	POI	Maximum Daily Quantities (MMBTU)			
		Oct	Nov-Mar	April	May-Sept
Vero Beach Generating	16261	1103	306	306	1000
Fort Pierce Power Plant	16262	1000	300	300	883

This First Revised Exhibit B shall supersede original Exhibit B attached hereto in its entirety on the "in-service date of the Phase II Facilities", as that term is defined in the Stipulation and Agreement filed by Seller on October 16, 1989, in Docket Nos. RP89-50, et al.

* Buyer and Seller agree to amend the First Revised Exhibit B to be effective concurrently with the "in-service date of the Phase II Facilities", to reflect any conversions to firm transportation service exercised by Buyer subsequent to the date of this Exhibit.

ACCEPTED AND AGREED TO THIS
_____ DAY OF _____, 1991

ACCEPTED AND AGREED TO THIS
12TH DAY OF AUGUST, 1991

TRANSPORTER

SHIPPER

FLORIDA GAS TRANSMISSION COMPANY

CITY OF VERO BEACH

By: _____

By: J.M. Klarić

Title: Vice President, Marketing

Title: CITY MANAGER

Date: _____

Date: AUGUST 12, 1991

Date of this First Revised Exhibit B: July 1, 1991

CONTRACT NO. 3600

Second Revised Exhibit B
to
Firm Gas Transportation Service Agreement
Between
Florida Gas Transmission Company
and
City of Vero Beach
Dated
July 1, 1991

Point(s) of Delivery

<u>Description of Point(s) of Delivery</u>	<u>Maximum Daily Quantities*</u> (MMBtu)				
	<u>POI #</u>	<u>Oct</u>	<u>Nov-March</u>	<u>April</u>	<u>May-Sept</u>
Vero Beach Generating	16261	1418	455	455	1412
Fort Pierce Power Plant	16262	1417	455	455	1413

This Second Revised Exhibit B shall supersede in its entirety by Third Revised Exhibit B attached hereto upon the "in-service date of the Phase II Facilities", as that term is defined in the Stipulation and Agreement filed by Seller on October 16, 1989, in Docket Nos. RP89-50, et al.

ACCEPTED AND AGREED TO THIS
_____ DAY OF _____, 1991

TRANSPORTER

FLORIDA GAS TRANSMISSION COMPANY

By: _____

Title: Vice President, Marketing

Date: _____

ACCEPTED AND AGREED TO THIS
12TH DAY OF August, 1991

SHIPPER

CITY OF VERO BEACH

By: J.M. Klasic

Title: CITY MANAGER

Date: AUGUST 12, 1991

Date of this Second Revised Exhibit B superseding original Exhibit B dated July 1, 1991: August 1, 1991

Third Revised Exhibit B
to
Firm Gas Transportation Service Agreement
Between
Florida Gas Transmission Company
and
City of Vero Beach
Dated
July 1, 1991

Point(s) of Delivery

Description of Point(s) of Delivery	POI	Maximum Daily Quantities (MMBTU)			
		Oct	Nov-Mar	April	May-Sept
Vero Beach Generating	16261	1417	773	1031	1556
Fort Pierce Power Plant	16262	1418	774	1031	1557

This Third Revised Exhibit B shall supersede Second Revised Exhibit B attached hereto in its entirety on the "in-service date of the Phase II Facilities", as that term is defined in the Stipulation and Agreement filed by Seller on October 16, 1989, in Docket Nos. RP89-50, et al.

* Buyer and Seller agree to amend this Third Revised Exhibit B to be effective concurrently with the "in-service date of the Phase II Facilities", to reflect any conversions to firm transportation service exercised by Buyer subsequent to the date of this Exhibit.

ACCEPTED AND AGREED TO THIS
_____ DAY OF _____, 1991

ACCEPTED AND AGREED TO THIS
12TH DAY OF AUGUST, 1991

TRANSPORTER

SHIPPER

FLORIDA GAS TRANSMISSION COMPANY

CITY OF VERO BEACH

By: _____

By: J.M. Klau

Title: Vice President, Marketing

Title: CITY MANAGER

Date: _____

Date: AUGUST 12, 1991

Date of this Third Revised Exhibit B superseding First Revised Exhibit B dated July 1, 1991: August 1, 1991

Exhibit C
To
Firm Gas Transportation Service Agreement
Between
Florida Gas Transmission Company
And
City Of Vero Beach
Dated
July 1, 1991

Maximum Daily Transportation Quantity

During each day of the months indicated below, the MDTQ applicable hereunder shall be as set forth below:

<u>Period</u>	<u>MDTQ (MMBTU)</u>
October	2103
November-March	606
April	606
May-September	1883

Maximum Annual Transportation Quantity: 463,112 MMBTU

Date of this Exhibit C: July 1, 1991

CONTRACT NO. 3600

First Revised Exhibit C
To
Firm Gas Transportation Service Agreement
Between
Florida Gas Transmission Company
And
City Of Vero Beach
Dated
July 1, 1991

Maximum Daily Transportation Quantity.

During each day of the months indicated below, the MDTQ applicable hereunder shall be as set forth below:

<u>Period</u>	<u>MDTQ (MMBTU)</u>
October	2103
November-March	606
April	606
May-September	1883

Maximum Annual Transportation Quantity: 463,112 MMBTU

Date of this First Revised Exhibit C: July 1, 1991

CONTRACT NO. 3600

Second Revised Exhibit C
To
Firm Gas Transportation Service Agreement
Between
Florida Gas Transmission Company
And
City Of Vero Beach
Dated
July 1, 1991

Maximum Daily Transportation Quantity

During each day of the months indicated below, the MDTQ applicable hereunder shall be as set forth below:

<u>Period</u>	<u>MDTQ (MMBTU)</u>
October	2835
November-March	910
April	910
May-September	2825

Maximum Annual Transportation Quantity: 684,763 MMBTU

This Second Revised Exhibit C shall be superseded in its entirety by Third Revised Exhibit C attached hereto upon the "in-service date of the Phase II Facilities", as that term is defined in the Stipulation and Agreement filed by Seller on October 16, 1989, in Docket Nos. RP89-50, et al.

TRANSPORTER

SHIPPER

FLORIDA GAS TRANSMISSION COMPANY

CITY OF VERO BEACH

By: _____

By: J.M. Harris

Title: Vice President, Marketing

Title: CITY MANAGER

Date: _____

Date: AUGUST 12 1991

Date of this Second Revised Exhibit C superseding original Exhibit C dated July 1, 1991: August 1, 1991

Third Revised Exhibit C
To
Firm Gas Transportation Service Agreement
Between
Florida Gas Transmission Company
And
City Of Vero Beach
Dated
July 1, 1991

Maximum Daily Transportation Quantity

During each day of the months indicated below, the MDTQ applicable hereunder shall be as set forth below:

<u>Period</u>	<u>MDTQ (MMBTU)</u>
October	2835
November-March	1547
April	2062
May-September	3113

Maximum Annual Transportation Quantity: 859,512 MMBTU

TRANSPORTER

SHIPPER

FLORIDA GAS TRANSMISSION COMPANY

CITY OF VERO BEACH

By: _____

By: J.M. Klaric

Title: Vice President, Marketing

Title: CITY MANAGER

Date: _____

Date: AUGUST 12, 1991

Date of this Third Revised Exhibit C superseding First Revised Exhibit C dated July 1, 1991: August 1, 1991

FIRST REVISED EXHIBIT A
TO
FIRM TRANSPORTATION SERVICE AGREEMENT
BETWEEN
FLORIDA GAS TRANSMISSION COMPANY
AND
FLORIDA GAS UTILITIES
DATED
DECEMBER 9, 1991

Point(s) of Receipt Description of Point of Receipt	POI	Maximum Daily Quantity (MMBtu) *	
		November-April	May-October
PRODUCTION ZONE 1 Sun Starr Plant	8798	6,088	6,041
ZONE 1 TOTAL C.S. #7 EUNICE	25306	6,088	6,041
PRODUCTION ZONE 2 CSX Plant Outlet	23060	11,016	10,929
ZONE 2 TOTAL - C.S. 8 ZACHARY	25412	11,016	10,929
PRODUCTION ZONE 3 SNG Franklinton** Mobile Bay	10095 N/A	5,792 8,488	5,939 8,228
ZONE 3 TOTAL- C.S. #11 MT. VERNON	25309	14,280	14,167
TOTAL MDQ		31,384	31,137

* Exclusive of Transporter's fuel. Shipper to provide fuel pursuant to Fuel Reimbursement Charge Adjustment provisions of Transporter's F.E.R.C. Gas Tariff, General Terms and Conditions.

**This First Revised Exhibit A reflects the allocated level of Southern capacity, but does not reflect specific receipt points on the Southern system. At such time as Southern completes its award of receipt point capacity, this exhibit will be revised to include the specific Southern receipt points.

Date of this Exhibit A: March 7, 1994

Contract No. 3630

SERVICE AGREEMENT
FOR FIRM TRANSPORTATION SERVICE

THIS AGREEMENT entered into this 9th day of December, 1991,
by and between Florida Gas Transmission Company, a Corporation of
the State of Delaware (herein called "Transporter"), and Florida
Gas Utility, (herein called "Shipper").

W I T N E S S E T H :

WHEREAS, Shipper wishes to purchase firm natural gas
transportation service from Transporter and Transporter wishes to
provide firm natural gas transportation service to Shipper; and

WHEREAS, Shipper has completed and submitted to Transporter a
valid request for firm transportation service ("Request"); and

WHEREAS, in accordance with such Request, such service will be
provided by Transporter for Shipper in accordance with the terms
hereof.

NOW THEREFORE, in consideration of the premises and of the
mutual covenants and agreements herein contained, the sufficiency
of which is hereby acknowledged, Transporter and Shipper do
covenant and agree as follows:

ARTICLE I
Definitions

In addition to the definitions incorporated herein through
Transporter's Rate Schedule FTS-2, the following terms when used
herein shall have the meanings set forth below:

1.1 The term "Gas" shall mean pipeline quality natural gas which complies with the quality provisions set forth in the General Terms and Conditions of Transporter's effective FERC Gas Tariff, Volume No. 1, and includes gas well gas, casinghead gas and residue gas remaining after processing thereof.

1.2 The term "Rate Schedule FTS-2" shall mean Transporter's Rate Schedule FTS-2 as filed with the FERC as changed and adjusted from time to time by Transporter in accordance with Section 3.3 hereof or in compliance with any final FERC order affecting such rate schedule.

1.3 The term "FERC" shall mean the Federal Energy Regulatory Commission or any successor regulatory agency or body, including the Congress, which has authority to regulate the rates and services of Transporter.

ARTICLE II Quantity

2.1 The Maximum Daily Transportation Quantity ("MDTQ") shall be set forth in Exhibit B attached hereto. The applicable MDTQ shall be the largest daily quantity of gas Shipper may tender for transportation in the aggregate to all Points of Receipt, exclusive of Transporter's Fuel, and receive at all Point(s) of Delivery as specified on Exhibits A and B hereto on any day.

2.2 Shipper may tender natural gas for transportation to Transporter on any day, up to the MDTQ plus Transporter's Fuel. Transporter agrees to receive the aggregate of the quantities of natural gas that Shipper tenders for transportation at the Receipt

Points, up to the maximum daily quantity specified for each such Point on Exhibit A hereto, and to transport and deliver to Shipper at each Delivery Point specified on Exhibit B, up to the maximum daily quantity specified for each such point on Exhibit B, the amount tendered by Shipper less Transporter's Fuel, (as provided in Rate Schedule FTS-2), provided, however, that Transporter shall never be required to transport and deliver on any day more than the MDTQ.

ARTICLE III
Rate Schedule

3.1 Upon the commencement of service hereunder, Shipper shall pay Transporter, for all service rendered hereunder, the rates established under Transporter's Rate Schedule FTS-2 as filed with the FERC and as said Rate Schedule may hereafter be legally amended or superseded.

3.2 This Agreement in all respects shall be and remain subject to the provisions of said Rate Schedule and of the applicable provisions of the General Terms and Conditions of Transporter on file with the FERC (as the same may hereafter be legally amended or superseded), all of which are made a part hereof by this reference.

3.3. Transporter shall have the unilateral right to file with the appropriate regulatory authority and make changes authorized by such authority in (a) the rates and charges applicable to its Rate Schedule FTS-2, (b) Rate Schedule FTS-2 pursuant to which this service is rendered; provided, however, that the firm character of service shall not be subject to change hereunder, or (c) any

provisions of the General Terms and Conditions applicable to Rate Schedule FTS-2. Transporter agrees that Shipper may protest or contest the aforementioned filings, or seek authorization from duly constituted regulatory authorities for such adjustment of Transporter's existing FERC Gas Tariff as may be found necessary in order to assure that the provisions in (a), (b), or (c) above are just and reasonable.

ARTICLE IV
Term of Agreement

4.1 This Agreement shall become effective upon the "in-service date of the Phase III Facilities", which shall be deemed to be the first day of the month following the date on which Transporter gives notice to the Commission that the Phase III Facilities, as defined in Article X of this Agreement, are in-service, and shall continue in effect for a primary term (which shall not be less than a period of twenty years) of 21 years.

4.2 Termination for Non-Payment. In the event Shipper fails to pay for service provided pursuant to this Agreement, Transporter, in addition to any other rights it may have, shall also have the right to suspend or terminate service as permitted by the applicable provision of the General Terms and Conditions to Transporter's FERC Gas Tariff.

ARTICLE V
Point(s) of Receipt and Delivery
and Maximum Daily Quantities

5.1 The Point(s) of Receipt and maximum daily quantity for each point(s) for all gas delivered by Shipper into Transporter's

pipeline system under this Agreement shall be at the Point(s) of Receipt on the pipeline system of Transporter or any Transporting Pipeline as set forth in Exhibit A attached hereto.

5.2 The Point(s) of Delivery and maximum daily quantity for each point(s) for all gas delivered by Transporter to Shipper, or for the account of Shipper, under this Agreement shall be at the Point(s) of Delivery as set forth in Exhibit B.

ARTICLE VI
Notices

All notices, payments and communications with respect to this Agreement shall be in writing and sent to the addresses stated below or at any other such address as may hereafter be designated in writing:

ADMINISTRATIVE MATTERS

Transporter: Florida Gas Transmission Company
P. O. Box 1188
Houston, Texas 77251-1188
Attention: Contract Management Department

Shipper: Florida Gas Utility c/o Fuels Management
P.O. Box 147117 A137
Gainesville, FL 32614-7117
Attention: John D. Hambrick

PAYMENT BY WIRE TRANSFER

Transporter: Florida Gas Transmission Company
NCNB National Bank
Account No. 001658806
Charlotte, North Carolina

ARTICLE VII
Facilities

Subsequent to commencement of service under this Agreement, Transporter shall not be obligated to, but may, at its reasonable

discretion, subject to the written agreement of Shipper, construct or acquire new facilities, or expand existing facilities, in order to perform service under this Agreement. For purposes of this Agreement and Rate Schedule FTS-2, an expanded facility shall be deemed to be a new facility. If in Transporter's reasonable judgment it is necessary to construct or acquire new facilities, or to expand existing facilities, in order to enable Transporter to receive or deliver Shipper's MDTQ at the Point(s) of Receipt and Delivery, and Transporter determines as provided herein to construct, acquire, or expand such facilities, then Transporter shall notify Shipper of the additional cost required, and such facilities shall, subject to the receipt and acceptance by Transporter of any necessary authorizations, permits and approvals, be constructed, acquired or expanded to permit the receipt and delivery of gas as provided for herein. Shipper agrees to reimburse Transporter, promptly upon receipt of Transporter's invoices, for all costs and expenses incurred under this Article VII by Transporter for any pipeline and related facilities including but not limited to the cost of any tap, electronic measurement equipment or data communications equipment for new meters, and appurtenant equipment and materials, and overhead expenses. To the extent such reimbursement qualifies as a contribution in aid of construction under the Tax Reform Act of 1986, P.L. 99-514 (1986), Shipper also shall reimburse Transporter for the income taxes incurred by Transporter as a direct result of such contribution in aid of construction by Shipper, as calculated

pursuant to the Commission's order in Transwestern Pipeline Company, 45 FERC Paragraph 61,116 (1988). Transporter shall have title to and the exclusive right to operate and maintain all such facilities.

ARTICLE VIII
Regulatory Authorizations and Approvals

8.1 Transporter's obligation to provide service is conditioned upon receipt and acceptance of any necessary regulatory authorization that is acceptable in form and substance to Transporter to provide Firm Transportation Service to Shipper in accordance with the terms of Rate Schedule FTS-2, or any successor thereto which is substantially similar in form and content, and this Service Agreement. Shipper agrees to reimburse Transporter for all reporting and/or filing fees incurred by Transporter in providing service under this Service Agreement.

ARTICLE IX
Pressure

9.1 The quantities of gas delivered or caused to be delivered by Shipper to Transporter hereunder shall be delivered into Transporter's pipeline system at a pressure sufficient to enter Transporter's system, but in no event shall such gas be delivered at a pressure exceeding the maximum authorized operating pressure or such other pressure as Transporter permits at the Point(s) of Receipt.

9.2 Transporter shall have no obligation to provide

compression and/or alter its system operations to effectuate deliveries at the Point(s) of Delivery hereunder.

ARTICLE X
Other Provisions

10.1 Prior to Transporter's execution of this Agreement, each member of FGU receiving service pursuant to this Agreement must demonstrate creditworthiness satisfactory to Transporter by executing a letter agreement guaranteeing all payments required to be made by the individual member for the member's percentage of the capacity under this Agreement. The guarantee shall only be effective if the individual member satisfies Transporter's creditworthiness standards. If any individual member fails to demonstrate creditworthiness as described above, Transporter shall have the option to lower the MDTQ reflected in this Agreement by the amount corresponding with the individual member's percentage of capacity under this Agreement. In such event, Transporter shall have no obligation to provide service under this Agreement in excess of the firm quantities guaranteed by the remaining members of FGU. In addition, if an individual member's percentage of capacity under this Agreement changes for whatever reason, such member shall re-establish creditworthiness pursuant to the terms and conditions of this section 10.1

10.2 Service pursuant to this Agreement is expressly subject to the following conditions:

- (a) The issuance, and acceptance by Transporter, of all necessary authorizations from the FERC pursuant to the

Natural Gas Act or Natural Gas Policy Act permitting Transporter to construct, own and operate the Phase III facilities as described in Transporter's certificate application, as it may be amended or supplemented from time to time, and to effectuate the proposed service hereunder (hereinafter "Phase III Facilities"). All such authorizations shall be in form and substance satisfactory to Transporter, and shall be final before the respective governmental authority and no longer subject to appeal or rehearing; provided, however, that Transporter may waive the condition that such authority be final and/or no longer subject to appeal or rehearing. Such authorization shall include approval of a capacity allocation methodology acceptable to Transporter in the event requests for service for the proposed Phase III Facilities exceed the availability of the expanded capacity which Transporter, in its sole discretion, is willing to build;

- (b) Receipt and acceptance by Transporter of all other approvals required to construct the Phase III Facilities including all necessary authorizations from federal, state, local, and/or municipal agencies or other governmental authorities. All such approvals shall be in form and substance satisfactory to Transporter, and shall be final before the respective governmental authority and no longer subject to appeal or rehearing; provided,

however, that Transporter may waive the condition that such authority be final and/or no longer subject to appeal or rehearing.

- (c) The receipt of executed firm transportation service agreements from other shippers sufficient to economically justify construction of the Phase III Facilities, in Transporter's sole opinion.
- (d) The approval of rates by the Commission for transportation services provided on the Phase III Facilities that are acceptable to Transporter, in Transporter's sole opinion. Shipper agrees to support a levelized rate methodology for the Phase III Facilities in any proceeding before the Commission during the term of this Agreement.
- (e) Receipt by Transporter of all necessary right-of-way easements or permits in form and substance acceptable to Transporter;
- (f) Transporter obtaining financing to construct the Phase III Facilities that is satisfactory to Transporter, in Transporter's sole opinion. Shipper agrees to provide reasonable cooperation in Transporter's effort to obtain financing;
- (g) Transporter's and Shipper's obligations hereunder shall be subject to the provisions of any final FERC order determining an allocation of capacity of Transporter's Phase III Facilities. However, in the event such

allocation of capacity does not provide Shipper with the MDTQs set forth in the Subscription Quantity Form, which is required to be completed and signed by Shipper and which is incorporated herein by reference, Shipper shall have the option to terminate this Agreement within fifteen (15) days of notice by Transporter of Shipper's allocation. If Shipper agrees to accept service for a lesser amount, Transporter shall provide service at such lesser amount in the event all other conditions set forth in this Article X are satisfied.

- (h) In the event that all requisite approvals necessary to effectuate the proposed service hereunder are not granted in satisfactory form on or before December 31, 1993, then at such time either party shall have the right to terminate this Agreement upon sixty days written notice; provided, however, that if such approvals are obtained prior to the expiration of the sixty day notice period, such notice shall be of no further force or effect and this Agreement shall continue in accordance with the terms herein.
- (i) Transporter agrees to make all reasonable efforts to obtain the necessary authorizations, financing service commitments and all other approvals necessary to effectuate service under this Agreement. Shipper agrees to exercise good faith in the performance of this Agreement by supporting Transporter's efforts to obtain

all necessary authorizations, financing and other approvals necessary to effectuate service under this Agreement; provided, however, that Shipper is not precluded from exercising its right to contest specific provisions contained in Transporter's certificate application filed in Docket No. CP92-182, as it may be amended.

- (j) At any time prior to Transporter's acceptance of all authorizations necessary to construct the Phase III Facilities, Transporter retains the right to terminate this Agreement, and to withdraw any requests or applications for regulatory approvals, and to terminate this project, at any time Transporter determines in its sole discretion that the project is no longer economical to pursue.
- (k) Shipper shall not have the right to reduce the MDTQ reflected in this Agreement unless otherwise agreed to in writing by Transporter.
- (l) Shipper is obligated to reimburse Transporter for the construction of taps, meters, receipt and delivery point upgrades, construction of supply and delivery laterals not included in the description of the Phase III Facilities and any other construction necessary to receive gas into, and deliver gas from, Transporter's Phase III Facilities. To the extent such reimbursement qualifies as a contribution in aid of construction under

the Tax Reform Act of 1986, P.L. 99-514 (1986), Shipper also shall reimburse Transporter for the income taxes incurred by Transporter as a direct result of such contribution in aid of construction by Shipper, as calculated pursuant to the Commission's order in Transwestern Pipeline Company, 45 FERC Paragraph 61,116 (1988). Transporter shall have title to and the exclusive right to operate and maintain all such facilities.

In the event the conditions set forth in this Article X are not satisfied, this Agreement shall be deemed null and void upon written notice by Transporter to Shipper.

ARTICLE XI

Miscellaneous

11.1 This Agreement shall bind and benefit the successors and assigns of the respective parties hereto; provided, however, neither party shall assign this Agreement or any of its rights or obligations hereunder without first obtaining the written consent of the other party which shall not be unreasonably withheld, and any other regulatory authorizations deemed necessary by Transporter.

11.2 No waiver by either party of any one or more defaults by the other in the performance of any provisions of this Agreement shall operate or be construed as a waiver of any future defaults of a like or different character.

11.3 This Agreement contains Exhibits A and B which are incorporated fully herein.

11.4 This Agreement shall not be binding upon Transporter until executed by Transporter.

11.5 THIS AGREEMENT SHALL BE GOVERNED BY AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by their duly authorized officers effective as of the date first written above.

TRANSPORTER

FLORIDA GAS TRANSMISSION COMPANY

By: _____

Title: _____

ATTEST:

By: _____

Title: _____

Date: _____

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SHIPPER

Florida Gas Utility

By: John D. Hembach

Title: Chairman

ATTEST:

By: Katrina R. Vaughn

Title: Operations Manager

Date: 12/9/91

FORM OF SERVICE AGREEMENT
Firm Transportation Service (continued)

EXHIBIT A

TO

FIRM GAS TRANSPORTATION AGREEMENT

BETWEEN

FLORIDA GAS TRANSMISSION COMPANY

AND

Florida Gas Utility

DATED

December 9, 1991

<u>Point(s) of Receipt</u>		Maximum Daily Quantity (MMBtu)* (including fuel)**	
Description of Point of Receipt	<u>POI</u>	<u>November-April</u>	<u>May-October</u>
Compressor Station 11	25309	30,900	31,336

* The MDQ set forth above is subject to any allocation of capacity approved by the Commission, and accepted by Transporter, that may be required in the event that requests for service for the Phase III Facilities exceeds the availability of expanded capacity available, which Transporter, in its sole discretion, is willing to build.

** Fuel reimbursement shall be 3% of the daily quantities received by Transporter at each receipt point. Such percentage is subject to final determination in the Phase III certificate proceeding.

Date of this Exhibit A: _____

5141

Firm Transportation Service Agreement
Rate Schedule FTS-1

THIS AGREEMENT is entered into this 1st day of October, 1993, between Florida Gas Transmission Company, a Delaware corporation ("Transporter"), and Florida Gas Utility, a Florida non-profit interlocal joint action agency ("Shipper").

W I T N E S S E T H :

WHEREAS, Shipper has completed and submitted to Transporter a valid request for transportation service under Rate Schedule FTS-1 ("Request"), which is contained in Transporter's F.E.R.C. Gas Tariff, as revised from time to time; and

WHEREAS, Transporter is willing to provide firm transportation service in accordance with the Request and this Agreement.

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

ARTICLE I
Quantity

1.1 The Maximum Daily Transportation Quantity ("MDTQ") is set forth on a seasonal basis by Division if applicable, on Exhibit B attached hereto.

1.2 Shipper may tender natural gas for transportation to Transporter on any day, up to the MDTQ plus Transporter's Fuel, if applicable. Transporter agrees to receive the aggregate of the quantities of natural gas that Shipper tenders for transportation

at the Receipt Points, up to the maximum daily quantity specified for each Receipt Point as set out on Exhibit A, and to transport and make available for delivery to Shipper at each Delivery Point, up to the maximum daily quantity at such Delivery Point specified on Exhibit B, the amount tendered by Shipper less Transporter's Fuel, if applicable; provided, however, that Transporter is not required to accept for transportation and make available for delivery more than the MDTQ on any day.

ARTICLE II
No Notice Transportation Service

To the extent Shipper has subscribed for No Notice Transportation Service under Rate Schedule NNTS, the NNQ by division, if applicable, is set forth in the NNTS Addendum to this Agreement. Transporter will provide No Notice Transportation Service in accordance with the terms and conditions of Rate Schedule NNTS and within Shipper's MDTQ under this Agreement.

ARTICLE III
Payment

3.1 Shipper shall pay Transporter for all service rendered hereunder the rates established under Transporter's Rate Schedule FTS-1 and NNTS (if applicable), as revised from time to time.

3.2 In the event Shipper fails to pay Transporter for service provided hereunder, Transporter's right to terminate this Agreement shall be governed by the applicable provisions of Transporter's F.E.R.C. Gas Tariff, General Terms and Conditions, regarding invoicing and payment, and suspension or termination of service.

ARTICLE IV
Term of Agreement

4.1 The primary term of this Agreement will commence on the later of (i) October 1, 1993; or (ii) the Effective Date of the Settlement and Compliance Filing filed by Transporter on June 16, 1993 in Docket No. RS92-16-000, et al., and shall expire on the date(s) specified or otherwise established pursuant to the extension rights, all as specified in Attachment A of this Agreement.

4.2 Upon expiration of the primary term, the rights and obligations of the parties under this Agreement shall be governed by the applicable provisions of Transporter's F.E.R.C. Gas Tariff, General Terms and Conditions.

ARTICLE V
Primary Receipt and Delivery Point(s)

The Primary Receipt and Delivery Point(s) are set forth in Exhibit A and Exhibit B, respectively. Shipper may request changes to its Primary Receipt and Delivery Point(s). Transporter may make such changes in accordance with the terms of Rate Schedule FTS-1 and the applicable General Terms and Conditions of its Tariff.

ARTICLE VI
Notices

All notices, payments and communications with respect to this Agreement shall be in writing and sent to the addresses stated below or at any other address designated in writing by the party:

ADMINISTRATIVE MATTERS

Transporter: Florida Gas Transmission Company
P. O. Box 1188
1400 Smith Street
Houston, Texas 77251-1188
Attention: Marketing Administration
Telephone: (713) 853-6034
Fax: (713) 853-6756

Shipper: Florida Gas Utility
7328 W. University Ave., Ste. A
Gainesville, Florida 32607
Attention: Katrina R. Vaughan
Telephone: (904)333-2507
Fax: (904)333-2524

PAYMENT BY WIRE TRANSFER

Transporter: Florida Gas Transmission Company
NationsBank ABA No. 053000196
Account No. 001658806
Charlotte, North Carolina

Shipper: Sunbank N.A.
ABA Routing No. 063102152

ARTICLE VII
Regulatory Authorizations and Approvals

Transporter's obligation to provide service is conditioned upon receipt and acceptance of any necessary regulatory authorization to provide service to Shipper in accordance with the terms of this Agreement, Rate Schedules FTS-1 and NNTS (if applicable), and the General Terms and Conditions of Transporter's F.E.R.C. Gas Tariff. Shipper agrees to reimburse Transporter for all reporting and/or filing fees incurred by Transporter in providing service under this Agreement.

ARTICLE VIII
Pressure

8.1 The quantities of gas delivered or caused to be delivered by Shipper shall be delivered at a pressure sufficient to enter Transporter's system, but in no event shall such gas be delivered at a pressure exceeding the maximum authorized operating pressure or such other pressure as Transporter permits at the Receipt Point(s).

8.2 Transporter has no obligation to provide compression or alter its system operation to deliver gas at the Delivery Point(s).

ARTICLE IX
Miscellaneous

9.1 This Agreement shall bind and benefit the successors and assigns of the respective parties hereto; provided, however, neither party shall assign this Agreement or any of its rights or obligations hereunder without first obtaining the written consent of the other party.

9.2 No waiver by either party of any one or more defaults by the other in the performance of any provisions of this Agreement shall operate or be construed as a waiver of any future defaults of a like or different character.

9.3 This Agreement contains Exhibits A and B which are incorporated fully herein.

9.4 THIS AGREEMENT SHALL BE GOVERNED BY AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS NOTWITHSTANDING ANY CONFLICT OF LAW RULES WHICH MAY REQUIRE THE APPLICATION OF ANOTHER JURISDICTION.

9.5 Subject to Paragraph 4.1 above, this Agreement supersedes and cancels the following Service Agreement(s) between Transporter and the Shippers listed below:

3281 FTS-1	Florida Gas Utility	Dated 11-01-89
3549 FTS-1	City of Gainesville, Florida d/b/a	
	Gainesville Regional Utilities	Dated 10-01-90
4306 G	City of Gainesville, Florida d/b/a	
	Gainesville Regional Utilities	Dated 11-01-89
3555 FTS-1	Kissimmee Utility Authority	Dated 11-10-90
4386 Direct Firm	Kissimmee Utility Authority	Dated 11-01-89
3556 FTS-1	City of Starke	Dated 11-01-90
3592 FTS-1	City of Starke	Dated 05-01-91
4396 G	City of Starke	Dated 01-17-91
4368 Direct Firm	City of Starke	Dated 11-01-89
4378 Direct Firm	City of Vero Beach	Dated 11-01-89
3600 FTS-1	City of Vero Beach	Dated 07-01-91

9.6 This Agreement is subject to the provisions of Rate Schedules FTS-1 and NNTS (if applicable), and the applicable provisions of Transporter's F.E.R.C. Gas Tariff, General Terms and Conditions, as may be revised from time to time.

9.7 [Reserved for future use]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by their duly authorized officers effective as of the date first written above.

TRANSPORTER

SHIPPER

FLORIDA GAS TRANSMISSION COMPANY

FLORIDA GAS UTILITY

By John E. Weiler ^{JB} _{JA}

By Katrina R. Vaughan

Title Vice President, Marketing

Title General Manager

Exhibit A
to
Firm Transportation Service Agreement
Between
Florida Gas Transmission Company
and
Florida Gas Utility
Dated
October 1, 1993

Description of Point(s) of Receipt	POI	Maximum Daily Quantities*			
		Oct	Nov-March	April	May-Sept
PRODUCTION ZONE 1					
JOHNSON'S BAYOU	282	0	0	0	0
SUNN STARR PLANT	8798	7,628	1,891	2,741	7,657
MAT 668/703/686	9897	0	0	0	4,854
MAT 688/699 SUBSEA	55388	284	4,422	1,526	0
MST 758 SUB-SEA IC	1226	8,847	8,517	7,952	4,660
MST ISLE 755/738 SUBSEA	49112	8,818	1,835	6,974	0
ZONE 1 TOTAL - C.S. #7 EUNICE	25306	25,577	16,665	19,193	17,171
PRODUCTION ZONE 2					
CSX PLANT OUTLET	23060	22,470	10,994	14,730	14,864
LRC KAPLAN COW ISLAND	16509	1,941	1,942	1,907	1,352
NGPL VERMILION	57391	3,948	5,530	2,873	1,630
ACADIAN ASSUMPTION	58130	0	0	0	3,144
ZONE 2 TOTAL - C.S. #8 ZACHARY	25412	28,359	18,466	19,510	20,990

FLORIDA GAS UTILITY
PAGE 2
EXHIBIT A CONT.

Description of Point(s) of Receipt	POI	Maximum Daily Quantities*			
		Oct	Nov-March	April	May-Sept
PRODUCTION ZONE 3					
PROSPER ENERGY					
PEARL	10126	2,913	3,650	2,331	2,332
TENN STONE CARNES	10258	1,574	1,210	746	331
UGPL ST HELENA	10109	1,304	2,438	1,588	2,000
TRANSCO ST HELENA	10114	5,743	3,786	9,457	4,027
ZONE 3 TOTAL - C.S. #11 MOUNT VERNON					
	25309	11,534	11,084	14,122	8,690
TOTAL MDQ:		65,470	46,215	52,825	46,851

This Exhibit A shall be superseded in its entirety by First Revised Exhibit A attached hereto on the expiration date of the Letter Agreement between Transporter and Shipper dated April 28, 1992 regarding capacity temporarily relinquished to Shipper by Thermo Electron Corporation.

Shipper to provide fuel pursuant to Fuel Reimbursement Charge Adjustment provisions of Transporter's F.E.R.C. Gas Tariff, General Terms and Conditions.

* Exclusive of Transporter's fuel

Date of this Exhibit A: October 1, 1993

First Revised Exhibit A
to
Firm Transportation Service Agreement
Between
Florida Gas Transmission Company
and
Florida Gas Utility
Dated
October 1, 1993

Description of Point(s) of Receipt	POI	Maximum Daily Quantities*			
		Oct	Nov-March	April	May-Sept
PRODUCTION ZONE 1					
JOHNSON'S BAYOU	282	0	0	0	0
SUNN STARR PLANT	8798	7,628	1,891	2,741	7,147
MAT 668/703/686	9897	0	0	0	4,854
MAT 688/699 SUBSEA	55388	284	4,422	1,526	0
MST 758 SUB-SEA IC	1226	8,847	8,517	7,952	4,660
MST ISLE 755/738 SUBSEA	49112	8,818	1,835	6,974	0
ZONE 1 TOTAL - C.S. #7 EUNICE	25306	25,577	16,665	19,193	16,661
PRODUCTION ZONE 2					
CSX PLANT OUTLET	23060	22,470	10,994	14,730	14,210
LRC KAPLAN COW ISLAND	16509	1,941	1,942	1,907	1,352
NGPL VERMILION	57391	3,948	5,530	2,873	1,630
ACADIAN ASSUMPTION	58130	0	0	0	3,144
ZONE 2 TOTAL - C.S. #8 ZACHARY	25412	28,359	18,466	19,510	20,336

FLORIDA GAS UTILITY
PAGE 2
FIRST REVISED EXHIBIT A CONT.

Description of Point(s) of Receipt	POI	Maximum Daily Quantities*			
		Oct	Nov-March	April	May-Sept
PRODUCTION ZONE 3					
PROSPER ENERGY PEARL	10126	2,913	3,650	2,331	2,332
TENN STONE CARNES	10258	1,574	1,210	746	331
UGPL ST HELENA	10109	1,304	2,438	1,588	2,000
TRANSCO ST HELENA	10114	5,743	3,786	9,457	3,784
ZONE 3 TOTAL - C.S. #11 MOUNT VERNON	25309	11,534	11,084	14,122	8,447
TOTAL MDQ:		65,470	46,215	52,825	45,444

This First Revised Exhibit A shall supersede Exhibit A in its entirety on the expiration date of the Letter Agreement between Transporter and Shipper dated April 28, 1992 regarding capacity temporarily relinquished to Shipper by Thermo Electron Corporation.

Shipper to provide fuel pursuant to Fuel Reimbursement Charge Adjustment provisions of Transporter's F.E.R.C. Gas Tariff, General Terms and Conditions.

* Exclusive of Transporter's fuel

Date of this First Revised Exhibit A: October 1, 1993

Exhibit B
 To
 Firm Transportation Service Agreement
 Between
 Florida Gas Transmission Company
 and
 Florida Gas Utility
 Dated
 October 1, 1993

Description of Point(s) of Delivery	POI	Maximum Daily Quantities (MMBtu)			
		Oct	Nov-March	April	May-Sept
HOMESTEAD DIVISION					
1.Homestead#1	16216	4,626	2,235	2,732	3,749
2.Homestead#2	16217	4,626	2,235	2,732	3,749
DIVISION MDTQ		4,626	2,235	2,732	3,749
GAINESVILLE DIVISION					
3.Gainesville-North	16142	4,000	9,700	9,000	4,000
4.Gainesville-University	16143	13,500	17,300	17,300	13,500
5.Gainesville-Plant	16144	4,000	4,000	4,000	4,000
6.Gainesville-West	16145	2,300	2,300	2,300	2,300
7.GRU-Deerhaven	16240	19,200	9,224	19,200	19,200
8.GRU-Kelly	16241	15,800	6,500	15,800	15,800
DIVISION MDTQ		39,274	33,484	36,861	24,192
KISSIMMEE DIVISION					
9.Kissimmee Utility Authority	16258	7,310	3,340	4,360	7,848
DIVISION MDTQ		7,310	3,340	4,360	7,848

FLORIDA GAS UTILITY
PAGE 2
EXHIBIT B CONT.

Description of Point(s) of Delivery	POI	Maximum Daily Quantities (MMBtu)			
		Oct	Nov-March	April	May-Sept
STARKE DIVISION					
10. Starke Power Plant	16249	400	300	300	377
11. Starke LDC	16148*	1,700	1,700	1,700	310
DIVISION MDTQ		2,100	2,000	2,000	687
VERO BEACH DIVISION					
12. Vero Beach Generating	16261	12,160	5,156	6,872	10,375
DIVISION MDTQ		12,160	5,156	6,872	10,375
TOTAL MDTQ:		65,470	46,215	52,825	46,851

This Exhibit B shall be superseded in its entirety by First Revised Exhibit B attached hereto on the expiration date of the Letter Agreement between Transporter and Shipper dated April 28, 1992 regarding capacity temporarily relinquished to Shipper by Thermo Electron Corporation.

* Shipper and Transporter agree that the Maximum Hourly Quantity that Transporter shall be obligated to deliver through its metering facilities at each of the above Point(s) of Delivery in any one hour period shall not exceed five and four-tenths (5.4%) of the Maximum Daily Quantity in MMBtu for each such Point of Delivery; provided, however, that at Shipper's request, Transporter shall construct, own and operate new facilities, or expand its existing facilities, as necessary to increase such Maximum Hourly Quantity to six percent (6%); provided, further, that, in such event Shipper shall reimburse Transporter, promptly upon receipt of Transporter's invoices, for all actual costs and expenses of such facilities, including without limiting the foregoing, the costs of any pipeline facilities, measurement equipment, appurtenant facilities and materials, overhead expenses, and, to the extent that such reimbursement qualifies as a contribution in aid of construction under the Tax Reform Act of 1986, Shipper also shall reimburse Transporter for the income taxes incurred by Transporter as a direct result of such contribution in aid of construction by Shipper.

Date of this Exhibit B: October 1, 1993

First Revised Exhibit B
To
Firm Transportation Service Agreement
Between
Florida Gas Transmission Company
and
Florida Gas Utility
Dated
October 1, 1993

Description of Point(s) of Delivery	POI	Maximum Daily Quantities (MMBtu)			
		Oct	Nov-March	April	May-Sept
HOMESTEAD DIVISION					
1.Homestead#1	16216	4,626	2,235	2,732	3,749
2.Homestead#2	16217	4,626	2,235	2,732	3,749
DIVISION MDTQ		4,626	2,235	2,732	3,749
GAINESVILLE DIVISION					
3.Gainesville-North	16142	4,000	9,700	9,000	4,000
4.Gainesville-University	16143	13,500	17,300	17,300	13,500
5.Gainesville-Plant	16144	4,000	4,000	4,000	4,000
6.Gainesville-West	16145	2,300	2,300	2,300	2,300
7.GRU-Deerhaven	16240	19,200	9,224	19,200	19,200
8.GRU-Kelly	16241	15,800	6,500	15,800	15,800
DIVISION MDTQ		39,274	33,484	36,861	24,192
KISSIMMEE DIVISION					
9.Kissimmee Utility Authority	16258	7,310	3,340	4,360	6,441
DIVISION MDTQ		7,310	3,340	4,360	6,441

FLORIDA GAS UTILITY
PAGE 2
FIRST REVISED EXHIBIT B CONT.

Description of Point(s) of Delivery	POI	Maximum Daily Quantities (MMBtu)			
		Oct	Nov-March	April	May-Sept
STARKE DIVISION					
10. Starke Power Plant	16249	400	300	300	377
11. Starke LDC	16148*	1,700	1,700	1,700	310
DIVISION MDTQ		2,100	2,000	2,000	687
VERO BEACH DIVISION					
12. Vero Beach Generating	16261	12,160	5,156	6,872	10,375
DIVISION MDTQ		12,160	5,156	6,872	10,375
TOTAL MDTQ:		65,470	46,215	52,825	45,444

This First Revised Exhibit B shall supersede Exhibit B in its entirety on the expiration date of the Letter Agreement between Transporter and Shipper dated April 28, 1992 regarding capacity temporarily relinquished to Shipper by Thermo Elecron Corporation.

* Shipper and Transporter agree that the Maximum Hourly Quantity that Transporter shall be obligated to deliver through its metering facilities at each of the above Point(s) of Delivery in any one hour period shall not exceed five and four-tenths (5.4%) of the Maximum Daily Quantity in MMBtu for each such Point of Delivery; provided, however, that at Shipper's request, Transporter shall construct, own and operate new facilities, or expand its existing facilities, as necessary to increase such Maximum Hourly Quantity to six percent (6%); provided, further, that, in such event Shipper shall reimburse Transporter, promptly upon receipt of Transporter's invoices, for all actual costs and expenses of such facilities, including without limiting the foregoing, the costs of any pipeline facilities, measurement equipment, appurtenant facilities and materials, overhead expenses, and, to the extent that such reimbursement qualifies as a contribution in aid of construction under the Tax Reform Act of 1986, Shipper also shall reimburse Transporter for the income taxes incurred by Transporter as a direct result of such contribution in aid of construction by Shipper.

Date of this First Revised Exhibit B: October 1, 1993

ATTACHMENT A
to
Firm Transportation Service Agreement
between
Florida Gas Transmission Company
and
Florida Gas Utility
Dated
October 1, 1993

The following are the Terms for this Service Agreement per
Division:

<u>DIVISION</u>	<u>TERMINATION DATE</u>	<u>UNILATERL OPTION TO EXTEND PRIMARY TERM</u>	<u>EXTENSION RIGHTS</u>
Florida Gas Utility Homestead	08-01-2000	10 YRS	ROFR*
Gainesville Regional Utilities-Electric	08-01-2000	10 YRS	ROFR*
Gainesville Regional Utilities - LDC	08-01-2000	-	ROFR*
Kissimmee	08-01-2005	-	ROFR*
Starke	08-01-2000	-	ROFR*
Vero Beach	08-01-2005	-	ROFR*

*Right of First Refusal

ADDENDUM TO
FIRM TRANSPORTATION SERVICE AGREEMENT
BETWEEN
FLORIDA GAS TRANSMISSION COMPANY
AND
FLORIDA GAS UTILITY
DATED
OCTOBER 1, 1993

No Notice Quantity (NNQ)

The NNQ (MMBtu) applicable for each month is as follows:

<u>Division</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug</u>	<u>Sept</u>
GAINESVILLE	479	2986	3322	3002	2805	1945	1085	635	570	980	619	500
KISSIMMEE	872	871	931	931	931	931	872	807	500	471	589	592
STARKE	146	165	179	245	167	107	102	50	34	59	45	79
VERO BEACH	2000	1000	2000	2000	2000	1000	1000	1500	1500	1500	1500	1500
HOMESTEAD	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL NNQ	3497	5022	6432	6178	5903	3983	3059	2992	2604	3010	2753	2671

Date of this Addendum: October 1, 1993

**FLORIDA GAS TRANSMISSION COMPANY, LLC
MARKET AREA TRANSPORTATION RATES**

Effective January 1, 2007

RATES IN ¢/MMBTU

<u>RATE SCHEDULE</u>	<u>Maximum Rates</u>	<u>Max. Incl. Surcharges</u>
FTS -1		
Reservation	38.55	39.55
Usage	3.45	5.15
FTS-2		
Reservation	76.90	76.90
Usage	0.70	2.40
SFTS	80.55	84.25
NNTS	4.95	4.95
ITS-1	59.80	61.50
PNR	59.80	59.96

SURCHARGES

Capital Surcharge - FTS-1	1.00
Capital Surcharge - SFTS	2.00
ACA	0.16
Unit Fuel Surcharge	1.54
Purchased Power Surcharge	0.00
Fuel	3.01%
Quantities received & delivered in Market Area:	
Unit Fuel Surcharge	0.00
Fuel -	
Forwardhauls - 0.25% per compressor station, subject to minimum of 0.25%, up to	3.01%
Backhauls	0.25%

FLORIDA GAS TRANSMISSION COMPANY, LLC

WESTERN DIVISION

TRANSPORTATION RATES

Effective January 1, 2007

RATES IN ¢/MMBTU

<u>RATE SCHEDULE</u>	<u>Maximum Rates</u>
FTS-WD	
Facility	9.32
Service	.36 ¢/min 100 mi haul + .09¢/each addl 25 mi
ITS-WD	9.68 ¢/min 100 mi haul + .09¢/each addl 25 mi

SURCHARGES

ACA	0.16
Fuel - 0.50% per compressor station up to	3.01%

P. 04/06
 713 646 8260 TO 913523340789
 FLA GAS UTILITY

713 646 8260 TO 913523340789
 FLA GAS UTILITY

APR 10 2001 02:03 FR E T & S 34 0789
 03/30/01 14:51 2335
 MAR 21 2001 13:49 FR D

Twenty Fourth Revised Exhibit B
 To
 Firm Transportation Service Agreement (FTS-1)
 Between
 Florida Gas Transmission Company
 And
 Florida Gas Utility
 Dated
 October 1, 1993

#5141

Description of Point(s) of Delivery	DRN	Maximum Daily Quantities*											
		Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
HOMESTEAD DIVISION													
Homestead #1	18040	2,235	2,235	2,235	2,732	2,800	2,800	2,800	2,800	2,800	2,800	2,235	2,235
Homestead #2	3016	<u>2,235</u>	<u>2,235</u>	<u>2,235</u>	<u>2,732</u>	<u>3,749</u>	<u>3,749</u>	<u>3,749</u>	<u>3,749</u>	<u>3,749</u>	<u>3,749</u>	<u>4,628</u>	<u>2,235</u>
DIVISION MDTQ		2,235	2,235	2,235	2,732	3,749	3,749	3,749	3,749	3,749	3,749	4,628	2,235
KISSIMMEE DIVISION													
Kissimmee Util Auth	3225	3,340	3,340	3,340	4,360	6,441	6,441	6,441	6,441	6,441	6,441	7,310	3,340
Kissimmee Cane Island	135877	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
DIVISION MDTQ		3,340	3,340	3,340	4,360	6,441	6,441	6,441	6,441	6,441	6,441	7,310	3,340
STARKE DIVISION													
Starke Pwr Plant	2959	0	0	0	0	377	377	377	377	377	377	400	0
Starke LOC	2958*	<u>1,700</u>	<u>1,700</u>	<u>1,700</u>	<u>1,700</u>	<u>310</u>	<u>310</u>	<u>310</u>	<u>310</u>	<u>310</u>	<u>310</u>	<u>1,700</u>	<u>1,700</u>
DIVISION MDTQ		1,700	1,700	1,700	1,700	687	687	687	687	687	687	2,100	1,700
VERO BEACH DIVISION													
Vero Beach Generating	3074	5,156	5,156	5,156	6,872	10,375	10,375	10,375	10,375	10,375	10,375	12,160	5,156
Vero Beach Gen (Starke) (C)	3074	<u>300</u>	<u>300</u>	<u>300</u>	<u>300</u>	<u>0</u>	<u>300</u>						
DIVISION MDTQ		5,456	5,456	5,456	7,172	10,375	10,375	10,375	10,375	10,375	10,375	12,160	5,456
FT. PIERCE DIVISION (GENERATING)													
Ft. Pierce Gen. (A)	3241	4,595	4,595	4,595	6,147	9,317	9,317	9,317	9,317	9,317	9,317	8,480	4,595
Ft. Pierce Gen. (B)	3241	<u>4,000</u>	<u>4,000</u>	<u>4,300</u>	<u>4,400</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,974</u>	<u>4,150</u>
DIVISION MDTQ		8,595	8,595	8,895	10,547	9,317	9,317	9,317	9,317	9,317	9,317	10,454	8,745
FT. PIERCE DIVISION (LDC)													
Ft. Pierce No.	3243	1,500	1,500	1,200	1,100	868	868	868	868	868	868	868	1,350
Ft. Pierce So.	3245	<u>1,500</u>	<u>1,500</u>	<u>1,200</u>	<u>1,100</u>	<u>868</u>	<u>868</u>	<u>868</u>	<u>868</u>	<u>868</u>	<u>868</u>	<u>431</u>	<u>1,350</u>
DIVISION MDTQ		1,500	1,500	1,200	1,100	868	868	868	868	868	868	1,350	1,500

713 646 8260 TO 913523340789
FLA GAS UTILITY

APR 10 2001 02:04 FR E T & S
03/30/01 14:51
MAR 21 2001 15:47

Description of Point(s) of Delivery	DRN	Maximum Daily Quantities*											
		Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
LAKE WORTH DIVISION													
Lake Worth So.	28456	0	0	0	0	0	0	0	0	0	6,000	0	0
DIVISION MDTQ		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,000</u>	<u>0</u>	<u>0</u>
LEESBURG DIVISION													
Leesburg	3089	5,000	5,000	5,000	5,000	2,295	2,295	2,295	2,295	2,295	2,800	5,000	5,000
Leesburg Haines Creek	3088	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
DIVISION MDTQ		<u>6,500</u>	<u>6,500</u>	<u>6,500</u>	<u>6,500</u>	<u>2,295</u>	<u>2,295</u>	<u>2,295</u>	<u>2,295</u>	<u>2,295</u>	<u>2,800</u>	<u>6,500</u>	<u>6,500</u>
GULF COAST METALS DIVISION													
Gulf Coast Metals	217829	70	70	70	70	70	70	70	70	70	70	70	70
DIVISION MDTQ		<u>70</u>	<u>70</u>	<u>70</u>	<u>70</u>	<u>70</u>	<u>70</u>	<u>70</u>	<u>70</u>	<u>70</u>	<u>70</u>	<u>70</u>	<u>70</u>
CLEARWATER DIVISION													
Clearwater East	3168	5,000	5,000	5,000	5,000	3,000	3,000	3,000	3,000	3,000	5,000	5,000	5,000
Clearwater North	3171	5,000	5,000	5,000	5,000	3,000	3,000	3,000	3,000	3,000	5,000	5,000	5,000
Clearwater South	3172	5,000	5,000	5,000	5,000	3,000	3,000	3,000	3,000	3,000	5,000	5,000	5,000
DIVISION MDTQ		<u>10,219</u>	<u>10,219</u>	<u>10,219</u>	<u>10,219</u>	<u>4,652</u>	<u>4,652</u>	<u>4,652</u>	<u>4,652</u>	<u>4,652</u>	<u>7,496</u>	<u>10,219</u>	<u>10,219</u>
TOTAL MDTQ		39,615	39,615	39,615	44,400	38,454	38,454	38,454	38,454	38,454	53,884	39,615	39,615

* Shipper and Transporter agree that the Maximum Hourly Quantity that Transporter shall be obligated to deliver through its metering facilities at each of the above Point(s) of Delivery in any one hour period shall not exceed five and four-tenths (5.4%) of the Maximum Daily Quantity in MMBtu for each such Point of Delivery; provided, however, that at Shipper's request, Transporter shall construct, own and operate new facilities, or expand its existing facilities, as necessary to increase such Maximum Hourly Quantity to six percent (6%); provided, further, that, in such event Shipper shall reimburse Transporter, promptly upon receipt of Transporter's invoices, for all actual costs and expenses of such facilities, including without limiting the foregoing, the costs of any pipeline facilities, measurement equipment, appurtenant facilities and materials, overhead expenses, and, to the extent that such reimbursement qualifies as a contribution in aid of construction under the Tax Reform Act of 1986, Shipper also shall reimburse Transporter for the income taxes incurred by Transporter as a direct result of such contribution in aid of construction by Shipper.

- (A) Pursuant to Attachment A, these volumes have a termination date of 8-1-2005 with rollover extension rights.
- (B) These volumes have been moved from "LDC" to "Generating" and pursuant to Attachment A have a termination date of 1-31-2007 with a 10 year unilateral option to extend primary term and rollover extension rights.
- (D) These volumes have been moved from the City of Starke after the retirement of it's power plant and pursuant to Attachment A have a termination date of 8-1- 2000 with right of first refusal extension rights.

OK SA

P. 04
P. 04

713 646 8260 TO 913523340789
713 646 8260 U 913523340789

MAY 11 2001 12:31 FR E T & S
04/24/01 11:39
MAY 10 2001 15:40

Fourteenth Revised Exhibit B
to
Firm Transportation Service Agreement
Between
Florida Gas Transmission Company
and
Florida Gas Utility
Dated
December 9, 1991

#3630

Description of Point(s) of Delivery	DRN	Maximum Daily Quantities (MMBtu)											
		Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Kissimmee Utility Authority Division²													
KUA	3225	10,984	10,984	10,984	10,984	8,781	8,781	8,781	8,781	8,781	8,781	10,984	10,984
KUA-Cane Island	135677	10,984	10,984	10,984	10,984	8,781	8,781	8,781	8,781	8,781	7,781	10,984	10,984
Indian River ¹	2972	See FNI	See FNI	See FNI	See FNI	See FNI	See FNI	See FNI	See FNI	See FNI	See FNI	See FNI	See FNI
Division MDTQ:		10,984	10,984	10,984	10,984	8,781	8,781	8,781	8,781	8,781	7,781	10,984	10,984
Fort Pierce Division²													
Ft. Pierce Gas Dept.	3243	5,600	5,600	5,600	5,600	968	968	968	968	968	968	5,600	5,600
Ft. Pierce Gas Dept.	3245	5,600	5,600	5,600	5,600	968	968	968	968	968	968	5,600	5,600
Ft. Pierce Power Plt.	3241	19,350	19,350	19,350	19,350	20,187	20,187	20,187	20,187	20,187	20,187	19,350	19,350
Vero Beach Generating	3074	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Division MDTQ:		6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Florida Municipal Power Agency													
Cane Island	135677	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500
OUC Indian River	2972	0	0	0	0	0	0	0	0	0	0	0	0
OUC Stanton Orange Cty.		0	0	0	0	0	0	0	0	0	0	0	0
Lakeland Plant	99448	0	0	0	0	0	0	0	0	0	0	0	0
Agency MDTQ:		12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500
City of Lake Worth Division													
FPU-Lake Worth So.	28456	0	0	0	0	7,542	7,542	7,542	7,542	7,542	1,542	0	0
Division MDTQ:		0	0	0	0	7,542	7,542	7,542	7,542	7,542	1,542	0	0
City of St. Cloud Division													
CFG Co. - St. Cloud	3144	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400
Division MDTQ:		1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400

Handwritten initials: JF-201

Maximum Daily Quantities
 (MMBtu)

Description of Point(s) of Delivery	DRN	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
City of Vero Beach Division													
Vero Beach Generating	3074	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
✓ Ft. Pierce Gen. Pwr.	3241	6,200	6,200	6,200	6,200	3,613	3,613	3,613	3,613	3,613	3,613	6,200	6,200
Ft. Pierce Gas Dept.	3243	6,200	6,200	6,200	6,200	3,613	3,613	3,613	3,613	3,613	3,613	6,200	6,200
Ft. Pierce Gas Dept.	3245	6,200	6,200	6,200	6,200	3,613	3,613	3,613	3,613	3,613	3,613	6,200	6,200
Division MDTQ:		8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Clearwater Division													
Clearwater East	3168	614	614	614	614	464	464	464	464	464	464	614	614
Clearwater North	3171	711	711	711	711	539	539	539	539	539	539	711	711
Clearwater South	3172	456	456	456	456	345	345	345	345	345	345	456	456
Division MDTQ:		1,781	1,781	1,781	1,781	1,348	1,348	1,348	1,348	1,348	1,348	1,781	1,781
FLORIDA GAS UTILITY TOTAL													
TOTAL MDTQ:			40,665	40,665	40,665	40,665	45,571	45,571	45,571	45,571	45,571	38,571	40,665

SHIPPER
 FLORIDA GAS UTILITY

By: Kathleen R. Vaughan
 Title: GENERAL MANAGER

Attest: _____

Title: _____
 (To be attested if not signed by an officer of the company)

TRANSPORTER
 FLORIDA GAS TRANSMISSION COMPANY

By: A.E. Gayer
 Title: SR. Vice President

Handwritten initials/signature

This Fourteenth Revised Exhibit B replaces and supersedes Thirteenth Revised Exhibit B dated April 1, 2001; Effective May 1, 2001.

P. 05

713 646 8260 TO 913523340789
 713 646 826 TO 913523340789

MAY 11 2001 12:32 FR E T & S
 04/24/01 10:38
 APR 18 2001 13:41



Frederick M. Bryant
General Counsel

December 2, 1998

P.O. Box 3209
Tallahassee, Florida 32315-3209
2010 Delta Boulevard
Tallahassee, Florida 32303
(850) 297-2011 Fax (850) 297-2014
1 877 297-2012

Mr. Rex Taylor
City Manager / Utilities Director
CITY OF VERO BEACH
Post Office Box 1389
Vero Beach FL 32961-1389

Re: Amendments to All Requirements Project Support Contracts
and Capacity and Energy Sales Contracts

Dear Rex:

Pursuant to the agreement of the Generating Cities (Key West, Fort Pierce and Vero) to join the All Requirements Project, FMPA agreed to make certain changes to the All Requirements Power Supply Project Contract and the Capacity and Energy Sales Contract. While several of these changes are only applicable to the Capacity and Energy Sales Contract and thus affect only the Generating Cities, the overall impact of these changes is favorable to all Project Participants. These changes must be approved by the FMPA Board and the Project Participants. (Items 2 to 7 were previously approved by the Board coincident with bringing Key West, Fort Pierce and Vero into the Project). The amendments are attached hereto and accomplish the following:

1. The automatic 5-year extension of the term of the Power Supply Project Contract has been reduced to an automatic one-year extension. (See changes to Section 2. of the Power Supply Project Contract) (This change was requested by Jacksonville Beach and increases the Project Participants' contract flexibility).
2. An All Requirements Project Participant can set a Contract Rate of Delivery with only a 5-year notice instead of a 7-year notice. (See changes to Section 5. of the Power Supply Project Contract).
3. The generating All Requirements Project Participants can reduce their Contract Rate of Delivery by the total of the Capacity Credit Resources, adjusted for a 15-percent reserve margin, and the Capacity and Energy Sales Contract will terminate coincident with a Project Participant commencing service under a Contract Rate of Delivery. (See changes to Section 3. of the Power Supply Project Contract, and Section 2. of the Capacity and Energy Sales Contract).



Mr. Rex Taylor
City Manager / Utilities Director
CITY OF VERO BEACH
December 2, 1998
Page 2

4. If a Project Participant sets a Contract Rate of Delivery or terminates the Power Supply Project Contract, FMPA will be kept whole for transmission costs that are incurred as a result of commitments made by FMPA to serve the Project Participant. FMPA will use its best efforts to arrange for the necessary transmission service the Project Participant requires for its capacity and energy in excess of its Contract Rate of Delivery. (See changes to Section 3. of the Power Supply Project Contract).

5. If a Project Participant sets a Contract Rate of Delivery or terminates the Contracts, FMPA will be reimbursed for Direct Assignment Facilities and Additional Facilities, and such facilities are defined as facilities installed by FMPA that solely benefit the Project Participant. (See changes to Section 3. of the Power Supply Project Contract).

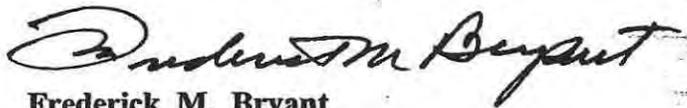
6. The Capacity and Energy Sales Contract sets out the general methodology for determining market-based payments for Project-Participant-owned generating capacity. (See changes to Exhibit "D" of the Capacity and Energy Sales Contract).

7. The Capacity and Energy Sales Contract will allow for one or more Project Participants to call for binding arbitration if they believe the Generating Capacity Credit Payments are too low or too high. (See changes to Section 5. F. of the Capacity and Energy Sales Contract).

The aforesaid constitutes a summary of the desired amendments, and procedurally the FMPA staff must obtain approval of these amendments from the Project Committee, the Executive Committee, the Board, the Project Participants, the bond insurance companies, and the Trustee. We plan to seek such approvals in the near future.

If you have any questions or comments, please contact me.

Sincerely,



Frederick M. Bryant

FMB / eL
att.

cc: (with enclosures)
Mr. Claude L'Engle

FMPA / ALL REQUIREMENTS /
AMENDMENTS. (LETTER)



Mr. Vince Ruano
City Manager
CITY OF BUSHNELL
Post Office Box 115
Bushnell FL 33513

352/793-2591 FAX 352/793-2711

Mr. George W. Mathis
Utility Director
CITY OF CLEWISTON
141 Central Avenue
Clewiston FL 33440

941/983-1454 FAX 941-983-3406

Mr. Elie J. Boudreaux III, P.E.
Director of Utilities
FORT PIERCE UTILITIES AUTHORITY
Post Office Box 3191
Fort Pierce FL 34948-3191

561/466-1600 FAX 561/489-0396

Mr. Ted Biggs
Purchasing Agent
CITY OF GREEN COVE SPRINGS
229 Walnut Street
Green Cove Springs FL 32043

850/529-2231 FAX 850/529-2232

cc: Eric S. Meserve, City Manager (w/enclosures)

Mr. Charles W. Smith, P.E.
Director of Electric Utilities
CITY OF JACKSONVILLE BEACH
Post Office Box 51389
Jacksonville Beach FL 32240-1389

904/247-6281 FAX 904/247-6120

Mr. Larry J. Thompson
General Manager
UTILITY BOARD OF
THE CITY OF KEY WEST
Post Office Drawer 6100
Key West FL 33041-6100

305/295-1000 FAX 305/295-1005

Mr. Joseph M. Tardugno
Superintendent of Electric Utilities
CITY OF LEESBURG
Post Office Box 490630
Leesburg FL 34749-0630

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Mr. Dean G. Shaw
Director of Electric Utility
OCALA ELECTRIC UTILITY
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OCALA FL 34478-1270

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Mr. William Weldon
City Operations Manager
and Utility Director
CITY OF STARKE
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Starke FL 32091

904/964-5027 FAX 904/964-3998

Mr. Rex Taylor
City Manager / Utilities Director
CITY OF VERO BEACH
Post Office Box 1389
Vero Beach FL 32961-1389

561/567-5151 FAX 561/778-3856

RECEIVED
MAR 18 1999
V.B. Power Plant

**AMENDMENT NO. 1 TO ALL-REQUIREMENTS
POWER SUPPLY PROJECT CONTRACT BETWEEN
FLORIDA MUNICIPAL POWER AGENCY AND
THE CITY OF VERO BEACH**

WHEREAS, THE CITY OF VERO BEACH has heretofore approved and executed the All-Requirements Power Supply Project Contract and has become a Project Participant in the All-Requirements Power Supply Project; and

WHEREAS, contemporaneous with and as a condition of the City of Vero Beach, the Fort Pierce Utilities Authority, and the Utility Board of the City of Key West joining the All- Requirements Power Supply Project, it was agreed between the aforesaid, the Florida Municipal Power Agency, and the other Project Participants that certain amendments (“Amendments”) would be made to the All-Requirements Power Supply Project Contract; and

WHEREAS, the Amendments have been reviewed and approved by the All-Requirements Project Committee; and

WHEREAS the aforesaid Amendments are hereby incorporated into and made a part of this Amendment No. 1 to the All-Requirements Power Supply Project Contract between Florida Municipal Power Agency and **THE CITY OF VERO BEACH.**

NOW THEREFORE, the following Sections of the All-Requirements Power Supply Project Contract are hereby amended:

SECTION 2. TERM is hereby amended and restated in its totality as follows:

This Contract shall become effective upon a date to be determined by the Board.

Subject to the provisions for withdrawal in Section 29, this Contract shall remain in effect until October 1, 2030. On each October 1st, this Contract shall automatically extend for an additional one-year period unless either party hereto, at least one year prior to such automatic extension date, shall notify the other party in writing of its decision not to extend this Contract.

SECTION 3. SALE AND PURCHASE OF ELECTRICITY. Section 3 (a) is hereby amended and restated as follows:

(a) FMPA hereby agrees to sell and deliver to the Project Participant, and the Project Participant hereby agrees to purchase and receive from FMPA, commencing on the Service Commencement Date and extending through the term hereof, all electric capacity and energy (including any associated transmission and dispatching services) which the Project Participant shall require for the operation of its municipal electric system over and above the Excluded Power Supply Resources, if any, specified in paragraph 2 of Schedule A hereto, and over and above Back-up and Support Services (as hereinafter defined) (the "All-Requirements Services"); provided, however, that effective January 1, 1998, or any January 1 thereafter, upon at least five years prior written notice to FMPA, the Project Participant may irrevocably limit the maximum amount of electric capacity and energy required to be sold and delivered by FMPA and purchased and received by the Project Participant hereunder as All-Requirements Services for the remainder of the term hereof so as not to exceed its Contract Rate of Delivery determined as follows: (i) the "Contract Rate of Delivery" shall be the peak demand of the Project Participant for electric capacity and energy as All-Requirements Services under this Contract during the 12 months preceding the date one month prior to the date such limitation shall commence, as determined by FMPA, adjusted up or down by not more than a 15% reserve margin

so as to provide optimal utilization of the FMPA power supply resources, such adjustment to be made by FMPA in its sole discretion; and (ii) such Contract Rate of Delivery shall be reduced by FMPA by the total of the Project Participant's then current Capacity Credit Resources, and Partial Requirements Purchase Contract and any power supply resources the Project Participant is obligated to purchase from other FMPA power supply projects, if any, as defined and determined pursuant to the Project Participant's Capacity and Energy Sales Contract, if applicable. However, such reduction of the Contract Rate of Delivery shall not result in a negative amount of the Contract Rate of Delivery. Furthermore, the Project Participant may not make such a reduction in the Contract Rate of Delivery more than once during the term of this Contract. In addition, the Project Participant shall reimburse FMPA for all transmission costs incurred by FMPA with respect to the Project Participant during the remainder of the term hereof. FMPA will use its best efforts to arrange for and provide to the Project Participant the transmission services required by the Project Participant for its capacity and energy requirements in excess of its Contract Rate of Delivery and all costs related thereto shall be borne by the Project Participant. At the commencement of the Contract Rate of Delivery, the Project Participant shall reimburse FMPA each month for the monthly costs of all Direct Assignment Facilities and Additional Facilities (or for the allocable portion thereof) acquired or utilized heretofore by FMPA to provide All-Requirements services to the Project Participant. These Direct Assignment Facilities and Additional Facilities may include, but are not limited to facilities or portions of facilities that are constructed by a transmission provider for the sole use and benefit of the Project Participant. In the event a Project Participant elects to limit its purchase obligations pursuant to establishing a Contract Rate of Delivery that results in the Project

Participant purchasing less than 15% of its peak demand, established pursuant to this Section, the Project Participant shall no longer be entitled to be a member of the All-Requirements Project Committee nor be entitled to a vote pursuant to Section 4 herein. If FMPA has constructed generation that is transmitted to the All-Requirements Power Supply Project via the transmission facilities owned by a Project Participant which has given notice to establish a Contract Rate of Delivery, FMPA shall have the right to use such Project Participant's transmission facilities to transmit the output of those generation facilities to the statewide transmission grid at a reasonable cost. Upon the request of the Project Participant, but not more than once within any 12 months, FMPA shall advise the Project Participant of FMPA's then best estimate of what the Project Participant's Contract Rate of Delivery hereunder would be for any year within the ten-year period following the date FMPA receives such request. FMPA shall notify the Project Participant of the Project Participant's actual Contract Rate of Delivery within seven days after FMPA's determination thereof. Beginning on the date of commencement of the limitation provided for in the proviso of the first sentence of this Section 3 (a) and for the remainder of the term of this Contract, the amount of electric capacity and energy required to be sold and delivered by FMPA and purchased and received by the Project Participant as All-Requirements Services shall be determined as provided in Schedule C hereto.

IN WITNESS WHEREOF, the parties hereto have caused the All-Requirements Power Supply Project Contract to be amended by Amendment No. 1 by the execution thereof by their proper officers, respectively, being hereunto duly authorized, and their respective seals to be hereto affixed, as of the 22nd day of January, 1999.

FLORIDA MUNICIPAL POWER AGENCY

by: Joseph M. Sandusky Jr
Vice Chairman

Attested by

Vince Quana
Secretary

(SEAL)

CITY OF VERO BEACH

by: Arthur R. Schubert

Attested by

Jammy K. Wood

(SEAL)

FLORIDA MUNICIPAL POWER AGENCY

ALL-REQUIREMENTS POWER SUPPLY PROJECT CONTRACT

This contract, entered into as of October 1, 1996, between FLORIDA MUNICIPAL POWER AGENCY, a legal entity organized under the laws of the State of Florida, ("FMPA"), and the City of Vero Beach, a public agency and member of FMPA who has executed this Contract (the "Project Participant").

WITNESSETH:

WHEREAS, FMPA was created pursuant to Chapter 163, Part I, Florida Statutes, as amended (the "Interlocal Act") and Chapter 361, Part II, Florida Statutes, as amended (the "Joint Power Act") 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 the present and projected electric energy needs of such municipal corporations and other entities; 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 make and execute contracts and other instruments necessary or convenient in the exercise of the powers and functions of FMPA under the laws of the State of Florida; (iii) to issue its bonds, notes, or other evidences of indebtedness to pay all or part of the costs of acquiring or participating in such electric projects; and (iv) to exercise all other powers which have been or may be granted to FMPA under the laws of the State of Florida; and

WHEREAS, in order to secure an adequate, reliable and economical supply of electric capacity and energy to supply, with certain exceptions permitted herein, all of the needs for electric capacity and energy of the Project Participant (as hereinafter defined) and the other Project Participants (as hereinafter defined) contracting with FMPA, FMPA has established an All-Requirements Power Supply Project, which constitutes an "Electric Project" and a "Project" as defined in Chapter 163, Part I, and Chapter 361, Part II, Florida Statutes, respectively, and has created the System (as hereinafter defined) to carry out such All-Requirements Power Supply Project; and FMPA and the Project Participant have determined that FMPA will sell to the Project Participant, and the Project Participant will purchase from FMPA, electric capacity and energy from the System on the terms and conditions set forth herein; and

WHEREAS, certain Project Participants and FMPA entered into individual All-Requirements Power Supply Project Contracts, dated May 24, 1991, for FMPA to sell to such Project Participants and such Project Participants to purchase from FMPA, electric capacity and energy from the System on terms and conditions set forth in that Contract; and

WHEREAS, FMPA and such Project Participants now wish to expand the All-Requirements Power Supply Project and to allow for the inclusion of additional Project Participants that have electric generating resources; and

WHEREAS, execution by such additional Project Participants of an All-Requirements Power Supply Project Contract requires certain necessary changes to the All-Requirements Power Supply Project Contract previously executed by the current Project Participants and the execution of Capacity and Energy Sales Contract (as hereinafter defined) in order to accomplish such expansion; and

WHEREAS, FMPA has implemented the All-Requirements Power Supply Project by acquiring electric capacity and energy and dispatching and transmission services included or to be included in the System for sale and delivery to the Project Participant and to its other Project Participants contracting with FMPA therefor through whatever means it deems advisable, including, without limitation, the purchase thereof, including the purchase from certain Project Participants that have electric generating resources in accordance with Capacity and Energy Sales Contracts, and the ownership or leasing of generation, dispatching and transmission facilities or any interest therein or output of services therefrom; and

WHEREAS, the actions taken by FMPA to implement the All-Requirements Power Supply Project by acquiring electric capacity and energy and dispatching and transmission services included or to be included in the System for sale and delivery to the Project Participant and the other Project Participants contracting with FMPA have been authorized by the Interlocal Act, the Joint Power Act and the Interlocal Agreement Creating the Florida Municipal Power Agency, as amended and supplemented to date, which Interlocal Agreement, as so amended and supplemented, constitutes an "agreement to implement a project" and a "joint power agreement," as such terms are used in the Joint Power Act; and

WHEREAS, in order to enable FMPA to issue, market and secure its revenue bonds, notes or other evidences of indebtedness to implement the All-Requirements Power Supply Project by paying the cost of acquiring and constructing such generation, dispatching, transmission or other facilities and services included or to be included in the System as are useful in meeting its obligations hereunder and providing working capital and reserves therefor, it

is necessary for FMPA to have long-term binding contracts containing terms and provisions substantially similar to those contained herein with the Project Participant and each of the other Project Participants and to pledge the payments required to be made under such contracts as security for the payment of such bonds, notes or other evidences of indebtedness.

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

Act shall mean the Constitution and laws of the State of Florida, including particularly Chapter 163, Part I, as amended, Chapter 166, Part II, as amended, Chapter 361, Part II, as amended, Florida Statutes, and the Interlocal Agreement.

All-Requirements Power Supply Project shall mean the acquisition of electric capacity and energy and dispatching and transmission services constituting the System for purposes of supplying, with certain exemptions as permitted herein, all of the needs for electric capacity and energy of the Project Participant, and the other Project Participants from time to time.

All-Requirements Power Supply Project Contracts shall mean this Contract and each of the All-Requirements Power Supply Project Contracts, dated as of May 24, 1991, and May 1, 1990, and the All-Requirements Power Supply Project Contracts dated as of October 1, 1996, each by and between FMPA and the Project Participants for the sale of electric capacity and energy and dispatching and transmission services from the System by FMPA to Project Participants as each of such Contracts may be amended in accordance with the terms of the Bond Resolution, together with any other contracts entered into by FMPA at this time or any time hereafter with other members of FMPA either (i) having terms and provisions substantially similar to the terms and provisions of the aforesaid contracts or (ii) which FMPA designates as All-Requirements Power Supply Project Contracts, provided that it shall not include any such contract which FMPA determines is not to be considered an All-Requirements Power Supply Project Contract.

All-Requirements Services shall have the meaning given to such term in Section 3(a) hereof.

Authorized Representative shall mean the individual authorized by the Project Participant's governing body to take any or all actions or sign any or all documents in connection with Sections 4(b) and 6(d) of this Contract.

Back-up and Support Services shall have the meaning given to such term in Section 3(b) hereof.

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.

Bond Resolution shall mean any one or more resolutions, trust agreements, loan agreements or other similar instruments providing for the issuance of Bonds.

Bonds shall mean revenue bonds, notes or other evidences of indebtedness, without regard to the term thereof, whether or not any issue of such Bonds shall be subordinated as to payment to any other issue of Bonds, from time to time issued or already issued by FMPA to finance any cost, expense or liability paid or incurred or to be paid or incurred by FMPA in connection with the investigating, studying, planning, engineering, designing, financing, installing, constructing, acquiring, operating, maintaining, retiring, decommissioning or disposing of any part of the System or otherwise paid or incurred or to be paid or incurred by FMPA in connection with the performance of its obligations under the All-Requirements Power Supply Project Contracts or for any other lawful purpose permitted under the Act or the Interlocal Agreement for the System to implement the All-Requirements Power Supply Project.

Capacity and Energy Sales Contract shall mean the Capacity and Energy Sales Contract dated October 1 , 1996, between FMPA and the Project Participants.

Consulting Engineer shall mean, as of any date, an engineer or engineering firm or corporation then retained by FMPA to perform acts and carry out duties in connection with the supply of electric capacity and energy to the Project Participants as part of the All-Requirements Power Supply Project.

Contract Rate of Delivery shall have the meaning given to such term in Section 3(a) hereof.

Excluded Power Supply Resources shall mean the sources of electric capacity and energy, if any, intended to meet a portion of the load requirements of the Project Participant or the other Project Participants set forth in paragraph 2 of Schedule A to the ~~All-Requirements Power Supply Project Contract~~ of each of the respective Project Participants. Excluded Power Supply Resources capacity shall be equal to such Excluded Power Supply Resources capacity (kw) at the generation level (unadjusted for losses).

FPC Project Participants shall mean the members of FMPA identified as such in paragraph 1 of Schedule A hereto, as amended from time to time.

FPL Project Participants shall mean the members of FMPA identified as such in paragraph 1 of Schedule A hereto, as amended from time to time.

Interlocal Agreement shall mean Interlocal Agreement Creating the Florida Municipal Power Agency, as amended and supplemented to date, and as the same may be amended or supplemented in the future.

Point of Delivery shall mean any point at which FMPA shall be required to deliver electric capacity and energy to the Project Participant as set forth in paragraph 4 of Schedule A hereto, as amended from time to time.

Point of Measurement shall mean any point at which FMPA shall be required to meter electric capacity and energy delivered to the Project Participant as set forth in paragraph 5 of Schedule A hereto, as amended from time to time; provided, however, that if the Project Participant has limited its obligation to purchase and receive capacity and energy hereunder to its Contract Rate of Delivery as provided in Section 3(a) hereof, then Point of Measurement shall also mean any additional point or points required to meter electric capacity and energy delivered to the Project Participant from any other power supplier or from any Project Participant-owned generating resource located on the Project Participant's System.

Project Participants shall mean the Project Participant and those members of FMPA from time to time that are, or hereafter become, parties to All-Requirements Power Supply Project Contracts, and shall include both the FPC Project Participants and the FPL Project Participants.

Project Participant's System shall mean the Project Participant's electric system as described in paragraph 8 of Schedule A, as amended from time to time.

Prudent Utility Practice shall mean, at a particular time, any of the practices, methods and acts which, in the exercise of reasonable judgment in the light of the facts (including but not limited to the practices, methods and acts engaged in or approved by a significant portion of the electrical utility industry prior thereto) 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. Prudent Utility Practice is not intended to be limited to the optimum practice, method or act, to the exclusion of all others, but rather to be a number of possible practices, methods or acts.

Rate Schedule shall mean rate schedules setting forth the rate for payments by the Project Participant (i) for providing All-Requirements Services and (ii) for providing Back-up and Support Services for Excluded Power Supply Resources, if any. The

Rate Schedules anticipated to be in effect on the Service Commencement Date are expected to be substantially in the form of Schedules B-1 and B-2 attached hereto as revised and completed to reflect conditions in effect on the Service Commencement Date. Such forms of Schedules B-1 and B-2 are based on information available to and assumptions made by FMPA prior to the date of execution of this All-Requirements Power Supply Project Contract. The Rate Schedule may be revised from time to time by new schedules adopted by FMPA in the manner provided herein including, without limitation, any amendment, change, deletion or addition to any of the billing components, terms or conditions, or any adjustment set forth therein, including, but not limited to, amending billing demand to provide for minimum demand whether or not based on prior demand measurements, abolishing separate Rate Schedules for FPC Project Participants and FPL Project Participants or creating other Rate Schedules applicable to any one or more Project Participants.

Revenue Requirements shall mean all costs and expenses paid or incurred or to be paid or incurred by FMPA resulting from the ownership, operation, maintenance, termination, retirement from service and decommissioning of, and repair, renewals, replacements, additions, improvements, betterments and modifications to, the System or otherwise relating to the purchase or acquisition and sale of electric capacity and energy and dispatching and transmission services, providing Back-up and Support Services, and performance by FMPA of its obligations under the All-Requirements Power Supply Project Contracts or otherwise related to the All-Requirements Power Supply Project, including, without limitation, the following items of costs:

(1) payments of principal of and premium, if any, and interest on all Bonds issued by FMPA, including any amounts paid to any provider of credit support for Bonds as reimbursement for amounts paid by such provider of credit support in respect of such Bonds, and payments which FMPA is required to make into any debt service reserve fund or account under the terms of any Bond Resolution or other contract with holders of Bonds; provided, however, that Revenue Requirements shall not include any principal of, premium, if any, or interest on Bonds due solely by virtue of the acceleration of the maturity of such Bonds;

(2) amounts required under any Bond Resolution to be paid or deposited into any fund or account established by such Bond Resolution (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) amounts which FMPA may be required or determines to pay for the prevention or correction of any loss or damage or for renewals, replacements, repairs, additions, improvements, betterments, and modifications which are necessary or desirable to keep

any portion of the System in good operating condition or to prevent a loss of revenues therefrom;

(4) costs of operating and maintaining the System and of producing, dispatching, transmitting and delivering electric capacity and energy therefrom (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 costs of power supply planning and implementation associated with meeting FMPA's capacity supply obligations and an equitably allocated portion of FMPA's general and administration expenses which are not clearly chargeable to any specific project;

(5) the cost (including capacity credits and other costs, if any, under the Capacity and Energy Sales Contracts) of any electric capacity and energy purchased for resale by FMPA (either as principal or as agent) for the All-Requirements Power Supply Project and the cost of dispatching and transmission services for delivery of electric capacity and energy under the All-Requirements Power Supply Project Contracts and all other costs and expenses required to be paid by FMPA under any contract relating to the All-Requirements Power Supply Project, the System or the All-Requirements Power Supply Project Contracts;

(6) all costs incurred or associated with the salvage, discontinuance, retiring, decommissioning and disposition or sale of properties;

(7) all costs and expenses relating to injury and damage claims required to be paid by FMPA;

(8) any additional amount not specified in the other items of this definition which must be paid by FMPA relating to the All-Requirements Power Supply Project, the System or relating to the provision of All-Requirements Services to the Project Participant (including any amounts to be paid into any reserve account established by FMPA under the terms of any Bond Resolution for the payment of Revenue Requirements in the future and any amounts required to be paid to any withdrawing Project Participant pursuant to Section 29 of this Contract) which are not otherwise included in any of the costs specified herein;

(9) any reserves the Board of FMPA shall determine to be necessary or desirable for the payment of those items of costs and expenses referred to in clauses (1) through (8) above to the extent not already included in such clauses; and

(10) additional amounts which must be realized by FMPA in order to meet the requirement of any rate covenant with respect to coverage of principal of and interest on Bonds contained in any Bond Resolution or contract with holders of Bonds or which FMPA deems advisable in the marketing of its Bonds.

Service Commencement Date shall mean such date as shall be determined by FMPA upon 30 days' notice to the Project Participant.

System shall mean:

(1) any plant, works, system, facilities and real property and personal property of any nature whatsoever, together with all parts thereof and appurtenances thereto, which is located within or without the State of Florida, and which is used or useful in the generation, production, transmission, purchase, sale, exchange, or interchange of electric capacity and energy, including facilities and property for the acquisition, extraction, conversion, transportation, storage, reprocessing, or disposal of fuel and other materials of any kind for any such purposes;

(2) any interest in, or right to, the use, services, output, or capacity of any such plant, works, system, or facilities;

(3) any study to determine the feasibility or costs of any of the foregoing, including, but not limited to, engineering, legal, financing, and other services necessary or appropriate to determine the legality and financial and engineering feasibility of any project referred to in subparagraph 1 or subparagraph 2; and

(4) any other items or interests which FMPA may be permitted to include in the System at any time under the laws of the State of Florida;

all to the extent necessary, desirable or useful to enable FMPA to implement or carry out the All-Requirements Power Supply Project and to provide the Project Participants with all the electrical capacity and energy needed to meet their loads, on the terms and conditions and subject to the limitations contained in the All-Requirements Power Supply Project Contracts. It is intended that this definition be broadly construed to encompass all items of real and personal property, all interests in or rights to the use of services, output or capacity (including any such rights of any Project Participant for the purchase of electric capacity and energy or the purchase or other provision of dispatching and transmission services from any source in respect of which FMPA is to act as agent for such Project Participant and which is to be used by FMPA to satisfy all or any part of its obligations under this or any other All-Requirements Power Supply Project Contract) acquired or purchased by FMPA for the purpose of, or designated by FMPA to be used for the purpose of, meeting its obligations under the All-Requirements Power Supply Project Contracts, which on the date hereof or in the future shall be permitted to be included in the System pursuant to the provisions of the Act or other applicable laws of the State of Florida. Unless otherwise provided by action of FMPA designating such items as part of the System, the System shall not include FMPA's 8.806% undivided ownership

interest in St. Lucie Unit No. 2 acquired pursuant to the St. Lucie Unit No. 2 Participation Agreement dated as of February 11, 1982, as amended, or any rights to receive electric capacity and energy therefrom; any rights to receive electric capacity and energy pursuant to the St. Lucie Nuclear Reliability Exchange Agreement, dated March 26, 1982, as amended, or the St. Lucie Replacement Power Agreement, dated February 11, 1982; or FMPA's 14.8193% undivided ownership interest in Stanton Unit No. 1 acquired pursuant to the Stanton Unit No. 1 Participation Agreement dated as of January 16, 1984, as amended (the "Stanton Project"); or FMPA's 5.3012% undivided ownership interest in Stanton Unit No. 1 acquired pursuant to the Stanton Unit No. 1 Participation Agreement dated as of March 22, 1985, as amended (the "Tri-City Project"); provided, however, that certain Project Participants having Entitlement Shares in the Tri-City and/or Stanton Projects have agreed to sell and make available to FMPA for the All-Requirements Power Supply Project the capacity and energy from such Entitlement Shares pursuant to the Capacity and Energy Sales Contracts between FMPA and such Project Participants and the right to receive such capacity and energy shall be a part of the System. Notwithstanding the foregoing definition of the term System, such term shall not include any properties, rights or interests in properties of FMPA which FMPA determines shall not constitute a part of the All-Requirements Power Supply Project or the System for the purposes of this All-Requirements Power Supply Project Contract.

SECTION 2. Term

This Contract shall become effective upon a date to be determined by the Board.

Subject to the provisions for withdrawal in Section 29, this Contract shall remain in effect until October 1, 2025, and thereafter is subject to the following automatic extensions. On October 1, 1995 and each fifth anniversary thereafter, this Contract shall automatically extend for an additional five year period beyond October 1, 2025, unless either party hereto shall notify the other party in writing at least two years prior to such automatic extension date of its decision not to extend this Contract.

SECTION 3. Sale and Purchase of Electricity

(a) FMPA hereby agrees to sell and deliver to the Project Participant, and the Project Participant hereby agrees to purchase and receive from FMPA, commencing on the Service Commencement Date and extending through the term hereof, all electric capacity and energy (including any associated transmission and dispatching services) which the Project Participant shall require for the operation of its municipal electric system over and above the Excluded Power Supply Resources, if any, specified in paragraph 2 of Schedule A hereto and over and above Back-up and Support

Services (as hereinafter defined) (the "All-Requirements Services"); provided, however, that effective January 1, 2002, or any January 1 thereafter, upon at least seven years prior written notice to FMPA, the Project Participant may limit the maximum amount of electric capacity and energy required to be sold and delivered by FMPA and purchased and received by the Project Participant hereunder as All-Requirements Services for the remainder of the term hereof so as not to exceed the Contract Rate of Delivery determined as follows: the "Contract Rate of Delivery" shall be the peak demand of the Project Participant for electric capacity and energy as All-Requirements Services under this Contract during the 12 months preceding the date one month prior to the date such limitation shall commence, as determined by FMPA, adjusted up or down by not more than 10% so as to provide optimal utilization of the FMPA power supply resources, such adjustment to be made by FMPA in its sole discretion. Upon the request of the Project Participant, but not more than once within any 12 months, FMPA shall advise the Project Participant of FMPA's then best estimate of what the Project Participant's Contract Rate of Delivery hereunder would be for any year within the ten-year period following the date FMPA receives such request. FMPA shall notify the Project Participant of the Project Participant's actual Contract Rate of Delivery within seven days after FMPA's determination thereof. Beginning on the date of commencement of the limitation provided for in the proviso of the first sentence of this Section 3(a) and for the remainder of the term of this Contract, the amount of electric capacity and energy required to be sold and delivered by FMPA and purchased and received by the Project Participant as All-Requirements Services shall be determined as provided in Schedule C hereto.

In the event that, pursuant to law or regulatory orders, electric capacity and energy is required to be purchased by the Project Participant from a small power production facility, a cogeneration facility or other facility, the Project Participant and FMPA shall use their best efforts to arrange for such purchases to be made by FMPA, to the extent permitted by law. If such arrangements cannot be made, then the Project Participant shall make the required purchases and sell or otherwise transfer to FMPA the electric capacity and energy purchased at a price equal to the price paid by the Project Participant. The Project Participant appoints FMPA to act as its agent in all dealings with the owner of any such facility from which electric capacity and energy is to be purchased and in connection with all other matters relating to such purchases. The Project Participant also appoints FMPA to act as its agent in all dealings with any other party, other than FMPA, to any contract for the purchase of electric capacity and energy to which the Project Participant is a party and which has been designated by FMPA as part of the System.

A Project Participant may construct a new generating unit at a customer's location to avoid losing all or a part of that customer's load, provided, however, that the Project Participant

shall sell all capacity and energy from such unit to FMPA pursuant to a separately negotiated contract between FMPA and the Project Participant and the load represented by such customer shall continue to be included in the load serviced by FMPA under this Contract.

In addition, it is expressly acknowledged that the Project Participant may own all or any portion of a solid waste powered generation facility. Such facility may not be used to serve any of the Project Participant's retail load. If the Project Participant so requests, FMPA will purchase the Project Participant's share of the output of such facility for the All-Requirements Power Supply Project at the All-Requirements Power Supply Project's avoided cost as determined and adjusted by FMPA pursuant to an agreement to be negotiated by FMPA and the Project Participant.

(b) If and to the extent that the Project Participant has any Excluded Power Supply Resources specified in paragraph 2 of Schedule A hereof, FMPA hereby agrees to sell and deliver to the Project Participant, and the Project Participant hereby agrees to purchase and receive from FMPA, commencing on the Service Commencement Date and extending through the term hereof, generating support services for such Excluded Power Supply Resources including reserves, deficiency energy (which is energy in an amount equal to up to the Project Participant's Excluded Power Supply Resources whenever the units providing such Excluded Power Supply Resources are operating at less than a 100% capacity factor based on the seasonal net capability of such Excluded Power Supply Resources adjusted for losses), transmission losses and firming capacity associated with the delivery of the Excluded Power Supply Resources or the replacement thereof, including any associated transmission and dispatching services, (the "Back-Up and Support Services"). The obligation of FMPA to sell and deliver and of the Project Participant to purchase and receive the Back-Up and Support Services shall not be affected in any way by any election of the Project Participant to limit its obligation under paragraph (a) of this Section 3 to its Contract Rate of Delivery.

(c) The Project Participant hereby commits itself to take and pay for all of the electric capacity and energy which it is required to take and receive under paragraphs (a) and (b) of this Section 3 and which is made available to the Project Participant hereunder at its Points of Delivery; such payments shall be made at rates set forth in the Rate Schedule, as revised from time to time by FMPA in the manner provided herein.

SECTION 4. Authorization and Approval of Projects

(a) FMPA is hereby authorized by the Project Participant (i) to undertake projects to be included in the System as part of the All-Requirements Power Supply Project from time to time which

are necessary or desirable to enable FMPA to fulfill satisfactorily its obligations to use its best efforts to supply electric capacity and energy to the Project Participant and other Project Participants pursuant to the All-Requirements Power Supply Project Contracts and which projects, to the extent required by paragraph (b) of this Section 4, have been approved by the Board and the Project Participants pursuant to the terms of paragraph (b) of this Section 4 and (ii) to issue Bonds for the purpose of paying all or any part of the costs of any of the projects or for any other purposes authorized by the laws of the State of Florida relating to the System.

(b) The Project Participant hereby approves all projects included in the System on the date of this Contract including, without limitation, all resources covered by the Capacity and Energy Sales Contract. Subsequent to such date, the participation of FMPA in any project for the construction, acquisition, purchase, lease or other use of any generation, dispatching, load management or transmission resources, output or services that is to be included in the System requiring the issuance of Bonds by FMPA or assumption or guaranty by FMPA of other obligations or requiring the execution by FMPA of any power supply contract or agreement (other than interchange agreements with other utilities) with a basic term of more than seven (7) years must be approved by (a) a majority affirmative vote of all of the Project Participants, with each Project Participant entitled to cast one vote through its Authorized Representative and, if so approved, (b) the Board and/or the Executive Committee of FMPA, to the extent and in the manner provided by the laws of the State of Florida, the Interlocal Agreement, the By-Laws of FMPA and/or the Bond Resolution.

SECTION 5. Electric Characteristics, Points of Delivery and Measurement

Electricity to be furnished hereunder shall be three phase, sixty hertz alternating current. The Project Participant shall make and pay for all connections between the Project Participant's System and the System of FMPA at the Points of Delivery. The Points of Delivery, the Points of Measurement, the delivery voltage, the power factor, if any, to be maintained by the Project Participant, and special conditions of service shall be as set forth in Schedule A attached hereto, which Schedule may be amended from time to time to include such other Point or Points of Delivery and Point or Points of Measurement and delivery voltage as may be agreed upon by FMPA and the Project Participant. Other provisions of Schedule A may be amended from time to time by FMPA.

The Project Participant shall install, own and maintain any necessary substation equipment at the Points of Delivery and shall install, own and maintain switching and protective equipment of adequate design and sufficient capacity on the Project Participant's System to enable the Project Participant to take and use

the electric capacity and energy supplied under this Contract without hazard to the System.

FMPA shall not be responsible for the transmission, control, use or application of electric capacity and energy provided under this Contract on the Project Participant's System or on the Project Participant's side of any Point of Delivery that is not located on the Project Participant's System.

The Project Participant shall not be responsible for the transmission, control, use or application of electric capacity and energy provided under this Contract outside of the Project Participant's System in the case of a Point of Delivery on the Project Participant's System or on FMPA's side of a Point of Delivery if such Point of Delivery is not on the Project Participant's System.

When electricity is measured at more than one Point of Measurement, the demand of the Project Participant's System shall be determined by combining the Points of Measurement in accordance with the provisions of the applicable Rate Schedule.

SECTION 6. Rates

(a) The Project Participant shall pay FMPA for all electric capacity and energy furnished at the Points of Delivery hereunder as All-Requirements Services and for all Back-Up and Support Services at the rates and on the terms and conditions set forth in the applicable Rate Schedule. Credits, if any, to Project Participants with generating resources shall be calculated in accordance with the Project Participant's Capacity and Energy Sales Contract and shall be applied to offset the Project Participant's payments hereunder. Prior to the Service Commencement Date, FMPA shall propose and submit to the Project Participants a Rate Schedule consisting of a Schedule B-1 for FPC Project Participants and a Schedule B-2 for FPL Project Participants proposed to be in effect on the Service Commencement Date. Such Rate Schedule shall not be implemented unless approved first by the affirmative vote of all the Project Participants with each Project Participant having one vote and then by the affirmative vote of a majority of the votes of the Board; provided, however, that if such Rate Schedule is not so approved prior to the Service Commencement Date, the Board, by a majority of the votes of the Board, shall adopt, and may revise from time to time as necessary or appropriate, and implement an interim Rate Schedule to be effective until an initial Rate Schedule shall have been approved in the manner provided herein. Subject to the provisions of paragraphs (c) and (d) of this Section 6, FMPA will revise and place into effect new Rate Schedules as necessary or appropriate from time to time. The Project Participant agrees to pay the rates and charges set forth in the applicable initial Rate Schedule, interim Rate Schedule, if any, and revised Rate Schedules from the effective date established by FMPA. In the

event that, during any portion of any month, electric capacity and energy are made available to the Project Participant by FMPA in accordance with this Contract which the Project Participant is required to take and receive as All-Requirements Services pursuant to Section 3(a) hereof but which the Project Participant fails to take and receive from FMPA as All-Requirements Services, the Project Participant shall pay FMPA for such availability an amount equal to the product of the demand related charges in the Rate Schedule and the appropriate billing demand computed as provided in the Rate Schedule except that, for such purpose, the kilowatts of the appropriate billing demands for such month shall be based upon the kilowatts that would have otherwise been taken from FMPA as All-Requirements Services as evidenced by the total electric energy consumed by the Project Participant's customers in each hour during the month as metered at all Points of Measurement on such Project Participant's System less that portion of such total electric energy consumption in each hour, if any, which the Project Participant would be then entitled to provide itself from Excluded Power Supply Resources (whether or not any such amounts were so provided). Payments made by the Project Participant under the Rate Schedule shall be treated as an operating expense from the revenues of the Project Participant's electric or integrated utility system and from other funds of such system legally available therefor. Such payments shall be in addition to and not in substitution for any other payments whether on account of dues or otherwise owed by the Project Participant to FMPA. The obligation of the Project Participant to make payments under the Rate Schedule shall not constitute a debt within the meaning of any constitutional or statutory provisions or limitation or a general obligation of or pledge of the full faith and credit of the Project Participant, and 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 under the Rate Schedule, and the obligation of the Project Participant to make payments under the Rate Schedule shall not give rise to or constitute a lien upon any property of the Project Participant or any property located within its boundaries or service area. Except as otherwise provided in this paragraph, the obligation of the Project Participant to make payments under the Rate Schedule shall not be subject to any reduction, whether by offset, counterclaim, recoupment or otherwise, and shall not be otherwise conditioned upon the performance by FMPA under this or any other agreement or instrument, including the Capacity and Energy Sales Contract, or the validity of any other All-Requirements Power Supply Project Contract; provided, however, that nothing contained herein shall be construed to prevent or restrict the Project Participant from asserting any rights which it may have against FMPA under this Contract or under any provision of law, including the institution of legal proceedings for specific performance or recovery of damages.

The Project Participant's electric utility system shall be deemed to be a part of an integrated utility system for purposes of this All-Requirements Power Supply Project 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, leased, operated or maintained by the Project Participant; or (iii) are pledged to secure bonds issued to finance one or more other utility systems owned, leased, operated or maintained by the Project Participant. For purposes of this paragraph, the term "commingled" shall not be deemed to include the keeping of funds in one bank account so long as such funds are separately accounted for on the books and records of the Project Participant.

(b) FMPA shall establish and maintain rates in the Rate Schedule hereunder and under the other All-Requirements Power Supply Project Contracts which will provide revenues which are at least sufficient to meet the estimated Revenue Requirements of FMPA. In determining the rates necessary to produce sufficient revenues, FMPA shall take into account any anticipated delinquency or default in payments by Project Participants under the All-Requirements Power Supply Project Contracts.

At such intervals as it shall determine appropriate, but in any event not less frequently than once each calendar year, the Board shall review and, if necessary, revise the Rate Schedule to insure that the rates thereunder continue to cover its estimate of the then current Revenue Requirements.

(c) In connection with any revision of the Rate Schedule, FMPA shall cause a notice in writing to be given to all Project Participants which shall set out any proposed revision of the Rate Schedule with the effective date thereof, which shall be not less than sixty (60) days after the date of the mailing of the notice, and which shall be accompanied by an analysis of the estimated Revenue Requirements for which the Rate Schedule is proposed to be revised and the derivation of the proposed rate. The Project Participant agrees to pay for electric capacity and energy made available by FMPA to it hereunder after the effective date of any revision in the Rate Schedule in accordance with the Rate Schedule as so revised.

(d) No new or revised Rate Schedule which (i) represents a change in the manner of determination of rates other than a change that does not have a significant economic impact on any Project Participant; (ii) eliminates the separate Rate Schedules for FPC Project Participants or FPL Project Participants; or (iii) establishes or eliminates any other separate Rate Schedule or Schedules for any Project Participant or Project Participants shall be made unless such new or revised Rate Schedule has first been approved by the majority affirmative vote of the FPL Participants and of

the FPC Participants with each group voting separately so long as such groups exist or if such groups no longer exist by the majority affirmative vote of all of the Project Participants with each Project Participant entitled to one vote; provided, however, that if any such new or revised Rate Schedule affects only FPL Participants or only FPC Participants, only the affected Project Participants shall be entitled or required to vote thereon. In addition all new or revised Rate Schedules shall be adopted by the Board and/or Executive Committee of FMPA to the extent and in the manner provided by the laws of the State of Florida, the Inter-local Agreement, the By-laws of FMPA, and/or any Bond Resolution. Any action by the Project Participant under this Section 6(d) shall be taken by such Project Participant's Authorized Representative.

SECTION 7. Covenants of FMPA

(a) After satisfying, to the extent provided for herein, the total requirements of all Project Participants, FMPA shall use its best efforts, to the extent permitted by law, to market and dispose of, under the most economically advantageous terms and conditions obtainable, all its surplus electric capacity and energy which in the sole judgment of FMPA can be disposed of without adversely affecting performance by FMPA under this All-Requirements Power Supply Project Contract so long as it shall not result in the breach of any FMPA covenant or contract. Without limiting the generality of the foregoing provision, FMPA may market and dispose of such surplus electric capacity and energy directly to other members of FMPA or to itself on behalf of any other project of FMPA if such transaction is otherwise economically advantageous. Such surplus electric capacity and energy shall include any electric capacity and energy required to be delivered by FMPA to any Project Participant as All-Requirements Services which such Project Participant is unable or unwilling to receive as well as any electric capacity and energy available as a result of any discontinuance of service to any Project Participant or termination of any All-Requirements Power Supply Project Contract pursuant to Section 9(b) thereof for failure of the Project Participant to pay amounts due thereunder. The inability or unwillingness to receive such electric capacity and energy and failure to pay amounts due resulting in the discontinuance of service or termination of an All-Requirements Power Supply Project Contract shall each constitute a default on the part of the Project Participant for purposes of determining FMPA's rights to sell such electric capacity and energy.

(b) FMPA shall use its best efforts to provide, in accordance with Prudent Utility Practice, a constant and uninterrupted supply of electric capacity and energy under this All-Requirements Power Supply Project Contract. In the event that FMPA is not able to supply all of the electric capacity and energy requirements of all of the Project Participants that it is required to supply hereunder and under the other All-Requirements Power Supply

Project Contracts, it shall, subject to any restrictions imposed in any agreement or contract under which FMPA obtains electric capacity and energy and the limitations imposed by the transmission system or the State of Florida, use its best efforts to allocate its electric capacity and energy available from the System during any month among the Project Participant and the other Project Participants as follows: pro rata in accordance with their respective electric capacity and energy requirements supplied hereunder as All-Requirements Services and Back-Up and Support Services during the corresponding month of the preceding calendar year for Project Participants which are not purchasing and receiving electric capacity and energy pursuant to the Contract Rate of Delivery and with the sum of the Contract Rate of Delivery of each Project Participant and their respective electric capacity and energy requirements supplied hereunder as Back-Up and Support Services during the corresponding billing period of the preceding calendar year for Project Participants which are purchasing and receiving electric capacity and energy pursuant to the Contract Rate of Delivery. During any period FMPA is unable to supply all of the Project Participant's electric capacity and energy requirements that it is required to supply hereunder, FMPA shall not in any case be liable to the Project Participant for damages resulting from such interruption of service and the Project Participant shall be permitted to acquire from other sources such amount of electric capacity and energy which is not supplied by FMPA; provided, however, that at such time as FMPA is thereafter again able to supply all of the Project Participant's electric capacity and energy requirements that it is required to supply hereunder, the Project Participant shall be required to take and pay for such electric capacity and energy in accordance with the provisions hereof.

(c) FMPA shall use its best efforts to acquire, by purchase or otherwise, and to deliver or cause to be delivered to the Points of Delivery electric capacity and energy in the manner determined by FMPA to be most economical, dependable and otherwise feasible.

(d) In addition to the delivery of electric capacity and energy pursuant to this All-Requirements Power Supply Project Contract and the performance of all acts and actions incident thereto, FMPA agrees that it will perform or cause to be performed services, including, but not limited to: (i) coordinating and monitoring the investigating, studying, planning, engineering, designing, financing, installing, constructing, acquiring, operating, maintaining, retiring, decommissioning or disposing of any part of the System; (ii) issuing and selling Bonds; (iii) planning, undertaking, coordinating and monitoring the economic dispatching and scheduling of electric capacity and energy to the Project Participants; and (iv) providing such other services as FMPA from time to time shall determine to be appropriate or necessary to provide an adequate, reliable and

economical supply of electric capacity and energy to the Project Participants.

SECTION 8. Covenants of the Project Participant

(a) The Project Participant agrees to (i) maintain its electric or integrated utility system in good repair and operating condition; (ii) cooperate with FMPA in the performance of the respective obligations of such Project Participant and FMPA under this All-Requirements Power Supply Project Contract; and (iii) to establish, levy and collect rents, rates and other charges for the products and services provided by its electric or integrated utility system, which rents, rates, and other charges shall be at least sufficient (i) to meet the operation and maintenance expenses of such electric or integrated utility system; (ii) to comply with all covenants pertaining thereto contained in, and all other provisions of, any resolution, trust indenture, or other security agreement relating to any bonds or other evidences of indebtedness issued or to be issued by the Project Participant; (iii) to generate funds sufficient to fulfill the terms of all other contracts and agreements made by the Project Participant, including, without limitation, this All-Requirements Power Supply Project Contract; and (iv) to pay all other amounts payable from or constituting a lien or charge on the revenues of its electric or integrated utility system.

The Project Participant further covenants and agrees that if it maintains or establishes an integrated utility system of which its electric system is a part for its electric, water, gas, cable television, telephone and sanitary sewer systems (or any combination of two or more thereof which includes its electric system), it will establish, maintain and collect rates and charges for the services provided by its integrated utility system which shall produce revenues at least sufficient to enable the Project Participant to pay all expenses attributable to the integrated utility system, including the expenses incurred in the operation and maintenance of the integrated utility system (including the obligations under this All-Requirements Power Supply Project Contract), to pay the debt service requirements on any bonds, notes or other evidences of indebtedness, whether now outstanding or incurred in the future, secured by such revenues and issued to finance improvements to the integrated utility system and to make any other payments required by the laws of the State of Florida.

The Project Participant shall not be required to make payments under this All-Requirements Power Supply Project Contract except from the revenues of the Project Participant's electric utility system, or integrated utility system of the Project Participant of which the electric utility system is a part, and from other funds of such system legally available therefor. In no event shall the Project Participant be required to make payments under this All-Requirements Power Supply Project Contract from tax revenues.

(b) The Project Participant covenants and agrees that (i) it will whenever requested by FMPA provide its most current estimate of its projected load for such period or periods as FMPA may reasonably request and (ii) immediately after becoming aware of a change or projected change in its load or in any load projection previously provided to FMPA, it will notify FMPA of such change or projected change.

(c) The Project Participant may sell at wholesale any of the electric capacity and energy delivered to it hereunder to any customer of the Project Participant or any other entity for resale by that customer or entity, provided that it has first given FMPA five years' written notice of its intent to sell such electric capacity and energy and at the time of such notice provided FMPA with projected data regarding any such sales anticipated for the ensuing five year period. FMPA, after receipt of such notice, shall have 180 days in which to impose limits on the amount of electric capacity and energy to be sold or to veto such sale if the sale will jeopardize FMPA's availability of resources to serve its Project Participants, increase the cost of electric capacity and energy to FMPA, or violate the covenant of the Project Participant contained in paragraph (f) of this Section 8.

(d) The Project Participant shall not sell, lease, abandon or otherwise dispose of all or substantially all of its electric or integrated utility system except on 90 days' prior written notice to FMPA and, in any event, shall not so sell, lease, abandon or otherwise dispose of the same unless the following conditions are met: (i) the Project Participant shall assign this All-Requirements Power Supply Project Contract and its rights and interest hereunder to the purchaser or lessee of the electric system and such purchaser or lessee shall assume all obligations of the Project Participant under this All-Requirements Power Supply Project Contract; (ii) FMPA shall be permitted by then applicable law to sell electric capacity and energy to said purchaser or lessee, if any; and (iii) FMPA shall by appropriate action determine, in its sole discretion, that such sale, lease, abandonment or other disposition (A) will not adversely affect FMPA's ability to meet its obligations under this Contract or any contract, agreement or arrangement to which FMPA is a party as either principal or agent pursuant to which FMPA satisfies all or any part of its obligations to provide electric capacity and energy and dispatching and transmission services under this All-Requirements Power Supply Project Contract or the All-Requirements Power Supply Project Contracts with other Project Participants, (B) will not adversely affect the value of this All-Requirements Power Supply Project Contract as security for the payment of Bonds and interest thereon, or (C) will not adversely affect the eligibility of interest on Bonds then outstanding or which could be issued in the future for federal or State of Florida tax-exempt status. The Project Participant has no present intention of

selling, leasing, abandoning or otherwise disposing of all or substantially all of its electric or integrated utility system.

(e) The Project Participant covenants and agrees that it shall take no action the effect of which would be to prevent, hinder or delay FMPA from the timely fulfillment of its obligations under this All-Requirements Power Supply Project Contract, any other All-Requirements Power Supply Project Contract, the outstanding Bonds or the Bond Resolution.

(f) The Project Participant covenants and agrees that it shall not use or permit to be used any of the electric capacity and energy acquired under this All-Requirements Power Supply Project Contract in any manner or for any purpose or take any other action or omit to take any action which would result in the loss of the exclusion from gross income for Federal income tax purposes of the interest on any Bond or Bonds issued by FMPA or which could be issued by FMPA in the future as that status is governed by Section 103 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations or any rulings promulgated thereunder or as affected by a decision of any court of competent jurisdiction or the loss of State of Florida tax exempt status of the interest on such Bonds. The Project Participant covenants that, 180 days prior to entering into any contract whereby a person agrees to take, or to take or pay for, electric capacity and energy provided to the Project Participant under this Contract, the Project Participant shall notify FMPA of its intent to enter into such contract and provide copies of such contract to FMPA. As soon as practicable after receipt of such notice, FMPA shall advise the Project Participant as to whether, in the opinion of counsel of recognized standing in the field of law relating to municipal bonds selected by FMPA, the entering into of such contract would result in a violation of the covenant contained in this subsection. The Project Participant agrees that if FMPA advises the Project Participant that such a violation will or might result, the Project Participant will not enter into such contract. Except as attached as an exhibit hereto, the Project Participant covenants that it does not have, and has no present intention of entering into, any contract which would be subject to the provisions of this paragraph (f).

(g) The Project Participant covenants and agrees that it shall, in accordance with Prudent Utility Practice, (1) at all times operate the properties of its electric system and the business in connection therewith in an efficient manner, (2) coordinate its load management program, if any, with and through FMPA for the benefit of all Project Participants, (3) maintain its electric system in good repair, working order and condition and (4) from time to time make all necessary and proper repairs, renewals, replacements, additions, betterments and improvements with respect to its electric system so that at all times the business carried on in connection therewith shall be properly and advantageously conducted; provided, however, this

covenant shall not be construed as requiring the Project Participant to expend any funds which are derived from sources other than the operation of its electric system or the integrated utility system of which its electric system is a part and provided further that nothing herein shall be construed as preventing the Project Participant from doing so.

SECTION 9. Meter Readings and Payment of Bills

(a) FMPA shall read meters or cause meters to be read at monthly intervals to verify the accuracy of electronically transmitted data.

(b) Within fifteen (15) days of each bill, the Project Participant shall pay for electric capacity and energy furnished hereunder at the office of FMPA, 7201-100 Lake Ellenor Drive, Orlando, Florida 32809 or such other address as FMPA shall specify in writing to the Project Participant. Provided, however, that if said fifteenth (15th) day is not a business day, the next following business day shall be the day on which such payment shall be due. In the event that the Project Participant fails to make payment when due of any amount owing hereunder, FMPA may impose a late payment charge as provided in the Rate Schedule. FMPA shall bill the Project Participant monthly on a prompt and timely basis in accordance with a schedule to be determined by FMPA. FMPA may, whenever any amount due remains unpaid after the due date, take all steps available to it under applicable law to collect such amount and, after giving 60 days' advance notice in writing of its intention to do so, discontinue service hereunder if permitted by law. FMPA may, whenever any amount due remains unpaid for 120 or more days after the due date and after giving 30 days' advance notice in writing of its intention to do so, terminate this All-Requirements Power Supply Project Contract. No such discontinuance or termination shall relieve the Project Participant from liability for payment for electric capacity and energy furnished hereunder.

(c) In the event the Project Participant desires to dispute all or any part of a bill, including any payment or capacity credit under its Capacity and Energy Sales Contract, the Project Participant shall nevertheless pay the full amount of the bill when due and notify FMPA in writing of the grounds on which any amounts in the bill are disputed and the amount in dispute. The Project Participant will not be entitled to any adjustment on account of any disputed charges which are not brought to the attention of FMPA in the manner herein specified. Such adjustment shall be for the time period for which it can be established a billing error took place but in no event shall the adjustment period extend past the date of the last meter test or 365 days, whichever is shorter.

SECTION 10. Metering

(a) Except as otherwise noted in paragraph 5 of Schedule A hereto, FMPA shall furnish, install and maintain or cause to be furnished, installed and maintained the necessary metering equipment required at each Point of Measurement of the Project Participant to measure and record the electric capacity and energy furnished hereunder at such Point of Measurement. Such metering equipment shall provide a continuous record of the 60 minute integrated total demand of the Project Participant and any other metering information needed by FMPA at such Point of Measurement during each month throughout the term of this All-Requirements Power Supply Project Contract. Such records shall be available at all reasonable times to authorized agents of the Project Participant. The Project Participant may, at its own cost, install additional metering equipment to provide a check on FMPA's metering equipment, as long as the Project Participant's additional metering equipment does not interfere with the functioning, operation, or maintenance of FMPA's metering.

(b) FMPA shall test and calibrate meters or cause meters to be tested and calibrated by comparison with accurate standards at intervals of not more than 24 months. FMPA shall also make or cause to be made special meter tests at any time at the Project Participant's request. The cost of all tests shall be borne by FMPA except that if any special meter test made at the Project Participant's request shall disclose that the meters are recording accurately, the Project Participant shall reimburse FMPA for the cost of such test.

If any meter furnished and installed or caused to be furnished and installed by FMPA hereunder fails to register or is found to be inaccurate, FMPA shall repair or replace such meter or cause it to be repaired or replaced, except as otherwise noted in paragraph 5 of Schedule A hereto, 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 (60) days prior to the date on which the meter test was requested. FMPA shall notify the Project Participant or cause the Project Participant to be notified in advance of the time of any meter reading or test so that the Project Participant's representative may be present at such meter reading or test.

(c) For a fractional part of a month at the beginning or end of service, demand related charges under the Rate Schedule shall be proportionately adjusted by FMPA in the ratio that the number of hours that electric service is furnished to the Project Participant (in such fractional month) bears to the total number of hours in the month involved. Except as provided in this paragraph (c) of this Section 10 with respect to fractional months at the beginning and end of service, there shall be no proration of demand related charges under the Rate Schedule for any month during any part of which electric capacity and energy is made available to the Project Participant.

SECTION 11. Right of Access

Duly authorized representatives of FMPA and Project Participant shall be permitted to enter any interconnection or metering facilities on the other's premises at all reasonable times in order to carry out the provisions of this All-Requirements Power Supply Project Contract.

SECTION 12. Uncontrollable Forces

Except for the purposes of Section 7(a) hereof, neither FMPA nor the Project Participant shall be considered to be in default in respect to any obligation hereunder (other than the obligation of the Project Participant to pay for electric capacity and energy made available hereunder to the extent payment is required by Section 6(a) hereof) if prevented from fulfilling such obligations by reason of a force majeure occurrence. The obligation to pay money in a timely manner is absolute and shall not be subject to the force majeure provisions unless such force majeure directly prevents said payments. Force majeure as used herein shall mean, without limitation, the following: acts of God; natural disaster; strikes and/or lockouts and other industrial disturbances; acts of public enemies; sabotage; insurrections; riot; fire; flood; sink-hole; blight; famine; quarantine; epidemics; landslides; drought; lightning; earthquakes; hurricanes; tidal surges; tornadoes; storms; civil disturbances; war; explosion; injunction; 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 the System; extraordinary delay in transportation; unforeseen soil conditions; equipment, material, supplies, labor or machinery shortages; partial or entire failure of utilities necessary or useful for the physical operation of the System or the Project Participant's system; breach of contract by any supplier, contractor, subcontractor, laborer or materialman; or any other similar extreme cause or event reasonably beyond the control of either party. The party suffering an occurrence of force majeure shall use its best efforts to remedy with all reasonable dispatch the cause or causes preventing the carrying

out of this All-Requirements Power Supply Project Contract; provided that the settlement of strikes, lockouts and other labor disputes or industrial disturbances shall be entirely within the discretion of the said party, and it shall not be required to make settlement of strikes, lockouts and other labor disputes or industrial disturbances by acceding to demands which are unreasonable in the judgment of the said party.

SECTION 13. Power Factor

The Project Participant shall maintain its system power factor as specified by FMPA from time to time.

SECTION 14. Cooperation

If it becomes necessary by reason of any emergency or extraordinary condition for either FMPA or the Project Participant to request the other party to furnish personnel, materials, tools, or equipment for the accomplishment of its obligations hereunder, the party so requested shall cooperate with the requesting party and render such assistance as the party so requested may determine to be available. The party making such request, upon receipt of properly itemized bills from the other party, shall promptly reimburse the other party for all costs properly and reasonably incurred by it in providing such assistance. The cost shall be determined on the basis of current charges or rates used in its own operations by the party rendering the assistance.

SECTION 15. Construction, Operation and Maintenance Standards

The Project Participant shall, to the extent required by Prudent Utility Practice, own, install and maintain electrical protective relaying equipment at each point of interconnection with FMPA's transmission system or the transmission system of any other party being used by FMPA to deliver electric capacity and energy hereunder. The design and operating characteristics of such equipment shall be coordinated with FMPA and with any other party providing such transmission service and subject to FMPA's and such other party's approval, which approval shall not be unreasonably withheld.

SECTION 16. Assignment of All-Requirements Power Supply Project Contract

(a) This All-Requirements Power Supply Project Contract shall inure to the benefit of and shall be binding upon the respective successors and assigns of the parties to this Contract; provided, however, that, except for the assignment by FMPA authorized by clause (b) of this Section 16 and except for any assignment in connection with the sale, lease or other disposition of all or substantially all of the Project Participant's electric system as provided in Section 8(d) hereof, neither this

All-Requirements Power Supply Project 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. No assignment or transfer of this All-Requirements Power Supply Project Contract shall relieve the parties of any obligation hereunder.

(b) The Project Participant acknowledges and agrees that FMPA may assign and pledge to any trustee or similar fiduciary designated in any Bond Resolution or to any provider of credit support for any Bonds issued for the All-Requirements Power Supply Project, all of, or any interest in, its right, title and interest in and to this All-Requirements Power Supply Project Contract and all payments to be made to FMPA under the provisions of this All-Requirements Power Supply Project Contract as security for the payment of the principal (including sinking fund installments) of, premium, if any, and interest on any Bonds and may deliver possession of this Contract to such trustee in connection therewith, and, upon such assignment; pledge and delivery, FMPA may grant to such trustee or such provider of credit support 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 or provider of credit support which shall be a third party beneficiary of the covenants and agreements of the Project Participant herein contained.

SECTION 17. Records and Accounts

FMPA shall keep accurate records and accounts of its properties and its operations in accordance with the Federal Energy Regulatory Commission Uniform System of Accounts prescribed for Class A and Class B Public Utilities and Licensees as in effect from time to time. Should the Federal Energy Regulatory Commission be modified or cease to exist, the records shall be maintained under the uniform System of Accounts as adopted or used by whatever agency succeeds or takes over the duties of the Federal Energy Regulatory Commission. The Project Participant shall have the right at any reasonable time to examine such accounts. FMPA shall cause such accounts to be audited annually by a firm of independent certified public accountants of national reputation and shall supply copies of such audits to the Project Participant.

The Project Participant shall keep accurate records and accounts for its electric or integrated utility system, separate and distinct from its other records and accounts. Such records and accounts shall be audited annually by an independent certified public accountant, which may be part of the annual audit of the accounts of the Project Participant. Such records and accounts shall be made available for inspection by FMPA at any reasonable time, and a copy of such annual audit, including all written comments and recommendations of such accountants, shall be furnished to FMPA upon request.

SECTION 18. Information

FMPA and the Project Participant will promptly furnish to each other such information as may be reasonably requested from time to time in order to carry out more effectively the intent and purpose of this All-Requirements Power Supply Project Contract or as may be reasonably necessary and convenient in the conduct of the operations of the party requesting such information. Without limiting the generality of the foregoing, 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 Section 20 hereof), official statements and other documents as shall be reasonably necessary in connection with financings of FMPA.

SECTION 19. Amendment

(a) Except as provided in Section 29 of this All-Requirements Power Supply Project Contract, this 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 All-Requirements Power Supply Project 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 All-Requirements Power Supply Project 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.

(b) No All-Requirements Power Supply Project 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 with written notice to and written consent or waiver by each of the other Project Participants, and upon similar amendment being made to the All-Requirements Power Supply Project Contract of any other Project Participant requesting such amendment after receipt by such Project Participant of notice of such amendment.

(c) 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, 10 and 13 and paragraphs 4, 5, 6, 7 and 8 of Schedule A hereto to be inappropriate. In such event, FMPA and the Project Participant agree to negotiate in good faith and amend such provision to reflect conditions prevailing at such

times, and such amendment may be effected without compliance with the provisions of paragraph (b) of this Section 19.

SECTION 20. Opinions and Certificate as to Validity

Upon request by FMPA upon the execution and delivery of this Contract and upon request by FMPA at any time after the effective date hereof, the Project Participant at its sole expense shall furnish FMPA, in form and substance satisfactory to FMPA, with an opinion of its city or town attorney or attorney employed by the Project Participant in substantially the form annexed hereto as Exhibit I hereto.

The Project Participant shall at its sole expense furnish FMPA, in form and substance satisfactory to and at such times as requested by FMPA, such additional legal opinions, certificates, instruments and other documents as FMPA may reasonably request.

SECTION 21. Relationship to and Compliance with Other Instruments

It is recognized by the parties hereto that, in undertaking, or causing to be undertaken, the planning, financing, construction, acquisition, operation and maintenance of the System, FMPA must comply with the requirements of any Bond Resolution, any agreement with any owner or co-owner of or participant or co-participant in any facility included in the System relating to the construction, operation or maintenance thereof, any agreement for the purchase or other acquisition of electric capacity and energy, either directly or as agent, dispatching services, or transmission services, and all licenses, permits and regulatory approvals necessary for such planning, financing, construction, acquisition, operation and maintenance, and it is therefore agreed that this All-Requirements Power Supply Project Contract is made subject to the terms and provisions of any Bond Resolution, any such agreement (which may contain provisions providing third party beneficiary status in respect of this All-Requirements Power Supply Project Contract to the other party to such agreement) and all such licenses, permits and regulatory approvals.

SECTION 22. 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 installment, 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 in order to fulfill its obligations under this Contract or the other All-Requirements Power Supply Project

Contracts and not covered, or not covered sufficiently, by insurance shall be paid solely from the revenues of FMPA derived from this Contract and the other All-Requirements Power Supply Project Contracts, and any payments made by FMPA, or which FMPA is obligated to make, to satisfy such liability shall become part of Revenue Requirements.

SECTION 23. Notices

Any notice or demand by the Project Participant to FMPA under this All-Requirements Power Supply Project 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 All-Requirements Power Supply Project Contract shall be deemed properly given if mailed postage prepaid and addressed to the Project Participant at the address set forth on paragraph 1 of Schedule A hereto; 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. The foregoing addresses may be changed by similar notice at any time.

SECTION 24. Waivers

(a) Any waiver at any time by either party hereto of its rights with respect to a default or any matter arising in connection with this Contract shall not be deemed to be a waiver with respect to any subsequent default or matter.

(b) The failure of either party hereto to enforce at any time any of the provisions of this All-Requirements Power Supply Project Contract or to require at any time performance by the other party hereto of any of the provisions hereof shall in no way be construed to be a waiver of such provisions nor in any way to affect the validity of this All-Requirements Power Supply Project Contract or the right of such party thereafter to enforce each and every provision hereof.

SECTION 25. Severability

In the event that any of the terms, covenants or conditions of this All-Requirements Power Supply Project Contract, or the application of any such term, covenant or condition, shall be held invalid as to any person or circumstance by any court having jurisdiction under the circumstances, the remainder of this All-Requirements Power Supply Project Contract and the application of its terms, covenants or conditions to such persons or circumstances shall not be affected thereby.

SECTION 26. Applicable Law

This All-Requirements Power Supply Project Contract shall be governed by and construed in accordance with the laws of the State of Florida.

SECTION 27. Survivorship of Obligations

The termination of this All-Requirements Power Supply Project Contract shall not discharge either party hereto from any obligation it owes to the other party under this All-Requirements Power Supply Project Contract by reason of any transaction, loss, cost, damage, expense, or liability which shall occur or arise (or the circumstances, events, or basis of which shall occur or arise) prior to such termination. It is the intent of the parties hereby that any such obligation owed (whether the same shall be known or unknown at the termination of this contract or whether the circumstances, events, or basis of the same shall be known or unknown at the termination of this All-Requirements Power Supply Project Contract) shall survive the termination of this All-Requirements Power Supply Project Contract.

SECTION 28. Authorized Representative

The Project Participant acknowledges and agrees that any action taken by it in connection with Sections 4(b) or 6(d) of this Contract shall be binding upon it as long as such action has been approved by the Project Participant's Authorized Representative.

SECTION 29. Withdrawal By Project Participant

(a) Notwithstanding Section 2 of this Contract, a Project Participant may terminate this All-Requirements Power Supply Project Contract and withdraw from the All-Requirements Power Supply Project only as provided in this section. The date on which any such termination becomes effective, which must be a September 30, shall be known as the "Withdrawal Date."

(b) The Project Participant shall notify FMPA and all other Project Participants in writing of its intention to terminate this All-Requirements Power Supply Project Contract and to withdraw from the All-Requirements Power Supply Project at least three years prior to the Withdrawal Date provided that such notice may not be given prior to October 1, 2000. Such notice shall be deemed given when mailed by U. S. Mail, Certified-Return Receipt Requested or sent by overnight delivery service to FMPA and each Project Participant and shall be deemed irrevocable.

(c) The Project Participant shall, on the anticipated withdrawal date, pay to FMPA an amount in cash equal to:

1. the amount necessary to call (including payment of any required call premiums and interest to the call date or dates), on the first permissible call date or dates, a percentage of FMPA's then outstanding Bonds (other than Bonds issued to finance additions to the System which FMPA committed to after the receipt of the Project Participant's withdrawal notice) equal to the greater of the Project Participant's share of the All-Requirements Power Supply Project's total electric load on the date of receipt of the withdrawal notice or such share on the withdrawal date. Such amount shall be calculated on the assumption that the Bonds to be called will be the applicable percentage of each series of such Bonds and of each maturity within each such series. Unless all or any portion of such cash is needed at any time to cure any deficiency in any fund or account under the Bond Resolution, FMPA will deposit such amount in a separate account in the General Reserve Fund (as defined in said Bond Resolution) and will retain such amount in such account pending its application to actually redeem Bonds, to purchase Bonds in the open market, or to pay other capital costs of the All-Requirements Power Supply Project; pending the decision as to such application, such cash may be invested only in securities which could be deposited in an escrow fund to defease Bonds under the Bond Resolution. FMPA must determine its use of the cash received from the Project Participant pursuant to this clause 1 by action of its Board of Directors taken within three months after the Withdrawal Date or it shall be conclusively presumed that such cash shall be used to redeem or purchase Bonds; and

2. an amount equal to the present value on the Withdrawal Date, calculated at the rate of 6% per annum, of all of the additional costs reasonably paid or incurred, reasonably anticipated to be paid or incurred, or reasonably projected to be incurred by FMPA (as determined by FMPA in its sole discretion) as a result of the withdrawal of the Project Participant, over the term specified in such Project Participant's All-Requirements Power Supply Project Contract (as determined on the anticipated withdrawal date). Such costs shall be determined on the assumption that, during the remaining term of such Project Participant's All-Requirements Power Supply Project Contract, FMPA was unable to make use of or sell any generating, transmission or other resources (or portions thereof) which FMPA had anticipated would be used to supply, or had acquired with the intention of supplying, all or any portion of the withdrawing Project Participant's electric load. Such amount shall, unless all or any portion thereof is required at any time to be used to cure any deficiency in any fund or account under the Bond Resolution, be deposited into and retained in a separate account in the General Reserve Fund to be applied to pay any such costs actually incurred and/or to make any payments required to be made to such withdrawing Project Participant described below.

If and to the extent that any amounts received by FMPA pursuant to either clause 1 or clause 2 of this condition (c) are applied to cure any deficiency in any fund or account under the Bond Resolution, FMPA shall be required to restore to the separate account under clause 1 or clause 2 the amount so applied from the Revenues (as defined in the Bond Resolution) of the All-Requirements Power Supply Project, and FMPA shall treat such obligation to restore as an expense of the All-Requirements Power Supply Project in determining Revenue Requirements. In addition, at the end of each fiscal year of the All-Requirements Power Supply Project, FMPA may, in its sole discretion, remove from either the separate account provided for payments received under clause 1 of this condition (c) or the account provided for payments received under clause 2 of this condition (c), or both, such amounts determined by FMPA to be in excess of the amounts needed to make the payments anticipated to be made from such accounts and deposit such excess amounts into the General Reserve Fund itself.

(d) If FMPA has Bonds outstanding which are secured by some form of credit support, any required approvals of such credit support provider shall have been obtained within six months of receipt by FMPA of notice of withdrawal given as provided in condition (b) of this section. If FMPA has any Bonds outstanding which are not so secured and which are rated by a national rating agency, the rating in effect prior to the receipt by FMPA of notice of such withdrawal shall be confirmed by the rating agency within six months of such notice of withdrawal. FMPA shall use its best efforts to obtain the consents or confirmations provided for in this condition (d) and shall keep the Project Participant reasonably advised of its efforts to this end.

(e) FMPA shall receive the opinion of nationally recognized bond counsel that such withdrawal does not adversely affect the federal and/or State of Florida tax-exempt status on any Bonds then outstanding or which FMPA may issue in the future. If such withdrawal would require FMPA to obtain a private activity bond allocation to issue any future Bonds, such requirement shall be treated as adversely affecting the federal and/or State of Florida tax-exempt status of Bonds or future bonds.

(f) Within 180 days after the first anniversary of and annually thereafter for the remaining term of the withdrawing Project Participant's All-Requirements Power Supply Project Contract (as such term is determined on the Withdrawal Date), FMPA will pay to the withdrawing Project Participant an amount equal to the additional benefits actually received by FMPA during the preceding year as a result of such withdrawal as calculated by FMPA in its sole discretion. The net amount of payments to the withdrawing Project Participant hereunder may not exceed 90% of the payment to FMPA by the Project Participant under condition (b). To the extent that the amounts remaining on deposit in the separate

account referred to in clause 2 of condition (c) are, or are anticipated to be, insufficient to make any payment required by this paragraph, the amount required to make such payment shall be treated as an expense of the All-Requirements Power Supply Project to be recovered as a Revenue Requirement.

(g) If all of the foregoing conditions have not been satisfied on the anticipated Withdrawal Date, the Project Participant shall continue as a Project Participant in the All-Requirements Power Supply Project. In such event, the Project Participant shall pay all costs incurred by FMPA as a result of the Project Participant's anticipated withdrawal and subsequent continuance in the All-Requirements Power Supply Project, and FMPA shall have no obligation to make any payments to the Project Participant under the preceding paragraph.

IN WITNESS WHEREOF, the parties hereto have caused this All-Requirements Power Supply Project 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, month and year first above written.

FLORIDA MUNICIPAL POWER AGENCY

By [Signature]
Chairman

Attest:

By [Signature]
Title: Secretary

(SEAL)

CITY OF VERO BEACH, FLORIDA

By [Signature]
Title: Mayor

Attest:

By [Signature]
Title: City Clerk

Approved as to form and legal sufficiency:

[Signature]
City Attorney

Approved as to technical requirements:

[Signature]
City Manager

IN WITNESS WHEREOF, the parties hereto have caused this All-Requirements Power Supply Project 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, month and year first above written.

FLORIDA MUNICIPAL POWER AGENCY

By *Tim M. Shaw*
Chairman

Attest:
By *Vince Quana*
Title: Secretary

(SEAL)

City of Vero Beach, Florida

By *William Jordan*
Title:

Attest:
By *Jammy K. Uock*
Title:

(SEAL)

FLORIDA MUNICIPAL POWER AGENCY
SERVICE SPECIFICATIONS

Project Participant:

1. Participants. The FPC Project Participants and the FPL Project Participants and their addresses for notices are as follows:

FPL Participants:

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

Attention: City Manager

City of Jacksonville Beach
Jacksonville Beach
P.O. Box 51389
Jacksonville Beach, Florida 32240-1389

Attention: City Manager

City Electric System
Key West
P.O. Drawer 6100
Key West, Florida 33041-6100

Attention: City Manager

City of Vero Beach
Vero Beach
P.O. Box 1389
Vero Beach, Florida 32961-1389

Attention: City Manager

City of Clewiston
Clewiston
141 Central Avenue
Clewiston, Florida 33440

Attention: City Manager

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

Attention: City Manager

FPC Participants:

City of Bushnell
Bushnell
P.O. Box 115
Bushnell, Florida 33513

Attention: City Manager

City of Leesburg
Leesburg
P.O. Box 490630
Leesburg, Florida 34749-0630

Attention: City Manager

Ocala Electric Utility
Ocala
P.O. Box 1270
Ocala, Florida 34478-1270

Attention: City Manager

2. Excluded Power Supply Resources. The obligation of the Project Participant to take and pay for all of its requirements for electric capacity and energy under this All-Requirements Power Supply Project Contract shall apply only to amounts in excess of amounts received by the Project Participant (a) from its percentage (determined as of March 22, 1985) undivided ownership interest, if any, in Crystal River Unit No. 3 based upon the seasonal net capability of Crystal River Unit No. 3 as in effect from time to time, (b) pursuant to its St. Lucie Power Sales Contract, as amended to the date hereof, if any, with FMPA, determined in accordance with its Power Entitlement Share under said Contract and with the seasonal net capability of FMPA's St. Lucie Project as in effect from time to time, (c) in the case of the City of Bushnell, when and if constructed and placed in service, the Jumpers Creek Eydro Project, and (d) in the case of the City of Leesburg, when and if constructed and placed in service, the Moss Bluff Hydro Project. The amount of electric capacity and energy which the Project Participant is entitled to receive at any time as so determined constitutes the Project Participant's Excluded Power Supply Resources.

3. Applicability. These service specifications are applicable to the All-Requirements Power Supply Project Contract dated as of March 22, 1985 covering the supply and delivery of electric capacity and energy (including associated dispatching and transmission services) by FMPA to City of Jacksonville Beach, Project Participant as All-Requirements Services (as defined in said Contract) and Back-Up and Support Services (as defined in said Contract) for any Excluded Power Supply Resources.

4. Points of Delivery. FMPA is obligated to deliver electric capacity and energy contracted for by the Project Participant at the following points and voltages:

Delivery Point Identity and <u>Location</u>	<u>Delivery Voltage</u>
County Line (Vero)	138 kV
West (Vero)	138 kV
Emerson (FP&L)	138 kV

5. Points of Measurement. FMPA shall meter electric capacity and energy delivered to the Project Participant as follows:

<u>Metering Point Identity and Location</u>	<u>Metering Voltage</u>
Vero Beach Unit 1	13.2 kV
Veor Bech Unit 2/5	13.2 kV
Vero Beach Unit 3	13.2 kV
Vero Beach Unit 4	13.2 kV
County Line Substation	138 kV
West Substation	138 kV
Emerson Substation	138 kV

6. Adjustments. (a) Where electric capacity and energy are metered on the low side of the transformer at any Point of Delivery, meter readings for all electric capacity and energy supplied by FMPA at such metering electric point will be increased to compensate for transformer losses between the delivery voltage and the metering voltage. Such compensation will be as follows: demand (kW) readings will be increased by one percent (1%) and energy readings (kWh) will be increased by one and one-half percent (1-1/2%) unless, at FMPA's sole option, compensating meters are used to measure such losses.

If there are other losses between any Point of Measurement and any Point of Delivery, an appropriate loss factor will be used to compensate for losses.

(b) Where FMPA delivers electric capacity and energy to the Project Participant at a Point of Delivery at a voltage less than the specified voltage on Schedules B-1 and B-2, respectively, the Billing Rates shown in Schedule B-1 and B-2, respectively, hereof shall be adjusted to account for low voltage surcharges necessary to provide service below the respective specified voltages as provided therein.

PROPOSED

FLORIDA MUNICIPAL POWER AGENCY
POWER SUPPLY RATE SCHEDULE
FOR
EAST GROUP (FPL) PROJECT PARTICIPANTS

1. **Applicability.** Electric service for All-Requirements Services and Back-up and support Services as defined in the All-Requirements Power Supply Project Contract of the East Group (formerly FPL) Project Participants for their own use and for presale.
2. **Availability.** This Schedule B-2 is available to the East Group Project Participants purchasing electric capacity and energy from FMPA under the terms of the All-Requirements Power Supply Project Contracts.
3. **Character of Service.** Electricity furnished under this Schedule B-2 at one or more Points of Delivery as set forth in Schedule A shall be sixty hertz, three phase, alternating current.
4. **Billing Rate for All-Requirements Services.**
 - (a) For electricity furnished hereunder, the charges for each month shall be determined as follows:

Customer Charge	\$1345 per Point of Delivery
Demand Capacity Charge	\$7.70 per kilowatt ("kW") of capacity billing demand
Demand Transmission Charge	\$1.70 per kilowatt ("kW") of transmission billing demand
Energy Charge	\$30.50 per megawatt-hour ("MWh") for all energy supplied as All-Requirements Services
Reactive Demand Charge	\$0.00 per kilo-var ("kVAR") of excess billing reactive demand

(b) Delivery Voltage Adjustment for All-Requirements Services. The Billing Rates under paragraph (a) are based on delivery of electric capacity and energy to the Project Participant at 69,000 volts or higher. Where electric capacity and energy is delivered at voltages less than 69,000 volts, the Billing Rates under paragraph (a) shall be increased as follows:

<u>Delivery Voltage</u>	<u>Demand Charge Adjustment</u>	<u>Energy Charge Adjustment</u>
Less than 69,000 volts	\$0.00 *	\$0.00 *

* not applicable at this time

5. **Billing Metering for All-Requirements Services.** The metered demand in kW in each month shall be the highest 60 minute integrated demand (or corrected to a 60 minute basis if demand registers other than 60 minute demand registers are installed) measured during the month.

The metered reactive demand in kVAR in each month shall be the reactive demand which occurred during the same 60 minute demand interval in which the metered kilowatt demand occurred.

Demand and energy meter readings shall be adjusted, if appropriate, as provided in Schedule A of the All-Requirements Power Supply Project Contract.

6. **Billing Demand-Capacity for All-Requirements Services.** The billing demand capacity in any period shall be the metered demand for the period as determined under paragraph 5, giving effect to all adjustments, less the East Group Project Participant's Excluded Power Supply Resources capacity, if any.
7. **Billing Demand-Transmission for All-Requirements Services.** The billing demand capacity in any period shall be the metered demand for the period as determined under paragraph 5, giving effect to all adjustments, but including the East Group Project Participant's Excluded Power Supply Resources capacity, if any.
8. **Billing Reactive for All-Requirements Services.** The billing reactive demand for any month shall be the amount of reactive demand in kVAR by which the metered reactive demand exceeds one-half of the metered kilowatt demands, or such other amounts as shall be determined from time to time by FMPA.
9. **Energy Cost Adjustment for All-Requirements Service.** The monthly bill computed hereunder during the periods April through September and October through March shall be increased or decreased per kilowatt-hour delivered by an amount (EA below), to the nearest one thousandth of a cent, determined by the formula:

$$EA = \frac{(E_m - \$0.03050 \text{ per mWh}) \times 1}{S_m - 1-T}$$

where:

Em = The projected cost of energy production for the applicable six-month period (April through September or October through March) for providing All-Requirements Power Supply Project power to the East Group Project Participants which, for purposes of this adjustment shall include:

1. The energy cost of the generating plants owned or controlled by FMPA;
- plus 2. The energy cost of purchased power or interchange power purchased by FMPA from other power suppliers;
- less 3. The energy cost of sales to other utilities; and

Sm = Net kWh projected for providing All-Requirements Power Supply Project power to the East Group Project Participants for the applicable six-month period (April through September or October through March) in which the current billing month is included equated as the sum of (a) generation, (b) purchases, including interchange purchases, less (c) sales to other electric utilities.

T = The tax adjustment rate, if any, in accordance with paragraph 9 herein.

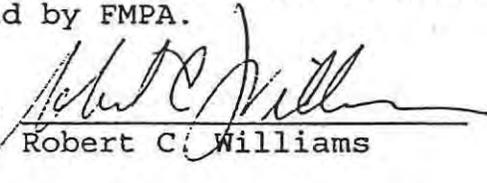
True Up:

In addition, each East Group Project Participant shall be charged or credited during the subsequent six-month period by a dollar amount equal to the difference between the monthly energy adjustment based on actual energy costs during the preceding six-month period and the monthly energy adjustment charges collected during the same preceding six-month period.

10. **Demand Cost Adjustment for All-Requirements Services.** Each East Group Project Participant shall be credited during the twelve months commencing in March of the next calendar year by a dollar amount equal to one twelfth of the dollar amount share of the difference between the actual demand costs (capacity and transmission) during the previous calendar year and the demand charges collected during the previous calendar year when the rates exceed the costs. The share of the over-recovery to be credited shall be approved by the majority affirmative vote of the East Group Participants. The Participants' portion of the credit

shall be determined by multiplying the ratio of the city's monthly peak demands to the sum of the monthly peak demands of each member of the group for the calendar year.

11. **Tax Adjustment Clause for All-Requirements Services.**
In the event of the imposition of any tax, or payment in lieu thereof, by any lawful authority on FMPA for production, transmission, or sale of electricity, the charges hereunder may be increased to pass on to the FPL Project Participant its share of such tax or payment in lieu thereof..
12. **Late Payment Charge.** FMPA may impose a late payment charge on the unpaid balance of any amount not paid when due. Such charge shall be equal to the interest on the unpaid balance from the due date to the date of payment, with the interest rate being the arithmetic mean, to the nearest one-hundredth of one percent (.01%) of the prime rate values published in the Federal Reserve Bulletin for the fourth, third, and second months prior to the due date. The interest required to be paid under this clause will be compounded monthly.
13. **Special Jacksonville Beach Charge.** In the event that FMPA pays or is billed for any amounts by the Jacksonville Electric Authority for back-up transmission capability and/or transmission services and/or back-up electric service supplied by Jacksonville Electric Authority for the City of Jacksonville Beach, such amounts shall be added to any amounts otherwise billed to the City of Jacksonville Beach by FMPA pursuant to this Schedule B-2 at such times as FMPA shall determine.
14. **Month.** The month shall be in accordance with a schedule established by FMPA.

Issued By: 

Robert C. Williams

Approved By:
All-Requirements Project Participants

Date: May 22, 1997

Approved By:
Executive Committee

Date: May 23, 1997

Code: u\s\g\RatesB2

SCHEDULE C

CONTRACT RATE OF DELIVERY DETERMINATION

Beginning on the date of commencement of the limitation provided for in Section 3(a) of the All-Requirements Power Supply Project Contract and for the remainder of the term of such Contract, FMPA shall be obligated to sell and deliver and the Project Participant shall be obligated to purchase and receive an amount of All-Requirements Services electric capacity and energy in each month which shall follow the Project Participant's normal hourly load pattern and which shall be determined in accordance with the following formulae:

Monthly Billing Demand = $\frac{CROD \times D}{MAXD}$

Monthly Billing Energy = $\frac{CROD \times E}{MAXD}$

Monthly Reactive Demand = $\frac{CROD \times RD}{MAXD}$

Where

- D - Shall be (a) metered demand determined pursuant to paragraph 5 of Rate Schedule B-2, giving effect to all adjustments, plus (b) the metered demand determined in a similar manner to paragraph 5 of Rate Schedule B-2, giving effect to all adjustments, at all other Points of Measurement, if any, on the Participant's system.
- E - Shall be (a) metered energy determined pursuant to paragraph 5 of Rate Schedule B-2, giving effect to all adjustments, plus (b) the metered energy determined in similar manner to paragraph 5 of Rate Schedule B-2, giving effect to all adjustments, at all other Points of Measurement, if any, on the Participant's system.

- RD - Shall be (a) metered reactive demand determined pursuant to paragraph 5 of Rate Schedule B-2, giving effect to all adjustments, plus (b) the metered reactive demand determined in a similar manner to paragraph 5 of Rate Schedule B-2, giving effect to all adjustments, at all other Points of Measurement, if any, on the Participant's system.
- CROD - Shall be the Project Participant's Contract Rate of Delivery determined pursuant to Section 3(a) of the Contract.
- MAXD - Shall be the highest demand (factor "D") during the 12 months ending with the end of the current billing month.

And where the ratio CROD/MAXD shall never be greater than one.

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OCT - 9 1996

V.B. Power Plant

RESOLUTION 96-34
October 1, 1996

RESOLUTION NO. 96- 34

A RESOLUTION OF THE CITY OF VERO BEACH, FLORIDA, (I) AUTHORIZING AND APPROVING THE RELEASE FROM ESCROW BY THE FLORIDA MUNICIPAL POWER AGENCY OF THE CAPACITY AND ENERGY SALES CONTRACT AND THE ALL-REQUIREMENTS POWER SUPPLY CONTRACT; (II) RATIFYING AND AFFIRMING RESOLUTION NO. 89-18 PREVIOUSLY ADOPTED BY THE CITY OF VERO BEACH, FLORIDA, ON MARCH 7, 1989; (III) APPROVING AMENDMENTS TO THE CAPACITY AND ENERGY SALES CONTRACT AND THE ALL-REQUIREMENTS POWER SUPPLY PROJECT; AND (IV) PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City of Vero Beach, Florida ("Project Participant"), has previously considered and agreed to enter into the Florida Municipal Power Agency All-Requirements Power Supply Project as evidenced by its Resolution No. 89-18, dated March 7, 1989; and

WHEREAS, pursuant to Resolution No. 89-18, the Project Participant executed and delivered to the Florida Municipal Power Agency ("FMPA") its All-Requirements Power Supply Project Contract Between Florida Municipal Power Agency and City of Vero Beach, Florida, and the Capacity and Energy Sales Contract Between Florida Municipal Power Agency and City of Vero Beach, Florida, (collectively, the "Contracts") with written instructions to FMPA that the Contracts were to be held in escrow by FMPA until such time as FMPA could obtain satisfactory transmission arrangements with Florida Power & Light ("FPL"); and

WHEREAS, FMPA can now obtain the necessary transmission services from FPL in order to implement the IDO Project; and

WHEREAS, the Project Participant now desires to authorize the release of the Contracts from escrow and to ratify the previous actions of the Project Participant in approving and adopting the Contracts.

NOW, THEREFORE, be it resolved by the City of Vero Beach, Florida:

SECTION 1. Approval of Release of Contracts from Escrow. FMPA is hereby instructed and authorized to release the Contracts from escrow and to fully execute the Contracts and to forward to the Project Participant a complete and true copy of the executed Contracts.

SECTION 2. Further Action. The Project Participant hereby ratifies and affirms the previous actions of the Project Participant in adopting Resolution No. 89-18.

SECTION 3. Approval of Amendments to Contracts. The Project Participant hereby approves the amendments to the FMPA Capacity and Energy Sales Contract, and the FMPA All-Requirements Power Supply Project Contract, attached hereto as Exhibit "A."

SECTION 4. Effective Date. This Resolution shall take effect immediately upon its adoption.

This Resolution was moved for adoption by Councilman Grossett, seconded by Councilman Pease, and adopted on the 1st day of October, 1996, by the following vote:

Mayor Grossett	<u>yes</u>
Vice Mayor Pease	<u>yes</u>
Councilman Ginn	<u>yes</u>
Councilman Jordan	<u>yes</u>
Councilman Hedin	<u>yes</u>

ATTEST:

CITY OF VERO BEACH, FLORIDA

Sign: Tammy K. Vock
Print: Tammy K. Vock
Title: City Clerk

Sign: Jack Grossett
Print: Jack Grossett
Title: Mayor

Approved as to form and legal sufficiency:

Approved as to technical requirements:

Margaret S. Lyp
City Attorney

R. Taylor
City Manager/Utilities Director

FLORIDA MUNICIPAL POWER AGENCY
CAPACITY AND ENERGY SALES CONTRACT

This contract, entered into as of October 1, 1996, between FLORIDA MUNICIPAL POWER AGENCY, a legal entity organized under the laws of the State of Florida ("FMPA"), and City of Vero Beach, a public agency and member of FMPA who has executed this contract (the "Project Participant").

WITNESSETH:

WHEREAS, FMPA was created pursuant to Chapter 163, Part I, Florida Statutes, as amended (the "Interlocal Act") and Chapter 361, Part II, Florida Statutes, as amended (the "Joint Power Act") 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 the present and projected electric energy needs of such municipal corporations and other entities; 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 make and execute contracts and other instruments necessary or convenient in the exercise of the powers and functions of FMPA under the laws of the State of Florida; (iii) to issue its bonds, notes, or other evidences of indebtedness to pay all or part of the costs of acquiring or participating in such electric projects; and (iv) 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, in order to secure an adequate, reliable and economical supply of electric capacity and energy to supply, with certain exceptions, all of the needs for electric capacity and energy of the Project Participant and the other Project Participants contracting with FMPA, FMPA established an All-Requirements Power Supply Project, which constitutes an "Electric Project" and a "Project" as defined in Chapter 163, Part I, and Chapter 361, Part II, Florida Statutes, respectively, and created the System to carry out such All-Requirements Power Supply Project; and certain Project Participants (hereinafter sometimes referred to as the original Project Participants) and FMPA entered into individual All-Requirements Power Supply Project Contracts as of March 22, 1985 and May 1, 1990 for FMPA to sell to such original Project Participants and such original Project Participants to purchase from FMPA, electric capacity and energy from the System (as defined in the All-Requirements Power Supply Project Contract) on the terms and conditions set forth in that Contract; and

from the Project Participant under this Capacity and Energy Sales Contract, which date shall be determined by FMPA upon 30 days' notice to the Project Participant.

Unit shall mean a generating unit owned by a Project Participant, the capacity and energy of which are sold and made available to FMPA by the Project Participant, as specifically identified in Exhibit A to this Contract as it may be amended from time to time.

SECTION 2. Commencement and Term

This Contract shall become effective upon a date to be determined by the FMPA Board of Directors, and shall remain in effect until October 1, 2025, and thereafter is subject to the following automatic extensions.

On October 1, 1995 and each fifth anniversary thereafter, this Contract shall automatically extend for an additional five year period beyond October 1, 2025, unless either party hereto shall notify the other party in writing at least two years prior to such automatic extension date of its decision not to extend this Contract. Service under this Contract will commence on the Service Commencement Date for the Project Participant as determined under the All-Requirements Power Supply Project. If the Project Participant exercises its right to withdraw from the All-Requirements Power Supply Project, as provided by Section 29 of the All-Requirements Power Supply Project Contract, this Contract shall terminate upon the Project Participant's fulfillment of all of its obligations under said All-Requirements Power Supply Project Contract.

SECTION 3. Resources Covered by Contract; Agreement to Sell and Purchase

A. Upon the Service Commencement Date and pursuant to the terms and conditions of this Contract, the Project Participant hereby agrees to sell and make available to FMPA, and FMPA hereby agrees to purchase from the Project Participant, capacity and energy from the following resources as specifically identified in Exhibit A to this Contract as it may be amended from time to time ("Exhibit A"): (1) each generating Unit identified in Exhibit A to this Contract ("Unit"); (2) the Project Participant's Entitlement Share in the Tri-City Project, Stanton Project and/or in the Stanton II Project, if any. Such sales, if any, by the Project Participant to FMPA of the Project Participant's Entitlement Share in the Tri-City, Stanton and/or Stanton II Project, if any, do not relieve the Project Participant of any liability to FMPA under the Power Sales and Project Support Contracts for the Tri-City, Stanton and/or Stanton II Project, and the Project Participant remains obligated to make separate payments to FMPA as required under such contracts; (3) Other Project Participant Power Purchases whereby the Project Participant has contracted to purchase power from a certain supplier or suppliers as specifically identified in Exhibit A, provided that, sales by

the Project Participant to FMPA of its Other Project Participant Power Purchases, if any, do not relieve the Project Participant of any liability to its supplier under such contract or contracts.

The capacity and energy resources identified in clauses (2) and (3) of this Section 3.A (the Project Participant's Entitlement Share in the Tri-City, Stanton and/or Stanton II Project, if any, and Other Project Participant Power Purchases, if any), are collectively referred to herein as "Purchased Capacity Resources."

The capacity and energy resources identified in causes (1), (2), and (3) of this Section 3.A (Units, Entitlement Shares in Tri-City, Stanton and/or Stanton II Project, if any, and Other Project Participant Power Purchases, if any,) are collectively referred to herein as "Capacity Credit Resources" and will be adjusted to reflect any contracts between the Project Participant and a third party for the sale of capacity and energy by the Project Participant to the third party as specifically identified in Exhibit A.

B. FMPA and the Project Participant hereby acknowledge that the Project Participant may have existing contracts with a supplier for the purchase of a part of its power supply requirements. If the Project Participant has such a Partial Requirements Purchase Contract, the Project Participant hereby assigns to FMPA, to the extent permitted, or, in the alternative, appoints FMPA to act as its agent for, its Partial Requirements Purchases as such purchases are specifically identified in Exhibit B to this Contract as it may be amended from time to time ("Exhibit B"). Specifically, to the extent permitted, the Project Participant hereby assigns to FMPA, as agent for the All Requirements Power Supply Project, all of its right, title and interest under any Partial Requirements Purchase Contract identified in Exhibit B whereby the Project Participant is purchasing or has contracted to purchase any wholesale power. If any contract identified in Exhibit B is not, by its terms, assignable, the Project Participant hereby appoints FMPA as its agent for such contract. FMPA hereby assumes all payment obligations and other responsibilities under any Partial Requirements Purchase Contract assigned to it by a Project Participant or under which FMPA is or becomes a Project Participant's agent and FMPA shall hereby be entitled to exercise all rights under such contracts.

C. The Project Participant hereby acknowledges and agrees that, subject to the provisions contained in this Contract, FMPA shall determine the manner in which each resource identified on Exhibits A and B will be dispatched or otherwise used for the purposes of the All-Requirements Project.

D. The Project Participant's Entitlement Shares and/or ownership in the St. Lucie Project, Crystal River No. 3 Nuclear Power Plant and hydro resources, as specifically identified in Exhibit C to this Contract as it may be amended from time to time ("Exhibit C"), if any, are referred to herein as "Excluded Resources" and are hereby excluded from the provisions of this Contract. The Project Participant acknowledges that it shall remain responsible for all payment obligations and other responsibilities associated with such Excluded Resources.

SECTION 4. Purchased Energy and Fuel Costs

A. The Project Participant acknowledges and agrees that it is and shall continue to be responsible for all costs associated with the Purchased Capacity Resources listed on Exhibit A. To the extent any energy from a Purchased Capacity Resource is delivered to FMPA, FMPA agrees to compensate the Project Participant for the actual variable costs associated with such energy which, for the purpose of this Contract, include the cost of fuel and any other cost items calculated under any contract or agreement between the Project Participant and its supplier for purchased power based on the amount of energy supplied. The Project Participant may not amend, modify, terminate, or extend such purchased power agreement except upon 30 days' prior written notice to FMPA and FMPA's prior written consent.

B. The Project Participant acknowledges and agrees that it is and shall continue to be responsible for all costs associated with any Unit identified on Exhibit A. To the extent any energy from a Unit identified on Exhibit A is delivered by the Project Participant to FMPA, FMPA hereby agrees to compensate the Project Participant for any Fuel Costs, as hereinafter defined, associated with such energy. Compensation for fuel use shall be based on each Unit's Monthly Fuel Rate (defined as \$/MWh times the energy (MWh) delivered to FMPA) during the month at the Unit's Generation Point of Delivery as it is specifically identified on Exhibit E to this Contract as it may be amended from time to time ("Exhibit E"). Each month the Project Participant shall calculate the Unit's Monthly Fuel Rate by dividing the Unit's Fuel Cost by the Unit's net generation as measured at the Unit's Generation Point of Delivery. "Fuel Cost" shall mean the as burned cost of fuel that was purchased by the Project Participant (including any fuel used for testing or maintaining a hot standby condition or fuel additives). In addition, the Project Participant shall be compensated for any reasonable Fuel Costs, inventory adjustments, and contractually-required minimum payment obligations for fuel contracted for but not used.

C. In a timely manner, the Project Participant shall provide FMPA with estimates of Fuel Costs and variable costs of Purchased Capacity Resources. FMPA shall compensate the Project Participant based on such estimates and shall make adjustments in

to this Contract either by FMPA's designated accounting personnel or by an independent certified public accountant, and the Project Participant shall make such accounts and records available at its office at reasonable times for such purpose. FMPA may not have an independent certified public accountant conduct such an examination of the Project Participant's accounts and records except on at least 30 days' prior written notice to the Project Participant, and may not conduct any such examination more than once in any 12 month period; provided, however, that the Project Participant recognizes that audits may be conducted more frequently if warranted by special circumstances.

B. FMPA may challenge the correctness of any statement, estimate, payment, credit, or adjustment (including any credits or payments previously made for the item so adjusted) made pursuant to Sections 4 or 5 of this Contract as not being proper under the terms of this Contract. All such statements, estimates, payments, credits and adjustments shall be conclusively presumed to be proper hereunder and not subject to challenge, except where fraud is alleged and proved, or a mistake has been made, or there has been an error in recording costs, unless FMPA shall have objected in writing to any such statement, estimate, payment, credit or adjustment within 24 months after such statement, estimate, payment, credit or adjustment. Within 90 days after its receipt of FMPA's objection, the Project Committee shall review such objection and determine whether or not an adjustment is appropriate. If the Project Committee determines as a result of a challenge that an adjustment is appropriate, such adjustment shall be reflected in the monthly billing immediately following such determination.

C. The Project Participant's right to receive copies of the audit reports of FMPA's records and accounts is as provided in Section 17 of the All-Requirements Power Supply Project Contract.

SECTION 8. Capacity and Energy Points of Delivery and Transmission

A. Generation Points of Delivery and Interconnection Points of Delivery (collectively, "Capacity and Energy Points of Delivery") shall be established by FMPA and the Project Participant and shall be as set forth in Exhibit E to this Contract as it may be amended from time to time ("Exhibit E").

B. The Project Participant hereby agrees to be responsible for the transmission of capacity and energy from the Project Participant's Generation Point of Delivery to its Interconnection Point of Delivery, including the construction of and operation and maintenance improvements to transmission facilities, if required; provided, however, that FMPA may assume responsibility for the payment of the cost of improvements on the Project Participant's side of the Interconnection Point of Delivery upon agreement with the Project Participant and the costs of such

improvements, if any, shall be recovered as agreed to by FMPA and the Project Participant.

C. FMPA hereby agrees to be responsible for the transmission of capacity and energy from the Project Participant's Interconnection Point of Delivery, including the construction of and operation and maintenance of improvements to such transmission facilities, if required. FMPA also agrees to be responsible for any related transmission charges.

SECTION 9. Metering and Telemetry

A. Energy sold by the Project Participant to FMPA under this Contract shall be the total of the following: energy metered at all Generation Points of Delivery for Units and energy delivered to all Interconnection Points of Delivery for Purchased Capacity Resources; provided, however, FMPA shall adjust such total to reflect any contracted for energy sales by the Project Participant to third parties as specifically identified in Exhibit A.

B. The Project Participant shall own, install and maintain all metering equipment at the Generation Points of Delivery; provided, however, that all such metering equipment must be acceptable to FMPA. The Project Participant shall seal all such metering equipment and the Project Participant hereby agrees that any such seal shall be opened by the Project Participant only upon FMPA's agreement or when a FMPA representative is present.

C. FMPA shall own, install and maintain all necessary remote terminal units (RTUs).

D. Except as otherwise provided in this Section 9, the parties agree that all other matters related to metering shall be governed by the provisions of Section 10 of the All-Requirements Power Supply Project Contract on Metering.

SECTION 10. Operating Representatives

A. Designation of Operating Representatives - FMPA and the Project Participant shall each appoint one representative (its "Operating Representative") to act for it in matters pertaining to the detailed operating arrangements for delivery of capacity and energy under this Contract, and FMPA and the Project Participant shall also each appoint an alternate to act for it in the absence of its Operating Representative. The Project Participant and FMPA shall each notify the other in writing of their respective Operating Representatives and alternates and of any change in the designation of either.

B. Responsibilities of Operating Representatives - In addition to any other matters specifically referred to elsewhere in this Contract, the Operating Representatives shall:

(1) coordinate energy scheduling, repairs, and scheduled outages; (2) arrange metering, telemetering, telecommunications, data acquisition, and other similar matters associated with the delivery of capacity and energy by the Project Participant to FMPA and receipt by FMPA of capacity and energy from the Project Participant; (3) review and coordinate control and operating procedures; (4) coordinate operating schedules relating to availability of capacity and energy and develop forecasts of Fuel Costs, anticipated use of Capacity Credit Resources, estimates of load, and other similar matters; (5) communicate regarding the maintenance of the Capacity Credit Resources including reviewing and coordinating maintenance schedules and (6) perform such other duties as may be conferred upon them by mutual agreement of FMPA and the Project Participant.

C. FMPA and the Project Participant agree to provide their Operating Representatives with all information required in the performance by the Operating Representatives of their duties.

D. If the Operating Representatives are unable to agree on any operating matter relating to this Contract, such matter shall be referred to the respective general managers of FMPA and the Project Participant for a decision. If the respective general managers are unable to reach a decision, such matter shall be referred to the Project Committee; provided, however, that nothing contained in this Section 10.D shall be construed to prohibit either FMPA or the Project Participant from requesting the Executive Committee or Board of Directors to review such decision. FMPA and the Project Participant acknowledge and agree that the Project Participant's operating decision will control until a final decision is made.

SECTION 11. Project Committee

A. Establishment of Project Committee - A Project Committee shall be established in accordance with the provisions of the Interlocal Agreement.

B. Responsibilities of Project Committee - The Project Committee shall have the duties and responsibilities provided in the Interlocal Agreement and this Contract, including but not limited to those specified in Section 10.B above. In addition, the Project Committee may, at its discretion, review and make recommendations to the Executive Committee on any matter relating to this Contract; provided, however, that the Executive Committee has authority to review any matter or make any decision relating to this Contract even if that matter has not yet been or will not be reviewed by the Project Committee.

SECTION 12. Operation of Units

A. The Project Participant hereby agrees to operate its Units in accordance with Prudent Utility Practice and any

operating procedures that may be established from time to time by the Operating Representatives designated in accordance with Section 10 of this Contract and to employ or engage all personnel it deems necessary to operate said Units.

B. The Project Participant hereby agrees to purchase and pay for all materials, supplies and fuels reasonably necessary to operate its Units; provided, however, that FMPA may purchase all or some of the fuels for such Units upon the mutual agreement of FMPA and the Project Participant.

SECTION 13. Dispatch

A. FMPA shall determine and establish dispatch schedules for Units, periodically provide dispatch schedules to the Project Participant, and update such dispatch schedules as it determines necessary.

B. On a daily basis, the Project Participant shall provide FMPA with next day forecasts of the availability and capability of Capacity Credit Resources and relevant transmission outages and limitations and shall provide any changes in such forecasts to FMPA as soon as possible.

SECTION 14. Maintenance and Repairs

A. The Project Participant shall maintain Units in accordance with Prudent Utility Practice and shall be responsible for the payment of all associated maintenance and repair costs.

B. The Operating Representatives shall coordinate the maintenance outage schedule of each Unit.

C. The Project Participant shall notify FMPA, as soon as practicable, of any necessary repairs to any Unit and shall also notify FMPA of the extent and timing of repairs and cooperate with FMPA to minimize the impact on the All-Requirements Power Supply Project of repairs to a Unit.

D. If FMPA, in its sole discretion, determines that expedited or extraordinary repairs to a Unit are desirable, FMPA hereby agrees to be responsible for the difference in cost between an ordinary repair and such expedited or extraordinary repair, as agreed to by FMPA and the Project Participant.

SECTION 15. Partial or Total Destruction of Units; Unavailability of Resources

A. The Project Participant shall provide immediate notice to FMPA in accordance with Section 26 of this Contract of any of the following events: any partial or total destruction of a Unit; the unavailability of capacity or energy from a Capacity Credit Resource identified in Exhibit A; or the partial or total

destruction of any other property of the Project Participant that would impair the Project Participant's ability to perform its obligations under this Contract.

B. The Project Participant shall notify FMPA in accordance with Section 26 of this Contract if at any time it decides not to repair or replace a partially or totally destroyed Unit. The Project Participant shall also keep FMPA apprised of the continued unavailability of capacity and energy from any Capacity Credit Resource identified in Exhibit A and the status of the repair or replacement of any other partially or totally destroyed property of the Project Participant that may adversely affect the ability of Project Participant to sell and make available capacity and energy as required by this Contract.

C. If at any time during the term of this Contract, the Project Participant returns to service a Unit that has been out of service due to its partial or total destruction or any other reason but has not been retired (regardless of whether the Unit is life extended or converted or not), the Project Participant must continue to sell and make available to FMPA and FMPA must continue to purchase all capacity and energy from that Unit in accordance with the provisions of this Contract.

SECTION 16. Major Capital Improvements

A. The Project Participant shall, at its discretion, make and pay for any major capital improvement, including a life extension or conversion, to a Unit; provided, however, that if FMPA decides such improvement or any other improvement recommended by FMPA is or may be beneficial to the All-Requirements Power Supply Project, FMPA may offer to pay for such improvement and if such offer is accepted by the Project Participant, FMPA and the Project Participant shall negotiate as to the level of Capacity Credits and ownership of the Unit by FMPA.

B. Any Unit life extended or converted by FMPA other than pursuant to Section 16.A of this Contract shall become the property of FMPA; provided, however, that the Net Salvage Value of such Unit shall be paid by FMPA to the Project Participant.

SECTION 17. New Generation and Reactivation of Previously Retired Units

A. Notwithstanding Section 3 of the All-Requirements Power Supply Project Contract, the Project Participant may build new generation units or return to service a Unit that has been retired (regardless of whether the Unit is life extended or converted or not). When the Project Participant notifies FMPA under Section 18.A of this Contract of its intent to retire a Unit, the Project Participant agrees that such Unit shall be

considered retired for the purpose of this Section 17.A and the provisions of this Section 17.A are applicable to such Unit.

Generation from units described in the preceding paragraph cannot offset the total power purchases required to be made by the Project Participant under the All-Requirements Power Supply Project Contract. FMPA has no obligation to purchase capacity and energy from such units but at its discretion may offer to purchase all or some of the capacity and energy from such units at the Capacity Credit determined by FMPA in accordance with Section 5 and Exhibit D to this Contract. If FMPA's offer is accepted, such unit will become a Unit identified on Exhibit A. The Project Participant hereby agrees that it can reject FMPA's offer only if it can achieve a greater economic benefit by selling the capacity and energy from such units to another utility for a similar time period and on similar terms.

If, regardless of whether FMPA has made an offer under this Section 17.A, another utility has offered to purchase such capacity and energy from the Project Participant, the Project Participant agrees that FMPA has an absolute right to match the offer of the other utility or negotiate another acceptable arrangement with the Project Participant.

None of the foregoing provisions of this Section 17.A shall apply to that portion of any new generation unit proposed to be constructed by the Project Participant; (i) the capacity and energy from which will be used to supply that portion of the Project Participant's load that the Project Participant is then permitted to serve pursuant to the Contract Rate of Delivery provisions of Section 3(a) of the All-Requirements Power Supply Project Contract; (ii) to be constructed by the Project Participant to avoid losing all or part of a customer's load pursuant to Section 3(a) of the All-Requirements Power Supply Project Contract; or (iii) to a solid waste powered generation facility owned by the Project Participant as provided in Section 3(a) of the All-Requirements Power Supply Project Contract.

B. If FMPA declines to purchase the capacity and energy from a new generation unit built by the Project Participant or from a Unit returned to service by the Project Participant after it has been retired as allowed in paragraph A of this Section 17, and the Project Participant sells the capacity and energy to another utility, the Project Participant shall again offer to sell the capacity and energy from such unit to FMPA at any time such capacity and energy subsequently becomes available upon the same criteria as stated in paragraph A of this Section 17.

SECTION 18. Retirement of Units

A. The Project Participant shall have authority to determine whether and when a Unit shall be retired and, except as otherwise

provided in this Contract, the Project Participant shall notify FMPA in accordance with Section 26 of this Contract of its decision to retire a Unit at least two years prior to the date the Project Participant anticipates retiring the Unit.

B. The Project Participant acknowledges and agrees that Capacity Credits provided by FMPA to the Project Participant shall terminate upon the retirement of a Unit.

C. Except as provided in paragraph D of this Section, if the Project Participant retires a Unit but does not dismantle it, FMPA has the option from the date it receives notice from the Project Participant of the Unit's anticipated retirement until one year from the date the Unit is actually retired, to purchase the Unit from the Project Participant at the Unit's Net Salvage Value.

D. At its discretion, the Project Participant may refuse FMPA's offer to purchase a retired Unit. However, if after rejecting FMPA's offer to purchase a retired Unit, the Project Participant decides to return a retired Unit to operation or sell a retired Unit at any time during the term of this Contract, the Project Participant shall offer to sell all capacity and energy from that Unit to FMPA under this Contract or shall again offer to sell the Unit to FMPA at the then current Net Salvage Value and FMPA may, at its option, accept the Project Participant's offer.

SECTION 19. Additional Costs

The Project Participant shall be responsible for and shall pay for any additional costs imposed on the All-Requirements Power Supply Project as a result of any actions by the Project Participant under Sections 16 or 17 or in connection with a sale to a third party as described in Section 18.D above unless otherwise agreed to by FMPA at the time this Contract is entered into or at the time such additional costs are imposed on the All-Requirements Power Supply Project.

SECTION 20. Insurance and Risk of Loss

The Project Participant hereby agrees that it shall maintain insurance (which may include self-insurance) on all of its Units as required by Prudent Utility Practice or by its outstanding bond resolutions. The Project Participant shall provide proof of continuing insurance coverage to FMPA upon FMPA's request and shall also provide notification to FMPA of any cancellation or discontinuance of such insurance or of any material changes in its self insurance.

SECTION 21. Property of Project Participant

A. The parties hereby agree that the sale of capacity or energy from a Unit shall not constitute a sale, lease, transfer, conveyance, or other disposition of an ownership interest in such Unit by the Project Participant to FMPA, nor a dedication of ownership of such Unit by the Project Participant to FMPA or any other party. The Project Participant hereby agrees to devote capacity and energy associated with the Unit to FMPA and that the delivery of such capacity and energy by the Project Participant to FMPA shall not be subject to preemption by the Project Participant except as provided in Section 22 of this Contract relating to Existing Power Sales Agreements.

B. All replacement parts and additions shall belong to the Project Participant unless FMPA pays for such replacement parts and additions in accordance with Section 16 of this Contract relating to Major Capital Improvements.

SECTION 22. Existing Power Sales Agreements

The Project Participant hereby agrees that if it is a party to a contract identified on Exhibit A which contract requires the Project Participant to provide capacity and energy to the other party thereto on a priority basis, the capacity and energy to be provided by the Project Participant under that contract shall take priority to the extent and for the period required by that contract. Such contract shall not be modified, extended or renewed by the Project Participant without FMPA's prior written consent except by the other party to such contract if the terms of such contract specifically permit a modification, extension or renewal at the sole option or initiative of the other party thereto. The Project Participant shall immediately notify FMPA in accordance with Section 26 of this Contract of the receipt of any notice or the taking of any other action by another party to modify, extend or renew an existing power sales contract identified on Exhibit A.

SECTION 23. Compliance with Laws, Ordinances, and Regulations

A. FMPA and the Project Participant agree that each shall continue to comply with all applicable laws, ordinances, regulations, bond resolutions, and existing contracts.

B. The Project Participant agrees that if it or any other governmental entity other than the State of Florida or the United States passes any law, ordinance, resolution, rule, regulation or similar provision imposing any tax, fee, or similar charge on any transaction covered by this Contract, such tax, fee or similar charge shall be borne solely by the Project Participant.

SECTION 24. Default

A. If FMPA defaults on its Capacity Credit or payment obligations under this Contract (an "Event of Default"), except when that default is caused by an Uncontrollable Force as described in Section 29 of this Contract, and FMPA fails to cure the default in accordance with Section 25 of this Contract, the Project Participant has the right to enforce FMPA's Capacity Credit or payment obligations.

B. If FMPA defaults under the All-Requirements Power Supply Project Contract by failing to provide all or a part of the Project Participant's load, except when that default is caused by an Uncontrollable Force as described in Section 29 of this Contract, and FMPA fails to cure the default in accordance with Section 25 of this Contract, the Project Participant has the right to cease delivery of capacity and energy to FMPA under this Contract equal to the amount of capacity and energy FMPA has failed to deliver under the All-Requirements Power Supply Project Contract for purposes of serving the Project Participant's retail load. If FMPA cures such default under the All-Requirements Power Supply Project Contract at any time during the term of such Contract, the Project Participant must again deliver the affected capacity and energy to FMPA under the terms and provisions of this Capacity and Energy Sales Contract.

C. If the Project Participant defaults on its obligations under this Contract (an "Event of Default"), except when that default is caused by an Uncontrollable Force as described in Section 29 of this Contract, and the Project Participant fails to cure the default in accordance with Section 25 of this Contract, FMPA has the right to any or all of the following remedies against the Project Participant at FMPA's sole discretion: (1) terminate or reduce Capacity Credits and/or other payments to the Project Participant until the default is cured; (2) require specific performance by the Project Participant of its obligations under this Contract; or (3) bring an action for damages.

SECTION 25. Notice of Default

A. Upon any Event of Default, the non-defaulting party shall send written notice, postage prepaid, by certified mail, return receipt requested, to the defaulting party at the address set forth in Exhibit F to this Contract as it may be amended from time to time ("Exhibit F") and, except as otherwise specified in this Contract, the defaulting party shall have 60 days from receipt of such notice to cure the default.

B. If the default is not cured within such 60 day period, the non-defaulting party shall have the right to exercise the remedies provided in Section 24 of this Contract.

SECTION 26. Other Notices

Except as otherwise provided in this Contract, any notice or demand by either party to the other party under this Contract shall be deemed properly given if mailed, postage prepaid, by certified mail, return receipt requested, and addressed to the other party at the address in Exhibit F. Except as otherwise provided in this Contract, in computing any period of time from such notice or demand, such period shall commence upon receipt. The title 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 written notice to the other party at the address in Exhibit F.

SECTION 27. Assignment

A. This Capacity and Energy Sales Contract shall inure to the benefit of and shall be binding upon the respective successors and assigns of the parties to this Contract; provided, however, that except for any assignment by the Project Participant in connection with the sale, lease or other disposition of all or substantially all of the Project Participant's electric system as provided in Section 8(d) of the All-Requirements Power Supply Project Contract, neither this 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. No assignment or transfer of this Contract shall relieve the parties of any obligation hereunder.

B. The Project Participant acknowledges and agrees that if any bonds have been issued by FMPA for the purposes of this Contract, this Contract cannot be assigned if, in the determination of FMPA, such assignment will or may affect the federal or State of Florida tax exempt status of outstanding bonds or bonds to be issued in the future.

SECTION 28. Interchange Agreements

FMPA and the Project Participant acknowledge that FMPA and the Project Participant have existing Interchange Agreements with most interconnected Florida utilities. The Project Participant hereby assigns, to the extent permitted by any existing Interchange Agreement and as required by FMPA, any or all of its Interchange Agreements to FMPA or allow FMPA to act as its agent for any or all of such Interchange Agreements.

SECTION 29. Uncontrollable Forces

Except as may otherwise be provided by Section 5.D of this Contract, neither FMPA nor the Project Participant shall be considered to be in default in respect to any obligation hereunder if prevented from fulfilling such obligation by reason of a force majeure occurrence. Force majeure as used herein shall

mean, without limitation, the following: acts of God; natural disaster; strikes and/or lockouts and other industrial disturbances; acts of public enemies; sabotage; insurrections; riot; fire; flood; sinkhole; blight; famine; quarantine; epidemics; landslides; drought; lightning; earthquakes; hurricanes; tidal surges; tornadoes; storms; civil disturbances; war; explosion; injunction; 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 the parties; extraordinary delay in transportation; unforeseen soil conditions; equipment, material, supplies, labor or machinery shortages; partial or entire failure of utilities necessary or useful for the physical operation of the parties; breach of contract by any supplier, contractor, subcontractor, laborer or materialman; or any other similar extreme cause or event reasonably beyond the control of either party. The party suffering an occurrence of force majeure shall use its best efforts to remedy with all reasonable dispatch the cause or causes preventing the carrying out of this Capacity and Energy Sales Contract; provided that the settlement of strikes, lockouts and other labor disputes or industrial disturbances shall be entirely within the discretion of said party, and it shall not be required to make settlement of strikes, lockouts and other labor disputes or industrial disturbances by acceding to demands that are unreasonable in the judgment of said party.

SECTION 30. No Adverse Distinction

The Project Participant agrees that there shall be no unreasonable pattern of adverse distinction and no pattern of undue discrimination in carrying out its obligations under this Capacity and Energy Sales Contract.

SECTION 31. Right of Access

Duly authorized representatives of FMPA shall have the right of access, at any reasonable time and upon reasonable prior (oral or written) notice, to the Project Participant's facilities covered by this Contract for the purpose of inspection, observation or any other such activity as is necessary to carry out the provisions of this Capacity and Energy Sales Contract.

SECTION 32. Cooperation

If it becomes necessary by reason of any emergency or extraordinary condition for either FMPA or the Project Participant to request the other party to furnish personnel, materials, tools, or equipment necessary to accomplish its obligations hereunder, the party so requested shall cooperate with the requesting party and render such assistance as the party so

requested determines to be available. The party making such request, upon receipt of properly itemized bills from the other party, shall promptly reimburse the other party for all costs properly and reasonably incurred by it in providing such assistance. The cost shall be determined on the basis of current charges or rates used in the operations of the party rendering the assistance.

SECTION 33. Liability of Parties

Except as may otherwise be provided in this Contract, 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 installment, 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 incurred by FMPA in order to fulfill its obligations under this Contract or the other Capacity and Energy Sales Contracts and not covered, or not covered sufficiently, by insurance shall be paid solely from the revenues of FMPA derived from the All-Requirements Power Supply Project Contract, and any payments made by FMPA, or which FMPA is obligated to make, to satisfy such liability shall become part of Revenue Requirements under the All-Requirements Power Supply Project Contract.

SECTION 34. Waivers

A. Any waiver at any time by either party to this Contract of its rights with respect to a default or any matter arising in connection with this Contract shall not be deemed to be a waiver with respect to any subsequent default or matter.

B. The failure of either party to this Contract to enforce at any time any of the provisions of this Contract or the All-Requirements Power Supply Project Contract or to require at any time performance by the other party hereto of any of the provisions hereof or thereof shall in no way be construed to be a waiver of such provisions nor in any way to affect the validity of this Capacity and Energy Sales Contract or the All-Requirements Power Supply Project Contract or the right of such party thereafter to enforce each and every provision hereof or thereof.

SECTION 35. Information

FMPA and the Project Participant will promptly furnish to each other such information as may be reasonably requested from time to time in order to carry out more effectively the intent and purpose of this Contract or the All-Requirements Power Supply

Project Contract or as may be reasonably necessary and convenient in the conduct of the operations of the party requesting such information. Without limiting the generality of the foregoing, 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 Section 20 of the All-Requirements Power Supply Project Contract), official statements and other documents as shall be reasonably necessary in connection with financings of FMPA.

SECTION 36. Applicable Law

This Capacity and Energy Sales Contract shall be governed by and construed in accordance with the laws of the State of Florida.

SECTION 37. Severability

In the event that any of the terms, covenants or conditions of this Capacity and Energy Sales Contract, or the application of any such term, covenant or condition, shall be held invalid as to any person or circumstance by any court having jurisdiction under the circumstances, the remainder of this Capacity and Energy Sales Contract and the application of its terms, covenants or conditions to such persons or circumstances shall not be affected thereby.

SECTION 38. Survivorship of Obligations

The termination of this Contract shall not discharge either party hereto from any obligation it owes to the other party under this Contract by reason of any transaction, loss, cost, damage, expense, or liability which shall occur or arise (or the circumstances, events, or basis of which shall occur or arise) prior to such termination. It is the intent of the parties hereby that any such obligation owed (whether the same shall be known or unknown at the termination of this Contract or whether the circumstances, events, or basis of the same shall be known or unknown at the termination of this Contract) shall survive the termination of this Capacity and Energy Sales Contract.

SECTION 39. Headings

The headings provided in this Capacity and Energy Sales Contract are for convenience only.

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, month and year first above written.

FLORIDA MUNICIPAL POWER AGENCY

By _____
Chairman

Attest:

By _____
Title:

(SEAL)

CITY OF VERO BEACH, FLORIDA

By *[Signature]*
Title: Mayor

Attest:

By *[Signature]*
Title: City Clerk

Approved as to form and legal sufficiency:

Terence P. O'Brien
City Attorney

Approved as to technical requirements:

[Signature]
City Manager

Exhibit A

Capacity Credit Resources
Participant City of Vero Beach

SECTION I: Units

The following generating Units are to be included in the Capacity Credit calculations.

<u>Unit Name</u>	<u>Unit Type</u>	<u>Fuel</u>		<u>Capacity Credit Rating kw(1)</u>
		<u>Primary</u>	<u>Alternate</u>	

- (1) Net continuous reliable capability of the Unit during the summer period at the Generation Point of Delivery as substantiated by actual historical operation and as determined in accordance with procedures developed by the Project Committee and approved by the Executive Committee.

Section II: Purchased Capacity Resources

The following Purchased Capacity Resources are to be included in the Capacity Credit calculations. Copies of the Contracts other than Tri-City and Stanton are attached as Appendix __ hereto.

<u>Selling Utility</u>	<u>Type of Purchase</u>	<u>Capacity Credit Rating kw(2)</u>
------------------------	-------------------------	-------------------------------------

- (2) Maximum capacity available to be scheduled during the summer period at the Interconnection Point of Delivery.

Exhibit A (Continued)

SECTION III: Existing Capacity and Energy Sales

The following capacity and energy sales to third parties reduce the capacity subject to Capacity Credits. Copies of the Contracts are attached as Appendix ___ hereto.

<u>Purchasing Utility</u>	<u>Type of Sale</u>	<u>Capacity Credit Rating kw(3)</u>
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- (3) Maximum capacity available to the purchasing utility during the summer period at the appropriate Point of Delivery.

Exhibit B

Partial Requirements Purchases

Exhibit C

Excluded Resources

Exhibit D
Capacity Credits

A. Capacity Credits

1. Prior to the commencement of each Fiscal Year, FMPA shall establish a schedule of (i) the monthly dollar amounts of Capacity Credits to be paid to each Project Participant; (ii) the projected monthly energy usage from each Capacity Credit Resource; and (iii) the planned outage timing and durations for each Capacity Credit Resource for the upcoming Fiscal Year, based on a prospective analysis of the expected use of the Capacity Credit Resources available to the All-Requirements Project (the "Capacity Credit Schedule").
2. Once the monthly schedule of Capacity Credits has been established, the actual monthly Capacity Credits to each Project Participant shall equal the amount set forth on the Project Participant's Capacity Credit Schedule plus or minus the Variable O&M Adjustment due such Project Participant.
3. The Variable O&M Adjustment for each Capacity Credit Resource in each month shall be determined by multiplying the Variable O&M Adjustment Rate for each Capacity Credit Resource times the difference in the actual energy received from the Capacity Credit Resource and the expected energy usage from the Capacity Credit Resource as was set forth on the Capacity Credit Schedule. The

Exhibit D (Continued)

Project Participant's total Variable O&M Adjustment will equal the sum of the Project Participant's individual Capacity Credit Resource Variable O&M Adjustments.

4. If applicable, monthly Capacity Credits will also be adjusted in accordance with Sections 5.D and E of the Capacity and Energy Sales Contract.

B. Capacity Credit Schedule Development

1. Based on a prospective analysis of the upcoming Fiscal Year, the monthly capacity and energy expected to be provided by a Project Participant's Capacity Credit Resources set forth on Exhibit A and the associated purchased energy and fuel costs will be assigned to one of the following Capacity Classes:

- Base
- Intermediate - Steam
- Intermediate - Other
- Peaking
- Reserve

If required, the amount of capacity and energy included in certain Capacity Classes will be adjusted to reflect existing sales set forth in Exhibit A.

2. Monthly Capacity Credits for each Capacity Class will be calculated by multiplying the expected kw's of capacity and expected MWh's of energy in each Capacity Class times that Capacity Class' \$/kw-m and \$/MWh Capacity Credit Rates, respectively. The Project Participant's total

Exhibit D (Continued)

monthly Capacity Credit will be the sum of the Capacity Credits determined for that Project Participant's Capacity Classes.

C. Capacity Credit Rates

1. Capacity Credit Rates include a \$/kw-m and a \$/MWh component for each Capacity Class.
2. The \$/MWh component for each Capacity Class consists of a minimum amount plus an adder based on a percent of the difference between the average \$/MWh cost of fuel and purchased energy for the Project Participant's Capacity Class and the average \$/MWh cost of fuel and purchased energy for all Capacity Credit Resources in Reserve Capacity Class.
3. Capacity Credit Rates by Capacity Class are:

<u>Capacity Class</u>	<u>\$/kw-m</u>	<u>Minimum \$/MWh</u>	<u>Percent Adder</u>
Base			
Intermediate - Steam			
Intermediate - Other			
Peaking			
Reserve			

4. The projected economic value of the Capacity Credit Resources to the All-Requirements Project and to the Project Participants will be reflected in the methodology used to establish the Capacity Credit Rates.

D. Monthly Adjustments for Actual Generation

1. Variable O&M Adjustment Rates to be used in Paragraph A.3 above will be established for each type of Unit and are

Exhibit D (Continued)

intended to reflect the non-fuel operating and maintenance costs incurred as a result of actual energy production.

2. Variable O&M Adjustment Rates by Unit type are:

<u>Unit Type</u>	<u>Rate (\$/MWh)</u>
Coal	
Steam	
Combined Cycle	
High-Speed Diesel	
Medium-Speed Diesel	
Low-Speed Diesel	
Combustion Turbine	

Exhibit E
Points of Delivery

Exhibit F

Titles and Addresses of Parties to Contract

FLORIDA MUNICIPAL POWER AGENCY

ALL-REQUIREMENTS POWER SUPPLY PROJECT CONTRACT

This contract, entered into as of October 1, 1996, between FLORIDA MUNICIPAL POWER AGENCY, a legal entity organized under the laws of the State of Florida, ("FMPA"), and the City of Vero Beach, a public agency and member of FMPA who has executed this Contract (the "Project Participant").

WITNESSETH:

WHEREAS, FMPA was created pursuant to Chapter 163, Part I, Florida Statutes, as amended (the "Interlocal Act") and Chapter 361, Part II, Florida Statutes, as amended (the "Joint Power Act") 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 the present and projected electric energy needs of such municipal corporations and other entities; 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 make and execute contracts and other instruments necessary or convenient in the exercise of the powers and functions of FMPA under the laws of the State of Florida; (iii) to issue its bonds, notes, or other evidences of indebtedness to pay all or part of the costs of acquiring or participating in such electric projects; and (iv) to exercise all other powers which have been or may be granted to FMPA under the laws of the State of Florida; and

WHEREAS, in order to secure an adequate, reliable and economical supply of electric capacity and energy to supply, with certain exceptions permitted herein, all of the needs for electric capacity and energy of the Project Participant (as hereinafter defined) and the other Project Participants (as hereinafter defined) contracting with FMPA, FMPA has established an All-Requirements Power Supply Project, which constitutes an "Electric Project" and a "Project" as defined in Chapter 163, Part I, and Chapter 361, Part II, Florida Statutes, respectively, and has created the System (as hereinafter defined) to carry out such All-Requirements Power Supply Project; and FMPA and the Project Participant have determined that FMPA will sell to the Project Participant, and the Project Participant will purchase from FMPA, electric capacity and energy from the System on the terms and conditions set forth herein; and

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.

Bond Resolution shall mean any one or more resolutions, trust agreements, loan agreements or other similar instruments providing for the issuance of Bonds.

Bonds shall mean revenue bonds, notes or other evidences of indebtedness, without regard to the term thereof, whether or not any issue of such Bonds shall be subordinated as to payment to any other issue of Bonds, from time to time issued or already issued by FMPA to finance any cost, expense or liability paid or incurred or to be paid or incurred by FMPA in connection with the investigating, studying, planning, engineering, designing, financing, installing, constructing, acquiring, operating, maintaining, retiring, decommissioning or disposing of any part of the System or otherwise paid or incurred or to be paid or incurred by FMPA in connection with the performance of its obligations under the All-Requirements Power Supply Project Contracts or for any other lawful purpose permitted under the Act or the Interlocal Agreement for the System to implement the All-Requirements Power Supply Project.

Capacity and Energy Sales Contract shall mean the Capacity and Energy Sales Contracted dated _____, 1996, between FMPA and the Project Participants.

Consulting Engineer shall mean, as of any date, an engineer or engineering firm or corporation then retained by FMPA to perform acts and carry out duties in connection with the supply of electric capacity and energy to the Project Participants as part of the All-Requirements Power Supply Project.

Contract Rate of Delivery shall have the meaning given to such term in Section 3(a) hereof.

Excluded Power Supply Resources shall mean the sources of electric capacity and energy, if any, intended to meet a portion of the load requirements of the Project Participant or the other Project Participants set forth in paragraph 2 of Schedule A to the All-Requirements Power Supply Project Contract of each of the respective Project Participants. Excluded Power Supply Resources capacity shall be equal to such Excluded Power Supply Resources capacity (kw) at the generation level (unadjusted for losses).

FPC Project Participants shall mean the members of FMPA identified as such in paragraph 1 of Schedule A hereto, as amended from time to time.

FPL Project Participants shall mean the members of FMPA identified as such in paragraph 1 of Schedule A hereto, as amended from time to time.

Interlocal Agreement shall mean Interlocal Agreement Creating the Florida Municipal Power Agency, as amended and supplemented to date, and as the same may be amended or supplemented in the future.

Point of Delivery shall mean any point at which FMPA shall be required to deliver electric capacity and energy to the Project Participant as set forth in paragraph 4 of Schedule A hereto, as amended from time to time.

Point of Measurement shall mean any point at which FMPA shall be required to meter electric capacity and energy delivered to the Project Participant as set forth in paragraph 5 of Schedule A hereto, as amended from time to time; provided, however, that if the Project Participant has limited its obligation to purchase and receive capacity and energy hereunder to its Contract Rate of Delivery as provided in Section 3(a) hereof, then Point of Measurement shall also mean any additional point or points required to meter electric capacity and energy delivered to the Project Participant from any other power supplier or from any Project Participant-owned generating resource located on the Project Participant's System.

Project Participants shall mean the Project Participant and those members of FMPA from time to time that are, or hereafter become, parties to All-Requirements Power Supply Project Contracts, and shall include both the FPC Project Participants and the FPL Project Participants.

Project Participant's System shall mean the Project Participant's electric system as described in paragraph 8 of Schedule A, as amended from time to time.

Prudent Utility Practice shall mean, at a particular time, any of the practices, methods and acts which, in the exercise of reasonable judgment in the light of the facts (including but not limited to the practices, methods and acts engaged in or approved by a significant portion of the electrical utility industry prior thereto) 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. Prudent Utility Practice is not intended to be limited to the optimum practice, method or act, to the exclusion of all others, but rather to be a number of possible practices, methods or acts.

Rate Schedule shall mean rate schedules setting forth the rate for payments by the Project Participant (i) for providing All-Requirements Services and (ii) for providing Back-up and Support Services for Excluded Power Supply Resources, if any. The

Service Commencement Date shall mean such date as shall be determined by FMPA upon 30 days' notice to the Project Participant.

System shall mean:

(1) any plant, works, system, facilities and real property and personal property of any nature whatsoever, together with all parts thereof and appurtenances thereto, which is located within or without the State of Florida, and which is used or useful in the generation, production, transmission, purchase, sale, exchange, or interchange of electric capacity and energy, including facilities and property for the acquisition, extraction, conversion, transportation, storage, reprocessing, or disposal of fuel and other materials of any kind for any such purposes;

(2) any interest in, or right to, the use, services, output, or capacity of any such plant, works, system, or facilities;

(3) any study to determine the feasibility or costs of any of the foregoing, including, but not limited to, engineering, legal, financing, and other services necessary or appropriate to determine the legality and financial and engineering feasibility of any project referred to in subparagraph 1 or subparagraph 2; and

(4) any other items or interests which FMPA may be permitted to include in the System at any time under the laws of the State of Florida;

all to the extent necessary, desirable or useful to enable FMPA to implement or carry out the All-Requirements Power Supply Project and to provide the Project Participants with all the electrical capacity and energy needed to meet their loads, on the terms and conditions and subject to the limitations contained in the All-Requirements Power Supply Project Contracts. It is intended that this definition be broadly construed to encompass all items of real and personal property, all interests in or rights to the use of services, output or capacity (including any such rights of any Project Participant for the purchase of electric capacity and energy or the purchase or other provision of dispatching and transmission services from any source in respect of which FMPA is to act as agent for such Project Participant and which is to be used by FMPA to satisfy all or any part of its obligations under this or any other All-Requirements Power Supply Project Contract) acquired or purchased by FMPA for the purpose of, or designated by FMPA to be used for the purpose of, meeting its obligations under the All-Requirements Power Supply Project Contracts, which on the date hereof or in the future shall be permitted to be included in the System pursuant to the provisions of the Act or other applicable laws of the State of Florida. Unless otherwise provided by action of FMPA designating such items as part of the System, the System shall not include FMPA's 8.806% undivided ownership

interest in St. Lucie Unit No. 2 acquired pursuant to the St. Lucie Unit No. 2 Participation Agreement dated as of February 11, 1982, as amended, or any rights to receive electric capacity and energy therefrom; any rights to receive electric capacity and energy pursuant to the St. Lucie Nuclear Reliability Exchange Agreement, dated March 26, 1982, as amended, or the St. Lucie Replacement Power Agreement, dated February 11, 1982; or FMPA's 14.8193% undivided ownership interest in Stanton Unit No. 1 acquired pursuant to the Stanton Unit No. 1 Participation Agreement dated as of January 16, 1984, as amended (the "Stanton Project"); or FMPA's 5.3012% undivided ownership interest in Stanton Unit No. 1 acquired pursuant to the Stanton Unit No. 1 Participation Agreement dated as of March 22, 1985, as amended (the "Tri-City Project"); provided, however, that certain Project Participants having Entitlement Shares in the Tri-City and/or Stanton Projects have agreed to sell and make available to FMPA for the All-Requirements Power Supply Project the capacity and energy from such Entitlement Shares pursuant to the Capacity and Energy Sales Contracts between FMPA and such Project Participants and the right to receive such capacity and energy shall be a part of the System. Notwithstanding the foregoing definition of the term System, such term shall not include any properties, rights or interests in properties of FMPA which FMPA determines shall not constitute a part of the All-Requirements Power Supply Project or the System for the purposes of this All-Requirements Power Supply Project Contract.

SECTION 2. Term

This Contract shall become effective upon a date to be determined by the Board.

Subject to the provisions for withdrawal in Section 29, this Contract shall remain in effect until October 1, 2025, and thereafter is subject to the following automatic extensions. On October 1, 1995 and each fifth anniversary thereafter, this Contract shall automatically extend for an additional five year period beyond October 1, 2025, unless either party hereto shall notify the other party in writing at least two years prior to such automatic extension date of its decision not to extend this Contract.

SECTION 3. Sale and Purchase of Electricity

(a) FMPA hereby agrees to sell and deliver to the Project Participant, and the Project Participant hereby agrees to purchase and receive from FMPA, commencing on the Service Commencement Date and extending through the term hereof, all electric capacity and energy (including any associated transmission and dispatching services) which the Project Participant shall require for the operation of its municipal electric system over and above the Excluded Power Supply Resources, if any, specified in paragraph 2 of Schedule A hereto and over and above Back-up and Support

Services (as hereinafter defined) (the "All-Requirements Services"); provided, however, that effective January 1, 2002, or any January 1 thereafter, upon at least seven years prior written notice to FMPA, the Project Participant may limit the maximum amount of electric capacity and energy required to be sold and delivered by FMPA and purchased and received by the Project Participant hereunder as All-Requirements Services for the remainder of the term hereof so as not to exceed the Contract Rate of Delivery determined as follows: the "Contract Rate of Delivery" shall be the peak demand of the Project Participant for electric capacity and energy as All-Requirements Services under this Contract during the 12 months preceding the date one month prior to the date such limitation shall commence, as determined by FMPA, adjusted up or down by not more than 10% so as to provide optimal utilization of the FMPA power supply resources, such adjustment to be made by FMPA in its sole discretion. Upon the request of the Project Participant, but not more than once within any 12 months, FMPA shall advise the Project Participant of FMPA's then best estimate of what the Project Participant's Contract Rate of Delivery hereunder would be for any year within the ten-year period following the date FMPA receives such request. FMPA shall notify the Project Participant of the Project Participant's actual Contract Rate of Delivery within seven days after FMPA's determination thereof. Beginning on the date of commencement of the limitation provided for in the proviso of the first sentence of this Section 3(a) and for the remainder of the term of this Contract, the amount of electric capacity and energy required to be sold and delivered by FMPA and purchased and received by the Project Participant as All-Requirements Services shall be determined as provided in Schedule C hereto.

In the event that, pursuant to law or regulatory orders, electric capacity and energy is required to be purchased by the Project Participant from a small power production facility, a cogeneration facility or other facility, the Project Participant and FMPA shall use their best efforts to arrange for such purchases to be made by FMPA, to the extent permitted by law. If such arrangements cannot be made, then the Project Participant shall make the required purchases and sell or otherwise transfer to FMPA the electric capacity and energy purchased at a price equal to the price paid by the Project Participant. The Project Participant appoints FMPA to act as its agent in all dealings with the owner of any such facility from which electric capacity and energy is to be purchased and in connection with all other matters relating to such purchases. The Project Participant also appoints FMPA to act as its agent in all dealings with any other party, other than FMPA, to any contract for the purchase of electric capacity and energy to which the Project Participant is a party and which has been designated by FMPA as part of the System.

A Project Participant may construct a new generating unit at a customer's location to avoid losing all or a part of that customer's load, provided, however, that the Project Participant

shall sell all capacity and energy from such unit to FMPA pursuant to a separately negotiated contract between FMPA and the Project Participant and the load represented by such customer shall continue to be included in the load serviced by FMPA under this Contract.

In addition, it is expressly acknowledged that the Project Participant may own all or any portion of a solid waste powered generation facility. Such facility may not be used to serve any of the Project Participant's retail load. If the Project Participant so requests, FMPA will purchase the Project Participant's share of the output of such facility for the All-Requirements Power Supply Project at the All-Requirements Power Supply Project's avoided cost as determined and adjusted by FMPA pursuant to an agreement to be negotiated by FMPA and the Project Participant.

(b) If and to the extent that the Project Participant has any Excluded Power Supply Resources specified in paragraph 2 of Schedule A hereof, FMPA hereby agrees to sell and deliver to the Project Participant, and the Project Participant hereby agrees to purchase and receive from FMPA, commencing on the Service Commencement Date and extending through the term hereof, generating support services for such Excluded Power Supply Resources including reserves, deficiency energy (which is energy in an amount equal to up to the Project Participant's Excluded Power Supply Resources whenever the units providing such Excluded Power Supply Resources are operating at less than a 100% capacity factor based on the seasonal net capability of such Excluded Power Supply Resources adjusted for losses), transmission losses and firming capacity associated with the delivery of the Excluded Power Supply Resources or the replacement thereof, including any associated transmission and dispatching services, (the "Back-Up and Support Services"). The obligation of FMPA to sell and deliver and of the Project Participant to purchase and receive the Back-Up and Support Services shall not be affected in any way by any election of the Project Participant to limit its obligation under paragraph (a) of this Section 3 to its Contract Rate of Delivery.

(c) The Project Participant hereby commits itself to take and pay for all of the electric capacity and energy which it is required to take and receive under paragraphs (a) and (b) of this Section 3 and which is made available to the Project Participant hereunder at its Points of Delivery; such payments shall be made at rates set forth in the Rate Schedule, as revised from time to time by FMPA in the manner provided herein.

SECTION 4. Authorization and Approval of Projects

(a) FMPA is hereby authorized by the Project Participant (i) to undertake projects to be included in the System as part of the All-Requirements Power Supply Project from time to time which

are necessary or desirable to enable FMPA to fulfill satisfactorily its obligations to use its best efforts to supply electric capacity and energy to the Project Participant and other Project Participants pursuant to the All-Requirements Power Supply Project Contracts and which projects, to the extent required by paragraph (b) of this Section 4, have been approved by the Board and the Project Participants pursuant to the terms of paragraph (b) of this Section 4 and (ii) to issue Bonds for the purpose of paying all or any part of the costs of any of the projects or for any other purposes authorized by the laws of the State of Florida relating to the System.

(b) The Project Participant hereby approves all projects included in the System on the date of this Contract including, without limitation, all resources covered by the Capacity and Energy Sales Contract. Subsequent to such date, the participation of FMPA in any project for the construction, acquisition, purchase, lease or other use of any generation, dispatching, load management or transmission resources, output or services that is to be included in the System requiring the issuance of Bonds by FMPA or assumption or guaranty by FMPA of other obligations or requiring the execution by FMPA of any power supply contract or agreement (other than interchange agreements with other utilities) with a basic term of more than seven (7) years must be approved by (a) a majority affirmative vote of all of the Project Participants, with each Project Participant entitled to cast one vote through its Authorized Representative and, if so approved, (b) the Board and/or the Executive Committee of FMPA, to the extent and in the manner provided by the laws of the State of Florida, the Interlocal Agreement, the By-Laws of FMPA and/or the Bond Resolution.

SECTION 5. Electric Characteristics, Points of Delivery and Measurement

Electricity to be furnished hereunder shall be three phase, sixty hertz alternating current. The Project Participant shall make and pay for all connections between the Project Participant's System and the System of FMPA at the Points of Delivery. The Points of Delivery, the Points of Measurement, the delivery voltage, the power factor, if any, to be maintained by the Project Participant, and special conditions of service shall be as set forth in Schedule A attached hereto, which Schedule may be amended from time to time to include such other Point or Points of Delivery and Point or Points of Measurement and delivery voltage as may be agreed upon by FMPA and the Project Participant. Other provisions of Schedule A may be amended from time to time by FMPA.

The Project Participant shall install, own and maintain any necessary substation equipment at the Points of Delivery and shall install, own and maintain switching and protective equipment of adequate design and sufficient capacity on the Project Participant's System to enable the Project Participant to take and use

the electric capacity and energy supplied under this Contract without hazard to the System.

FMPA shall not be responsible for the transmission, control, use or application of electric capacity and energy provided under this Contract on the Project Participant's System or on the Project Participant's side of any Point of Delivery that is not located on the Project Participant's System.

The Project Participant shall not be responsible for the transmission, control, use or application of electric capacity and energy provided under this Contract outside of the Project Participant's System in the case of a Point of Delivery on the Project Participant's System or on FMPA's side of a Point of Delivery if such Point of Delivery is not on the Project Participant's System.

When electricity is measured at more than one Point of Measurement, the demand of the Project Participant's System shall be determined by combining the Points of Measurement in accordance with the provisions of the applicable Rate Schedule.

SECTION 6. Rates

(a) The Project Participant shall pay FMPA for all electric capacity and energy furnished at the Points of Delivery hereunder as All-Requirements Services and for all Back-Up and Support Services at the rates and on the terms and conditions set forth in the applicable Rate Schedule. Credits, if any, to Project Participants with generating resources shall be calculated in accordance with the Project Participant's Capacity and Energy Sales Contract and shall be applied to offset the Project Participant's payments hereunder. Prior to the Service Commencement Date, FMPA shall propose and submit to the Project Participants a Rate Schedule consisting of a Schedule B-1 for FPC Project Participants and a Schedule B-2 for FPL Project Participants proposed to be in effect on the Service Commencement Date. Such Rate Schedule shall not be implemented unless approved first by the affirmative vote of all the Project Participants with each Project Participant having one vote and then by the affirmative vote of a majority of the votes of the Board; provided, however, that if such Rate Schedule is not so approved prior to the Service Commencement Date, the Board, by a majority of the votes of the Board, shall adopt, and may revise from time to time as necessary or appropriate, and implement an interim Rate Schedule to be effective until an initial Rate Schedule shall have been approved in the manner provided herein. Subject to the provisions of paragraphs (c) and (d) of this Section 6, FMPA will revise and place into effect new Rate Schedules as necessary or appropriate from time to time. The Project Participant agrees to pay the rates and charges set forth in the applicable initial Rate Schedule, interim Rate Schedule, if any, and revised Rate Schedules from the effective date established by FMPA. In the

event that, during any portion of any month, electric capacity and energy are made available to the Project Participant by FMPA in accordance with this Contract which the Project Participant is required to take and receive as All-Requirements Services pursuant to Section 3(a) hereof but which the Project Participant fails to take and receive from FMPA as All-Requirements Services, the Project Participant shall pay FMPA for such availability an amount equal to the product of the demand related charges in the Rate Schedule and the appropriate billing demand computed as provided in the Rate Schedule except that, for such purpose, the kilowatts of the appropriate billing demands for such month shall be based upon the kilowatts that would have otherwise been taken from FMPA as All-Requirements Services as evidenced by the total electric energy consumed by the Project Participant's customers in each hour during the month as metered at all Points of Measurement on such Project Participant's System less that portion of such total electric energy consumption in each hour, if any, which the Project Participant would be then entitled to provide itself from Excluded Power Supply Resources (whether or not any such amounts were so provided). Payments made by the Project Participant under the Rate Schedule shall be treated as an operating expense from the revenues of the Project Participant's electric or integrated utility system and from other funds of such system legally available therefor. Such payments shall be in addition to and not in substitution for any other payments whether on account of dues or otherwise owed by the Project Participant to FMPA. The obligation of the Project Participant to make payments under the Rate Schedule shall not constitute a debt within the meaning of any constitutional or statutory provisions or limitation or a general obligation of or pledge of the full faith and credit of the Project Participant, and 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 under the Rate Schedule, and the obligation of the Project Participant to make payments under the Rate Schedule shall not give rise to or constitute a lien upon any property of the Project Participant or any property located within its boundaries or service area. Except as otherwise provided in this paragraph, the obligation of the Project Participant to make payments under the Rate Schedule shall not be subject to any reduction, whether by offset, counterclaim, recoupment or otherwise, and shall not be otherwise conditioned upon the performance by FMPA under this or any other agreement or instrument, including the Capacity and Energy Sales Contract, or the validity of any other All-Requirements Power Supply Project Contract; provided, however, that nothing contained herein shall be construed to prevent or restrict the Project Participant from asserting any rights which it may have against FMPA under this Contract or under any provision of law, including the institution of legal proceedings for specific performance or recovery of damages.

The Project Participant's electric utility system shall be deemed to be a part of an integrated utility system for purposes of this All-Requirements Power Supply Project 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, leased, operated or maintained by the Project Participant; or (iii) are pledged to secure bonds issued to finance one or more other utility systems owned, leased, operated or maintained by the Project Participant. For purposes of this paragraph, the term "commingled" shall not be deemed to include the keeping of funds in one bank account so long as such funds are separately accounted for on the books and records of the Project Participant.

(b) FMPA shall establish and maintain rates in the Rate Schedule hereunder and under the other All-Requirements Power Supply Project Contracts which will provide revenues which are at least sufficient to meet the estimated Revenue Requirements of FMPA. In determining the rates necessary to produce sufficient revenues, FMPA shall take into account any anticipated delinquency or default in payments by Project Participants under the All-Requirements Power Supply Project Contracts.

At such intervals as it shall determine appropriate, but in any event not less frequently than once each calendar year, the Board shall review and, if necessary, revise the Rate Schedule to insure that the rates thereunder continue to cover its estimate of the then current Revenue Requirements.

(c) In connection with any revision of the Rate Schedule, FMPA shall cause a notice in writing to be given to all Project Participants which shall set out any proposed revision of the Rate Schedule with the effective date thereof, which shall be not less than sixty (60) days after the date of the mailing of the notice, and which shall be accompanied by an analysis of the estimated Revenue Requirements for which the Rate Schedule is proposed to be revised and the derivation of the proposed rate. The Project Participant agrees to pay for electric capacity and energy made available by FMPA to it hereunder after the effective date of any revision in the Rate Schedule in accordance with the Rate Schedule as so revised.

(d) No new or revised Rate Schedule which (i) represents a change in the manner of determination of rates other than a change that does not have a significant economic impact on any Project Participant; (ii) eliminates the separate Rate Schedules for FPC Project Participants or FPL Project Participants; or (iii) establishes or eliminates any other separate Rate Schedule or Schedules for any Project Participant or Project Participants shall be made unless such new or revised Rate Schedule has first been approved by the majority affirmative vote of the FPL Participants and of

the FPC Participants with each group voting separately so long as such groups exist or if such groups no longer exist by the majority affirmative vote of all of the Project Participants with each Project Participant entitled to one vote; provided, however, that if any such new or revised Rate Schedule affects only FPL Participants or only FPC Participants, only the affected Project Participants shall be entitled or required to vote thereon. In addition all new or revised Rate Schedules shall be adopted by the Board and/or Executive Committee of FMPA to the extent and in the manner provided by the laws of the State of Florida, the Inter-local Agreement, the By-laws of FMPA, and/or any Bond Resolution. Any action by the Project Participant under this Section 6(d) shall be taken by such Project Participant's Authorized Representative.

SECTION 7. Covenants of FMPA

(a) After satisfying, to the extent provided for herein, the total requirements of all Project Participants, FMPA shall use its best efforts, to the extent permitted by law, to market and dispose of, under the most economically advantageous terms and conditions obtainable, all its surplus electric capacity and energy which in the sole judgment of FMPA can be disposed of without adversely affecting performance by FMPA under this All-Requirements Power Supply Project Contract so long as it shall not result in the breach of any FMPA covenant or contract. Without limiting the generality of the foregoing provision, FMPA may market and dispose of such surplus electric capacity and energy directly to other members of FMPA or to itself on behalf of any other project of FMPA if such transaction is otherwise economically advantageous. Such surplus electric capacity and energy shall include any electric capacity and energy required to be delivered by FMPA to any Project Participant as All-Requirements Services which such Project Participant is unable or unwilling to receive as well as any electric capacity and energy available as a result of any discontinuance of service to any Project Participant or termination of any All-Requirements Power Supply Project Contract pursuant to Section 9(b) thereof for failure of the Project Participant to pay amounts due thereunder. The inability or unwillingness to receive such electric capacity and energy and failure to pay amounts due resulting in the discontinuance of service or termination of an All-Requirements Power Supply Project Contract shall each constitute a default on the part of the Project Participant for purposes of determining FMPA's rights to sell such electric capacity and energy.

(b) FMPA shall use its best efforts to provide, in accordance with Prudent Utility Practice, a constant and uninterrupted supply of electric capacity and energy under this All-Requirements Power Supply Project Contract. In the event that FMPA is not able to supply all of the electric capacity and energy requirements of all of the Project Participants that it is required to supply hereunder and under the other All-Requirements Power Supply

Project Contracts, it shall, subject to any restrictions imposed in any agreement or contract under which FMPA obtains electric capacity and energy and the limitations imposed by the transmission system or the State of Florida, use its best efforts to allocate its electric capacity and energy available from the System during any month among the Project Participant and the other Project Participants as follows: pro rata in accordance with their respective electric capacity and energy requirements supplied hereunder as All-Requirements Services and Back-Up and Support Services during the corresponding month of the preceding calendar year for Project Participants which are not purchasing and receiving electric capacity and energy pursuant to the Contract Rate of Delivery and with the sum of the Contract Rate of Delivery of each Project Participant and their respective electric capacity and energy requirements supplied hereunder as Back-Up and Support Services during the corresponding billing period of the preceding calendar year for Project Participants which are purchasing and receiving electric capacity and energy pursuant to the Contract Rate of Delivery. During any period FMPA is unable to supply all of the Project Participant's electric capacity and energy requirements that it is required to supply hereunder, FMPA shall not in any case be liable to the Project Participant for damages resulting from such interruption of service and the Project Participant shall be permitted to acquire from other sources such amount of electric capacity and energy which is not supplied by FMPA; provided, however, that at such time as FMPA is thereafter again able to supply all of the Project Participant's electric capacity and energy requirements that it is required to supply hereunder, the Project Participant shall be required to take and pay for such electric capacity and energy in accordance with the provisions hereof.

(c) FMPA shall use its best efforts to acquire, by purchase or otherwise, and to deliver or cause to be delivered to the Points of Delivery electric capacity and energy in the manner determined by FMPA to be most economical, dependable and otherwise feasible.

(d) In addition to the delivery of electric capacity and energy pursuant to this All-Requirements Power Supply Project Contract and the performance of all acts and actions incident thereto, FMPA agrees that it will perform or cause to be performed services, including, but not limited to: (i) coordinating and monitoring the investigating, studying, planning, engineering, designing, financing, installing, constructing, acquiring, operating, maintaining, retiring, decommissioning or disposing of any part of the System; (ii) issuing and selling Bonds; (iii) planning, undertaking, coordinating and monitoring the economic dispatching and scheduling of electric capacity and energy to the Project Participants; and (iv) providing such other services as FMPA from time to time shall determine to be appropriate or necessary to provide an adequate, reliable and

economical supply of electric capacity and energy to the Project Participants.

SECTION 8. Covenants of the Project Participant

(a) The Project Participant agrees to (i) maintain its electric or integrated utility system in good repair and operating condition; (ii) cooperate with FMPA in the performance of the respective obligations of such Project Participant and FMPA under this All-Requirements Power Supply Project Contract; and (iii) to establish, levy and collect rents, rates and other charges for the products and services provided by its electric or integrated utility system, which rents, rates, and other charges shall be at least sufficient (i) to meet the operation and maintenance expenses of such electric or integrated utility system; (ii) to comply with all covenants pertaining thereto contained in, and all other provisions of, any resolution, trust indenture, or other security agreement relating to any bonds or other evidences of indebtedness issued or to be issued by the Project Participant; (iii) to generate funds sufficient to fulfill the terms of all other contracts and agreements made by the Project Participant, including, without limitation, this All-Requirements Power Supply Project Contract; and (iv) to pay all other amounts payable from or constituting a lien or charge on the revenues of its electric or integrated utility system.

The Project Participant further covenants and agrees that if it maintains or establishes an integrated utility system of which its electric system is a part for its electric, water, gas, cable television, telephone and sanitary sewer systems (or any combination of two or more thereof which includes its electric system), it will establish, maintain and collect rates and charges for the services provided by its integrated utility system which shall produce revenues at least sufficient to enable the Project Participant to pay all expenses attributable to the integrated utility system, including the expenses incurred in the operation and maintenance of the integrated utility system (including the obligations under this All-Requirements Power Supply Project Contract), to pay the debt service requirements on any bonds, notes or other evidences of indebtedness, whether now outstanding or incurred in the future, secured by such revenues and issued to finance improvements to the integrated utility system and to make any other payments required by the laws of the State of Florida.

The Project Participant shall not be required to make payments under this All-Requirements Power Supply Project Contract except from the revenues of the Project Participant's electric utility system, or integrated utility system of the Project Participant of which the electric utility system is a part, and from other funds of such system legally available therefor. In no event shall the Project Participant be required to make payments under this All-Requirements Power Supply Project Contract from tax revenues.

(b) The Project Participant covenants and agrees that (i) it will whenever requested by FMPA provide its most current estimate of its projected load for such period or periods as FMPA may reasonably request and (ii) immediately after becoming aware of a change or projected change in its load or in any load projection previously provided to FMPA, it will notify FMPA of such change or projected change.

(c) The Project Participant may sell at wholesale any of the electric capacity and energy delivered to it hereunder to any customer of the Project Participant or any other entity for resale by that customer or entity, provided that it has first given FMPA five years' written notice of its intent to sell such electric capacity and energy and at the time of such notice provided FMPA with projected data regarding any such sales anticipated for the ensuing five year period. FMPA, after receipt of such notice, shall have 180 days in which to impose limits on the amount of electric capacity and energy to be sold or to veto such sale if the sale will jeopardize FMPA's availability of resources to serve its Project Participants, increase the cost of electric capacity and energy to FMPA, or violate the covenant of the Project Participant contained in paragraph (f) of this Section 8.

(d) The Project Participant shall not sell, lease, abandon or otherwise dispose of all or substantially all of its electric or integrated utility system except on 90 days' prior written notice to FMPA and, in any event, shall not so sell, lease, abandon or otherwise dispose of the same unless the following conditions are met: (i) the Project Participant shall assign this All-Requirements Power Supply Project Contract and its rights and interest hereunder to the purchaser or lessee of the electric system and such purchaser or lessee shall assume all obligations of the Project Participant under this All-Requirements Power Supply Project Contract; (ii) FMPA shall be permitted by then applicable law to sell electric capacity and energy to said purchaser or lessee, if any; and (iii) FMPA shall by appropriate action determine, in its sole discretion, that such sale, lease, abandonment or other disposition (A) will not adversely affect FMPA's ability to meet its obligations under this Contract or any contract, agreement or arrangement to which FMPA is a party as either principal or agent pursuant to which FMPA satisfies all or any part of its obligations to provide electric capacity and energy and dispatching and transmission services under this All-Requirements Power Supply Project Contract or the All-Requirements Power Supply Project Contracts with other Project Participants, (B) will not adversely affect the value of this All-Requirements Power Supply Project Contract as security for the payment of Bonds and interest thereon, or (C) will not adversely affect the eligibility of interest on Bonds then outstanding or which could be issued in the future for federal or State of Florida tax-exempt status. The Project Participant has no present intention of

selling, leasing, abandoning or otherwise disposing of all or substantially all of its electric or integrated utility system.

(e) The Project Participant covenants and agrees that it shall take no action the effect of which would be to prevent, hinder or delay FMPA from the timely fulfillment of its obligations under this All-Requirements Power Supply Project Contract, any other All-Requirements Power Supply Project Contract, the outstanding Bonds or the Bond Resolution.

(f) The Project Participant covenants and agrees that it shall not use or permit to be used any of the electric capacity and energy acquired under this All-Requirements Power Supply Project Contract in any manner or for any purpose or take any other action or omit to take any action which would result in the loss of the exclusion from gross income for Federal income tax purposes of the interest on any Bond or Bonds issued by FMPA or which could be issued by FMPA in the future as that status is governed by Section 103 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations or any rulings promulgated thereunder or as affected by a decision of any court of competent jurisdiction or the loss of State of Florida tax exempt status of the interest on such Bonds. The Project Participant covenants that, 180 days prior to entering into any contract whereby a person agrees to take, or to take or pay for, electric capacity and energy provided to the Project Participant under this Contract, the Project Participant shall notify FMPA of its intent to enter into such contract and provide copies of such contract to FMPA. As soon as practicable after receipt of such notice, FMPA shall advise the Project Participant as to whether, in the opinion of counsel of recognized standing in the field of law relating to municipal bonds selected by FMPA, the entering into of such contract would result in a violation of the covenant contained in this subsection. The Project Participant agrees that if FMPA advises the Project Participant that such a violation will or might result, the Project Participant will not enter into such contract. Except as attached as an exhibit hereto, the Project Participant covenants that it does not have, and has no present intention of entering into, any contract which would be subject to the provisions of this paragraph (f).

(g) The Project Participant covenants and agrees that it shall, in accordance with Prudent Utility Practice, (1) at all times operate the properties of its electric system and the business in connection therewith in an efficient manner, (2) coordinate its load management program, if any, with and through FMPA for the benefit of all Project Participants, (3) maintain its electric system in good repair, working order and condition and (4) from time to time make all necessary and proper repairs, renewals, replacements, additions, betterments and improvements with respect to its electric system so that at all times the business carried on in connection therewith shall be properly and advantageously conducted; provided, however, this

covenant shall not be construed as requiring the Project Participant to expend any funds which are derived from sources other than the operation of its electric system or the integrated utility system of which its electric system is a part and provided further that nothing herein shall be construed as preventing the Project Participant from doing so.

SECTION 9. Meter Readings and Payment of Bills

(a) FMPA shall read meters or cause meters to be read at monthly intervals to verify the accuracy of electronically transmitted data.

(b) Within fifteen (15) days of each bill, the Project Participant shall pay for electric capacity and energy furnished hereunder at the office of FMPA, 7201-100 Lake Ellenor Drive, Orlando, Florida 32809 or such other address as FMPA shall specify in writing to the Project Participant. Provided, however, that if said fifteenth (15th) day is not a business day, the next following business day shall be the day on which such payment shall be due. In the event that the Project Participant fails to make payment when due of any amount owing hereunder, FMPA may impose a late payment charge as provided in the Rate Schedule. FMPA shall bill the Project Participant monthly on a prompt and timely basis in accordance with a schedule to be determined by FMPA. FMPA may, whenever any amount due remains unpaid after the due date, take all steps available to it under applicable law to collect such amount and, after giving 60 days' advance notice in writing of its intention to do so, discontinue service hereunder if permitted by law. FMPA may, whenever any amount due remains unpaid for 120 or more days after the due date and after giving 30 days' advance notice in writing of its intention to do so, terminate this All-Requirements Power Supply Project Contract. No such discontinuance or termination shall relieve the Project Participant from liability for payment for electric capacity and energy furnished hereunder.

(c) In the event the Project Participant desires to dispute all or any part of a bill, including any payment or capacity credit under its Capacity and Energy Sales Contract, the Project Participant shall nevertheless pay the full amount of the bill when due and notify FMPA in writing of the grounds on which any amounts in the bill are disputed and the amount in dispute. The Project Participant will not be entitled to any adjustment on account of any disputed charges which are not brought to the attention of FMPA in the manner herein specified. Such adjustment shall be for the time period for which it can be established a billing error took place but in no event shall the adjustment period extend past the date of the last meter test or 365 days, whichever is shorter.

SECTION 10. Metering

(a) Except as otherwise noted in paragraph 5 of Schedule A hereto, FMPA shall furnish, install and maintain or cause to be furnished, installed and maintained the necessary metering equipment required at each Point of Measurement of the Project Participant to measure and record the electric capacity and energy furnished hereunder at such Point of Measurement. Such metering equipment shall provide a continuous record of the 60 minute integrated total demand of the Project Participant and any other metering information needed by FMPA at such Point of Measurement during each month throughout the term of this All-Requirements Power Supply Project Contract. Such records shall be available at all reasonable times to authorized agents of the Project Participant. The Project Participant may, at its own cost, install additional metering equipment to provide a check on FMPA's metering equipment, as long as the Project Participant's additional metering equipment does not interfere with the functioning, operation, or maintenance of FMPA's metering.

(b) FMPA shall test and calibrate meters or cause meters to be tested and calibrated by comparison with accurate standards at intervals of not more than 24 months. FMPA shall also make or cause to be made special meter tests at any time at the Project Participant's request. The cost of all tests shall be borne by FMPA except that if any special meter test made at the Project Participant's request shall disclose that the meters are recording accurately, the Project Participant shall reimburse FMPA for the cost of such test.

If any meter furnished and installed or caused to be furnished and installed by FMPA hereunder fails to register or is found to be inaccurate, FMPA shall repair or replace such meter or cause it to be repaired or replaced, except as otherwise noted in paragraph 5 of Schedule A hereto, 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 (60) days prior to the date on which the meter test was requested. FMPA shall notify the Project Participant or cause the Project Participant to be notified in advance of the time of any meter reading or test so that the Project Participant's representative may be present at such meter reading or test.

(c) For a fractional part of a month at the beginning or end of service, demand related charges under the Rate Schedule shall be proportionately adjusted by FMPA in the ratio that the number of hours that electric service is furnished to the Project Participant (in such fractional month) bears to the total number of hours in the month involved. Except as provided in this paragraph (c) of this Section 10 with respect to fractional months at the beginning and end of service, there shall be no proration of demand related charges under the Rate Schedule for any month during any part of which electric capacity and energy is made available to the Project Participant.

SECTION 11. Right of Access

Duly authorized representatives of FMPA and Project Participant shall be permitted to enter any interconnection or metering facilities on the other's premises at all reasonable times in order to carry out the provisions of this All-Requirements Power Supply Project Contract.

SECTION 12. Uncontrollable Forces

Except for the purposes of Section 7(a) hereof, neither FMPA nor the Project Participant shall be considered to be in default in respect to any obligation hereunder (other than the obligation of the Project Participant to pay for electric capacity and energy made available hereunder to the extent payment is required by Section 6(a) hereof) if prevented from fulfilling such obligations by reason of a force majeure occurrence. The obligation to pay money in a timely manner is absolute and shall not be subject to the force majeure provisions unless such force majeure directly prevents said payments. Force majeure as used herein shall mean, without limitation, the following: acts of God; natural disaster; strikes and/or lockouts and other industrial disturbances; acts of public enemies; sabotage; insurrections; riot; fire; flood; sink-hole; blight; famine; quarantine; epidemics; landslides; drought; lightning; earthquakes; hurricanes; tidal surges; tornadoes; storms; civil disturbances; war; explosion; injunction; 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 the System; extraordinary delay in transportation; unforeseen soil conditions; equipment, material, supplies, labor or machinery shortages; partial or entire failure of utilities necessary or useful for the physical operation of the System or the Project Participant's system; breach of contract by any supplier, contractor, subcontractor, laborer or materialman; or any other similar extreme cause or event reasonably beyond the control of either party. The party suffering an occurrence of force majeure shall use its best efforts to remedy with all reasonable dispatch the cause or causes preventing the carrying

out of this All-Requirements Power Supply Project Contract; provided that the settlement of strikes, lockouts and other labor disputes or industrial disturbances shall be entirely within the discretion of the said party, and it shall not be required to make settlement of strikes, lockouts and other labor disputes or industrial disturbances by acceding to demands which are unreasonable in the judgment of the said party.

SECTION 13. Power Factor

The Project Participant shall maintain its system power factor as specified by FMPA from time to time.

SECTION 14. Cooperation

If it becomes necessary by reason of any emergency or extraordinary condition for either FMPA or the Project Participant to request the other party to furnish personnel, materials, tools, or equipment for the accomplishment of its obligations hereunder, the party so requested shall cooperate with the requesting party and render such assistance as the party so requested may determine to be available. The party making such request, upon receipt of properly itemized bills from the other party, shall promptly reimburse the other party for all costs properly and reasonably incurred by it in providing such assistance. The cost shall be determined on the basis of current charges or rates used in its own operations by the party rendering the assistance.

SECTION 15. Construction, Operation and Maintenance Standards

The Project Participant shall, to the extent required by Prudent Utility Practice, own, install and maintain electrical protective relaying equipment at each point of interconnection with FMPA's transmission system or the transmission system of any other party being used by FMPA to deliver electric capacity and energy hereunder. The design and operating characteristics of such equipment shall be coordinated with FMPA and with any other party providing such transmission service and subject to FMPA's and such other party's approval, which approval shall not be unreasonably withheld.

SECTION 16. Assignment of All-Requirements Power Supply Project Contract

(a) This All-Requirements Power Supply Project Contract shall inure to the benefit of and shall be binding upon the respective successors and assigns of the parties to this Contract; provided, however, that, except for the assignment by FMPA authorized by clause (b) of this Section 16 and except for any assignment in connection with the sale, lease or other disposition of all or substantially all of the Project Participant's electric system as provided in Section 8(d) hereof, neither this

All-Requirements Power Supply Project 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. No assignment or transfer of this All-Requirements Power Supply Project Contract shall relieve the parties of any obligation hereunder.

(b) The Project Participant acknowledges and agrees that FMPA may assign and pledge to any trustee or similar fiduciary designated in any Bond Resolution or to any provider of credit support for any Bonds issued for the All-Requirements Power Supply Project, all of, or any interest in, its right, title and interest in and to this All-Requirements Power Supply Project Contract and all payments to be made to FMPA under the provisions of this All-Requirements Power Supply Project Contract as security for the payment of the principal (including sinking fund installments) of, premium, if any, and interest on any Bonds and may deliver possession of this Contract to such trustee in connection therewith, and, upon such assignment, pledge and delivery, FMPA may grant to such trustee or such provider of credit support 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 or provider of credit support which shall be a third party beneficiary of the covenants and agreements of the Project Participant herein contained.

SECTION 17. Records and Accounts

FMPA shall keep accurate records and accounts of its properties and its operations in accordance with the Federal Energy Regulatory Commission Uniform System of Accounts prescribed for Class A and Class B Public Utilities and Licensees as in effect from time to time. Should the Federal Energy Regulatory Commission be modified or cease to exist, the records shall be maintained under the uniform System of Accounts as adopted or used by whatever agency succeeds or takes over the duties of the Federal Energy Regulatory Commission. The Project Participant shall have the right at any reasonable time to examine such accounts. FMPA shall cause such accounts to be audited annually by a firm of independent certified public accountants of national reputation and shall supply copies of such audits to the Project Participant.

The Project Participant shall keep accurate records and accounts for its electric or integrated utility system, separate and distinct from its other records and accounts. Such records and accounts shall be audited annually by an independent certified public accountant, which may be part of the annual audit of the accounts of the Project Participant. Such records and accounts shall be made available for inspection by FMPA at any reasonable time, and a copy of such annual audit, including all written comments and recommendations of such accountants, shall be furnished to FMPA upon request.

SECTION 18. Information

FMPA and the Project Participant will promptly furnish to each other such information as may be reasonably requested from time to time in order to carry out more effectively the intent and purpose of this All-Requirements Power Supply Project Contract or as may be reasonably necessary and convenient in the conduct of the operations of the party requesting such information. Without limiting the generality of the foregoing, 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 Section 20 hereof), official statements and other documents as shall be reasonably necessary in connection with financings of FMPA.

SECTION 19. Amendment

(a) Except as provided in Section 29 of this All-Requirements Power Supply Project Contract, this 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 All-Requirements Power Supply Project 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 All-Requirements Power Supply Project 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.

(b) No All-Requirements Power Supply Project 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 with written notice to and written consent or waiver by each of the other Project Participants, and upon similar amendment being made to the All-Requirements Power Supply Project Contract of any other Project Participant requesting such amendment after receipt by such Project Participant of notice of such amendment.

(c) 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, 10 and 13 and paragraphs 4, 5, 6, 7 and 8 of Schedule A hereto to be inappropriate. In such event, FMPA and the Project Participant agree to negotiate in good faith and amend such provision to reflect conditions prevailing at such

Contracts and not covered, or not covered sufficiently, by insurance shall be paid solely from the revenues of FMPA derived from this Contract and the other All-Requirements Power Supply Project Contracts, and any payments made by FMPA, or which FMPA is obligated to make, to satisfy such liability shall become part of Revenue Requirements.

SECTION 23. Notices

Any notice or demand by the Project Participant to FMPA under this All-Requirements Power Supply Project 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 All-Requirements Power Supply Project Contract shall be deemed properly given if mailed postage prepaid and addressed to the Project Participant at the address set forth on paragraph 1 of Schedule A hereto; 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. The foregoing addresses may be changed by similar notice at any time.

SECTION 24. Waivers

(a) Any waiver at any time by either party hereto of its rights with respect to a default or any matter arising in connection with this Contract shall not be deemed to be a waiver with respect to any subsequent default or matter.

(b) The failure of either party hereto to enforce at any time any of the provisions of this All-Requirements Power Supply Project Contract or to require at any time performance by the other party hereto of any of the provisions hereof shall in no way be construed to be a waiver of such provisions nor in any way to affect the validity of this All-Requirements Power Supply Project Contract or the right of such party thereafter to enforce each and every provision hereof.

SECTION 25. Severability

In the event that any of the terms, covenants or conditions of this All-Requirements Power Supply Project Contract, or the application of any such term, covenant or condition, shall be held invalid as to any person or circumstance by any court having jurisdiction under the circumstances, the remainder of this All-Requirements Power Supply Project Contract and the application of its terms, covenants or conditions to such persons or circumstances shall not be affected thereby.

SECTION 26. Applicable Law

This All-Requirements Power Supply Project Contract shall be governed by and construed in accordance with the laws of the State of Florida.

SECTION 27. Survivorship of Obligations

The termination of this All-Requirements Power Supply Project Contract shall not discharge either party hereto from any obligation it owes to the other party under this All-Requirements Power Supply Project Contract by reason of any transaction, loss, cost, damage, expense, or liability which shall occur or arise (or the circumstances, events, or basis of which shall occur or arise) prior to such termination. It is the intent of the parties hereby that any such obligation owed (whether the same shall be known or unknown at the termination of this contract or whether the circumstances, events, or basis of the same shall be known or unknown at the termination of this All-Requirements Power Supply Project Contract) shall survive the termination of this All-Requirements Power Supply Project Contract.

SECTION 28. Authorized Representative

The Project Participant acknowledges and agrees that any action taken by it in connection with Sections 4(b) or 6(d) of this Contract shall be binding upon it as long as such action has been approved by the Project Participant's Authorized Representative.

SECTION 29. Withdrawal By Project Participant

(a) Notwithstanding Section 2 of this Contract, a Project Participant may terminate this All-Requirements Power Supply Project Contract and withdraw from the All-Requirements Power Supply Project only as provided in this section. The date on which any such termination becomes effective, which must be a September 30, shall be known as the "Withdrawal Date."

(b) The Project Participant shall notify FMPA and all other Project Participants in writing of its intention to terminate this All-Requirements Power Supply Project Contract and to withdraw from the All-Requirements Power Supply Project at least three years prior to the ~~intended~~ Withdrawal Date ~~(which date must be a September 30)~~; provided that such notice may not be given prior to October 1, 2000. Such notice shall be deemed given when mailed by U. S. Mail, Certified-Return Receipt Requested or sent by overnight delivery service to FMPA and each Project Participant and shall be deemed irrevocable.

(c) The Project Participant shall, on the anticipated withdrawal date, pay to FMPA an amount in cash equal to:

1. the amount necessary to call (including payment of any required call premiums and interest to the call date or dates), on the first permissible call date or dates, a percentage of FMPA's then outstanding Bonds (other than Bonds issued to finance additions to the System which FMPA committed to after the receipt of the Project Participant's withdrawal notice) equal to the greater of the Project Participant's share of the All-Requirements Power Supply Project's total electric load on the date of receipt of the withdrawal notice or such share on the withdrawal date. Such amount shall be calculated on the assumption that the Bonds to be called will be the applicable percentage of each series of such Bonds and of each maturity within each such series. Unless all or any portion of such cash is needed at any time to cure any deficiency in any fund or account under the Bond Resolution, FMPA will deposit such amount in a separate account in the General Reserve Fund (as defined in said Bond Resolution) and will retain such amount in such account pending its application to actually redeem Bonds, to purchase Bonds in the open market, or to pay other capital costs of the All-Requirements Power Supply Project; pending the decision as to such application, such cash may be invested only in securities which could be deposited in an escrow fund to defease Bonds under the Bond Resolution. FMPA must determine its use of the cash received from the Project Participant pursuant to this clause 1 by action of its Board of Directors taken within three months after the Withdrawal Date or it shall be conclusively presumed that such cash shall be used to redeem or purchase Bonds; and

2. an amount equal to the present value on the Withdrawal Date, calculated at the rate of 6% per annum, of all of the additional costs reasonably paid or incurred, reasonably anticipated to be paid or incurred, or reasonably projected to be incurred by FMPA (as determined by FMPA in its sole discretion) as a result of the withdrawal of the Project Participant, over the term specified in such Project Participant's All-Requirements Power Supply Project Contract (as determined on the anticipated withdrawal date). Such costs shall be determined on the assumption that, during the remaining term of such Project Participant's All-Requirements Power Supply Project Contract, FMPA was unable to make use of or sell any generating, transmission or other resources (or portions thereof) which FMPA had anticipated would be used to supply, or had acquired with the intention of supplying, all or any portion of the withdrawing Project Participant's electric load. Such amount shall, unless all or any portion thereof is required at any time to be used to cure any deficiency in any fund or account under the Bond Resolution, be deposited into and retained in a separate account in the General Reserve Fund to be applied to pay any such costs actually incurred and/or to make any payments required to be made to such withdrawing Project Participant described below.

If and to the extent that any amounts received by FMPA pursuant to either clause 1 or clause 2 of this condition (c) are applied to cure any deficiency in any fund or account under the Bond Resolution, FMPA shall be required to restore to the separate account under clause 1 or clause 2 the amount so applied from the Revenues (as defined in the Bond Resolution) of the All-Requirements Power Supply Project, and FMPA shall treat such obligation to restore as an expense of the All-Requirements Power Supply Project in determining Revenue Requirements. In addition, at the end of each fiscal year of the All-Requirements Power Supply Project, FMPA may, in its sole discretion, remove from either the separate account provided for payments received under clause 1 of this condition (c) or the account provided for payments received under clause 2 of this condition (c), or both, such amounts determined by FMPA to be in excess of the amounts needed to make the payments anticipated to be made from such accounts and deposit such excess amounts into the General Reserve Fund itself.

(d) If FMPA has Bonds outstanding which are secured by some form of credit support, any required approvals of such credit support provider shall have been obtained within six months of delivery receipt by FMPA of notice of withdrawal given as provided in condition (b) of this section. If FMPA has any Bonds outstanding which are not so secured and which are rated by a national rating agency, the rating in effect prior to the ~~delivery~~ receipt by FMPA of notice of such withdrawal shall be confirmed by the rating agency within six months of such notice of withdrawal. FMPA shall use its best efforts to obtain the consents or confirmations provided for in this condition (d) and shall keep the Project Participant reasonably advised of its efforts to this end.

(e) FMPA shall ~~determine~~ receive the opinion of nationally recognized bond counsel that such withdrawal does not adversely affect the federal and/or State of Florida tax-exempt status on any Bonds then outstanding or which FMPA may issue in the future. If such withdrawal would require FMPA to obtain a ~~"cap"~~ private activity bond allocation to issue any future Bonds, such requirement shall be treated as adversely affecting the federal and/or State of Florida tax-exempt status of Bonds or future bonds.

(f) Within 180 days after the first anniversary of ~~such withdrawal~~ the Withdrawal Date and annually thereafter for the ~~specified~~ remaining term of the withdrawing Project Participant's All-Requirements Power Supply Project Contract (as such term is determined on the Withdrawal Date), FMPA will pay to the withdrawing Project Participant an amount equal to the additional benefits actually received by FMPA during the preceding year as a result of such withdrawal as calculated by FMPA in its sole discretion. The net amount of payments to the withdrawing Project Participant hereunder may not exceed 90% of the payment to FMPA by the Project Participant under condition (b). To the extent that

the amounts remaining on deposit in the separate account referred to in clause 2 of condition (c) are, or are anticipated to be, insufficient to make any payment required by this paragraph, the amount required to make such payment shall be treated as an expense of the All-Requirements Power Supply Project to be recovered as a Revenue Requirement.

(g) If all of the foregoing conditions have not been satisfied on the anticipated Withdrawal Date, the Project Participant shall continue as a Project Participant in the All-Requirements Power Supply Project. In such event, the Project Participant shall pay all costs incurred by FMPA as a result of the Project Participant's anticipated withdrawal and subsequent continuance in the All-Requirements Power Supply Project, and FMPA shall have no obligation to make any payments to the Project Participant under the preceding paragraph.

IN WITNESS WHEREOF, the parties hereto have caused this All-Requirements Power Supply 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, month and year first above written.

FLORIDA MUNICIPAL POWER AGENCY

By: _____
Chairman

ATTEST:

By: _____
title

[SEAL]

ATTEST:

CITY OF VERO BEACH, FLORIDA

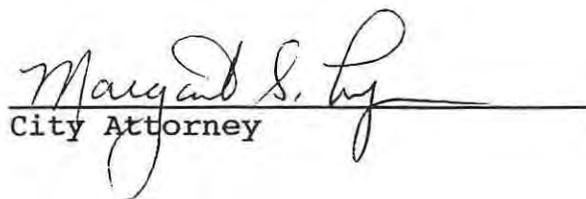
Sign: _____
Print: Tammy K. Vock
Title: City Clerk

Sign: _____
Print: Jack Grossett
Title: Mayor

[SEAL]

Approved as to form and
legal sufficiency:

Approved as to technical
requirements:


City Attorney


City Manager/Utilities Director

City of Vero Beach

1053 - 20th PLACE - P.O. BOX 1389
VERO BEACH, FLORIDA 32961-1389
Telephone: (772) 978-4710 • Fax: (772) 778-3856
e-mail: citymgr@covb.org

OFFICE OF THE
CITY MANAGER

December 9, 2004

VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED

Florida Municipal Power Agency
8553 Commodity Circle
Orlando, FL 32819-9002

Re: Notice of Establishment of Contract Rate of Delivery under All-Requirements Power Supply Project Contract between Florida Municipal Power Agency and The City of Vero Beach dated as of October 1, 1996, as amended (the "Contract")

Ladies and Gentlemen,

Pursuant to Section 3 of the Contract, as amended by Amendment No. 1 to the Contract dated as of January 22, 1999 ("Amendment No. 1"), The City of Vero Beach ("COVB") hereby irrevocably limits the maximum amount of electric capacity and energy required to be sold and delivered by Florida Municipal Power Agency ("FMPA") and purchased and received by COVB as All-Requirements Service under the Contract, to the Contract Rate of Delivery as determined in the manner specified in said Section 3 of the Contract. As further provided in Amendment No. 1, such limitation shall commence January 1, 2010 and shall continue for the remainder of the term of the Contract.

As provided for in Amendment No. 1 dated as of January 22, 1999, to the Capacity and Energy Sales Contract between FMPA and COVB dated as of October 1, 1996 (the "Capacity Sales Contract"), the Capacity Sales Contract shall terminate upon commencement of delivery by FMPA of the Contract Rate of Delivery to COVB under the Contract.

COVB hereby notifies FMPA that it is willing to consider having delivery of the Contract Rate of Delivery under the Contract commence prior to January 1, 2010. COVB recognizes that in this connection FMPA may have to incur costs for an engineering study and an attorney and is willing to reimburse FMPA for such reasonable costs. It is also willing to enter into negotiations with FMPA on the terms and conditions of such an earlier commencement date.

Very truly yours,



David A. Mekarski, AICP
City Manager

BS98671

FMPA Proposed Procedure for Operational Implementation Of Contract Rate of Demand Supply

- ❖ Everything in Schedule C ties to the ratio of CROD to MAXD, the peak demand over the last twelve months. The demand sold each month is the ratio times the monthly peak demand.
- ❖ The energy sold from the CROD capacity each month should be the same ratio of the total Vero Beach energy as the CROD MW is to the maximum monthly Vero Beach peak demand over the last twelve months or MAXD.
- ❖ The monthly Vero Beach peak demand and total energy for load will not be known until after the first of the next month. When a new eleven month peak demand is set then the MAXD-number will also have to be updated.
- ❖ FMPA will need accurate measurements of the peak demand and the total energy each month as well as hourly information for forecasting. The existing metering should be able to provide this information.
- ❖ Operations plan to comply with Schedule C follows:
 1. Each month FMPA will prepare a forecast of the Vero Beach peak demand for the next month. The CROD/MAXD ratio times this amount is the estimated peak demand to be served during the month.
 2. FMPA will forecast the hourly load of Vero Beach for each hour of each load day.
 3. FMPA will schedule at least a day ahead an amount of energy to Vero Beach for each load day using the CROD/MAXD ratio times the hourly load forecast for each hour of the day.
 4. At the end of the month the billing determinants to Vero Beach will be the CROD/MAXD ratio times the actual (or estimated) peak demand MW for capacity and the actual energy scheduled for the energy. The difference in the estimated energy ratio and the actual energy ratio specified in Schedule C should be small, especially over many months with some months high and some low.
 5. The rates for the capacity and energy should be appropriately determined for the service provided.
 6. This proposal complies with the existing Schedule C requirements.

Example:

Month of August	
Peak last January (MAXD)	200 MW
August Peak Demand	160 MW
CROD assumed	40 MW
CROD/MAXD ratio	20 %
Billing Demand August	32 MW
Expected hourly load at noon	120 MW
Energy Scheduled for noon	24 MW

12/20/83

A RESOLUTION OF THE CITY OF VERO BEACH, FLORIDA

(I) 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 STANTON PROJECT, PROVIDING FOR THE MAKING OF PAYMENTS PURSUANT TO SAID POWER SALES CONTRACT, AND MAKING CERTAIN COVENANTS IN CONJUNCTION WITH SAID PAYMENTS; (II) APPROVING AND AUTHORIZING THE EXECUTION OF A PROJECT SUPPORT CONTRACT BETWEEN FLORIDA MUNICIPAL POWER AGENCY AND THE CITY OF VERO BEACH

IN CONNECTION WITH THE STANTON PROJECT, PROVIDING FOR THE MAKING OF PAYMENTS PURSUANT TO SAID PROJECT SUPPORT CONTRACT, AND MAKING CERTAIN COVENANTS IN CONJUNCTION WITH SAID PAYMENTS; (III) REQUESTING A NUMBER OF MEGAWATTS FROM THE STANTON PROJECT WHICH WILL SERVE AS THE BASIS FOR CALCULATION OF THE PROJECT PARTICIPANT'S POWER ENTITLEMENT SHARE AND APPROVING THE METHOD OF CALCULATION OF SAID POWER ENTITLEMENT SHARE; (IV) APPROVING THE METHOD OF CALCULATION OF FMPA'S UNDIVIDED OWNERSHIP PERCENTAGE IN STANTON UNIT NO. 1 (V) ACCEPTING AND APPROVING SAID POWER ENTITLEMENT SHARE AND APPROVING FMPA'S PERCENTAGE UNDIVIDED OWNERSHIP INTEREST IN STANTON UNIT NO. 1 AS SO CALCULATED BY FMPA; (VI) AUTHORIZATION TO INSERT SAID UNDIVIDED OWNERSHIP INTEREST PERCENTAGE AND CERTAIN DATES IN POWER SALES CONTRACT AND PROJECT SUPPORT CONTRACT; (VII) DESIGNATING AUTHORIZED OFFICERS OF THE PROJECT PARTICIPANT; (VIII) TAKING CERTAIN OTHER ACTIONS; AND (IX) 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 Stanton Project and other costs associated with the Stanton 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 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 rents, rates and other charges for the products and services provided by its electric or 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 St. Lucie Power Sales Contract dated as of June 1, 1982, as amended, between FMPA and the Project Participant, to the making of other payments required to be made pursuant to the St. Lucie Project Support Contract dated as of June 1, 1982, as amended, between FMPA and the Project Participant, to the payment of the principal 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 integrated utility system solely from the revenues and other available funds of the Project Participant's electric or 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 the Stanton Project, and shall not be subject to any reduction, whether by offset, counterclaim, or otherwise, and shall not be otherwise conditioned upon the performance of FMPA or OUC under the Participation Agreement or the performance by FMPA under the Power

Sales Contract or any other agreement or instrument or the validity or enforceability of any other Power Sales Contract, any other Project Support Contract or any other agreement between FMPA and any other Project Participant.

(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 and other funds of the Project Participant's electric or 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 or OUC under the Participation Agreement or the performance by FMPA under the Power Sales Contract or the Project Support Contract or any other agreement or instrument or the validity or enforceability of any other Project Support Contract between FMPA and any other Project Participant. The Project Support Payments shall be made whether or not Stanton Unit No. 1 is completed, operable or operating and notwithstanding the suspension, interruption, interference, reduction or curtailment of the output of Stanton Unit No. 1 or otherwise from the Stanton 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 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 give rise to or constitute a lien upon any properties owned by or any property 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 any property located 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 integrated utility system shall 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. APPROVAL AND AUTHORIZATION OF EXECUTION OF THE POWER SALES CONTRACT AND THE PROJECT SUPPORT CONTRACT; REQUEST FOR A NUMBER OF MEGAWATTS FROM THE STANTON PROJECT; APPROVAL OF METHOD OF CALCULATION OF POWER ENTITLEMENT SHARE; ACCEPTANCE AND APPROVAL OF THE POWER ENTITLEMENT SHARE SO CALCULATED; COMPLETION OF ANNEX 1 TO POWER SALES CONTRACT AND PROJECT SUPPORT CONTRACT; APPROVAL OF METHOD OF CALCULATION OF UNDIVIDED OWNERSHIP INTEREST PERCENTAGE OF FMPA IN STANTON UNIT NO. 1; APPROVAL OF SAID UNDIVIDED OWNERSHIP INTEREST PERCENTAGE AS SO CALCULATED BY FMPA; AUTHORIZATION TO INSERT SAID UNDIVIDED OWNERSHIP INTEREST PERCENTAGE AND CERTAIN DATES IN POWER SALES CONTRACT AND PROJECT SUPPORT CONTRACT.

(a) Subject to clauses (c), (d), (e), (f) and (g) of this Section 4, 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), (d), (e), (f) and (g) of this Section 4, 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 hereby requests to be assigned a Power Entitlement Share in the Stanton Project which will be equivalent to an amount of Net Electric Capacity and Energy equal to approximately 20 MW.

(d) After the execution of the Power Sales Contract and Project Support Contract and delivery thereof to FMPA, Annex 1 to each of such Contracts shall be completed by FMPA to set forth the names and addresses of each Project Participant and the Power Entitlement Shares of the Project Participants (which shall aggregate 100%); and which in the case of the Project Participant shall be that percentage (rounded to the nearest one-thousandth percentage point) equivalent to approximately 20 MW. 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 (i) dividing the number of megawatts of Net Electric Capacity and Energy requested by

each Project Participant by the aggregate number of megawatts of Net Electric Capacity and Energy requested by all Project Participants and (ii) 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%. The Project Participant hereby approves such method of calculation of its Power Entitlement Share and those of all other Project Participants.

(e) The Power Entitlement Shares expressed as percentages and the corresponding Net Electric Capacity and Energy expressed in megawatts set forth above will be computed based upon an assumed Net Electric Capacity and Energy of Stanton Unit No. 1 of 415 MW and an undivided ownership interest percentage of FMPA in Stanton Unit No. 1 calculated by (i) dividing the aggregate number of megawatts (rounded to the nearest one-thousandth percentage point) of Net Electric Capacity and Energy requested by all Project Participants from the Stanton Project by said 415 MW and (ii) multiplying each result by 100. In the event that the assumed Net Electric Capacity and Energy of Stanton Unit No. 1 of 415 MW is subsequently 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 (rounded to the nearest one-thousandth percentage point) to reflect such change in the assumed Net Electric Capacity and Energy of Stanton Unit No. 1. The Project Participant hereby approves such method of calculation of FMPA's undivided ownership interest in Stanton Unit No. 1.

(f) The Project Participant hereby (i) accepts and approves its Power Entitlement Share in the Stanton Project as computed in accordance with clause (d) of this Section 4 and (ii) approves the method of computation as set forth in clause (e) of this Section 4 of FMPA's percentage undivided ownership interest in the Stanton Unit No. 1 and the number produced which represents FMPA's percentage undivided ownership interest in the Stanton Unit No. 1 when computed by FMPA in accordance with the method set forth in clause (e) of this Section 4.

(g) After execution of the Power Sales Contracts and Project Support Contracts and delivery thereof to FMPA, the blanks in each of such Contracts for the percentage of FMPA's undivided ownership interest in Stanton Unit No. 1 shall be completed by FMPA by insertions of the percentage calculated as provided in clause (e) of this Section 4 and the blanks in each of such Contracts for the dates of various contracts and agreements shall be completed by FMPA by inserting the appropriate dates.

SECTION 5. 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 integrated utility system solely from the revenues or other available funds of the Project Participant's electric or 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 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 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 give rise to or constitute a lien upon any properties owned by or any property 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 any property located 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 6. 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 of FMPA or OUC under the Participation Agreement or the performance by FMPA under the Power Sales Contract or any other agreement or instrument or the validity or enforceability of any other Power Sales Contract, any other

Project Support Contract or any other agreement between FMPA and any other Project Participant.

(b) In order to induce the purchase from time to time of the Bonds to be issued by FMPA in respect of the Stanton Project 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 or OUC under the Participation Agreement or the performance by FMPA under the Power Sales Contract or the Project Support Contract or any other agreement or instrument or the validity or enforceability of any other Project Support Contract between FMPA and any other Project Participant; Project Support Payments shall be made whether or not Stanton Unit No. 1 is completed, operable or operating and notwithstanding the suspension, interruption, interference, reduction or curtailment of the output of Stanton Unit No. 1 or otherwise from the Stanton 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 7. RATE COVENANT. The Project Participant hereby confirms its agreement under the Power Sales Contract and the Project Support Contract that it will establish, levy and collect rents, rates and other charges for the products and services provided by its electric or integrated utility system which rents, rates and other charges shall be at least sufficient to (i) to meet the operation and maintenance expenses of such electric or integrated utility system, (ii) to comply with all covenants pertaining thereto contained in, and all other provisions of, any resolution, trust indenture, or other security agreement relating to any bonds or other evidences of

SECTION 12. EFFECTIVE DATE. This Resolution shall take effect immediately upon its adoption.

SECTION 13. THIS RESOLUTION PASSED AND ADOPTED this 20th day of December , 1983.

_____ By Jeremy M. Cain
MAYOR

By J. V. Lento
CITY MANAGER

ATTEST:

Ayllis M. Rubenstein
CITY CLERK

EXHIBIT A

STANTON PROJECT

POWER SALES CONTRACT

BETWEEN

FLORIDA MUNICIPAL POWER AGENCY

AND

CITY OF VERO BEACH, FLORIDA

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STANTON PROJECT
POWER SALES CONTRACT

This POWER SALES CONTRACT made and entered into as of January 16 , 1984, by and between FLORIDA MUNICIPAL POWER AGENCY, a legal entity organized under the laws of the State of Florida ("FMPA") and the public agency of the State of Florida and member of FMPA who has executed this Agreement (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 will enter into the Participation Agreement between Orlando Utilities Commission and Florida Municipal Power Agency for the Joint Ownership of Curtis H. Stanton Energy Center Unit One Generation Project, made as of January 16 , 1984 with the Orlando Utilities Commission ("OUC"), pursuant to which FMPA will purchase a 14.8193 % undivided interest in Curtis H. Stanton Energy Center Unit One Generation Project ("Stanton Unit No. 1"), and FMPA 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 Stanton 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 Stanton 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 Stanton 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 Stanton 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 a resolution adopted by the Board of FMPA at a meeting duly called and duly held on January 13 , 1984, which Interlocal Agreement, as so amended and supplemented, constitutes "an agreement to implement a project" and a "joint power agreement" for the Stanton 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 Stanton 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 Stanton Project and to pledge such contracts and 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 obligations 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 Stanton Project or any portion thereof in good operating condition or to prevent a loss of Revenues therefrom, (ii) any additions, improvements, repairs and modifications to the Stanton Project or any portion thereof and any retirement or disposal of the Stanton Project or any portion thereof required by any governmental agency having jurisdiction over the Stanton Project or any portion thereof or for which FMPA shall be responsible by virtue of any obligation of FMPA arising out of the Participation Agreement, (iii) capital costs incurred pursuant to actions taken under the Participation Agreement, whether required or optional, (iv) additional fuel inventory requirements or any rights thereto, and (v) any amounts relating to the Stanton 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 Stanton Unit No. 1 or the construction or acquisition of any 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, Project Energy Related Costs and Monthly Transmission Costs for the following Contract Year, or, in the case of an amended Annual Budget adopted by the Board of FMPA, during the remainder of a Contract Year, and the Project Participant's share, if any, 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 adopted by the Board of FMPA on January 13, 1984 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 Stanton 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 the Commercial Operation Date for Stanton Unit No. 1 as such term is defined in the Participation Agreement or such other date as such Unit, in the opinion of FMPA, is producing and delivering Electric Capacity and Electric Energy for commercial use.

Construction Costs shall have the meaning given to that term in the Participation Agreement.

Consulting Engineer shall mean, as of any date, an engineer or engineering firm or corporation then retained by FMPA pursuant to Section 708 of the Bond Resolution to perform acts and carry out duties provided for such Consulting Engineer in the Bond Resolution.

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 Stanton Unit No. 1, 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, Project Energy Related Costs or Monthly Transmission Costs, all costs of planning, engineering, designing, financing, installing, constructing, acquiring and placing in operation or retirement or disposal of the Stanton 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) the acquisition of fuel for the Stanton Project;

(3) allowance for working capital requirements of the Stanton 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, sale or disposal of any facilities of the Stanton 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 Stanton Project;

(7) all costs and expenses relating to claims or judgments arising out of the acquisition, construction and operation of the Stanton Project;

(8) all 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 Stanton 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 Stanton Project;

(10) all costs incurred or associated with the salvage, discontinuance 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;

(12) all other costs incurred in connection with, and properly chargeable to, the acquisition and construction of the Stanton Project in accordance with, or which constitute Construction Costs, including any prepayment of operating expenses required under the Participation Agreement; 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.

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).

Fuel Costs shall mean all costs incurred by FMPA during a period that are allocable to the acquisition, processing, transportation, delivering and storage of coal or other fuel source required for the Stanton Project, including working capital therefor.

Initial Facilities shall mean FMPA's 14.8193 % undivided ownership interest in Stanton Unit No. 1.

Month shall mean a calendar month.

Monthly Payment Reserve Account shall mean the account of that name established by the Bond Resolution.

Monthly Power Costs shall mean, with respect to each Month of each Contract Year, all costs (other than Project Energy Related Costs or Monthly Transmission Costs) attributable to the Stanton Project, 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 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 and retirement from service of, and repairs, renewals, replacements, additions, improvements, betterments and modifications to, the Stanton 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;

(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 (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 the Stanton Project 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 the Stanton Project and of producing Electric Capacity and Electric Energy therefrom during such Month (including administrative and general expenses, working capital, taxes or payments in lieu thereof and Fuel Costs and user charges for such month which Fuel Costs and user charges are payable whether or not Electric Capacity and Electric Energy is produced by the Stanton Project, but excluding amounts of Fuel Costs billed or expected by FMPA to be billed as Project Energy Related Costs) not included in the costs specified in the other items of this definition and properly chargeable to the Stanton Project 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;

(6) all costs incurred or associated with the discontinuance and disposition or sale of properties required to be paid by FMPA in accordance with the Participation Agreement (whether or not in connection with the issuance of a final accounting statement referred to in Section 13) including, but not limited to, all of FMPA's accrued costs and liabilities resulting from FMPA's ownership, acquisition, construction, operation, maintenance and renewals and replacements of the Stanton Project;

(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 the Stanton Project;

(8) any additional amount not specified in the other items of this definition (excluding Project Related Energy Costs and Monthly Transmission Costs) 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 the Stanton Project (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 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.

Monthly Transmission Costs shall mean, with respect to each Month of each Contract Year, all costs attributable to the transmission and delivery pursuant to the Power Sales Contracts 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 the Stanton Project less the associated Electric Energy utilized by the Stanton Project for all processes, auxiliary equipment and systems used or useful in connection with start-up, operation, maintenance, control, supply or shutdown of the Stanton Project, including appropriate station service transformer losses.

OUC shall mean Orlando Utilities Commission, a statutory commission under the laws of the State of Florida and, subject to the provisions of the Participation Agreement, its successors and assigns.

Participation Agreement shall mean the Participation Agreement between Orlando Utilities Commission and Florida Municipal Power Agency for the Joint Ownership of Curtis H. Stanton Energy Center Unit One Generation Project, made as of January 16, 1984 between FMPA and OUC for the purchase of a 14.8193% undivided ownership interest in Stanton Unit No. 1, as the same may be amended or supplemented from time to time in accordance with the provisions thereof, which governs FMPA's rights and obligations relating to its interest in Stanton Unit No. 1.

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 Stanton Project, as the same may be amended from time to time, and any substantially similar contract entered into by FMPA in connection with 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 the Stanton Project is capable of generating at any particular time (including times when the Stanton Unit No. 1 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 all determined in accordance with such agreement.

Project Energy Related Costs shall mean, with respect to the Stanton Project, those costs which vary with the amount of Electric Capacity and Electric Energy produced from time to time, including without limitation, Fuel Costs allocated to fuel burned or consumed during any period (other than Fuel Costs payable as Monthly Power Costs), cost of all disposal of wastes directly relating to production of Electric Capacity and Electric Energy and other costs incurred under the Participation Agreement which are directly related to the amount of Electric Capacity and Electric Energy produced under the Participation Agreement.

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 Stanton Project or any portion thereof 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 January 16, 1984, each between FMPA and a Project Participant, providing for the payment of costs relating to the Stanton 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.

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.

Stanton Project shall mean the Initial Facilities, the Additional Facilities and related contractual arrangements and agreements including arrangements and agreements for the transmission of Electric Capacity and Electric Energy.

Stanton Unit No. 1 shall mean the Curtis H. Stanton Energy Center Unit One equipment, structures and improvements which comprise the nominally rated 415 MW net coal fueled generating unit to be known as Stanton Unit No. 1, to be located in Orange County, Florida, including for such unit (i) the land delineated and described in Exhibit F to the Participation Agreement and all land rights pertaining thereto, (ii) additions, improvements, renewals and replacements to said generating unit, (iii) the steam generator, turbine, electrical generator, precipitator, scrubber, cooling tower, chimney, transformers and associated subsystems and other systems or facilities as more particularly described in Exhibit A to the Participation Agreement, (iv) an initial fuel inventory for use in connection with Stanton Unit No. 1, and (v) inventories of materials, supplies, fuel, tools and equipment for use in connection with Stanton Unit No. 1.

Transmission Services shall mean, with respect to each Project Participant, any provisions for the transmission of such Project Participant's Power Entitlement Share to its Point or Points of Delivery, as may be determined from time to time, pursuant to any 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 by FMPA and shall, unless this Power Sales Contract is terminated pursuant to Section 29 hereof, continue until the latest 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, (ii) the later of (a) the date Stanton Unit No. 1 is finally disposed of as an electric generating unit pursuant to the Participation Agreement or (b) the date the interest of FMPA in Stanton Unit No. 1 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. Notwithstanding the foregoing, in the event it is ultimately determined that any other Project Participant failed to duly and validly execute and deliver its Power Sales Contract or Project Support Contract or both, or if any other Power Sales Contract or Project Support Contract or both, or any portion thereof, shall be deemed invalid or unenforceable for any other reason whatsoever, such determination shall in no way affect the commencement, term or enforceability of this Power Sales Contract or the Project Participant's obligations hereunder.

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, (ii) for its share of monthly Project Energy Related Costs, an amount determined by multiplying Project Energy Related Costs for such Month by a fraction the numerator of which is the Electric Energy scheduled from the Stanton Project by the Project Participant during the Month to which such payment relates and the denominator of which is the Electric Energy scheduled from the Stanton Project by all Project Participants during such Month, and (iii) all costs described in the

definition of Monthly Transmission Costs which are properly allocable, as determined by FMPA, to the Project Participant.

In the event that OUC makes available to FMPA any part of the Net Electric Capacity and Energy from Stanton Unit No. 1 to which OUC 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.

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 shall provide an estimate of the Project Participant's monthly payments hereunder and serve as a basis for Project Participants's payments hereunder for Monthly Power Costs and Monthly Transmission Costs for such Contract Year. During each Contract Year, the Board 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, actual Project Energy Related 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, Project Energy Related 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 provide an estimate of the Project Participant's monthly payments hereunder for the remainder of such Contract Year and serve as the basis for the Project Participant's monthly payments for Monthly Power Costs and Monthly Transmission Costs 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 Project Energy Related Costs as computed for each Participant in accordance with clause (ii) of Section 3 hereof; (iii) 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; (iv) 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; (v) the credits, if any, against the Project Participant's share of Monthly Power Costs determined in accordance with paragraph (i) of this Section 4; (vi) the amount, if any, credited to or payable by the Project Participant with respect to any adjustment for actual Project Energy Related Costs incurred during a prior Month for which credit or payment has not been made; and (vii) any other amounts (except amounts in respect of Monthly Power Costs, Project Energy Related Costs and Monthly Transmission Costs, which amounts are intended to be billed exclusively pursuant to clauses (i), (ii) and (iii) above, respectively) 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, and at such other times as it shall deem desirable, 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 (i) of this Section 4 and Project Energy Related Costs 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 or for such number of months as FMPA deems appropriate, 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 (i) of this Section 4 and Project Energy Related Costs allocable to the Project Participant, based on the annual audit of accounts provided for in Section 10 hereof or, if for a period other than a full Contract Year, on such other information as FMPA deems reliable. 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 (i) of this Section 4 and Project Energy Related Costs 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 (iv) 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 (i) of this Section 4, and Project Energy Related Costs 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 (iv) of paragraph (b) of this Section 4.

(g) Project Energy Related Costs, including any adjustments thereto, shall be determined by FMPA in accordance with the applicable provisions of this Power Sales Contract and the Participation Agreement, respectively. The Project Participant shall pay such amounts pursuant to paragraphs (b) and (c) of this Section 4.

(h) The obligation of the Project Participant to make the payments under this Section 4 for its share of Monthly Power Costs, Project Energy Related 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 integrated utility system solely from the revenues and other available funds of the electric or 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 the Stanton Project. Subject to the provisions of paragraph (j) 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 performance of FMPA or OUC under the Participation Agreement or the performance by FMPA under this or any other agreement or instrument or the validity or enforceability of any other Power Sales Contract, any other Project Support Contract or any other agreement between FMPA and any other Project Participant. Subject to the provisions of paragraph (j) 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 Stanton Project. 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 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 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 any property located within its boundaries or service area.

(i) 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 Stanton 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 the Stanton Project, in each case, to the extent not credited against the Cost of Acquisition and Construction.

(j) 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 Stanton 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.

(k) 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 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 Stanton 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. The Project Participant shall provide FMPA with such other estimated schedules of Electric Capacity and Electric Energy as FMPA may reasonably require to carry out the duties of FMPA under the Participation Agreement. 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 Stanton 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 Stanton Project.

FMPA may appoint an agent from time to time to dispatch the output of the Stanton Project to the Project Participants' Points of Delivery. The agent shall schedule and dispatch FMPA's entitlement to the output of the Stanton 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 its 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 the Stanton Project, 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 Stanton 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 Stanton 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 Stanton Project and relating to Monthly Power Costs, Project Energy Related 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 180 days after the end of each fiscal year, or at such later date as may be agreed to by FMPA upon the written request of the Project Participant, 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 Stanton Project,
- (2) status of the Stanton Project annual budget,
- (3) status of construction budget of the Stanton Project during construction, and
- (4) monthly operating statistics relating to the Stanton Project;

(b) FMPA shall furnish or otherwise make available to the Project Participant all other information which FMPA receives under the Participation Agreement.

(c) The Project Participant shall, upon request, furnish to FMPA all such information, certificates, certified copies of official proceedings, 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 (d) hereof), official statements and other documents as (i) shall be reasonably necessary in connection with the financing, acquisition, construction, operation, maintenance, abandonment or retirement of the Stanton Project or (ii) FMPA shall be reasonably requested to deliver pursuant to the Participation Agreement.

(d) The Project Participant shall, at the time requested by FMPA, cause an opinion or opinions (i) 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 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, and (ii) in such form as may be required under the Participation Agreement.

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 Stanton 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 hereof of this Power Sales Contract and 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 Stanton 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, Project Energy Related 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 hereof of this Power Sales Contract and 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 Stanton 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 Stanton Project.

Subject to the provisions of the Participation Agreement, if Stanton Unit No. 1 shall never be placed in service or shall be permanently removed from service, FMPA shall use its best efforts to cause Stanton Unit No. 1 to be economically salvaged, discontinued, disposed of or sold in whole or in part. The costs of salvage, discontinuance or disposition shall include, but shall not be limited to, all accrued costs and liabilities resulting from the construction, operation (including cost of fuel), maintenance of and renewals and replacements to the Stanton Project. FMPA shall, after Stanton Unit No. 1 has been finally salvaged 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 Stanton 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 (a) to maintain its electric or integrated utility system in good repair and operating condition; (b) to cooperate with FMPA in the performance of the respective obligations of such Project Participant and FMPA under this Power Sales Contract; and (c) to establish, levy and collect rents, rates and other charges for the products and services provided by its electric or integrated utility system, which rents, rates, and other charges shall be at least sufficient (i) to meet the operation and maintenance expenses of such electric or integrated utility system, (ii) to comply with all covenants pertaining thereto contained in, and all other provisions of, any resolution, trust indenture, or other security agreement relating to any bonds or other evidences of indebtedness issued or to be issued by the Project Participant, (iii) to generate funds sufficient to fulfill the terms of all other contracts and agreements made by the Project Participant, including, without limitation, this Power Sales Contract, and (iv) to pay all other amounts payable from or constituting a lien or charge on the revenues of its electric or 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 Stanton 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, to and under 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 Stanton 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.

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 clauses (a), (b), (c) or (e) of 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 Stanton 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 paragraph 7.01 of the Participation Agreement, OUC 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 OUC will enter into the Participation Agreement in reliance on OUC's being a third-party beneficiary of this Power Sales Contract as provided in this Section 24(c). OUC and FMPA have acknowledged and agreed to, and the Project Participant hereby acknowledges and agrees to, the position of OUC 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 OUC. In addition, the Project Participant acknowledges and agrees to OUC's right to intervene in any legal or arbitration proceeding or action commenced by or against the Project Participant under the circumstances and in the manner described in paragraph 7.01 of the Participation Agreement.

(d) OUC and FMPA have respectively acknowledged and agreed in the Participation Agreement and the Project Participant herein does agree that this Power Sales Contract may not be rescinded, amended, supplemented, altered or terminated in any other way that would materially lessen, release or alter the rights of OUC or the obligations of the Project Participant to OUC without the express written consent of OUC; without limiting the generality of the foregoing, it is expressly understood that any modification to the rate covenant, the obligations to make

payments hereunder and the priority of such payments to FMPA constitute material alteration of the rights of OUC.

SECTION 25. Measurement of Electric Energy.

(a) FMPA will or will cause OUC to install, maintain, and operate the metering equipment, required to measure the quantities of Electric Energy produced and delivered from Stanton Unit No. 1 all in accordance with Section 12 of the Participation Agreement. FMPA shall have the option of metering at a location other than Stanton Unit No. 1, 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 Stanton 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 derived from the Stanton Project, 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 and for the assignments authorized by paragraph (c) 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 and may deliver possession of this Power Sales Contract to such trustee in connection therewith, and, upon such assignment and pledge, 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, abandon or otherwise dispose of all or substantially all of its electric or integrated utility system except upon ninety (90) days prior written notice to FMPA and, in any event, will not sell, lease, abandon or otherwise dispose of the same unless the following conditions are met: (i) the Project Participant shall, subject to the Participation Agreement, assign this Power Sales Contract and its rights and interest hereunder to the purchaser or lessee of said electric or integrated system, if any, and any 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, if any; and (iii) FMPA shall by appropriate action determine, in its sole discretion, that such sale, lease, abandonment or other disposition will not adversely affect FMPA's ability to meet its obligations under the Participation Agreement and 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.

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.

(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 Project Participant at the address set forth on Annex 1 hereto; 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

Richard E. Drivell
Chairman

Attest:

Ewell G. Menge
Secretary

CITY OF VERO BEACH, FLORIDA

(SEAL)

By

Dorothy M. Cain
DOROTHY M. CAIN
MAYOR

Attest:

Phyllis A. Neuberger
PHYLLIS A. NEUBERGER
CITY CLERK

By

J. V. Little
J. V. LITTLE
CITY MANAGER

Annex 1

SCHEDULE OF PROJECT PARTICIPANTS

<u>Name and Address of Participant</u>	<u>Power Entitlement Share</u>
Fort Pierce Utilities Authority P. O. Box 3191 Fort Pierce, Fl. 33450	24.390%
City of Homestead 790 N. Homestead Blvd. Homestead, Fl. 33030	24.390%
Lake Worth Utilities Authority 114 College St. Lake Worth, Fl. 33460	16.260%
City of Starke P. O. Drawer "C" Starke, Fl. 32091	2.439%
City of Vero Beach P. O. Box 1389 Vero Beach, Fl. 32960	32.521%
	<hr/>
Total	100.000%

Annex 2

[FORM OF OPINION OF COUNSEL TO PROJECT PARTICIPANT]

_____, 1984

Florida Municipal Power Agency
Orlando Central Park, Suite 154
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 the Constitution and laws of the State of Florida and [add local ordinance, charter and/or by-laws as appropriate] of the Participant. I have also examined originals, or copies certified or otherwise identified to my satisfaction, of the following:

- (a) FMPA's Stanton Project Revenue Bond Resolution, adopted by the Board of Directors of FMPA on _____, 198 (the "Bond Resolution") pursuant to which the \$ _____ aggregate principal amount of its Stanton Project Revenue Bonds, 198 Series (the "Bonds") are being issued;
- (b) the Power Sales Contract, dated as of _____, 198 (the "Power Sales Contract") between FMPA and the Participant, and the Project Support Contract, dated as of _____, 198 (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 _____, 198 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 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 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 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,

STANTON PROJECT

PROJECT SUPPORT CONTRACT

BETWEEN

FLORIDA MUNICIPAL POWER AGENCY

AND

CITY OF VERO BEACH, FLORIDA

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STANTON PROJECT

PROJECT SUPPORT CONTRACT

This PROJECT SUPPORT CONTRACT made and entered into as of January 16 , 1984, by and between FLORIDA MUNICIPAL POWER AGENCY, a legal entity organized under the laws of the State of Florida ("FMPA") and the public agency of the State of Florida and member of FMPA who has executed this Agreement (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 will enter into the Participation Agreement between Orlando Utilities Commission and Florida Municipal Power Agency for the Joint Ownership of Curtis H. Stanton Energy Center Unit One Generation Project, made as of January 16 , 1984 with the Orlando Utilities Commission ("OUC"), pursuant to which FMPA will purchase a 14.8193 % undivided interest in Curtis H. Stanton Energy Center Unit One Generation Project ("Stanton Unit No. 1"), and FMPA 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 Stanton 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 Stanton Project; and

WHEREAS, the acquisition and construction of the Stanton 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 a resolution adopted by the Board of Directors of FMPA at a meeting duly called and duly held on January 13 , 1984 which constitutes "an agreement to implement a project" and a "joint power agreement" for the Stanton 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 Stanton Project by providing support for the payment by FMPA of costs of the Stanton 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 Stanton 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 Stanton Project by all who shall at any time become holders thereof that FMPA have substantially similar binding contracts with the Project Participant and the other Project Participants as described in the preceding clause and that FMPA pledge such contracts and 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 the

same may be amended or supplemented from time to time in the future in accordance with the provisions thereof.

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 Stanton Project.

Project Support Month shall mean any Month of any Contract Year during which no Electric Capacity and Electric Energy from the Stanton 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 Stanton 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 originally listed in the Schedule of Project Participants and by FMPA and shall continue for the term of the Project Participant's Power Sales Contract. Notwithstanding the foregoing, in the event it is ultimately determined that any other Project Participant failed duly and validly to execute and deliver its Power Sales Contract or Project Support Contract or both, or if any such Power Sales Contract or Project Support Contract or both, or any portion thereof, shall be deemed invalid or unenforceable for any other reason whatsoever, such determination shall in no way affect the commencement, term or enforceability of this Project Support Contract or the Project Participant's obligations hereunder.

SECTION 3. Project Participant's Stanton 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, or at such other times as it shall deem desirable, 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 Stanton Project 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 or OUC under the Participation Agreement or the performance by FMPA under the Power Sales Contract or this or any other agreement or instrument or the validity or enforceability of any other Project Support Contract between FMPA and any other Project Participant; Project Support Payments shall be made whether or not Stanton Unit No. 1 is completed, operable or operating and notwithstanding the suspension, interruption, interference, reduction or curtailment of the output of Stanton Unit No. 1 or otherwise from the Stanton

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 integrated utility system, subject and subordinate to payments permitted by or described in clauses (i) through (iv) of paragraph (b) of Section 4 hereof from revenues of the Project Participant's electric or 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 integrated utility system. 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 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 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 any property 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 Stanton 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 (i) to maintain its electric or integrated utility system in good repair and operating condition; (ii) to cooperate with FMPA in the performance of the respective obligations of such Project Participant and FMPA under this Project Support Contract; and (iii) to establish, levy and collect rents, rates and other charges for the products and services provided by its electric or integrated utility system, which rents, rates and other charges shall be at least sufficient (A) to meet the operation and maintenance expenses of such electric or integrated utility system, (B) to comply with all covenants pertaining thereto contained in, and all other provisions of, any resolution, trust indenture, or other security agreement relating to any bonds or other evidences of indebtedness issued or to be issued by the Project Participant, (C) to generate funds sufficient to fulfill the terms of all other contracts and agreements made by the Project Participant, including, without limitation, this Project Support Contract, and (D) to pay all other amounts payable from or constituting a lien or charge on the revenues of its electric or integrated utility system.

(b) Except with respect to (i) operation, maintenance, renewal and replacement expenses of the Project Participant's electric or 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 integrated utility system purposes payable from revenues of the Project Participant's electric or integrated utility system, (iii) subordinated bonds, notes or other obligations for money borrowed issued for electric or integrated utility system purposes payable from revenues of the Project Participant's electric or 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 or from funds established under the ordinances or resolutions authorizing bonds, notes or other obligations referred to in clauses (ii) or (iii) hereof, 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 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 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 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 (i) 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 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, and (ii) in such form as may be required under the Participation Agreement.

SECTION 6. Pledge of Payments.

All right, title and interest of FMPA in, to and under this Project Support Contract and all payments required to be made by the Project Participant pursuant to the provisions of Section 3 hereof, and all other payments attributable to the Stanton Project to be made in accordance with or pursuant to any other provision 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 establish, levy and collect rents, 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 and for the assignments authorized by subsections (b) and (c) of this Section 13, 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.

(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 Project Support Contract and 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 and pledge, 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, abandon or otherwise dispose of all or substantially all of its electric or integrated utility system except upon ninety (90) days prior written notice to FMPA and, in any event, will not sell, lease, abandon 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 integrated utility system, if any, and any 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, in its sole discretion, that such sale, lease, abandonment or other disposition will not adversely affect FMPA's ability to meet its obligations under the Participation Agreement and 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 Stanton Project.

Subject to the provisions of the Participation Agreement, if Stanton Unit No. 1 shall never be placed in service or shall be permanently removed from service, FMPA shall use its best efforts to cause Stanton Unit No. 1 to be economically salvaged, discontinued, disposed of or sold in whole or in part. The costs of salvage, discontinuance or disposition shall include, but shall not be limited to, all accrued costs and liabilities resulting from the construction, operation (including cost of fuel), maintenance of and renewals and replacements to the Stanton Project. FMPA shall, after Stanton Unit No. 1 has been finally salvaged 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 Stanton 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 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 Stanton 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 paragraph 7.01 of the Participation Agreement, OUC 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 OUC will enter into the Participation Agreement in reliance on OUC's being a third-party beneficiary of this Project Support Contract as provided in this Section 17(c). OUC and FMPA have acknowledged and agreed to, and the Project Participant hereby acknowledges and agrees to, the position of OUC 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 OUC. In addition, the Project Participant acknowledges and

agrees to OUC's right to intervene in any legal or arbitration proceeding or action commenced by or against the Project Participant under the circumstances and in the manner described in paragraph 7.01 of the Participation Agreement.

(d) OUC and FMPA have respectively 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, altered or terminated in any other way that would materially lessen, release or alter the rights of OUC or the obligation of the Project Participant to OUC without the express written consent of OUC, respectively; 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 and the priority of such payments to FMPA constitute material alteration of the rights of OUC.

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 *Richard Edwell*
Chairman

Attest:

Erville Meng
Secretary

CITY OF VERO BEACH, FLORIDA

(SEAL)

By *Dorothy M. Cain*
DOROTHY M. CAIN
Title: MAYOR

Attest:

By *J. V. Little*
J. V. LITTLE
Title: CITY MANAGER

Phyllis A. Neuberger
PHYLLIS A. NEUBERGER
Title: CITY CLERK

Annex 1

SCHEDULE OF PROJECT PARTICIPANTS

<u>Name and Address of Participant</u>	<u>Power Entitlement Share</u>
Fort Pierce Utilities Authority P. O. Box 3191 Fort Pierce, Fl. 33450	24.390%
City of Homestead 790 N. Homestead Blvd. Homestead, Fl. 33030	24.390%
Lake Worth Utilities Authority 114 College St. Lake Worth, Fl. 33460	16.260%
City of Starke P. O. Drawer "C" Starke, Fl. 32091	2.439%
City of Vero Beach P. O. Box 1389 Vero Beach, Fl. 32960	32.521%
	<hr/>
Total	100.000%

City of Vero Beach

P. O. BOX 1389 - 1053 - 20th PLACE
VERO BEACH, FLORIDA - 32960
Telephone: 367-5151

August 13 1984

Florida Municipal Power Agency
7200-154 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 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 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 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 Stanton Project Revenue Bond Resolution, adopted by the Board of Directors of FMPA on January 13, 1984, as supplemented and amended, (the "Bond Resolution") pursuant to which the \$125,000,000.00 aggregate principal amount of its Stanton Project Weekly Adjustable/Fixed Rate Revenue Bonds, Series 1984, (the "Bonds") are being issued; and

(b) the Power Sales Contract, dated as of January 16, 1984 (the "Power Sales Contract") between FMPA and the Participant, and the Project Support Contract, dated as of January 16, 1984 (the "Project Support Contract"), between FMPA and the Participant; and

(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; and

(e) the Official Statement of FMPA, dated July 31, 1984 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 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 integrated utility system as currently being conducted and as proposed to be conducted as described in the Official Statement.

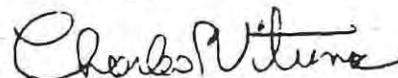
2. Each of the Power Sales Contract and the Project Support Contract has been duly authorized, executed, and delivered by the Participant and constitutes a legal, valid and binding agreement enforceable in accordance with its terms.

3. Neither the Participant's execution and delivery of the Power Sales Contract and the Project Support Contract, or 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 Charter or ordinances, 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, to the best of our knowledge, threatened against the Participant or its electric utility or 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.

A copy of this opinion is being delivered to The Sumitomo Bank, Limited (New York Branch) and Smith Barney, Harris Upham & Co., Incorporated, Dean Witter Reynolds Inc., Lazard Freres & Co., Salomon Brothers In., Robinson Humphrey/American Express Inc., Bear, Stears & Co., Chemical Bank, N.A., New York, New York, and M.G. Lewis & Co., Inc. (the "Underwriters"), and they may rely on this opinion as fully as though it were addressed to them.

Sincerely,



Charles P. Vitunac

City of Vero Beach

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

August 13, 1984

Orlando Utilities Commission
Post Office Box 3193
Orlando, Florida 32802

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

(a) FMPA's Stanton Project Revenue Bond Resolution, adopted by the Board of Directors of FMPA on January 13, 1984, (the "Bond Resolution") pursuant to which the \$125,000,000.00 aggregate principal amount of its Stanton Project Weekly Adjustable/Fixed Rate Revenue Bonds, Series 1984, (the "Bonds") are being issued; and

(b) the Power Sales Contract, dated as of January 16, 1984 (the "Power Sales Contract") between FMPA and the Participant, and the Project Support Contract, dated as of January 16, 1984 (the "Project Support Contract"), between FMPA and the Participant; and

(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; and

(e) the Official Statement of FMPA, dated July 31, 1984 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 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 integrated utility system as currently being conducted and to perform its obligations under the Power Sales Contract, dated as of January 16, 1984, entered into between FMPA and the Participant (the "Power Sales Contract"), the Project Support Contract, dated as of January 16, 1984, entered into between FMPA and the Participant (the "Project Support Contract"), and the Interlocal Agreement Creating the Florida Municipal Power Agency, as amended (the "Interlocal Agreement").

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

3. Neither the Participant's execution and delivery of the Power Sales Contract, the Project Support Contract, and the Interlocal Agreement, or compliance by the Participant therewith nor the consummation of the transactions contemplated thereby, including, without limitation, the Participant's payment of amounts in respect of Monthly Power Costs, Monthly Transmission Costs, and Project Support Payments, as defined and provided for in the Power Sales Contract and Project Support Contract, will conflict with or constitute a breach of or default under the terms of any statute of any constitutional provision or statute of the State of Florida, the Participant's local ordinance and charter, by any administrative rule or regulation of the State of Florida, or of any bond resolution, indenture, judgment, decree, order, license, permit, franchise, contract, debt instrument, 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, or the Bond Resolution adopted by FMPA on January 13, 1984.

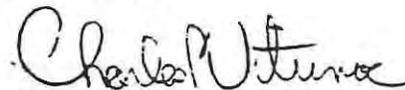
4. There is no action, suit, proceeding, inquiry, or investigation by or before any court, governmental agency, public board or body pending or, to the best of our knowledge, threatened against the Participant or its electric utility or integrated utility system which (a) affects or seeks to prohibit, restrain, or enjoin the Participant from entering into or complying with the obligations contained in the Interlocal Agreement, 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.

5. The rates charged by the Participant to its electric customers are established by the Participant and are not subject to regulation by any other authority of the State of Florida, including any local authority, other than the rate structure jurisdiction of the Florida Public Service Commission.

6. Except for the authorization of the governing body of the Participant, which has been fully obtained, no other approval, authorization, consent or order of, or filing or registration with, any governmental authority, legislative body, board, agency, or commission having jurisdiction or any other person or entity is required for the execution and delivery by the Participant of the Power Sales Contract, the Project Support Contract, or the Interlocal Agreement, or the performance by the Participant of its obligations thereunder.

Insofar as the foregoing opinions relate to the enforceability of any instrument, such opinions are subject to applicable bankruptcy, insolvency, moratorium, reorganization, or other similar laws affecting creditors' rights generally, and no opinion is being rendered as to the performance or other equitable remedies.

Sincerely,



Charles P. Vitunac

CERTIFICATE OF PARTICIPANT

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

1. Attached hereto as Exhibit A is a true and complete copy of the Power Sales Contract dated as of January 16, 1984, between Florida Municipal Power Agency (the "Agency") and the Participant, which has not been further modified, amended or rescinded and is in full force and effect on the date hereof.

2. Attached hereto as Exhibit B is a true and complete copy of the Project Support Contract dated as of January 16, 1984, between the Agency and the Participant, which has not been modified, amended or rescinded and is in full force and effect on the date hereof.

3. Attached hereto as Exhibit C is a true and complete copy of the resolution duly adopted by the Participant at a meeting duly called and duly held at which meeting a quorum was present and acting throughout, such resolution relating to, among other matters, the Power Sales Contract, the Project Support Contract and the ratification of the execution and delivery by the Agency of the Curtis H. Stanton Energy Center Unit One Generation Project Participation Agreement dated as of January 16, 1984, between the Agency and the Orlando Utilities Commission. Except as provided therein, such resolution has not been modified, amended or rescinded and is in full force and effect on the date hereof.

4. 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, nor has there occurred any event which would, with due notice or passage of time or both, constitute a default thereunder.

5. The undersigned hereby certifies that the representations, warranties and covenants of the Participant contained in the Power Sales Contract, in the Project Support 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 ~~31st~~ day of ~~July~~, 1984.
13th August

Phyllis A. Fuberge

City Clerk
City of Vero Beach

(SEAL)

(111)



4/17/11
original sent for
signatures

STANTON II PROJECT

PROJECT SUPPORT CONTRACT

BETWEEN

FLORIDA MUNICIPAL POWER AGENCY

AND

CITY OF VERO BEACH, FLORIDA

**EXHIBITS TO THE COMPLAINT FOR VALIDATION
(Stanton II Project)**

EXHIBITS INDEX

- Exhibit "A" - Interlocal Agreement
- Exhibit "B" - Stanton II Project Resolution
- Exhibit "C" - Stanton II Project Agreement
- Exhibit "D" - Stanton II Project Revenue Bond Resolution
- Exhibit "E" - Power Supply Project Contracts
- Exhibit "F" - Project Participants

INTERLOCAL AGREEMENT CREATING THE
FLORIDA MUNICIPAL POWER AGENCY

WHEREAS, the United States as a whole and the State of Florida in particular face an energy shortage arising from an increasing demand for energy, particularly for oil and natural gas, and insufficient supplies of oil and natural gas to satisfy that demand; and

WHEREAS, this energy shortage has precipitated a national energy crisis of unparalleled proportions; and

WHEREAS, the electric utilities in the State of Florida will of necessity be faced with a challenge of great magnitude to assure the citizens of Florida that the demands for growth in electric power will be met with a reasonable balance between the need for new facilities and the environmental impact resulting from the construction and operation of these new facilities; and

WHEREAS, the undersigned parties operate municipal electric systems; and

WHEREAS, mutual advantage may be obtained from the coordinated planning, construction and operation of these systems, and joint purchases, sales and exchanges of electric power; and

WHEREAS, additional mutual advantage may be obtained from the coordinated planning, constructing and operating of certain joint electric power supply projects and any and all facilities, including all equipment, structures, machinery, and tangible and intangible property, real and personal, for the joint generation or transmission of electrical energy, or both, including any fuel supply or source useful for such a project; and

WHEREAS, in addition and supplemental to their other powers, the undersigned parties, pursuant to Chapter 361, Part II, Florida Statutes, as amended, commonly known as the "Joint Power Act," are authorized and empowered to join with each other and any other electric utility or group of electric utilities for the purposes of jointly financing, acquiring, constructing, managing, operating, utilizing and owning any joint electric power supply project or projects; and

WHEREAS, in addition and supplemental to their other powers, the undersigned parties, pursuant to Chapter 163, Part I, Florida Statutes, as amended, commonly known as the "Florida Interlocal Cooperation Act of 1969," are authorized and empowered to join with each other and any other electric utility or group of electric utilities for the purposes of jointly financing, acquiring, constructing, managing, operating, utilizing and owning any joint electric power supply project or projects; and

WHEREAS, in the implementation of Chapter 361, Part II, Florida Statutes, as amended, the undersigned parties may create any organization, association, or legal entity for the accomplishment of the purposes thereof; and

WHEREAS, in addition and supplemental to their other powers, the undersigned parties, pursuant to Chapter 163, Part I, Florida Statutes, as amended, commonly known as the "Florida Interlocal Cooperation Act of 1969," are authorized and empowered to cooperate with each other on a basis of mutual advantage and thereby to provide services and facilities in a manner and pursuant to forms of governmental organization that will accord best with geographic, economic, population, and other factors influencing the needs and development of local communities; and

WHEREAS, mutual advantage can be obtained from the implementation of pooled financing or borrowing for electric projects and other needs of the Florida Municipal Power Agency and its members financing alternatives and flexibility that might not otherwise be available to them individually; and

WHEREAS, Section 163.01(7)(d) of Chapter 163, Part I, Florida Statutes, has been amended to allow pooled financing or borrowing for purposes in addition to electric projects.

NOW, THEREFORE, this Interlocal Agreement is entered into pursuant to Chapter 361, Part II, Florida Statutes, as amended, and Chapter 163, Part I, Florida Statutes, as amended, and such other statutes, ordinances and charters as may from time to time be applicable.

ARTICLE I

Establishment of Agency, Location, Agency Seal and Fiscal Year

SECTION 1. Establishment of Agency. An agency, constituting a legal entity with the purposes and powers hereinafter set forth, is hereby created under the authority of Chapter 361, Part II, Florida Statutes, as amended, and Chapter 163, Part I, Florida Statutes, as amended, to be known as the Florida Municipal Power Agency (hereinafter referred to as the "Agency").

SECTION 2. Location. The principal office of the Agency in Florida shall be located in Tallahassee, Florida. The Board of Directors may change the location of the principal office in Florida and/or establish such other offices either within or without the State of Florida as it deems appropriate.

SECTION 3. Seal. The Board of Directors may adopt a seal of the Agency and shall have the authority to change or alter such seal.

SECTION 4. Fiscal Year. The fiscal year of the Agency shall end September 30.

ARTICLE II

Purposes and Powers of the Agency; Designation of Projects; Termination of Projects

SECTION 1. Purpose of the Agency. The Agency is formed to undertake the financing, acquiring, constructing, managing, operating, utilizing and owning, either with or without other electric utilities or groups of utilities, of any joint electric supply project or projects and any and all facilities, including all equipment, structures, machinery, and tangible and intangible property, real and personal, for the joint generation or transmission of electrical energy, or both, including any fuel supply or source useful for such a project, either within or without the State of Florida.

In addition, the Agency is formed for the purpose of pooled financing or borrowing and the establishment of a pooled loan project to be utilized by the Agency and the undersigned parties for all costs incurred or to be incurred by the Agency and the undersigned parties for any project relating to the Agency or the undersigned parties' electric, water, wastewater, waste or refuse disposal or gas systems. Such costs include, but are not limited to, planning, engineering, designing, acquiring, leasing, construction, installing, financing, operating, maintaining, retiring, decommissioning, obtaining of government approvals, certificates, permits and licenses, acquisition of real and personal property, acquisition of fuel or facilities for the production, transportation and storage of fuel, working capital and reserves, all types of insurance including self-insurance, legal, engineering and financial fees, bank commitment and letter of credit fees, expenses of trustees, registrars and paying agents, any amounts required to be paid into any fund or account by any bond resolution of the Agency or the undersigned parties, prepayment of interest, principal, premium or any obligation, bond or note of the Agency or the undersigned parties, including the purchasing thereof of the open market or in response to a request for tender offers and any other lawful purposes as authorized by the Agency from time to time.

SECTION 2. Powers of the Agency. In order to carry out the purposes of the Agency set forth herein, the Agency shall have the following powers:

- (a) to plan, finance, acquire, construct, purchase, operate, maintain, use, share cost of, own, lease, sell or dispose of any joint electric power supply project or projects and any and all facilities, including all equipment, structures, machinery, and tangible and intangible property, real and personal, for the joint generation or

transmission of electrical energy, or both, including any fuel supply or source, within or without the State of Florida;

(b) to investigate the desirability of and necessity for additional sources and supplies of electrical energy and fuel of any kind for such purposes and transmission facilities therefor, and make studies, surveys and estimates as may be necessary to determine the feasibility and cost thereof;

(c) to cooperate with other persons or other entities, public or private, in the development of sources and supplies of electrical energy and fuel of any kind for such purposes and transmission facilities therefor, and give assistance financial or otherwise in any such development;

(d) to apply to any person or other entity, public or private, for consents, permits, authorizations or approvals required for any project undertaken in accordance with this Agreement and take all actions necessary to comply with the conditions thereof;

(e) to acquire, hold, use, and dispose of income, revenues, funds and money;

(f) to exercise all powers in connection with the authorization, issuance and sale of bonds and bond anticipation notes as are conferred by Section 163.01(7)(c) of Chapter 163, Part I, Florida Statutes, as amended, and by such other applicable statutes as may hereafter be adopted;

(g) to invest money of the Agency not required for immediate use, including proceeds from the sale of any bonds, in such obligations, securities, and other investments as authorized by applicable law and any applicable provisions of any bond resolution or other instruments governing the fund or funds in which such money is deposited;

(h) to exercise the power to eminent domain;

(i) to enter into, on its own behalf or as agent for any one or more of the parties hereto, any contract or agreement necessary, appropriate or incidental to the effectuation of its lawful purposes and the exercise of the power granted herein, including, without limitation, contracts or agreements for the purchase, sale, exchange, interchange, wheeling, pooling, transmission,

distribution or storage of electrical capacity or energy from any source, and fuel or any rights thereto of any kind for any such purposes, within and without the State of Florida, in such amounts as it shall determine to be necessary and appropriate to make the most effective use of its powers and to meet its responsibilities and with such persons or other entities, public or private, on such terms and for such period of time as its Board of Directors or Executive Committee determines; provided, however, that the Agency shall not sell, transfer or distribute any electrical power except on a wholesale basis and the Agency shall not sell, transfer or distribute any electrical power in violation of the provisions of Section 361.14, Florida Statutes;

(j) to procure insurance from such insurers as it deems desirable or to self-insure, or both, against any losses in connection with its property, operations, or assets;

(k) to make and enter into contracts in its own name, to employ agents or employees, to acquire, construct, manage, maintain or operate buildings, works or improvements, to acquire, hold or dispose of property;

(l) to incur debts, liabilities, or obligations which do not constitute debts, liabilities or obligations of the parties to this Interlocal Agreement;

(m) to sue and be sued;

(n) to exercise any power, privilege or authority which is necessary and proper to further the purposes of the Agency and which the parties to this Interlocal Agreement might exercise in their individual capacities;

(o) to exercise any other power or powers conferred presently or in the future under the laws of Florida, as are in furtherance of the purposes of the Agency;

(p) to establish, operate and manage a pooled loan project or projects for utilization by the Agency and the undersigned parties;

(q) to exercise all powers in connection with the authorization, issuance and sale of bonds and bond anticipation notes as are conferred by Section 163.01(7)(d) of Chapter 163, Part I, Florida

Statutes, and by such other applicable statutes as may be hereinafter adopted;

(r) to procure insurance from such insurers as it deems desirable, to establish self-insurance, to otherwise establish a program or project to provide insurance for the Agency and/or the undersigned parties or any combination thereof to insure against any losses in connection with the activities, property, operations or assets of the Agency or the undersigned parties.

SECTION 3. Designation of Projects. Prior to undertaking any project, including any Study Project, the Board of Directors shall adopt a resolution supplementing this Interlocal Agreement and authorizing said project, designating it as a project hereunder, stating that this Interlocal Agreement as supplemented by said resolution shall constitute "an agreement to implement a project," a "joint power agreement" and a "project agreement" for such project, as those terms are used in Chapter 361, Part II, Florida Statutes, as amended, and specifying (in case of any project other than a Study Project) the interest, if any, of each member in such project. Any such resolution shall be maintained by the Secretary of the Agency among the permanent records of the Agency and shall be subject to modification or amendment from time to time by further resolution of the Board of Directors. As used in this Section 3, the term "Study Project" shall include the investigation of the desirability of and necessity for (1) one or more additional sources or supplies of electric capacity or energy or both; (2) transmission facilities; (3) acquisition, extraction, conversion, transportation, storage or reprocessing of fuel of any kind; and (4) joint action projects associated with electric utility operations; and the study to determine the feasibility and costs of one or more proposed projects. "Study Project" shall also include, in connection with the foregoing, the causing to be performed engineering, legal, financial and other services as may be necessary or advisable to determine the legality and the financial and engineering feasibility thereof,...

In implementing any pooled loan project, the Board of Directors shall adopt a Resolution supplementing this Interlocal Agreement and authorizing said project, designating it as a project hereunder, stating that this Interlocal Agreement as supplemented by said Resolution shall constitute an "agreement to implement a project."

SECTION 4. Termination of Projects. Upon the termination of any project of the Agency (other than a Study Project) and after

(a) all bonds, notes or other evidences of indebtedness of the Agency with respect to such project, and the interest thereon, shall have been paid or adequate provision for such payment made in

accordance with the provisions of such bonds, notes or other evidences of indebtedness and

(b) all contractual obligations undertaken by the Agency with respect to such project and all liens, charges and encumbrances to which the property constituting a part of such project is subject shall have been satisfied, released or adequately provided for,

then all property, real, personal, tangible and intangible of the Agency constituting a part of such project shall promptly be divided among and distributed to the parties participating in such project in the proportion that each party's participation in such project bears to the participation of all parties participating in such project or in such other manner as such parties shall agree.

ARTICLE III

Structure of the Agency

SECTION 1. Board of Directors. The Agency shall be governed by a Board of Directors composed of one Director designated in writing by each party to this Interlocal Agreement, who shall serve at the pleasure of the party designating him. Parties may appoint in writing such alternate directors as they deem necessary. Any such alternate shall be entitled to vote in the absence of the Director for whom he is an alternate at meetings of the Board of Directors and, if the Director for whom he is an alternate is a member of the Executive Committee, at meetings of the Executive Committee, but shall not be entitled to assume or perform the duties of any office of the Agency or Executive Committee held by the Director for whom he is an alternate.

SECTION 2. Meetings. The Board of Directors shall meet annually within the State of Florida at a time and place as determined by the Board of Directors. Special meetings of the Board of Directors may be held within or without the State of Florida. The By-laws may provide for regular meetings of the Board of Directors to be held within the State of Florida at times and places selected by the Board of Directors. Special meetings of the Board of Directors may be called by the Chairman or any two or more Directors in accordance with the By-laws.

SECTION 3. Quorum and Voting.

(a) The number of votes which each Director shall be entitled to vote on each matter submitted to a vote of the Board of Directors shall be determined in accordance with the following formula, based upon the kWh sales to ultimate retail consumers of the party represented by each Director as last reportable by each party to the Federal Energy Regulatory Commission. The number of such

votes shall be equal to the nearest whole number resulting from the following calculation:

$$N = 3 + 0.025A + 0.015B + 0.0015C$$

Where N = Number of votes

A = Million kWh sales to 300 million, inclusive

B = Million kWh sales between 301 and 800 million, inclusive

C = Million kWh sales over 800 million

(b) The number of votes held by each Director as of the time of adoption of this amendment to the interlocal Agreement is reflected on Schedule "A" attached hereto.

(c) The number of votes of each Director shall be recalculated annually. The revised schedule of votes shall be approved at each annual meeting and shall become effective as of the conclusion of the annual meeting at which it is approved and remain in effect until the conclusion of the next annual meeting of the Agency.

(d) A quorum exists at any meeting of the Board of Directors when a majority of the total votes of the Board of Directors is present at such meeting. If a quorum exists, a majority vote of the quorum shall be necessary to take any action except upon such matter as a vote of greater than a majority is required pursuant to this Agreement or the By-laws.

(e) All questions regarding project matters, except as otherwise provided herein, shall be decided by the Executive Committee. Within the decision-making process the individual needs and desires of the participants within the project shall be given the strongest consideration consistent with the best interest of all members of the Agency and all other projects of the Agency.

In order to facilitate the project decision-making process, a project administrative management committee for each project shall be appointed by the participants in the project. The project committee shall be comprised of no more than one representative from each member system participating in each project, with the total number of members on the project administrative management committee to be determined by the project committee. The project administrative management committee will also include as members a member of the Executive Committee appointed by the Chairman of the Executive Committee and a member of the Agency Staff responsible for the

coordination of the activities of that project. Each project administrative management committee will meet as necessary to discuss questions involving the administration of the project and will, through the Committee Chairman and Staff member, make recommendations to the Executive Committee regarding the policy decisions to be made about the project. The implementation of those policy decisions shall be the responsibility of the Agency Staff. A quorum exists at any meeting of any project committee or project administrative management committee when a majority of the total votes of the respective committee is present at such meeting, unless otherwise determined by the project committee. Each member system with a representative on the respective committee shall be entitled to one vote. If a quorum exists, a majority vote of the quorum shall be necessary to take any action, unless otherwise determined by the project committee.

The project related contract between the Agency and the participating member will include a provision by which the member recognizes that the Agency will be responsible for making all decisions with regard to the project.

SECTION 4. Executive and Other Committee. An Executive Committee consisting of the Chairman, Vice Chairman, or first Vice Chairman if there be more than one Vice Chairman, and such other directors as are provided for in the By-laws, shall hold and exercise such powers as are delegated to it by the By-laws or in writing by the Board of Directors. The Board of Directors or the Executive Committee may create other committees and shall decide the manner in which such other committees shall conduct their business.

SECTION 5. Resignations of Members of Board of Directors and Executive Committee. Any Director or Member of the Executive Committee may at any time resign his office by the delivery of his resignation in writing to the Agency (Attention: the Secretary), or as otherwise provided in the By-laws. Any such resignation shall be effective upon receipt, and acceptance thereof shall not be necessary to make it effective unless it so states.

SECTION 6. Vacancies on the Board of Directors and Executive Committee. Any vacancy on the Board of Directors shall be filled by the party who designated the Director by written notice to the Agency (Attention: the Secretary). The filling of any vacancy on the Board of Directors shall be effective upon receipt of such notice. Any vacancy on the Executive Committee shall be filled as provided for in the By-laws.

SECTION 7. By-Laws. The Board of Directors shall adopt By-laws governing rules of order and other subjects required for

the orderly conduct of the Agency's business within 30 days of the first meeting of the Board of Directors.

The original By-laws of the Agency shall be unanimously adopted by the Board of Directors. When a quorum exists at any meeting of the Board of Directors as specified in Article III, Section 3(d) of this Interlocal Agreement, amendments to the By-laws shall be adopted by a two-thirds (2/3) vote of such quorum at any meeting thereof or as otherwise provided in the By-laws.

ARTICLE IV

Officers

SECTION 1. Designation and Qualification. The officers of the Agency shall consist of a Chairman, a Treasurer, a Secretary, and such other officers, including one or more Vice Chairmen, Assistant Treasurers, Assistant Secretaries, as the Board of Directors may determine. The Chairman, any Vice Chairman, the Secretary and the Treasurer shall be Directors, but no other officer need be a Director. A person may hold more than one office at the same time except that the Chairman and the Secretary may not be the same person. The Treasurer and all Assistant Treasurers shall each give the Agency a bond for the faithful performance of his duties in such sum and with such surety or sureties as shall be determined from time to time by the Board of Directors.

SECTION 2. Election and Term. All officers of the Agency shall be elected by the Board of Directors, and they shall hold their office for a term of one (1) year, or as otherwise provided for in the By-laws.

SECTION 3. Chairman. The Chairman shall preside at all meetings of the Board of Directors at which he is present. The Chairman shall also have the powers and duties prescribed in the By-laws and such other powers and duties as may be expressly assigned to him by the Board of Directors.

SECTION 4. Vice Chairman. The Vice Chairman or Vice Chairmen, if any, shall have such powers and perform such duties of the Chairman as may be assigned to them by the Board of Directors or the Chairman. In the event of the absence, resignation, removal or incapacity of the Chairman, the Vice Chairman, if any, or if there be more than one Vice Chairman, the First Vice Chairman, shall have and exercise all the power and duties of the Chairman until such time as the Chairman is able to resume his duties or until such time as a new Chairman is elected by the Board of Directors.

SECTION 5. Treasurer and Assistant Treasurers. The Treasurer shall have, subject to the By-laws or the direction of the Board of Directors, general charge of the funds and financial affairs of the Agency and shall require to be kept full and accurate records thereof. He shall render to the Board of

Directors and the Executive Committee, at their regular meetings and such other times as they may determine, a statement of the financial condition of the Agency and a report of the financial transactions of the Agency. In the event of the absence, resignation, removal or incapacity of the Treasurer, the Assistant Treasurer, or if there be more than one, the First Assistant Treasurer, shall have and exercise all powers and duties of the Treasurer until such time as the Treasurer is able to resume his duties or until such time as a new Treasurer is elected by the Board of Directors.

In addition to the foregoing, any Assistant Treasurers shall be assigned such duties and powers of the Treasurer as the Board of Directors and/or the Executive Committee may determine.

SECTION 6. Secretary and Assistant Secretaries. The Secretary shall attend all meetings of the Board of Directors and shall record the proceedings thereof in books provided for that purpose. He shall notify the Directors of their meetings in accordance with the provisions of this Interlocal Agreement and the By-laws. In the event of the absence, resignation, removal or incapacity of the Secretary, the Assistant Secretary, or if there be more than one, the First Assistant Secretary, shall have and exercise the powers and duties of the Secretary until such time as the Secretary is able to resume his duties or until such time as a new Secretary is elected by the Board of Directors.

In addition to the foregoing, any Assistant Secretary shall be assigned such duties and powers of the Secretary as the Board of Directors and/or Executive Committee may determine.

SECTION 7. Resignation. Any officer may at any time resign his office by the delivery of a resignation in writing to the Agency (Attention: the Secretary). Such resignation shall be effective upon receipt, and acceptance thereof shall not be necessary to make it effective unless it so states.

SECTION 8. Removal of Officers. Any officer may be removed from office at any time by the Board of Directors in accordance with the By-laws.

ARTICLE V

Cash Contributions

Effective as of the commencement of the fiscal year of the Agency beginning October 1, 1980, each party of this Agreement shall make an annual, cash contribution to the Agency in an amount based upon its kWh sales to its ultimate retail consumers as last reportable by each party to the Federal Energy Regulatory Commission according to the formula set forth on Schedule "B" attached hereto; provided, however, that no party to this Agreement which has entered into a Power Supply Development Agreement with the Agency or has entered into an agreement evidencing its

participation in any other specific project of the Agency shall be required to pay any annual cash contribution to the Agency for any fiscal year of the Agency commencing after the execution of any such agreement and ending on or prior to September 30, 1982; provided, further, however, that the Board of Directors shall always have and retain the right to change the assessment policy of the Agency and to require cash contributions from the parties in accordance with the terms of a resolution changing such assessment policy and requiring cash contributions from the parties adopted at any annual meeting of the Board of Directors. After September 30, 1982, members receiving power from a project of the Agency will not be required to pay assessment payments under Schedule B, but in lieu thereof will pay an allocable portion of the project administrative costs of each project in which it is a participant and may, in addition, be required to pay a management fee as determined by the Executive Committee, not to exceed 0.5 mills per kilowatt hour sold to it by the Agency payable to the General Fund of the Agency for the development of future Agency projects.

ARTICLE VI

Miscellaneous Provisions

SECTION 1. Duration. This Interlocal Agreement shall continue in full force and effect, subject to the right to rescind this Interlocal Agreement and dissolve the Agency provided by Section 2 of this Article VI, until September 30, 2027, or until such later date as all bonds, notes or other evidences of indebtedness of the Agency and the interest thereon shall have been paid in full or adequate provision for such payment shall have been made in accordance with the instruments governing such bonds, notes or other evidences of indebtedness; however, any party, by written notice to the Agency and each of the other parties to this Agreement, may terminate its participation in this Agreement subject to any contractual obligations undertaken.

SECTION 2. Dissolution of the Agency. This Interlocal Agreement shall continue in full force and effect, and the Agency shall continue to possess the powers herein conferred upon it, until the parties shall have rescinded this Interlocal Agreement (in accordance with this Section 2) or it shall terminate (in accordance with Section 1 of this Article VI). Any such termination or rescission of this Agreement shall constitute a dissolution of the Agency. Rescission of this interlocal Agreement may only be accomplished by a writing or writings executed by each party and approved by resolution of each party's governing body. In no event shall this Interlocal Agreement or the powers herein granted to the Agency be rescinded until (a) all bonds, notes and other evidences of indebtedness of the Agency and the interest thereon shall have been paid or adequate provision for such payment shall have made in accordance with the instruments governing such bonds, notes and other evidences of indebtedness and (b) all contractual obligations undertaken by the Agency and all liens,

charges and encumbrances to which property of the Agency is subject shall have been satisfied, released or adequately provided for.

SECTION 3. Annual Budget. When a quorum exists at any meeting of the Board of Directors as specified in Article III, Section 3(d) of this Interlocal Agreement, the annual budget shall be amended and/or adopted, from time to time by a two-thirds (2/3) vote of such quorum at any meeting thereof.

SECTION 4. Liquidation. Upon dissolution of the Agency, the Board of Directors shall liquidate the business, assets and property of the Agency, as expeditiously as possible, and all property of the Agency, real, personal, tangible and intangible shall be distributed (a) in the case of property constituting a part of a project of the Agency, to the parties hereto participating in such project and in the manner set forth in Section 4 of Article II hereof, and (b) in the case of all other property of the Agency, the parties hereto will share in the proportion that each party's aggregate kilowatt hours of energy purchased from the Agency in the five years prior to dissolution bears to total kilowatt hours of energy purchased by all parties from the agency during that time.

SECTION 5. Audit. The Board of Directors shall at least once per year cause an independent audit to be made of the Agency's books and accounts by a certified public accountant.

SECTION 6. Effective Date. This Agreement shall be effective as to each party immediately at such time that it is executed by authority of the governing board or body of such parties.

SECTION 7. Construction. The provisions of this Agreement shall be given a liberal construction to effectuate its broad purposes. All references in this Interlocal Agreement to terms in the masculine shall also be deemed to include the feminine, and vice versa.

SECTION 8. New Members. The Board of Directors, to the extent authorized in the By-laws and applicable statutes, will permit any public entity operating a municipal electric system within the State of Florida to become a party to this Interlocal Agreement; provided, however, that no such public entity shall become a party hereto until (i) its admission is approved at a regular or special meeting of the Board of Directors and (ii) such public entity agrees to the conditions precedent to its membership as determined by the Board of Directors.

SECTION 9. Amendments. When a quorum exists at any meeting of the Board of Directors as specified in Article III, Section 3(d) of this Interlocal Agreement, this Interlocal Agreement may be amended by a two-thirds (2/3) vote of such quorum at any meeting thereof. A copy of all proposed amendments to be considered at any meeting of the Board of Directors shall be mailed

to each Director not less than ten (10) days prior to the meeting at which any proposed amendment shall be submitted to a vote.

SECTION 10. Statutory References. All references in this Interlocal Agreement to statutes of the State of Florida shall be deemed to refer to such statutes as presently enacted or hereafter amended and also to any statutes hereafter adopted by the State of Florida amending, modifying, replacing or expanding the scope of such statutes.

SECTION 11. Duplicate Originals. This Interlocal Agreement may be executed in several counterparts, each of which will be an original but all of which together shall constitute one and the same instrument.

SECTION 12. Severability. In the event that any of the terms, covenants or conditions of this Interlocal Agreement or their application shall be held invalid as to any person, corporation or circumstances by any court having jurisdiction, the remainder of this Interlocal Agreement and the application and effect of its terms, covenants or conditions to such persons, corporations or circumstances shall not be affected thereby.

The foregoing interlocal agreement was amended on September 29, 1989, to include changes made by:

Amendment Number Four, approved by the Board on 6/28/89.

Previous changes were made to the original interlocal agreement (and are incorporated herein) by:

Amendment Number Three, Approved on	6/23/86
Amendment Number Two, Approved on	3/27/81
Amendment Number One, Approved on	6/26/80

The original Interlocal Agreement was dated ?

Schedule A

FMPA MEMBER VOTING SCHEDULE

1989 - 1990

Member	1988 Retail kwh Sales	Number of Votes
Alachua	35,420,955	4
Bartow	199,372,936	8
Bushnell	12,936,130	3
Clewiston	76,417,141	5
Fort Meade	31,706,783	4
Fort Pierce	445,735,000	13
Gainesville	1,077,726,900	18
Green Cove Springs	73,450,757	5
Havana	15,219,316	3
Homestead	230,112,684	9
Jacksonville Beach	369,350,806	12
Key West	418,669,480	12
Kissimmee	510,353,238	14
Lakeland	1,928,889,005	20
Lake Worth	318,053,292	11
Leesburg	300,767,896	11
Moore Haven	10,854,104	3
Mount Dora	53,520,000	4
New Smyrna Beach	237,968,682	9
Newberry	20,251,401	4
Ocala	779,938,124	18
St. Cloud	154,670,010	7
Sebring	149,675,129	7
Starke	45,047,847	4
Tallahassee	1,606,093,815	19
Vero Beach	457,670,934	13
Wauchula	41,532,490	4
Williston	20,677,961	4
Total		248

Approved June 28, 1990

INTERLOCAL AGREEMENT CREATING THE
FLORIDA MUNICIPAL POWER AGENCY

Schedule B - Cash Assessments

Members not participating in an Agency project will be assessed each fiscal year to pay for the administrative costs of the Agency as follows:

- a) \$6.75 per million kWh for the first 300 million kWh
- b) \$4.05 per million kWh for the next 500 million kWh
- c) \$.39 per million kWh for all sales over 800 million kWh

The minimum assessment shall be \$500.00 and the maximum assessment shall be \$15,000. Members who are party to a Power Supply Development Agreement or who are participating in an Agency project shall not be required to pay a cash assessment.

Schedule B
Amended at Board of Directors Meeting January 13, 1984

RESOLUTION 91-B2
FMPA Board of Directors
May 24, 1991

A RESOLUTION OF THE BOARD OF DIRECTORS OF FLORIDA MUNICIPAL POWER AGENCY (I) DESIGNATING THE STANTON II PROJECT AS A PROJECT UNDER THE INTERLOCAL AGREEMENT; (II) ESTABLISHING THE POWER ENTITLEMENT SHARES OF THE PROJECT PARTICIPANTS IN THE STANTON II PROJECT; (III) APPROVING SEPARATE POWER SALES CONTRACTS BETWEEN FLORIDA MUNICIPAL POWER AGENCY AND EACH OF THE PROJECT PARTICIPANTS; (IV) APPROVING SEPARATE PROJECT SUPPORT CONTRACTS BETWEEN FLORIDA MUNICIPAL POWER AGENCY AND EACH OF THE PROJECT PARTICIPANTS; (V) APPROVING THE STANTON UNIT NO. 2 PARTICIPATION AGREEMENT BETWEEN FLORIDA MUNICIPAL POWER AGENCY AND THE ORLANDO UTILITIES COMMISSION (STANTON II PROJECT); (VI) TAKING CERTAIN OTHER ACTIONS; AND (VII) PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE FLORIDA MUNICIPAL POWER AGENCY:

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 II, Florida Statutes, as amended (collectively, the "Act").

SECTION 2. DEFINITIONS. When used in this Resolution, capitalized terms shall have the same meaning as that specified in the Power Sales Contracts, a form of which is attached hereto as Exhibit A unless otherwise provided herein or unless the context clearly requires otherwise.

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

3.01. Florida Municipal Power Agency ("FMPA") was formed pursuant to the Interlocal Agreement Creating the Florida Municipal Power Agency, as amended (the "Interlocal Agreement"), and the findings, determinations and declarations made in the preambles thereof are hereby reaffirmed and ratified.

3.02. 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 energy.

3.03. FMPA is authorized by the terms of the Act and the Interlocal Agreement, among other things (i) to plan, finance, acquire, construct, reconstruct, own, lease, operate, maintain, repair, improve, extend or otherwise participate jointly in any electric power supply project or projects or to acquire an interest in any such project or facilities (ii) to issue its bonds, notes or other evidences of indebtedness to pay all or part of the cost of acquiring joint electric power supply projects; and (iii) to exercise all other powers which have been or may be granted to FMPA under the laws of the State of Florida which may be necessary and proper to further the purposes of FMPA.

3.04. It is necessary and desirable and in the best interests of FMPA, the Project Participants (as defined in the Power Sales Contracts, a form of which is annexed hereto as Exhibit A) and the residents of the State of Florida (the "State") to whom the Project Participants furnish, supply or distribute electrical energy that FMPA enter into the Stanton Unit No. 2 Participation Agreement (Stanton II Project), dated as of May 24, 1991, (the "Stanton II Participation Agreement", a form of which is annexed hereto as Exhibit C) with Orlando Utilities Commission ("OUC"), pursuant to which FMPA will purchase an undivided interest in, and will be entitled to a portion of the Electric Capacity and Electric Energy derived from Stanton Unit No. 2 (as defined in the Power Sales Contracts).

3.05. It is necessary and desirable and in the best interests of FMPA, the Project Participants and the residents of the State to whom the Project Participants furnish, supply or distribute electrical energy, that FMPA take or cause to be taken all steps necessary for acquisition and construction of the Stanton II Project for the supply of Electric Capacity and Electric Energy to the Project Participants and sell the Electric Capacity and Electric Energy from the Stanton II Project pursuant to the Power Sales Contracts with the Project Participants.

3.06. It is necessary and desirable and in the best interests of FMPA, the Project Participants and the residents of the State to whom the Project Participants furnish, supply or distribute electrical energy that FMPA assure a continuity of payments for the Stanton II Project by providing support for the payment by FMPA of the cost of the Stanton II Project pursuant to Project Support Contracts, a form of which is attached hereto as Exhibit B, with the Project Participants to provide for the payment of costs relating to the Stanton II Project during such periods when such costs are not required to be paid pursuant to the terms of the Power Sales Contracts.

3.07. It is necessary and desirable and in the best interests of FMPA, the Project Participants and the residents of the State to whom the Project Participants furnish, supply or distribute electrical energy and the Board of Directors of FMPA desires to specify the Power Entitlement Share of each of the

Project Participants in the Stanton II Project, and to approve the terms of and authorize the execution and delivery of the Power Sales Contracts, the Project Support Contracts and the Stanton II Participation Agreement.

SECTION 4. DESIGNATION OF PROJECT, ESTABLISHMENT OF POWER ENTITLEMENT SHARES; PROJECT AGREEMENT.

4.01. There is hereby authorized the undertaking by FMPA of all actions necessary or desirable to acquire a 15.9962% undivided ownership interest in the equipment, structures and improvements which comprise the nominally rated 415 MW net coal fueled generating unit to be known as Stanton Unit No. 2, to be located in Orange County, Florida, including for such unit (i) the land delineated and described in Exhibit F to the Stanton II Participation Agreement and all land rights pertaining thereto, (ii) additions, improvements, renewals and replacements to said generating unit, (iii) the steam generator, turbine, electrical generator, precipitator, scrubber, cooling tower, chimney, transformers and associated subsystems and other systems or facilities as more particularly described on Exhibit A to the Stanton II Participation Agreement, (iv) an initial fuel inventory for use in connection with Stanton Unit No. 2, and (v) inventories of materials, supplies, fuel, tools and equipment for use in connection with Stanton Unit No. 2. Such interest, together with any Additional Facilities, and related contractual arrangements and agreements including arrangements and agreements for the transmission of Electric Capacity and Electric Energy is defined in the Power Sales Contracts as the Stanton II Project.

4.02. The Stanton II Project is hereby designated as a project under the Interlocal Agreement.

4.03. The Power Entitlement Share of each of the Project Participants is established as follows: Fort Pierce Utilities Authority--23.9521%; City of Homestead--23.9521%; Utility Board of the City of Key West--14.3713%; City of Lake Worth--11.9760%; City of Starke--1.7964%; and City of Vero Beach--23.9521%; provided, however, that such Power Entitlement Shares may be revised by resolution of the Board of Directors of FMPA at any time prior to the issuance of the Bonds.

4.04. This Resolution shall constitute a supplement to the Interlocal Agreement and shall be maintained by the Secretary of FMPA among the permanent records of FMPA.

4.05. The Interlocal Agreement, as supplemented by this Resolution, shall (with respect to the Stanton II Project) constitute "an agreement to implement a project" and a "joint power agreement", as those terms are used in Chapter 361, Part II, Florida Statutes, as amended.

SECTION 5. APPROVAL OF SEPARATE POWER SALES CONTRACTS AND SEPARATE PROJECT SUPPORT CONTRACTS.

5.01. The terms of the separate Power Sales Contracts to be entered into between FMPA and the Project Participants, in the form annexed hereto as Exhibit A, are hereby expressly approved.

5.02. The terms of the separate Project Support Contracts to be entered into between FMPA and the Project Participants, in the form annexed hereto as Exhibit B, are hereby expressly approved.

SECTION 6. APPROVAL OF THE STANTON II PARTICIPATION AGREEMENT. The terms of the Stanton II Participation Agreement, to be entered into between FMPA and OUC, in substantially the form annexed hereto as Exhibit C, with such additions and changes as any Authorized Officer of FMPA shall deem necessary or appropriate, are hereby expressly approved, such approval of such final form to be presumed by the execution thereof by any Authorized Officer of FMPA.

SECTION 7. DESIGNATION OF AUTHORIZED OFFICERS OF FMPA. The Chairman and Vice Chairman of FMPA, the Secretary-Treasurer, the Assistant Secretary-Treasurer, the General Manager and the Controller are each hereby designated as an Authorized Officer of FMPA for the purpose of executing and delivering the Power Sales Contract, the Project Support Contract, and the Stanton II Participation Agreement and taking any other actions authorized by this Resolution.

SECTION 8. FURTHER ACTIONS. Each Authorized Officer of FMPA is hereby authorized and empowered (i) to execute and deliver the Power Sales Contracts, the Project Support Contracts and the Stanton II Participation Agreement, and (ii) to execute and deliver, in the name of and on behalf of FMPA 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 Contracts, the Project Support Contracts, and the Stanton II 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 Contracts, the Project Support Contracts, and the Stanton II Participation Agreement.

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 affect the validity or enforceability of such remaining provisions.

SECTION 10. EFFECTIVE DATE. This Resolution shall take effect immediately upon its adoption.

APPROVED AND ADOPTED by the Florida Municipal Power Agency
on May 24, 1991.

Florida Municipal Power Agency

ATTEST:


Secretary


Chairman

PARTICIPATION AGREEMENT

BETWEEN

ORLANDO UTILITIES COMMISSION

AND

FLORIDA MUNICIPAL POWER AGENCY

(STANTON II PROJECT)

FOR THE

JOINT OWNERSHIP

OF

CURTIS H. STANTON ENERGY CENTER UNIT TWO

GENERATION PROJECT

PARTICIPATION AGREEMENT
BETWEEN
ORLANDO UTILITIES COMMISSION
AND
FLORIDA MUNICIPAL POWER AGENCY
(STANTON II PROJECT)

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PARTICIPATION AGREEMENT
BETWEEN
ORLANDO UTILITIES COMMISSION
AND
FLORIDA MUNICIPAL POWER AGENCY
(STANTON II PROJECT)

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EXHIBIT Z	FORM OF OPINION OF GENERAL COUNSEL TO FMPA OR SPECIAL COUNSEL TO FMPA

PARTICIPATION AGREEMENT

This AGREEMENT, dated as of June 26, 1991 is between the Orlando Utilities Commission, a statutory commission under the laws of the State of Florida, hereinafter referred to as "OUC" and Florida Municipal Power Agency, a legal entity organized and existing under the laws of the State of Florida, hereinafter referred to as "FMPA".

WHEREAS, OUC is an entity, created by the legislature of the State of Florida to undertake, among other things the construction, operation and maintenance of electric generation, transmission and distribution systems in order to meet the requirements of its customers; and

WHEREAS, FMPA is a legal entity organized under the laws of the State of Florida, empowered among other things to plan, finance, acquire, construct, reconstruct, own, lease, operate, maintain, repair, improve, extend or otherwise participate jointly with other legal entities in an electric project; and

WHEREAS, in order to meet the future power needs of their customers, to reduce the requirements for imported fuel oil, to realize savings in capital and operating costs, through economies of scale, by the installation of a larger and more efficient and economical steam-electric generating unit than would be undertaken by the Parties in separately owned and operated units, OUC and FMPA have determined that it is in their mutual best interest to join together in the construction, ownership and operation of the Curtis H. Stanton Energy Center Unit Two, coal fueled steam-electric power plant, hereinafter defined in greater detail and referred to as the "Project"

and to share both the costs and benefits to be realized from the Project; and

WHEREAS, the Parties desire to establish the terms and conditions relating to their ownership, as tenants in common, and the planning, financing, acquisition, construction, operation, maintenance and retirement of the Project; and

WHEREAS, the Parties hereto desire and intend to provide for the sale by OUC to FMPA of an undivided ownership interest in the Project in accordance with terms herein and to establish their respective rights and obligations with respect to the ownership, design, acquisition, construction, management, control, operation and maintenance of said generating unit and related facilities and other properties;

WHEREAS, the ownership interest to be acquired by FMPA herein is for the FMPA Stanton II Project;

NOW, THEREFORE, for and in consideration of the mutual covenants by them to be kept and performed, all as hereinafter set forth, OUC and FMPA hereby mutually agree as follows:

SECTION 1. DEFINITIONS.

The following terms, when used herein shall have the following meanings, unless the context otherwise indicates:

1.01 AFUDC means allowance for funds used during construction as used in the Uniform System of Accounts.

1.02 Allowance means an authorization by EPA to emit, during a specified calendar year, one ton of sulfur dioxide.

1.03 Available Net Generating Capability means Seasonal Net Generating Capability adjusted for losses in the generator transformer and in the main and auxiliary station service transformer(s) which, in addition, may be adjusted from time to time as appropriate to recognize operational constraints.

1.04 Capital Additions means, following the Commercial Operation Date, (1) any units of property which are added to the Project or the Common Facilities, (2) the betterment of any units of property constituting a part of the Project or the Common Facilities, and (3) the replacement or disposal of any units of property included in the Project or the Common Facilities, with other units of property. For purposes of this Agreement, certain Capital Additions shall be classified as Special Capital Additions defined as: Capital Additions estimated by OUC to cost \$100,000,000 or more. (See Paragraph 10.08(d) for possible variance of dollar amount).

1.05 Capital Additions Costs means all costs and expenses (except Construction Costs, Fixed Operating Costs, Variable Operating Costs and User Charges) for Capital Additions for the Project incurred after the Commercial Operation Date, and half of all costs and expenses (except Construction Costs, Fixed Operating Costs, Variable Operating Costs and User Charges) for Capital Additions for the Common Facilities incurred after the Commercial Operation Date.

1.06 Class A Common Facilities means the existing facilities on the SEC Unit One Site or the Stanton Energy Center Site, which are designed and intended to be used equally by SEC Unit One and SEC Unit Two. The Class A Common Facilities are more particularly described in Exhibit B.

1.07 Class B Common Facilities means the new facilities to be constructed on the SEC Unit One Site, SEC Unit Two Site or the Stanton Energy Center Site, which are designed and intended to be used equally by SEC Unit One and SEC Unit Two. The Class B Common Facilities are more particularly described in Exhibit C.

1.08 Commercial Operation Date means the date on which the Project is determined by OUC, after notification to FMPA, to be reliable as a source of electric capacity and energy.

1.09 Common Facilities means the Class A Common Facilities and Class B Common Facilities.

1.10 Construction Costs means all costs and expenses approved by OUC (except Fixed Operating Costs, Variable Operating Costs, Capital Additions Costs and User Charges) incurred in connection with the acquisition and construction of the Project and half of all costs and expenses approved by OUC (except Fixed Operating Costs, Variable Operating Costs, Capital Additions Costs and User Charges) incurred in connection with the acquisition and construction of the Class B Common Facilities including, but not limited to, the following items:

- (a) Preliminary investigation and development labor and other costs (excluding the costs of any feasibility studies and all costs relating to the negotiation of this Agreement, including professional and consulting fees and labor costs of the Parties),

licensing, certification, land and land improvement costs, engineering and contractor's fees, construction labor, materials and supplies, transportation costs, operator and other personnel training, testing (including all Fuel Costs during testing) and all other costs of the Parties that are properly allocable to the Project. Any receipts relating to construction shall be credited against Construction Costs except that there shall be no credit for receipts received for power produced prior to the Commercial Operation Date.

(b) All costs of insurance whether financed by premiums paid to an insurance company or via a self-insurance plan allocable to the Project and obtained pursuant to Section 9 hereof, and applicable to the period of construction.

(c) All costs relating to injuries and damage claims whether self-insured or insured which may be payable and paid arising out of the construction of the Project, less proceeds of insurance maintained under Section 9 hereof.

(d) All federal, state or local taxes imposed upon the Project and payments in lieu of taxes, during the construction period, except taxes assessed directly against one Party unless such taxes were assessed upon both Parties.

(e) All construction costs and expenses for the Common Facilities allocable to Stanton Unit Two after closing and before the Commercial Operation Date.

(f) All other costs incurred by OUC and FMPA directly applicable to the Project including, but not limited to:

(1) Payroll of employees, which can be directly assignable to the Project on an actual time basis including related employee benefit costs such as FICA taxes, unemployment insurance expense, group life insurance, group hospitalization and medical expense insurance, pension funding expense, workmen's compensation, long term disability and other insurance, and paid leave.

(2) Materials and supplies including related purchasing, handling and storage costs not including materials and supplies placed in inventory.

(3) Traveling expenses including use of company transportation equipment.

(4) Construction power costs.

(5) Other costs as noted in the Uniform System of Accounts excluding AFUDC.

1.11 External Facilities means all improvements, facilities, and structures, other than Project facilities and Common facilities, which are necessary for licensing, construction, start-up, operation, maintenance, control, supply, or shutdown of the Project. These facilities are owned by OUC. The External Facilities are more particularly described in Exhibit D attached hereto and may be revised from time to time by OUC to reflect modifications, deletions or additions which are necessary or appropriate to construct, operate or maintain SEC Unit One and SEC Unit Two in accordance with Prudent Utility Practice.

1.12 FERC means the Federal Energy Regulatory Commission and any successor thereto.

1.13 Fixed Operating Costs means all costs expenses and credits ([not including cash discounts] except Construction Costs, Variable Operating Costs, Capital Additions Costs and User Charges) incurred on or after the Commercial Operation Date necessary to manage, control, operate and maintain the Project (includes direct and allocable costs and expenses to Stanton Unit Two) and half of all costs and expenses (except Construction Costs, Variable Operating Costs, Capital Additions Costs and User Chargers) incurred on or after the Commercial Operation Date necessary to manage, control, operate and maintain the Common and External Facilities including, without limitation, that portion of administrative and general expenses incurred by OUC and determined to be allocable to the Project and the Common and External Facilities in accordance with Exhibit S and Station Service costs as defined in paragraph 12.09, provided, that any such costs and expenses associated with the Common or External Facilities shall be proportionately reduced to the extent they are properly allocable to future units or facilities constructed at the Stanton Energy Center Site.

1.14 FCG means the Florida Electric Power Coordinating Group.

1.15 FMPA Participating Members means each of the members of FMPA which, as of any date, shall have executed and delivered the FMPA Member Contracts relating to this project. A list of the FMPA Participating members as the date of execution of this Agreement is attached as Exhibit I to this Agreement.

1.16 FMPA Member Contracts means the Power Sales Contracts and Project Support Contracts entered into by FMPA with each FMPA Participating Member relating to the Project, copies of which have been delivered by FMPA to OUC upon execution and delivery of this Agreement, together with such additional contracts between FMPA and one or more of its members containing substantially similar terms, copies of which shall have been delivered to OUC pursuant to paragraph 7.01 of this Agreement.

1.17 Fuel means coal, oil, oil additives, natural gas and any other combustibles used in the firing and start-up of the steam generator.

1.18 Fuel Costs shall include all costs, charges, credits and recoveries incurred by OUC with respect to the acquisition and shipment or transportation of the Fuel allocated to SEC Unit Two, including but not limited to insurance, taxes, testing, analyses, leases and rentals, from the point of acquisition to: (i) the usage point for natural gas or (ii) the unloading point for other fuels at the Stanton Energy Center Site.

1.19 Intentional Wrongdoing means any action knowingly or intentionally taken or not taken by management personnel of a Party above the level of plant director (1) with intent to cause injury or damage to the person or property of the other Party to this Agreement, or (2) with the knowledge that such action taken or not taken constitutes a violation of a significant obligation to the other Party under this Agreement.

1.20 Inventory means spare parts, other than those designated as Replacement Property Units, owned by OUC, which can be used in connection with SEC Unit Two or with SEC Unit One and other generation units hereinafter constructed at the Stanton Energy Center Site.

1.21 Investments In The Project means the replacement value of each Party's Ownership Share of Construction Costs and Capital Additions Costs to date excluding any AFUDC and without deduction of an allowance for depreciation. The replacement value is to be determined by the application of the Handy-Whitman index to the Construction Costs and Capital Additions Costs. Plant accounts of the Parties are to be in accordance with the Uniform System of Accounts and accounts showing total costs shall be maintained by OUC.

1.22 Minimum Capability means the minimum generation at which the Project may be operated as determined by OUC, but not less than the minimum generation permitted by the manufacturer's recommendations.

1.23 Nameplate Rating means the guaranteed electrical output of the turbine generator when operated at nominal steam conditions, rated condenser back pressure and normal extraction steam flows.

1.24 Net Capacity Out Of The Project means the instantaneous power flow out of the Project which is equal to the instantaneous power flow measured at the generator terminals less the instantaneous power flow measured at the low side of the main and auxiliary station service transformers, adjusted for losses in the generator transformer and in the main and auxiliary station service transformers.

1.25 Net Energy Out Of The Project means the energy delivered from the Project which is equal to the energy measured at the generator terminals less the energy measured at the low side of the main and auxiliary station service transformers, adjusted for losses in the generator transformer and in the main and auxiliary station service transformers.

1.26 Normal Dispatch High Limit means the net capacity equal to or below the Available Net Generating Capability at which OUC deems it advisable to operate the Project so as to maintain control and enhance reliability.

1.27 Output means the Net Capacity Out of the Project and Net Energy Out Of The Project.

1.28 Ownership Share means the fractional share of the Project and Common Facilities specified in Section 3 hereof.

1.29 Parties means the signatories to this Participation Agreement, including their successors and assigns.

1.30 Prime Rate means for any calendar month the rate per annum reported in the Money Rates column of the Wall Street Journal (or the New York Times if the Wall Street Journal is not published on the specified day) on the last business day of the preceding month as the "Prime Rate", and the highest such rate if more than one is reported.

1.31 Project means the SEC Unit Two to be located on the SEC Unit Two Site plus the SEC Unit Two Site but not including Common and External Facilities. A more detailed description of the major Project facilities is included as Exhibit A hereto.

1.32 Project Costs means the following as defined herein:

1. Construction Costs
2. Fixed Operating Costs
3. Variable Operating Costs
4. Capital Additions Costs
5. User Charges

1.33 Prudent 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 to such time) 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, safety and expedition. Prudent Utility Practice is not intended to be limited to the optimum practice, method or act to the exclusion of all others, but rather to a spectrum of possible practices, methods or acts which could have been expected to accomplish the desired result at a reasonable cost consistent with reliability, safety and

expedition. Prudent Utility Practice includes due regard for, among other things, manufacturers' warranties and the requirements of governmental agencies of competent jurisdiction and the requirements of this Agreement and shall apply not only to the functional parts of the Project, but also to appropriate structures, landscaping, painting, signs, lighting and other facilities.

1.34 Replacement Property Unit means a significant spare part acquired and designated as such by OUC for SEC Unit Two or SEC Unit One which may be interchangeable with parts of other equivalent units hereinafter constructed at the Stanton Energy Center Site, but not included in the Inventory.

1.35 Seasonal Net Generating Capability means the net generating capability of SEC Unit Two established from time to time by OUC for summer and winter seasons. The Seasonal Net Generating Capability shall be established 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.

1.36 SEC Unit One means the Curtis H. Stanton Energy Center Unit One equipment, structures and improvements which comprise the nominally rated 415 MW net coal fueled generating unit or any replacement or reconstruction thereof. This includes the steam generator, turbine, electrical generator, precipitator, scrubber, cooling tower, chimney, transformers and associated subsystems. The SEC Unit One does not include the Common Facilities, SEC Unit Two, SEC Unit Two Site, SEC Unit One Site or External Facilities.

1.37 SEC Unit Two means the Curtis H. Stanton Energy Center Unit Two equipment, structures and improvements which comprise the nominally rated 415 MW net coal fueled generating unit or any replacement or reconstruction thereof pursuant to Section 15. This includes the steam generator, turbine, electrical generator, precipitator, scrubber, cooling tower, chimney, transformers and associated subsystems. The SEC Unit Two does not include the Common Facilities, SEC Unit One, SEC Unit Two Site, SEC Unit One Site or External Facilities.

1.38 SEC Unit One Site means the land on which the SEC Unit One and the related cooling tower are located.

1.39 SEC Unit Two Site means the land on which the SEC Unit Two and the related cooling tower are located as described in Exhibit F attached hereto.

1.40 Scrubber Additive Costs shall include all costs, charges, credits and recoveries with respect to the acquisition and shipment or transportation of the limestone or other scrubbing materials, including but not limited to insurance, taxes, testing, analyses and rentals, from the point of acquisition to the unloading point at the Stanton Energy Center Site.

1.41 Stanton Energy Center Site means certain land owned by OUC and/or the City of Orlando initially consisting of approximately 3200 acres, which surround the SEC Unit One Site and SEC Unit Two Site. The Stanton Energy Center Site is described in Exhibit E hereto and does not include the SEC Unit One Site or the SEC Unit Two Site.

1.42 Treasury Rate means for any calendar month the rate per annum reported in the Money Rates column of the Wall Street Journal (or the New York Times if the Wall Street Journal is not published on the specified day) on the last business day of the preceding month as the 13-week Treasury Bill.

1.43 Uniform System of Accounts means the FERC Uniform System of Accounts prescribed for Classes A and B Public Utilities and Licensees in effect on October 3, 1985, as the same may be amended from time to time.

1.44 User Charges means the monthly fees (other than Fixed and Variable Operating Costs and Capital Addition Costs) paid by FMPA after the Commercial Operation Date for the use of External Facilities, Inventory and Replacement Property Units. The User Charges are described in Paragraph 6.06 and Exhibits U, W and X.

1.45 Variable Operating Costs means all costs and expenses (except Construction Costs, Fixed Operating Costs, Capital Additions Costs and User Charges) incurred on or after the Commercial Operation Date which are directly related to the amount of energy produced by the Project. This initially includes Fuel Costs and Scrubber Additive Costs allocable to Stanton Unit Two and in the future may include any other operating cost which the Project Committee may recommend.

SECTION 2. REPRESENTATIONS AND WARRANTIES

2.01 REPRESENTATIONS AND WARRANTIES BY OUC. OUC hereby represents and warrants to FMPA as follows:

(a) OUC Organization. OUC is a statutory commission of the State of Florida duly organized, validly existing and in good standing under the laws of Florida and, as a part of the government of the City of Orlando, together with the City of Orlando, holds title to the undivided ownership interest in the Project owned by the City of Orlando hereunder and OUC has the requisite power and authority to execute and deliver this Agreement and to perform its obligations hereunder and to carry on its business as it is now being conducted and as it is contemplated by this Agreement to be conducted in the future.

(b) Authority Relative to this Agreement. The execution, delivery and performance by OUC of this Agreement have been duly authorized by all necessary action on the part of OUC and to the extent necessary by the City Council of the City of Orlando, do not contravene any law, or any governmental rule, regulation or order, applicable to OUC or its properties, the statutory authority of the Orlando Utilities Commission or the Charter of the City of Orlando, and do not and will not contravene the provisions of, or constitute a default under, any contract, resolution or other instrument to which OUC or the City of Orlando is a party or by which OUC or the City of Orlando is bound, except that the representations or warranties with respect to those actions and authorizations referred to in Paragraph 3.08(k) are limited to the provisions of that paragraph. All requisite

governmental and regulatory approvals and consents for the execution, delivery and performance by OUC of this Agreement and the sale and conveyance by OUC of the property to be sold and conveyed by it hereunder have been obtained, except for such approvals and consents related to the construction, operation or disposal of the Project as are not yet required to have been obtained. Exhibit J contains a list of all such approvals or consents which OUC knows will be required, but have not yet been obtained. No such approvals or consents are required of any vendors with whom OUC has entered into any contracts or orders in connection with the Project. This Agreement has been duly and validly executed and delivered by OUC and constitutes a legal, valid and binding obligation of OUC enforceable in accordance with its terms, except as limited by applicable bankruptcy, insolvency, reorganization or similar laws at the time in effect.

(c) Litigation. There are no actions, suits, inquiries known to OUC, investigations known to OUC or proceedings pending against OUC or, to OUC's knowledge, threatened against or affecting OUC before any court or administrative body or agency having jurisdiction over OUC, nor are there any petitions for referendum known to OUC to be pending, which might materially adversely affect the execution, delivery and performance of OUC under this Agreement.

(d) Title to Property. Immediately prior to and at the time of the Closing, OUC and the City of Orlando will be the owner

of good and sufficient fee simple title to all of the real property, and OUC will be the owner of all personal property to be conveyed to FMPA at Closing and to be retained by OUC and the City of Orlando after Closing, free and clear of all liens, mortgages, charges or other encumbrances.

(e) Other Matters. None of the materials, equipment or other property incorporated or to be incorporated into the construction of the Project or the Common Facilities, nor any other feature of the construction of the Project or the Common Facilities, are known to OUC to be materially defective and all material facts known to OUC relating to the construction, placement into commercial operation and expected operation of the Project have been disclosed to FMPA in a reasonable manner and within a reasonable time as such facts have become known to OUC.

(f) Financial Statements of OUC. OUC has delivered to FMPA the most recent audited financial statements of OUC and OUC is not aware of any material adverse change in its financial condition since the date of such audited financial statements.

(g) Future Events and Duty to Disclose. In the event any facts or circumstances become known to OUC, either before or after the Closing, which would materially alter or affect any of the foregoing representations or warranties to the date of Closing, OUC shall disclose such facts or circumstances to FMPA as soon as practicable but in no event later than the Closing if such facts or circumstances become known to OUC prior to the Closing.

(h) Survival of Representations and Warranties. All representations and warranties of OUC set forth in this Section shall expressly survive the Closing.

2.02 REPRESENTATIONS AND WARRANTIES OF FMPA. FMPA hereby represents and warrants to OUC as follows:

(a) FMPA's Organization. FMPA is a legal entity duly organized, validly existing and in good standing under the laws of the State of Florida and has the requisite power and authority to own the undivided ownership interests in the Project to be transferred pursuant to this Agreement, to execute and deliver this Agreement and to perform its obligations hereunder and to carry on its business as it is now being conducted and as it is contemplated by this Agreement to be conducted in the future.

(b) Authority Relative to this Agreement. The execution, delivery and performance by FMPA of this Agreement have been duly authorized by all requisite action by FMPA, do not contravene any law, or any governmental rule, regulation or order applicable to FMPA or its properties, or the Interlocal Agreement Creating the Florida Municipal Power Agency, as amended, or by By-Laws of FMPA and do not and will not contravene the provisions of, or constitute a default under, any contract, resolution or other instrument to which FMPA is a party or by which FMPA is bound. All requisite governmental and regulatory approvals and consents for the execution, delivery and performance by FMPA of this Agreement and the purchase by FMPA of the property to be purchased hereunder have been obtained as are required to be obtained as of the date hereof, and FMPA knows of no such additional approval or

consents required to be obtained by it hereafter in order to perform its obligations hereunder. This Agreement has been duly and validly executed and delivered by FMPA and constitutes a legal, valid and binding obligation of FMPA enforceable in accordance with its terms, except as limited by applicable bankruptcy, insolvency, reorganization or similar laws at the time in effect.

(c) Authority Relative to FMPA Member Contracts. The execution, delivery and performance by FMPA of each of the FMPA Member Contracts have been duly authorized by all requisite action by FMPA, do not contravene any law, or any governmental rule, regulation or order, applicable to FMPA or its properties, or the Interlocal Agreement Creating the Florida Municipal Power Agency, as amended, or the Bylaws of FMPA and do not and will not contravene the provisions of, or constitute a default under, any contract, resolution or other instrument to which FMPA is a party or by which FMPA is bound. All requisite governmental and regulatory approvals and consents for the execution, delivery and performance by FMPA of the FMPA Member Contracts have been obtained except for such approvals and consents as are not yet required to have been obtained. The FMPA Member Contracts have been duly and validly executed and delivered by FMPA and, assuming due authorization, execution and delivery by the FMPA Participating Members, constitute legal, valid and binding obligations of FMPA enforceable in accordance with its terms, except as limited by applicable bankruptcy, insolvency, reorganization or similar laws at the time in effect.

(d) Litigation. There are no actions, suits, inquiries known to FMPA, investigations known to FMPA, or proceedings pending against FMPA or, to FMPA's knowledge, threatened against or affecting FMPA before any court or administrative body or agency having jurisdiction over FMPA, nor are there any petitions for referendum known to FMPA to be pending, which might materially adversely affect the ability of FMPA to perform its obligations under this Agreement or any FMPA Member Contract.

(e) Financial Statements of FMPA. FMPA has delivered to OUC the most recent audited financial statements of FMPA and FMPA is not aware of any material adverse change in its financial condition since the date of such audited financial statements.

(f) Financial Statements of FMPA Participating Members. FMPA has delivered to OUC the most recent audited financial statements of each of the FMPA Participating Members relating to its electric or integrated utility system, together with a certificate executed on behalf of, or a certified copy of a resolution adopted by, each such FMPA Participating Member to the effect that such FMPA Participating Member is not aware of any material adverse change in the financial condition of its electric or integrated utility system since the date of such audited financial statements.

(g) Future Events and Duty to Disclose. In the event any facts or circumstances become known to FMPA, either before or after the Closing, which would materially alter or affect any of the foregoing representations or warranties to the date of Closing, FMPA shall disclose such facts or circumstances to OUC as soon as practicable but in no event later than the Closing if such facts or circumstances become known to FMPA prior to the Closing.

(h) Survival of Representations and Warranties. All representations and warranties of FMPA set forth in this Section shall expressly survive the Closing.

SECTION 3. SALE TO FMPA; CLOSING.

3.01 Ownership Interest. Upon completion of the Closing, the Parties shall own and have title to the Project and the Common Facilities as tenants in common with an undivided interest therein shall, subject to the terms of this Agreement, have the related rights and obligations, including without limitation the obligation for payment therefore, and shall be entitled to Output as follows:

	<u>Ownership Share</u>
OUC	84.0038%
FMPA	15.9962%

The Ownership Shares of the Parties are subject to change as provided or permitted under Sections 6, 15, 16 and 19 of this Agreement. In the event such Ownership Shares do so change, the Parties agree to take all action (including without limitation, the execution and delivery of deeds, assignments and other documents and the seeking of all regulatory approval or consent to such change) legally necessary to confirm such change. In the event that any other entity acquires an Ownership Share of the Project and the Common Facilities, an appropriate amendment and restatement of this Agreement shall be entered into among the Parties hereto and any such other entity to reflect the changes required for this Agreement to accommodate such entity as an additional Party hereto.

It is recognized by the Parties that the Ownership Share of OUC in the real property of the Project and the Common Facilities is held in the name of OUC and/or the City of Orlando. All references to the ownership of OUC in any such real property shall include the City of Orlando to the extent of its record title interest.

3.02 Property to be Conveyed to FMPA. Subject to the terms and conditions herein OUC will sell to FMPA and FMPA will purchase from OUC a

15.9962% undivided Ownership interest in the Project and the Common Facilities as a tenant in common with OUC. This conveyance shall include all improvements acquired, constructed, installed or stored in connection with the Project and the Common Facilities, and all property to be acquired, constructed, installed or stored in connection with the construction and operation of the Project and the Common Facilities. The conveyances of the SEC Unit Two Site and the conveyances of tangible personal property will be on a General Warranty Deed and Bill of Sale in substantially the form attached hereto as Exhibit M. The assignment of contract rights will be in substantially the form attached hereto as Exhibit H. OUC shall also furnish to FMPA evidence satisfactory to FMPA that OUC is the owner of good and sufficient fee simple title to all real property to be conveyed to FMPA free and clear of all mortgages and other liens, charges and encumbrances. The evidence of title to real property shall be furnished in accordance with the further provisions of this Agreement. FMPA shall rely on the warranties of title to the General Warranty Deed and Bill of Sale as evidence of title to all personal property.

3.03 Purchase Price. At the Closing, FMPA shall pay to OUC for the property to be purchased by it pursuant to Paragraph 3.02 an amount equal to the sum of (a) 15.9962% of the Construction Costs paid through the Closing for the Project plus (b) an interest allowance for funds used by OUC on the foregoing costs to be paid by FMPA to the date of Closing computed in accordance with the formula described in Exhibit T, plus (c) \$10.00 representing the price of the easement to be conveyed pursuant to Paragraph 3.05, plus (d) \$11,517,264 for the participation fee for SEC Unit Two to be used by OUC to lower their construction costs and rates to their customers, plus (e) 15.9962% of half of the depreciated book value at closing of the Class A Common Facilities.

3.04 Computation and Adjustments to Purchase Price. At least 60 days prior to sale of bonds by FMPA (upon 30 days notice to OUC) and again prior to Closing, OUC shall furnish FMPA a statement showing the estimated Construction Costs paid and to be paid through the date of the Closing, broken down into major categories and supported by detail reasonably adequate for the purpose of FMPA's review thereof, and shall include, without limiting the generality of the foregoing, information demonstrating the basis for any allocation of expenses. Such statement shall also include an opinion from its independent auditors stating that OUC maintains its electric plant construction general ledger accounts in accordance with the Uniform System of Accounts and that the portion of such Construction Costs actually paid was compared to and conforms with the general ledger accounts of OUC (excluding any recorded amount which is not included within the term Construction Costs) provided, however, that such estimated Construction Costs is subject to adjustment based upon the actual Construction Costs paid through the date of the Closing.

The purchase price pursuant to Paragraph 3.03 shall be payable to OUC at Closing in immediately available funds in a manner mutually agreed to by the Parties. FMPA and OUC shall have twenty-four (24) months after the Closing or after the furnishing to FMPA of an accounting by OUC of Construction Costs through the date of Closing, whichever occurs later, to question or contest the correctness of the purchase price paid by FMPA pursuant to this Section after which time the correctness of such purchase price shall be conclusively presumed. Notice of any objection to the purchase price shall be subject to the procedures set forth in Section 18 of this Agreement. In the event it is determined by agreement of the Parties or a final order in any appropriate legal proceeding that there was an error in the

purchase price, within thirty days of the date of such determination OUC shall reimburse FMPA or FMPA shall make payment to OUC, as the case may be, in the amount charged or failed to be charged in error. Any such reimbursement by OUC to FMPA shall be made in immediately available funds with interest calculated from the date of the Closing to the date of reimbursement at an annual rate equal to the Treasury Rate at the date of the Closing. Any such payment by FMPA to OUC shall be made in immediately available funds with interest calculated from the date of the Closing to the date of payment at an annual rate equal to the Treasury Rate at the date of the Closing.

3.05 Easements to be Conveyed to FMPA. Simultaneously with the Closing, OUC shall convey to FMPA nonexclusive easements over the Stanton Energy Center Site for ingress and egress to the Project and Common Facilities and ingress and egress to the External Facilities for the purpose of inspection only. The use of the nonexclusive easements are subject to the further provisions of this Agreement. The form of the easements is set forth in the form of the Warranty Deed and Bill of Sale in Exhibit M. Such easements shall be reconveyed by FMPA at such time as the Project is permanently retired or abandoned by the Parties or in the event FMPA is divested of its Ownership Share after default.

3.06 Date of Closing. The closing of the sales and conveyances contemplated by this Agreement ("the Closing") will take place as soon as practicable after all conditions precedent specified in Paragraph 3.08 of this Section have been fulfilled. In no event shall the Closing be held prior to sixty (60) days after a final non-appealable order is obtained by FMPA validating the bond issue which FMPA shall need to purchase its Ownership Share in the Project and to fund all of its other obligations for construction of the Project. If the Closing has not occurred by June 30, 1992

this Agreement and all further obligations of the Parties hereunder shall terminate on such date unless extended by written agreement of the Parties, provided that the date of the Closing shall be automatically extended if all other conditions precedent to Closing can be satisfied, or have been waived and (i) if either party shall have commenced a bond validation proceeding in connection with the issuance by such Party of bonds or other indebtedness to finance its obligations under this Agreement within 90 days after the date of execution and delivery of this Agreement, and such Party has continually and diligently pursued final judgment in such bond validation proceeding, and such Party is unable to close prior to July 1, 1992 as a result of the pendency of such bond validation proceeding or because such proceeding has been concluded less than 60 days prior to July 1, 1992 or (ii) if OUC has been unable to obtain all requisite approvals or consents from or by the City of Orlando in connection with this Agreement. The automatic extension of the Closing date is conditioned upon execution and delivery of this Agreement by the Parties on or before July 1, 1991. The automatic extension shall be for a period of sixty days after the last event described in (i) or (ii) has occurred but in no event beyond September 30, 1992, unless extended in writing by both Parties.

3.07 Future Conveyances. From time to time after the Closing, OUC and FMPA shall execute and deliver such other instruments of conveyance and transfer as may be necessary or appropriate or as either Party may

reasonably request to vest in FMPA the undivided ownership interest in and to the Project and the other interests required to be conveyed pursuant to Paragraphs 3.02 and 3.05 of this Section.

3.08 Conditions Precedent to the Closing. The obligation of OUC to make the conveyances to FMPA required pursuant to Sections 3.02 and 3.05 and the obligation of FMPA to make the payment pursuant to Section 3.03 are subject to the fulfillment, prior to or at the Closing, of the following conditions or the waiver of such conditions in writing by all Parties hereto:

(a) Neither Party shall have discovered any material error or omission in the representations or warranties made by the other Party in this Agreement.

(b) The chief financial officer or other appropriate officer of OUC and FMPA shall each have delivered a certificate to the effect that there shall have been no material adverse change in their respective financial conditions since the dates of their respective audited financial statements delivered pursuant to Paragraphs 2.01(f) and 2.02(e).

(c) The chief financial officer or other appropriate officer of each FMPA Participating Member shall have delivered a certificate either (i) describing any material adverse change in the financial condition of their respective electric or integrated utility systems since the dates of their respective audited financial statements delivered pursuant to Paragraph 2.02(f), or (ii) stating that no such change has occurred. As a condition precedent to Closing, the sum of the Project Entitlement Shares

(as defined in the FMPA Member Contracts) of those FMPA Participating Members that deliver certificates in the form described in clause (i) of this subparagraph shall not exceed 15 percent.

(d) At the Closing, each Party shall execute and deliver a certificate by a duly authorized officer, dated as of the date of Closing, which restates that all representations and warranties are true and correct as of the date of Closing. The form of such certificate is attached hereto as Exhibit O and by reference made a part hereof.

(e) Counsel for each Party (Moore, Williams, Bryant, Peebles & Gautier as to FMPA and Gurney & Handley as to OUC) shall furnish an opinion as to all matters contained within the representations and warranties relating to the organization of each Party (Sections 2.01 (a) and 2.02 (a)), the authority relative to, and the validity and enforceability of, this Agreement and, in the case of counsel to FMPA Member Contracts (Sections 2.01 (b) and 2.02 (b) and (c)) and litigation (Sections 2.01 (c) and 2.02 (d)). The form of counsels' opinions is attached hereto as Exhibits P and Q and by reference made a part hereof.

(f) Counsel for each of the FMPA Participating Members shall have delivered an opinion, dated the Closing date and addressed to OUC, or addressed to FMPA but furnished to OUC with a statement indicating that OUC may rely on such opinions as if addressed to OUC, as to certain matters relating to the FMPA Participating Members and the FMPA Member Contracts, substantially in the form of Exhibit Y to this Agreement.

(g) General Counsel to FMPA, Bond Counsel to FMPA or other Special Counsel to FMPA of recognized standing in matters of public utility finance shall have delivered an opinion, dated the Closing date and addressed to OUC, or addressed to FMPA but furnished to OUC with a statement indicating that OUC may rely on such opinion as if addressed to OUC, as to certain matters relating to the FMPA Member Contracts, substantially in the form of Exhibit Z to this Agreement.

(h) OUC shall have assigned to FMPA a beneficial interest to the extent permitted by law in all regulatory approvals, licenses and permits necessary for the construction and operation of the Project which have been obtained by OUC prior to the Closing by executing and delivering to FMPA an assignment with respect thereto in the form of Exhibit L.

(i) FMPA shall have obtained the net proceeds from the issuance and sale of its bonds or notes adequate to finance the purchase price stated herein (see Paragraph 3.03).

(j) FMPA shall have written commitments for transmission service arrangements with OUC and one or more Florida utilities enabling its Ownership Share of the Output of the SEC Unit Two to be transmitted from the high voltage terminal of the generator transformer to each of FMPA's Participating Members listed on Exhibit I hereto.

(k) Completion of all actions and authorizations required to be taken or given by the City of Orlando incident to the acquisition of the real property and interests in real property required for the Project, the Common Facilities and the External Facilities (including condemnation proceedings) and the transfer to FMPA of the City's interest in that portion of the property to be conveyed to FMPA. If said actions have been completed and said authorizations have been obtained, at Closing OUC shall give FMPA a certificate executed by an appropriate officer of OUC representing and warranting that all such actions and authorizations of the City of Orlando have been taken or given.

(l) Each of the Parties shall have delivered certified copies of official proceedings, relevant orders of governmental authorities and other documentation evidencing the truth and accuracy of the representations and warranties set forth in Paragraphs 2.01 and 2.02 as counsel for each Party shall reasonably require.

(m) OUC shall not have materially altered the planning, engineering or construction schedule of the Project or cancelled the Project.

The Parties agree to pursue the accomplishment of all conditions precedent to Closing in good faith with due diligence. If any condition precedent to Closing is not accomplished by either Party after acting in good faith and with due diligence, the condition precedent not accomplished may be waived by both Parties and the Closing will proceed or, in the alternative, this Agreement will be terminated and both Parties will be relieved of further obligations and rights under this Agreement.

3.09 "As Is" and "Where Is" Transaction. FMPA's undivided ownership interest in the Project is to be transferred or conveyed at the Closing by OUC to FMPA "as is" and "where is." OUC makes no representation or warranty whatsoever, express, implied or statutory, as to the value, quantity, quality, condition, saleability, obsolescence, merchantability, design, engineering, construction, fitness or suitability for use or working order of all or any part of the Project, wherever situated and in whatever state of development, design, engineering, manufacture or construction, except those representations and warranties included expressly in this Agreement and in the Warranty Deed and Bill of Sale set forth in Exhibit M hereto, nor does OUC represent or warrant that the use or operation of the Project will not violate patent, trademark or servicemark rights of any third parties. FMPA is willing to acquire its interest in the Project in accordance with the terms and conditions of this paragraph.

3.10 Interim Arrangements. Prior to the Closing, OUC shall be the exclusive owner of the Project and shall have full and complete control of the Project and shall have the plenary power and right to commence, continue, suspend, reschedule or cancel planning, engineering, construction and other work on the Project. Prior to the Closing, FMPA shall have no obligation to make the payments provided for in Section 6.

SECTION 4. OWNERSHIP RIGHTS, OBLIGATIONS AND LIABILITIES.

4.01 Regulatory Approval, Licenses and Permits. OUC shall promptly and with all due diligence, take all necessary actions and seek all regulatory approvals, licenses and permits necessary for the construction and operation of the Project. A list of such licenses, permits and approvals obtained by OUC prior to the effective date of this Agreement is attached as Exhibit K and made a part hereto. FMPA shall take all actions reasonably necessary to assist OUC in obtaining any regulatory approvals, licenses and permits.

4.02 Joint Interest in Regulatory Approvals, Licenses and Permits. OUC shall assign to FMPA a beneficial interest, to the extent permitted by law, in all regulatory approvals, licenses and permits necessary for the construction or operation of the Project which shall be obtained by OUC after the Closing by executing and delivering to FMPA an assignment in the form of Exhibit L hereto with respect to each such approval, license or permit promptly after receipt thereof. A list of all regulatory approvals, licenses and permits necessary for the construction or operation of the Project which have been applied for by OUC, but not yet obtained, prior to the effective date of this Agreement shall be furnished by OUC to FMPA at least 30 days prior to the Closing.

4.03 Right to Contract. OUC shall have the right, subject to the further provisions of this Agreement, to enter into contracts, agreements and any other commitments for the expenditure of funds toward the construction and operation of the Project. OUC shall have the right to bind and obligate itself and FMPA, as FMPA's agent, each in proportion to its Ownership Share, for the costs incurred by said contracts, agreements and other commitments. FMPA shall have the right to review all such contracts to the extent set forth in the further provisions of this Agreement.

4.04 Duties to Discharge Obligations. The Parties hereby covenant and agree to bear their respective obligations relative to all of the said commitments and to pay the said costs as they become due.

4.05 Limitation on Ability to Bind Parties. Neither Party shall have the right or power to bind the other Party without its written consent, except as expressly provided in this Agreement. Each Party shall severally bear its Ownership Share of all obligations under this Agreement.

4.06 Right to Enter Project. Subject to the provisions of Paragraph 3.05, FMPA shall have the right, at reasonable times and upon reasonable notice, to go upon and into the Project, and the Common Facilities to inspect such facilities, subject to such reasonable conditions as OUC may impose.

4.07 Designation of OUC as Agent for FMPA. In order to provide unified management of the Project, FMPA authorizes and designates OUC, and OUC agrees to so act, as its agent to construct and operate the Project under the terms of this Agreement and, except as otherwise provided in this Agreement, the Parties agree that OUC shall have sole possession and control of the Project for the Parties subject to the provisions of Paragraph 4.06 and shall have sole authority, subject to the provisions of Paragraph 20.01, for the planning, design, engineering, licensing, acquisition, construction, operation, insuring, maintenance, repair, renewal, replacement, improvement, modification, decommissioning, disposal and retirement of the Project in accordance with Prudent Utility Practice and OUC agrees to discharge all its obligations under this Agreement in accordance with Prudent Utility Practice. OUC shall also have sole authority and responsibility for the pursuit and defense of claims and causes of action of any kind brought by or against any third party relating to any of the matters referred to in the immediately

preceding sentence, including without limitation, the filing or defense of suits (including appeals thereof) and the settlement of claims and suits.

4.08 Non-Compensation Agreement. Except as provided in Paragraphs 11.03, 16.07 and 19.16, in the construction, operation, and retirement of the Project, each Party shall act without compensation other than payment or reimbursement of costs and expenses as provided herein.

4.09 Limitation of Liability. Except to the extent such liability is discharged by applicable insurance and except as otherwise provided in this Paragraph 4.09 or Paragraph 16.03 with respect to a Payment Default (as hereinafter defined), the Parties shall not be liable to each other (or to any other Party who may acquire an ownership interest in the SEC Unit Two past or future) for any loss, cost, damage or expense incurred by such Party as the result of any action or failure to act, whether negligent or otherwise, by any other Party to this Agreement in carrying out the provisions of this Agreement. Nothing herein shall be construed to limit the liability of either Party in connection with the construction, maintenance or operation of any generation, transmission or distribution systems located outside the Stanton Energy Center Site. Each Party to this agreement shall be liable to the other Party for any such loss, cost, damage or expense suffered by the other Party relating to the Project which is the direct result of and is proximately caused by its Intentional Wrongdoing, provided, however, in the event of its Intentional Wrongdoing, any Party shall be liable to the other Party only for all direct damages and provided, further, that, in the event OUC voluntarily ceases to operate the Project or reduces the output from the Project available to FMPA for either of the reasons specified in Paragraph 12.14, FMPA's sole remedy shall be as specified in such Paragraph 12.14.

Nothing in this Paragraph 4.09 shall be construed to limit the right of either Party to enforce the provisions of this Agreement by specific performance or injunction.

All reasonable attorney's fees and related expenses incurred by the prevailing Party in any litigation or arbitration between the Parties with respect to matters arising under this Agreement shall be borne by the nonprevailing Party, unless the court or arbitrator shall specify some other apportionment thereof.

Except to the extent of all applicable insurance proceeds, all liability to third parties relating to the Project, all costs and expenses relating thereto, and all costs incurred in connection with investigating, defending and settling claims by third parties (including counsel fees) shall be borne by the Parties in proportion to their respective Ownership Shares and no Party shall be entitled to indemnification from the other Party in connection therewith, irrespective of whether any action or inaction (whether intentional or negligent) of either such Party gave rise to such liability to third parties, provided, however, that in the event either Party fails to make timely payment of any amount due and payable by it hereunder (a "Payment Default), such Party shall be solely responsible for, and shall indemnify the other Party against, all liability to third parties (including, without limitation, any liability for damages whether or not direct or proximate damages, or any penalties such as contract penalties or any escalation in contract prices) incurred as a result of such Payment Default.

For purposes of this Paragraph 4.09 only, the term "Project" shall be deemed to include only a pro rata portion of the Common and External Facilities (determined by comparing the nameplate capacity of the SEC Unit Two, to the aggregate nameplate capacity of all other generating units then constructed at the Stanton Energy Center Site).

4.10 Right to Rescind Participation Agreement. If all necessary State of Florida and Federal licenses and permits required to be obtained as of the Closing for the construction of the Project have not been obtained on or before Closing, then FMPA at its option shall be released from its obligations under this Agreement, provided such request is received, in writing, by OUC not less than 10 days prior to the date initially scheduled for Closing.

4.11 Option in Future Facilities. If, in the future, FMPA determines to construct a steam-electric generating facility of 400 MW net capacity or larger, OUC shall have the first option to become a joint owner of at least an amount of capacity equivalent to FMPA's Ownership Share of the Project. Such option shall be exercised by written notice to FMPA within 120 calendar days from the receipt of written notice that such facility will be constructed and if not exercised within such time period, will expire. This option applies only to the second such facility built by FMPA after the date of execution of this agreement. OUC has an option on the first such facility from a previous Participation Agreement. The terms of the option shall be substantially the same as the terms of this Agreement except as may be clearly inapplicable or except as may otherwise be agreed to by the Parties.

4.12 Compliance with Clean Air Act Amendments of 1990. SEC Unit 2, is a new utility unit according to the terms and conditions of the Acid Deposition Control title of the Clean Air Act as amended in 1990. Being a new unit, it is not eligible for an annual allocation of sulfur dioxide allowances. Therefore, all allowances for the operation of SEC Unit 2 must be

obtained on an annual basis from any person in accordance to the Acid Deposition Control title of the Act.

Beginning January 1, 2000 and each year thereafter, it is unlawful for an affected utility unit to emit an annual tonnage of sulfur dioxide in excess of the number of allowances held for the unit by the unit's owners. Each party shall be responsible, not later than December 1 of each calendar year, for allowances for each ton of sulfur dioxide emitted by Stanton Unit Two for such calendar year. The obligation for allowances shall be in proportion to each party's ownership share. OUC shall provide FMPA with an estimate of the allowances required for the next calendar year by May 1st of each year. OUC shall also provide a planning estimate for the subsequent future years of allowances requirements.

OUC shall take all necessary action to seek regulatory approvals, licenses and permits necessary for compliance with the Clean Air Act Amendments of 1990. FMPA shall take all actions reasonably necessary to assist OUC in obtaining the necessary approvals, licenses and permits.

Each party shall be liable for present and future costs of compliance to include allowances, fees and any penalties necessary to comply with the provisions of the Clean Air Act Amendments of 1990 in proportion to each party's ownership share.

4.13 Allocation Adjustments. Should Stanton Unit One be retired or abandoned before Stanton Unit Two the allocations in this Contract will be adjusted to reflect the retirement or abandonment of Stanton Unit One.

Should a future unit(s) be built on the Stanton Energy Center Site which uses the Common Facilities for operation, the Owners of the future unit(s) will purchase the pro-rata shares of the Common Facilities (based on the ratio of nameplate ratings or usage of the Common Facilities) from the current Owners at the depreciated book value.

Should a future unit(s) be built on the Stanton Energy Center Site which uses the External Facilities for operations, the User Charge for the External Facilities will be calculated allocating a pro-rata share of the External Facilities (based on the ratio of nameplate ratings or usage of the External Facilities) to the future unit(s).

SECTION 5. DESIGN, ENGINEERING AND CONSTRUCTION RESPONSIBILITY.

5.01 Duty to Retain Engineering Firm. OUC agrees to retain on a continuous basis a nationally recognized engineering firm until the Project has been completed to perform professional engineering services related to the Project. OUC shall use all reasonable efforts to cause the engineer to perform all its obligations.

5.02 Installation and Completion of Project. The Project and Class B Common Facilities shall be installed and completed by OUC as herein provided. OUC for itself and for FMPA shall have the responsibility for providing for the supervision of the construction of the Project, as hereinafter set forth. Contracts related to construction of the Project shall be entered into in accordance with applicable law.

5.03 Construction. The Project shall, in compliance with Section 19.13, be constructed at a reasonable cost, in accordance with Prudent Utility Practice and in a prudent and skillful manner in accordance with standards prevailing in the industry for projects of a similar size and nature, and substantially in accordance with the description of the Project set forth in Exhibit A. The Project shall substantially conform to designs, plans, specifications and construction schedules which have or will be made available to FMPA upon request as such are available. It is intended that the contracts for purchase of equipment and construction of the Project will be scheduled so as to meet a date not later than November 1, 1996 for initial test and operation of the project, and a date not later than January 1, 1997

for Commercial Operation Date of the Project. OUC agrees to use its best efforts to complete the Project in a timely fashion with due regard for the scheduled Commercial Operation Date of the Project.

5.04 Contracts Entered Into Prior to Participation Agreement.

OUC has heretofore entered into agreements, purchase contracts and orders in its own name providing for the purchase of materials, equipment and services for the Project as described in Exhibit G attached hereto. OUC shall appropriately inform the parties to such agreements, contracts and orders and shall use reasonable efforts to have FMPA become a party to all warranties and other guarantees contained in such agreements, contracts and orders. OUC shall provide FMPA with copies of all documents evidencing any such transfers. FMPA hereby ratifies and confirms all contracts entered into by OUC in connection with and relating to the Project and assumes several liability therefor in proportion to its Ownership Share.

5.05 Contracts Entered Into After the Participation Agreement.

After the date of Closing, OUC shall, with reasonable expedition on its own behalf and as agent for FMPA, enter into agreements, purchase contracts and orders providing for the purchase of materials, equipment and services for the Project. OUC shall on its own behalf and as agent for FMPA continue to incur obligations and make expenditures relating to the engineering and other services necessary for continued Project planning and engineering. Any such contracts entered into after the date of the Closing shall be executed by OUC on behalf of itself and as agent for FMPA. If the other party to any contract is unwilling to enter into the contract on such basis, OUC may enter into such contract on its own behalf only but shall hold such contract for itself and as agent for FMPA. Contracts entered into by OUC as agent on behalf of FMPA will provide for several but not joint liability in proportion to such Party's

respective Ownership Share unless the other party to the contract is unwilling to provide for several liability in the contract. Whether or not a contract specifies that it is entered into on behalf of the Parties or includes a provision for several liability, the Parties agree that, as among themselves, they shall be severally and not jointly responsible for their respective Ownership Shares of all amounts payable under or with respect to such contract except as otherwise provided in Paragraphs 4.09 and 16.03 in the event of a Payment Default. Each party agrees to indemnify and hold the other Party harmless from any and all claims and demands arising from its several liability under any such contract or obligation. OUC is hereby authorized and required to enforce all the Project contracts which it enters into pursuant to this Agreement and all warranties on goods and services sold or furnished for the Project pursuant thereto, in the name of OUC on its own behalf and as agent for FMPA; provided, however, that FMPA may enforce any such contract and warranties on its own behalf.

5.06 Supervision of Construction. OUC, on its own behalf, and as agent for FMPA, shall provide for the supervision of the construction, shall provide engineering and other services in connection with the Project, shall provide materials and supplies from its inventory if needed during construction, and shall pay taxes properly levied against the Project, except any tax assessed directly against FMPA.

5.07 Records. OUC shall separately maintain, or cause to be separately maintained, appropriate documentation and records of such expenditures made and costs incurred by OUC together with all other charges, payments and any expenses or receipts relating to the Project. Such records of OUC will be readily identifiable and will be made available for inspection at a reasonable time at OUC's offices by FMPA and its auditors upon request.

5.08 Duty to Inform FMPA. OUC shall keep FMPA informed of all significant matters with respect to the construction of the Project including but not limited to plans, schedules, specifications, engineering studies, environmental reports, budgets and supporting data, fuel plans, and staffing. OUC shall furnish or make available any and all other information relating to any significant aspect of the Project upon request of FMPA. FMPA will be given an opportunity to review all significant matters and forward its recommendations to OUC in a timely manner.

5.09 Limitations on Right to Contract. All bids, contracts and related documents shall be made available to FMPA upon request at a reasonable time at OUC's office. Prior to the award of any contract in excess of \$1,000,000, or the approval of any change order which would increase a contract price by an amount in excess of \$200,000, FMPA upon request will be given an opportunity to review and forward its recommendations to OUC in a timely manner.

5.10 FMPA Recommendations. All recommendations of FMPA shall be considered in good faith, but shall not be binding on OUC.

SECTION 6. BUDGETS, ACCOUNTS AND PAYMENTS.

6.01 CONSTRUCTION COSTS

(a) Construction Costs Budget. OUC has delivered to FMPA an initial construction budget setting forth the amounts estimated to be incurred for Construction Costs and a summary cash flow setting forth the amounts estimated to be expended in each quarter during the period of construction of the Project. Until the end of the construction period, OUC shall provide FMPA on a quarterly basis a revised construction budget for the balance of the construction period supported by detail adequate for the purpose of FMPA's review. Each revised construction budget shall include monthly detail for the next twelve months and quarterly detail thereafter to the end of the construction period. Within 30 days after receipt of the quarterly budget, the Project Committee shall meet to review and discuss the construction budget and make recommendations for modifications, if any, to OUC for consideration. OUC shall provide each Project Committee representative during the period of construction monthly reports which reflect actual construction expenditures to date, contracts awarded during the past month, and other developments which OUC reasonably believes may materially affect the projected construction schedules, activities, cost estimates and expenditure forecasts.

(b) Payments of Construction Costs. OUC shall pay when due all Construction Costs incurred in connection with the Project in accordance with this Paragraph 6.01, however OUC is only obligated to pay a proportionate share of the Construction Costs related to the undivided interest in the Project which it retains after all Participation Agreements relating to the Project have been consummated.

Prior to the beginning of each month during the construction period, OUC will furnish FMPA with an estimate of Construction Costs to be incurred by OUC during the month. On the 15th day of the month, or the next banking day, if the 15th of the month is a Sunday or a Monday holiday for the banks or the previous banking day, if the 15th day of the month is a Saturday or a Friday holiday for the banks, FMPA will transfer immediately available funds to OUC equivalent to FMPA's Ownership Share of the estimated Construction Costs for the month previously submitted by OUC. A reconciliation of actual and estimated Construction Costs in a month shall be made by OUC and reported to FMPA as part of the estimate for the third subsequent month. In the event that the estimates made by OUC are consistently and substantially more or less than the actual costs, OUC or FMPA will be responsible for the payment of an interest factor at the Treasury Rate on the amount of overestimates (OUC) or underestimates (FMPA). Subject to the provisions of Paragraph 16.10, (i) if FMPA fails to make the payment required by this paragraph, OUC shall have no obligation to pay FMPA's portion of any payments of Construction Costs and (ii) if FMPA makes the payment required by this paragraph, OUC shall be obligated to pay FMPA's portion of any actual Construction Costs, subject to reimbursement by FMPA upon reconciliation of actual and estimated costs as part of the estimate for the third subsequent month.

6.02 FIXED OPERATING COSTS.

(a) Fixed Operating Costs Budget. Six months prior to the expected Commercial Operation Date of the Project, OUC shall provide to FMPA a Fixed Operating Costs budget for the Project and the Common and External Facilities from the expected Commercial Operation Date to the end of the then current fiscal year. The budget shall include all operation and maintenance expenses as defined in the Uniform System of Accounts, User Charges and allocable general and administrative expenses with sufficient detail so as to allow FMPA to make a reasonable evaluation of the expenses. The Fixed Operating Costs budget will not include Variable Operating Costs as defined in Paragraph 1.42. Within 45 days subsequent to the six month date previously established, the Project Committee shall meet to review and discuss the Fixed Operating Costs budget and make recommendations for modifications, if any, to OUC for consideration.

At least five (5) months prior to the commencement of the first full fiscal year, as prescribed by law, subsequent to the Commercial Operation Date of the Project and each fiscal year thereafter, OUC will provide a Fixed Operating Costs budget to FMPA. The budget shall include all operation and maintenance expenses as defined in the Uniform System of Accounts, User Charges and allocable general and administrative expenses with sufficient detail so as to allow FMPA to make a reasonable evaluation of the expenses. The Fixed Operating Costs budget will not include Variable Operating Costs as defined in Paragraph 1.42. Within 30 days after receipt of the budget each year the Project Committee shall meet to review and discuss the Fixed Operating Costs budget and make recommendations for modifications, if any, to OUC for consideration.

(b) Payment of Fixed Operating Costs. OUC shall pay when due all Fixed Operating Costs incurred in connection with the Project, Common Facilities and the External Facilities in accordance with this Paragraph 6.02. Commencing with the Commercial Operation Date and the first day of every month thereafter until the Project is permanently retired or abandoned OUC will furnish FMPA the amount of the User Charges for the month and an estimate of FMPA's Ownership Share of Fixed Operating Costs for the month. On the 15th day of that month or the next banking day, if the 15th of the month is a Sunday or a Monday holiday for the banks or the previous banking day, if the 15th day of the month is a Saturday or a Friday holiday for the banks, FMPA will transfer to OUC in immediately available funds the User Charges and FMPA's Ownership Share of the estimated Fixed Operating Costs for the month. A reconciliation of actual and estimated Fixed Operating Costs for each month shall be made by OUC and reported to FMPA as part of the estimate for the third subsequent month. Any sums due to OUC or FMPA resulting from this reconciliation will be netted with the estimate for the month in which the reconciliation is being reported and FMPA will make payment to OUC of the net amount as described above. Subject to the provisions of Paragraph 16.10, (i) if FMPA fails to make the payment required by this Paragraph 6.02 (b), OUC shall have no obligation to pay FMPA's portion of any payments of Fixed Operating Costs, and (ii) if FMPA makes the payment required by this paragraph 6.02 (b), OUC shall be obligated to pay FMPA's portion of any actual Fixed Operating Costs, subject to reimbursement by or to FMPA upon reconciliation of actual and estimated costs as part of the estimate for the third subsequent month.

6.03 VARIABLE OPERATING COSTS.

(a) Variable Operating Costs Budget. Six months prior to the expected Commercial Operation Date of the Project, OUC shall provide FMPA a Variable Operating Costs budget from the expected Commercial Operation Date to the end of the then current fiscal year. The budget shall include the estimated payments to be made by OUC during the period for Fuel and other Variable Operating Costs with sufficient detail so as to allow FMPA to make a reasonable evaluation of the estimated payments. Within 45 days subsequent to the six month date previously established, the Project Committee shall meet to review and discuss the Variable Operating Costs budget and make recommendations for modifications, if any, to OUC for consideration.

At least five (5) months prior to the commencement of the first full fiscal year, as prescribed by law, subsequent to the Commercial Operation Date of the Project and each fiscal year thereafter, OUC will provide a Variable Operating Costs budget to FMPA. The budget shall include the estimated payments to be made by OUC during the period for Fuel and other Variable Operating Costs with sufficient detail so as to allow FMPA to make reasonable evaluation of the estimated payments. Within 30 days after receipt of the budget each year the Project Committee shall meet to review and discuss the Variable Operating Costs budget and make recommendations for any modifications if any, to OUC for consideration.

(b) Fuel Supply. OUC shall locate, purchase and arrange transportation for all Fuel for the Project including maintaining inventory consistent with Prudent Utility Practice.

FMPA shall be provided with specifications, bids, contracts and other documents related to the acquisition and transportation of Fuel for the Project as they become available. FMPA may review the aforementioned documents and may make recommendations for modifications, if any, to OUC for consideration. FMPA may also have representatives attend and participate at all meetings regarding the acquisition and transportation of Fuel and FMPA's costs for attending and participating in such meetings shall be considered Part of Fixed Operating Costs.

(c) Fuel Accounting. OUC shall establish separate Project Fuel inventory accounts for each Party's current Fuel supply. These accounts will be used to record the appropriate Party's Ownership Share of Fuel deliveries and usage.

(1) Fuel deliveries will be allocated based on the Ownership Share of each Party.

(2) Fuel usage shall be determined based on the allocation of scheduled Net Energy Out of the Project to each of the Parties to this Agreement. Any difference between actual Net Energy Out of the Project delivered to any Party and Net Energy Out of the Project scheduled by such Party shall be treated as inadvertent and shall be returned in kind at times mutually agreed upon in accordance with the then current interchange practices within the State of Florida.

(3) During any month, the total cost of Fuel burned shall be allocated and charged to each Party's respective Project Fuel inventory account according to the respective Ownership Shares. The cost of Fuel burned (used) for SEC Unit Two shall be determined using the average cost method of pricing including reserve Fuel supply.

(4) If the cost of Fuel burned for FMPA based on scheduled net output is less than its Ownership Share of the total cost of Fuel burned in a month, the difference shall be paid by OUC to FMPA as an adjustment to the estimated Variable Operating Costs for the third subsequent month (See Exhibit R-1).

(5) If the cost of Fuel burned for FMPA based on scheduled Net Energy Out of the Project is more than its Ownership Share of the total cost of Fuel burned in a month, the difference shall be paid by FMPA to OUC as an adjustment to the estimated Variable Operating Costs for the third subsequent month (See Exhibit R-1).

(6) If there is an adjustment as described in either of the two immediately preceding paragraphs, and the unit cost of Fuel burned during the month is more or less than the weighted average unit cost of Fuel delivered during the subsequent month; there shall be an adjustment for the unit cost differential. The unit cost differential shall be applied to the quantity difference between FMPA's actual share of total Fuel burned and FMPA's Ownership Share of the total Fuel burned (See Exhibit R-2 for computation detail). The resultant premium or refund shall be paid by or to the appropriate Party as an adjustment to the estimated Variable Operating Costs for the third Subsequent month.

(7) The coal supply for SEC Unit One and SEC Unit Two will be commingled. SEC Unit One coal consumption and the SEC Unit Two coal consumption shall be accounted for separately. At periodic intervals determined by the Project Committee, the commingled coal supply shall be verified by prudent inventory control methods and the inventory accounts adjusted accordingly. The adjustment shall be based on the recorded quantity of coal burned for the account of each unit and each Party since the last verification.

If the coal acquired for any other generating unit at the Stanton Energy Center Site is of substantially different quality than that acquired for SEC Unit One and SEC Unit Two the coal shall not be commingled without agreement of all Parties.

(d) Other Variable Operating Costs. It is anticipated that other Variable Operating Costs (which presently consists of limestone) will be accounted for in a manner similar to that described above for Fuel unless otherwise agreed.

(e) Payment of Variable Operating Costs. OUC shall pay when due all Variable Operating Costs in accordance with this Paragraph 6.03. For Variable Operating Costs, except those included in Paragraph 6.03(d), commencing on the Commercial Operation Date and not later than 5 business days prior to the invoice due date, OUC will furnish FMPA an estimate of FMPA's share of Variable Operating Costs to be paid on the invoice due date. Not later than noon on the invoice due date FMPA will transfer to OUC in immediately available funds FMPA's share of the

estimated Variable Operating Costs to be paid on the invoice due date. A reconciliation of actual payments made and estimated payments of Variable Operating Costs for each invoice due date shall be made by OUC and reported to FMPA as part of the estimate for the next invoice due date. Any sums due to OUC or FMPA resulting from this reconciliation will be netted with the estimate for the invoice due date in which the reconciliation is being reported and payment of the net amount will be made to OUC or FMPA as appropriate. Variable Operating Costs included in Paragraph 6.03(d) will be paid in the same manner as Fixed Operating Costs. Subject to the provision of Paragraph 16.10, (i) if FMPA fails to make the payment required by this Paragraph 6.03 (e), OUC shall have no obligation to pay FMPA's portion of payments of Variable Operating Costs, and (ii) if FMPA makes the payment required by this Paragraph 6.03 (e), OUC shall be obligated to pay FMPA's portion of any actual Variable Operating Costs, subject to the reimbursement by FMPA upon reconciliation of actual and estimated costs as part of the estimate for the next invoice due date.

6.04 CAPITAL ADDITIONS COSTS.

(a) Capital Additions Budget. Six months prior to the expected Commercial Operation Date of the Project, OUC shall provide FMPA a Capital Additions budget from the expected Commercial Operation Date to the end of the then current fiscal year and for the two subsequent fiscal years. The budget shall include all anticipated Capital Additions to the Project with

sufficient detail so as to allow FMPA to make a reasonable evaluation of the anticipated additions. Within 45 days subsequent to the six month date previously established, the Project Committee shall meet to review and discuss the Capital Additions budget and make recommendations for modifications, if any, to OUC for consideration.

At least five (5) months prior to the commencement of the first full fiscal year, as prescribed by law, subsequent to the Commercial Operation Date of the Project and each fiscal year thereafter, OUC will provide a Capital Additions budget to FMPA. The budget shall include all anticipated Capital Additions to the Project for the next three (3) fiscal years with sufficient detail so as to allow FMPA to make reasonable evaluation of the anticipated additions. The budget for the next fiscal year will include anticipated cash requirements on a quarterly basis. Within 30 days after receipt of the Capital Additions budget the Project Committee shall meet to review and discuss the Capital Additions budget and make recommendations for modifications, if any, to OUC for consideration.

(b) Special Capital Additions Costs. OUC shall provide FMPA with a written notice of any proposed Special Capital Addition at least six (6) months prior to the proposed construction commencement date unless the Special Capital Addition is required by a regulatory agency and OUC was not notified six (6) months prior to the proposed construction commencement date, in which case OUC will notify FMPA as soon as possible after OUC receives notice. Included with the written notice will be a description of the proposed plan, the estimated cost, the reasons

for such Special Capital Addition and the proposed construction commencement date. The notice will also afford FMPA an option of reducing its Ownership Share in lieu of contributing to the cost of the planned Special Capital Addition except if the Special Capital Addition is required by a regulatory agency. In that case, FMPA is required to contribute its Ownership Share to the cost of the Special Capital Addition.

Within 90 days from receipt of OUC's written notice, but in no event less than 30 days prior to the proposed construction commencement date of the Special Capital Addition not required by a regulatory agency, FMPA may exercise such option by providing written notice to OUC that FMPA elects not to contribute to the cost of the planned Special Capital Addition or such option shall expire and upon the expiration of such option FMPA shall be responsible for its Ownership Share of the costs associated with the planned Special Capital Addition.

If FMPA exercises its option not to contribute to the cost of the planned Special Capital Addition, an adjustment will be made, following the completion of the planned Special Capital Addition, to reduce FMPA's Ownership Share and increase OUC's Ownership Share so that, following completion of the Special Capital Addition, the respective Ownership Share of OUC and FMPA shall bear the same ratio one to the other as OUC's and FMPA's respective Investments In The Project as of the first day of the month following completion of the Special Capital Addition.

In the event OUC decides to make, although it is not legally required to make, a Special Capital Addition predominantly

on the basis of social benefits to be derived by the Citizens of Orlando and/or Orange County (such as the burning of refuse or the utilization of sewage effluent), FMPA will be informed of such decision and will be given an opportunity to decide whether to participate in that Special Capital Addition. Should FMPA decide not to participate in the Special Capital Addition, OUC will bear all the costs associated with that Special Capital Addition, and any reduction in output as the result of such Special Capital Addition shall be borne solely by OUC and shall not reduce the output which FMPA would otherwise receive had such Special Capital Addition not been made.

(c) Payment of Capital Additions Costs. OUC shall pay when due all Capital Additions Costs incurred in connection with the Project in accordance with this Paragraph 6.04. FMPA shall pay its Ownership Share of Capital Additions Costs in the same manner as prescribed for the payment of Construction Costs in Paragraph 6.01(b). Subject to the provisions of Paragraph 16.10, (i) if FMPA fails to make the payment required for Capital Additions Costs in the manner prescribed in Paragraph 6.01 (b) (2), OUC shall have no obligation to pay FMPA's portion of any payments of actual Capital Additions Costs and (ii) if FMPA makes the payment required for Capital Additions Costs in the manner prescribed in Paragraph 6.01 (b) (2), OUC shall be obligated to pay FMPA's

portion of any actual Capital Additions Costs, subject to reimbursement by FMPA upon reconciliation of actual and estimated costs as part of the estimate for the third subsequent month.

6.05 INVENTORY.

OUC will own and maintain Inventory as defined in Paragraph 1.20 and will recover the costs of carrying the Inventory through a User Charge.

6.06 USER CHARGES

After the Commercial Operation Date, FMPA will pay OUC monthly User Charges for (1) the use of the External Facilities, which will be computed in accordance with the procedure shown in Exhibit U, (2) the use of the Inventory, which will be computed in accordance with the procedure shown in Exhibit X and (3) the use of the Replacement Property Units, which will be computed in accordance with the procedure shown in Exhibit W. The payment of the User Charges will coincide with the payment of Fixed Operating Costs as outlined in Paragraph 6.02 (b) and will terminate on the date the Project is permanently retired or abandoned.

SECTION 7. FMPA REPRESENTATIONS, WARRANTIES AND COVENANTS RELATING TO FMPA PARTICIPATING MEMBERS CONTRACTS, FMPA RATES, ETC.

7.01 FMPA Member Contracts. FMPA has entered into FMPA Member Contracts with each of the FMPA Participating Members listed in Exhibit I hereto. In the event FMPA enters into any FMPA Member Contract with any additional FMPA member, whether before or after the Closing, FMPA will promptly furnish a copy thereof to OUC. Each such FMPA Member Contract shall provide that OUC is a third-party beneficiary thereunder. FMPA acknowledges that OUC is entering into this Agreement in reliance upon its being granted the rights of a third-party beneficiary under each FMPA Member Contract. FMPA agrees, and each FMPA Member Contract shall provide, that in the event (i) any FMPA Participating Member fails to make timely payment of any amount due and payable under either of its FMPA Member Contracts, and (ii) there concurrently exists a Payment Default by FMPA hereunder, then in such case OUC as a third-party beneficiary under the FMPA Member Contracts may, but shall not be obligated to, enforce performance by such FMPA Participating Member or FMPA, or both, by an action at law or in equity, including, but not limited to, specific performance or mandamus, provided such right shall in no way limit FMPA's obligation to enforce the FMPA Member Contracts. FMPA agrees that, without OUC's prior approval, it will not consent to the rescission, termination, amendment, supplementing or alteration of (i) the provision in any FMPA Member Contract expressly granting OUC third-party beneficiary rights or (ii) any other provision of the FMPA Member Contracts which would materially lessen, release or alter the rights or benefits, of OUC as a third-party beneficiary under the FMPA Member Contracts.

Without limiting the generality of the foregoing, it is expressly understood that any modification to the rate covenant and the obligations of the FMPA Participating Members to make timely payments under the FMPA Member Contracts, and the priority of such payments to FMPA, constitute material alterations of the rights of OUC. FMPA shall take all reasonable actions which in its judgment are necessary to enforce the obligations of each FMPA Participating Member under its FMPA Member Contracts. If any FMPA Participating Member defaults under any FMPA Member Contract, FMPA shall give OUC prompt notice thereof. In the event FMPA is or becomes a party to or otherwise appears in any legal or arbitration proceeding or action which seeks to adjudicate the rights or obligations of any party under any FMPA Member Contract, FMPA shall give prompt notice to OUC and OUC shall have the right to intervene therein.

7.02 Rate Covenant. FMPA shall establish, levy and collect rents, rates and other charges for electric power and energy from the Project at least sufficient to generate funds to make all payments when due under this Agreement. This covenant is enforceable by OUC in the event FMPA is in default of any payment obligations to OUC under this Agreement and such default has not been cured.

7.03 Priority of Payments. FMPA agrees that the obligation of FMPA to make payments under Paragraphs 6.02, 6.03 and 6.06 of this Agreement in respect of Fixed Operating Costs, Variable Operating Costs and User Charges shall constitute an operating expense of FMPA. FMPA represents and warrants that, as of the effective date hereof, it has not issued bonds, notes or other evidences of indebtedness, entered into any contracts or agreement, or incurred any expenses, payable from or secured by FMPA Project revenues superior to or having a priority over FMPA's obligations to make payments to

OUC under such Paragraphs. FMPA covenants and agrees that it will not, so long as this Agreement is in effect, issue any bonds, notes or other evidences of indebtedness, or enter into any contract or agreement or incur any expense, which is payable from or secured by FMPA's Project revenues and has priority over the obligations of FMPA to make the payments required under Paragraphs 6.02, 6.03 and 6.06.

7.04 Continued Existence. During the term of this Agreement, FMPA shall remain in continued existence, and FMPA Participating Members may withdraw from FMPA so long as such withdrawal will not affect the contractual rights and the related legal remedies of OUC as a Party to this Agreement or as a third-party beneficiary with respect to certain obligations and duties of the FMPA Participating Members under the FMPA Member Contracts.

SECTION 8. ACCOUNTING AND AUDITING.

8.01 General Accounting Provisions. OUC shall maintain separate accounting records regarding the Project and Common and External Facilities in accordance with the Uniform System of Accounts. Periodic reports will be prepared regarding Construction Costs, Fixed Operating Costs, Variable Operating Costs and Capital Additions Costs as described in Section 6. Nothing in this Agreement shall require OUC to change, or otherwise affect, the accounting practices and procedures used by it. All accounting practices, procedures and records necessary to obtain a proper allocation of costs to the Project and Common and External Facilities under this Agreement may be maintained independently of OUC's accounting records and/or may include allocations not otherwise utilized by OUC. The manner in which accounts are kept pursuant to this Agreement is not intended to be a determination of the manner in which they are treated in the separate books of account of the Parties.

8.02 Challenges to Statement. FMPA 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 6 as not being proper pursuant to the terms of this Participation Agreement. 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 FMPA shall have objected in writing to any such cost or adjustment. OUC shall, within 90 days, review such objection and determine whether or not an adjustment is appropriate. 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 from the date of payment to the date of such adjustment at the Treasury Rate as provided in Section 6.

8.03 Mandatory Payments. Any payment made by FMPA pursuant to this Participation Agreement shall not constitute a waiver of any right of FMPA to question or contest the correctness of any charge by OUC, but no payment by FMPA shall be delayed because of a question or contest as to the correctness of any charge by OUC, nor shall any payment be withheld, reduced or delayed by way of recoupment, setoff or otherwise.

8.04 Inclusion of all Allocable Costs. Notwithstanding anything contained in this Participation Agreement to the contrary, this Participation Agreement shall be construed in all cases so as to avoid any duplication or omission of costs, liabilities and obligations properly allocable to the SEC Unit Two. All clarifications will be submitted in writing to the Project Committee for consensus.

8.05 Annual Accounting. At least annually, or more frequently as agreed by the Parties, OUC shall provide an unaudited statement for the preceding fiscal year to FMPA for all costs that have been incurred pursuant to Section 6. OUC will make a reasonable effort to provide this accounting in a form that is acceptable to FMPA. FMPA 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 OUC with respect to the Project either by FMPA's designated accounting personnel or by an independent certified public accountant, and OUC shall make such accounts and records available at its office at reasonable times for such purpose. However, FMPA may not conduct such an examination of OUC's accounts and records except on at least thirty (30) days prior written notice to OUC, and may not conduct any such

examination more than once in any 12 month period. OUC recognizes that audits may be conducted more frequently if warranted by special circumstances.

8.06 Certificate of Completion. Upon completion of construction of the Project, OUC shall provide FMPA with a certification issued by OUC and by the Project engineer in a form substantially in compliance with Exhibit V. Within one (1) year following completion of construction, OUC shall provide to FMPA an accounting of all amounts charged as Construction Costs of the Project.

8.07 Annual Independent Audit. OUC shall cause its accounts to be audited by a nationally recognized firm of Certified Public Accountants at annual intervals. Copies of the Certified Public Accountant's audit report and opinion shall be supplied to FMPA. In addition, OUC shall request the Certified Public Accountants to issue OUC a report which states that although the accounts relating to the Project and the Common and External Facilities have not been separately audited, the audit has not revealed any basis for a conclusion that such accounts are not maintained in substantial conformity with the Uniform System of Accounts and a statement indicating that FMPA may rely on such report as if it were addressed to it.

8.08 Accounting Personnel. The Project Committee may from time to time as needed, require accounting personnel from each of the Parties to meet for the purpose of reviewing and/or discussing financial reports and other financial matters.

SECTION 9. INSURANCE AND TAXES.

9.01 Insurance. OUC shall procure at the earliest practicable time and thereafter maintain in effect at all times hereinafter provided, to the extent available, at reasonable cost and in accord with standards prevailing in the utility industry for projects of similar size and nature, adequate financial protection or insurance coverage for the construction and operation of the Project with either a self-insurance program or responsible insurers, with each Party as a named insured, to the extent possible, and with losses payable to the respective Parties in accordance with their respective Ownership Shares for their benefit as their respective interests may appear, to protect and insure against: (1) comprehensive liability for bodily injury and property damage, and (2) all risks of loss and physical damage to property or equipment, including the perils of transportation, installation and testing. OUC shall procure such other insurance as the Parties deem necessary or as required by law. OUC shall supply copies of all policies or certificate of insurance in a timely fashion to FMPA. The Project Committee shall review and make recommendations to OUC relative to insurance at least annually. In establishing the limits, exclusions and deductibles of such insurance coverage the relative financial position of all Parties to this Agreement shall be considered.

OUC shall keep all insurance agreed to by the Parties in full force and effect. OUC shall notify FMPA of any material change in the insurance coverage (including changes in deductibles and exclusions) as soon as practicable after OUC is notified of such change. FMPA may request additional insurance and to the extent available, OUC shall purchase such requested insurance. Any portion of said additional insurance not agreed to by OUC shall be paid for by FMPA and FMPA shall be designated as sole loss

payee. The proceeds from any claim with regard to the additional insurance paid for solely by FMPA shall accrue solely to the benefits of FMPA.

9.02 Insurance Costs. Insurance Costs mean any costs which OUC may incur from time to time in order to obtain, maintain or terminate insurance or a self-insurance fund 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 of governmental, or other indemnity agreements, surety bonding costs, assessments, retrospective and other premium costs. For the purpose of this paragraph 9.02 only, the term "Project" shall be deemed to include only a pro-rata portion of the Common and External Facilities (determined by comparing the nameplate capacity of the SEC Unit Two to the aggregate nameplate capacity of all other generating units then constructed at the Stanton Energy Site). Insurance Costs shall be determined and allocated as set forth below:

(a) For property Insurance Costs applicable to the Project, a properly allocable portion of such costs shall be included in Construction or Fixed Operating Costs, determined by the ratio of (1) the most recent reported insurable value of the Project as determined for insurance premium purposes to (2) the most recent reported insurable value of all the property units insured under the same policy(ies). If insurable value is not available in the detail required to perform the allocation then net book value of assets will be substituted for insurable value.

(b) For Insurance Costs incurred to provide workers 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 related in whole or in part to the Project, the allocation to the Parties shall be determined by the following methods:

(1) When the cost is specifically attributable to the Project, it will be included in Construction or Fixed Operating Costs in its full amount.

(2) When the cost is attributable to OUC's total operations, a fair and equitable cost will be allocated to the Project by multiplying the cost by a ratio, the numerator of which is the total payroll charged to Construction or Fixed Operating Costs of the Project and the denominator being the total payroll of OUC for the same period.

(c) The premium costs for insurance coverage whether insured or self-insured until the Commercial Operation date shall be a Construction Cost, and shall thereafter be a Fixed Operating Cost and shall be borne by the Parties in relation to their respective Ownership Shares.

9.03 Insured and Uninsured Losses: Upon sustaining a builders risk loss, OUC shall promptly advise FMPA and give proper notice and make proper claims to the insurance agents or carriers. Subject to the provisions of Section 15, OUC shall proceed with appropriate repair or replacement of loss or damage to Project equipment or property and the cost of such repair or replacement shall be borne by the Parties in proportion to their respective Ownership Shares. OUC shall have authority on behalf of FMPA to settle any loss covered by any policy of insurance carried by OUC, which includes the Project. Insurance proceeds received on account of damage shall be allocated in the following manner:

(a) In the event that only the Project sustains damages, all proceeds payable on account of such damages shall be wholly allocated to the Project.

(b) If damages are sustained by the Project and other property insured under the same policy(ies), any insurance proceeds not specifically identified as to particular property will be allocated to the various damaged properties on the basis of the most recently reported insurable values of the various damaged properties, but in no event shall such allocation exceed the actual cost to repair any such property.

9.04 Taxes. OUC shall have sole responsibility for negotiating the valuation of any assessments on the Project for taxation purposes. It shall be the responsibility of each Party to obtain such exemptions from taxation to which it may be entitled.

9.05 Taxes to be Levied Separately. OUC shall use its best efforts to have the levy of any taxes (except payroll and sales and use taxes), made directly and separately against the Ownership shares of OUC and FMPA or in such other manner as will allow each Party to perfect any exemption to which it may be entitled. All taxes levied against or with respect to each Party's Ownership Share of the Project under statutes now or thereafter in effect shall be the sole responsibility of, and shall be paid by, the Party upon whose interest said taxes or assessments are levied.

9.06 Taxes not Levied Separately. If any property taxes, or any other taxes or assessments related to the Project are levied against the Project as a whole, such taxes until the completion of construction shall be a Construction Cost, and shall thereafter be an Operating Cost and shall be borne by the Parties in relation to their respective Ownership Shares unless

one Party is exempt from such taxes in which case the entire assessment shall be borne by the non-exempt Party. Sales and use taxes shall be charged as part of the cost of the materials or services. The Parties shall share any credits on sales and use taxes in proportion to their Ownership Shares.

9.07 Tax Exemptions. A Party claiming exemption from any taxes or assessments shall be responsible for and shall pay all expenses in connection with the sustaining or determination of such claims, and the other Party shall lend all reasonable cooperation in connection with the filing of tax renditions and reports and in connection with the making of any payment under protest as may be requested by such Party claiming an exemption. No Party who is exempt from any taxes assessed against the other Party shall be obligated to make any contribution toward such taxes to the extent of the exemption.

9.08 Payment of Taxes. FMPA shall within 30 days of payments under Paragraph 9.05 above send a receipt of such payment to OUC. Failure to pay such taxes shall be considered a default in payment under Section 16 and the non-defaulting Party may cure the default to avoid the imposition of a lien or other consequence on the Project.

9.09 Payments in Lieu of Taxes. No payments in lieu of taxes shall be charged to the Project Costs unless such payments relate exclusively to the Project. No payment in lieu of taxes related to the Project shall be made without OUC first consulting with and obtaining written agreement from FMPA.

SECTION 10. PROJECT COMMITTEE.

10.01 Establishment of Project Committee. As a means of securing effective cooperation, interchange of information and management of the property owned in common, on a prompt and orderly basis in connection with various administrative and technical problems which may arise from time to time under the terms and conditions of this Agreement, the Parties hereby establish a Project Committee. The Committee shall consist of two representatives from each Party.

10.02 Project Committee Chairman. The Project Committee shall have as its chairman one of the two representatives appointed by OUC. The person so designated shall serve for a term which is determined by OUC.

10.03 Records. The Project Committee shall keep written records of all meetings.

10.04 Subcommittees. The Project Committee shall appoint Ad Hoc Committees as necessary to perform detailed work and conduct studies regarding matters requiring investigation.

10.05 Appointment of Members. Each Party shall notify the other Party in writing promptly upon execution of this Agreement of the designation of its representatives on the Project Committee and shall notify the other Party promptly of any subsequent change in its designations. Each Party may, by written notice to the other Party designate an alternate(s) to act as its representative(s) on the Committee in the absence of its regular member(s) of the Committee, or to act on specified occasions or with respect to specified matters.

10.06 Limit of Authority. The Project Committee shall have no authority to modify any of the provisions of this Agreement. Unless otherwise

specified in this Agreement, all actions of the Project Committee shall be only advisory. In any instance where the Project Committee acts in other than an advisory capacity, such action shall require the unanimous consent of the representatives of each Party.

10.07 Meetings. The Project Committee shall meet at such times as reasonably requested by any Party and shall inspect the Project facilities, receive reports on construction, operation and maintenance of the Project.

10.08. Functions. The Project Committee shall have the following functions, among other functions and duties as are specifically assigned to it pursuant to this Agreement:

(a) Provide liaison between the Parties at the management level. In this effort, OUC shall keep the Project Committee informed of all significant matters with respect to construction and operation of the Project and, when practicable, will furnish such information in time for the Committee to submit comments and recommendations thereon; and

(b) Provide liaison between the Parties with respect to the financial and accounting aspects of construction and operation of the Project. These shall include such items as Construction Costs budget, Capital Additions budget, Fixed Operating Costs budget, planned outages, written statistical, allowances planning and administrative reports.

(c) Recommend from time to time the policies and procedures for obtaining Fuel supplies for the Project, for maintaining Fuel reserves at the Project and for measuring inventories, shrinkage and consumption of Fuel at the Project.

(d) To periodically adjust the dollar amounts noted in Paragraph 1.04 of this Agreement so as to establish limits which

are responsible in view of the purpose of such limits.

10.09 Information for Project Committee. Copies of all records, reports and forms and other information pertinent to the Project will be provided to the Project Committee by OUC. FMPA shall promptly furnish or otherwise make available to the FMPA Participating Members all information relating to the Project furnished by OUC to FMPA pursuant to Paragraph 5.08, this Paragraph 10.09 or any other provision of this Agreement.

10.10 Retirement of Project. Upon notification by OUC of intent to retire the Project, the Project Committee shall review and identify the details of the ultimate disposition of the Project.

10.11 Resolutions of Disputes. The Project Committee shall review, discuss and try to resolve disputes between the Parties arising under this Agreement prior to any issue going to arbitration or litigation.

10.12 Expenses. Each Party shall bear the expenses incurred by its employees while serving on the Project Committee or any other committee related to the Project.

10.13 Additional Participants. It is contemplated by the Parties that one or more additional entities may participate in the Project. There shall be only one Project Committee. Any additional participants shall be entitled to two representatives each on the Project Committee.

SECTION 11. DUTIES OF OUC.

11.01 Duties. In addition to its other duties set forth in this Agreement, OUC shall:

(a) Perform or cause to be performed all work necessary to construct the Project in accordance with the plans and specifications, to order and receive all materials, equipment, supplies and other property necessary for the construction and operation of the Project and to perform all other duties necessary to place the Project into commercial operation including but not limited to those duties specified in Section 5 of this Agreement.

(b) Perform all operating work, execute, administer, perform and enforce contracts for operating work, including, without limitation, to perform all work necessary to keep all warranties on equipment in full force and effect, to enforce all warranties on any such equipment and to enforce all contracts made in connection with such operating work.

(c) Furnish or recruit the necessary personnel and provide for such training as may be required to qualify them to perform the operating work.

(d) Purchase and procure, through and from any source it may select, the equipment, apparatus, machinery, tools, services, materials, supplies and spare parts necessary for the performance of operating work and the addition of the Capital Additions.

(e) Expend funds in accordance with the terms and conditions of this Agreement.

(f) Have the right to enter into any arrangement for the purchase, delivery, and handling of Fuel, subject to the provisions of Section 6.

(g) Take any action required in an emergency for the safety of and the operation of the Project.

(h) Provide FMPA with regular reports on operation of the Project.

(i) Take any other actions necessary for the operation of the Project consistent with Prudent Utility Practice.

11.02 Duties to Remain in Effect. The duties of OUC to complete the Project shall remain in effect even though there shall have been a change in circumstances, other than as a result of force majeure (as defined in Paragraph 19.09).

11.03 Successor Project Manager. The Parties recognize that in the future FMPA or a third party may succeed OUC as the party responsible for management of the Project, either because OUC no longer has an Ownership Share in the Project or because the Parties mutually agree to appoint a successor for such purposes. In such event, the Parties hereto agree to negotiate in good faith and to join in an agreement with the party appointed to succeed OUC in this capacity which will permit such party to carry out all responsibilities for management of the Project. In the event either Party no longer has an Ownership Share in the Project, such Party shall not participate in such negotiations or be required to join in any such agreement. Whether or not OUC has an Ownership Share in the Project, OUC agrees to fully cooperate with and to take all reasonable actions to permit the successor manager to carry out all responsibilities for management of the Project under all necessary governmental approvals, licenses or permits. OUC shall continue to

be responsible for management of the Project in accordance with the provisions of this Agreement until such time as any successor manager is able to take over such management responsibilities. After the successor manager is designated but prior to the successor manager fully assuming those management responsibilities, the then current owners of the Project shall reimburse OUC for all of its costs associated with management of the Project and shall pay OUC a reasonable management fee.

11.04. Continued Ownership and Operation of External Facilities.

In the event OUC is replaced as the Party responsible for management of the Project, OUC shall continue to own and operate the External Facilities in accordance with the provisions of this Agreement and FMPA shall continue to pay to OUC (i) the User Charges associated with the External Facilities (Exhibit U), to the extent allocable to FMPA's then current Ownership Share of the Project, and (ii) the Fixed Operating Costs associated with the External Facilities, to the extent allocable to FMPA's then current Ownership Share of the Project.

SECTION 12. SCHEDULING AND DELIVERY OF PROJECT OUTPUT AND SCHEDULING OF OUTAGES.

12.01 Entitlement to Output. Each Party shall be entitled to schedule all or any part of its Ownership Share of the Normal Dispatch High Limit. FMPA's Ownership Share or any lesser amount scheduled by FMPA of the Normal Dispatch High Limit in each hour shall be delivered to OUC for FMPA's account at the high voltage terminals of the generator transformer of the Project. In addition, FMPA shall be entitled to its Ownership Share of the Normal Dispatch High Limit of the Project from and after the date of Closing.

12.02 Scheduling of Output. Unless otherwise mutually agreed, each Party shall schedule capacity and energy and adhere as closely as practical to the capacity and energy that is scheduled. Commencing with the Commercial Operation Date, FMPA shall provide for a designated dispatching office manned 24 hours per day to coordinate scheduling of Project Output or other mutually accepted method and communicate information regarding the Project to FMPA's members. The designated dispatching office shall have access to the state dispatchers "Hot Line."

12.03 Dispatching Responsibilities. OUC shall be responsible for the dispatching of capacity and energy available from the Project to meet the requirements of the provisions of this Agreement. OUC shall establish at all times a Normal Dispatch High Limit in accordance with Prudent Utility Practice. FMPA shall schedule Project Output up to its Ownership Share of the Normal Dispatch High Limit. Prior to the Commercial Operation Date and prior to the commencement of each month and fiscal year (as prescribed by State law for municipalities) thereafter, OUC may require FMPA to deliver a composite schedule of the estimated total Project capacity and energy desired by FMPA for such month or year, as the case may be. FMPA shall revise such estimates,

from time to time, to the extent necessary to reflect more current estimates of Project capacity and energy desired. FMPA shall report its hourly schedule for the following day to OUC by 3 o'clock p.m. each day, except that the schedule and hourly use of the Project for operating reserves for holidays, Saturdays and Sundays, and for the day following such days shall be submitted by 3 o'clock p.m. of the preceding workday; provided, however, that FMPA shall have the right to request a change in its schedule on shorter notice to reflect changes in its requirements.

12.04 Seasonal Net Capability. OUC shall from time to time, determine the Seasonal Net Capability and shall notify FMPA of such determination and of any changes in the Seasonal Net Capability.

12.05 Metering of Output. OUC shall accurately measure the flows at all of its points of interconnection so that FMPA's scheduled share of the Project Output, reduced for OUC's average transmission losses associated with FMPA's scheduled share of the Project Output, will be delivered to the said points of interconnection.

12.06 Rescheduling of Output. OUC shall notify FMPA if fulfilling the requested schedules would require operation of the Project below Minimum Capability and the parties shall reschedule such that each shall receive their respective Ownership Shares of such Minimum Capability, unless other arrangements are agreed to by the Parties.

12.07 Right to Use or Sell Output. Each Party shall have the right to use or market any capacity and energy up to its Ownership Share of the normal Dispatch High Limit.

12.08 Test Energy. When, prior to the Commercial Operation Date, start-up, testing, or any non-commercial operation of the Project requires generation (herein called test energy), OUC shall schedule FMPA's Ownership Share of the test energy to FMPA.

12.09 Station Service. OUC shall provide station service requirements, including losses, whenever the Project Output is zero or negative. Cost for these station service requirements will be included in Fixed Operating Costs. This energy will be costed on a monthly basis at the OUC average monthly system net heat rate not including SEC Unit Two times OUC's incremental fuel cost determined based on OUC's incremental fuel cost after meeting OUC's retail load requirements but before any sales to other utilities.

12.10 Reactive Power Generation. OUC shall operate the Project so as to minimize losses due to reactive power generation, consistent with Prudent Utility Practice. FMPA and OUC shall cooperate in the operation of their respective high voltage transmission facilities related to the Project to facilitate the above.

12.11 Operation of Other Systems. Each Party shall operate its system in such a manner as to make the actual net deliveries of the Output from the Project as near as practicable to the net scheduled, and actual net deliveries shall be accounted for and settled according to the established procedures for interconnected system operation in accordance with the FCG Operating Committee Handbook as amended or replaced.

12.12 Spinning Reserve. Each Party shall maintain or provide for spinning reserve as required to cover its additional generating capacity acquired in the Project and as calculated in accordance with the principles

established and as may be revised from time to time, by the Operating Committee of FCG or its successor. The Parties are entitled to utilize their Ownership Share of the difference between the Normal Dispatch High Limit and Available Net Generating Capability as spinning reserve.

12.13 Scheduled Outages. Scheduled outages for major maintenance shall be as required by the manufacturers applicable conditions of sale and delivery of the affected facilities and equipment or at intervals consistent with Prudent Utility Practice or otherwise as agreed to by the Parties. OUC shall coordinate planned Project outages with FMPA as far in advance as practicable. OUC may shut the Project down, reduce power or take other appropriate action which in the judgment of OUC is necessary to insure proper operation of the Project in accordance with Prudent Utility Practice.

12.14 Replacement Power. In the event that OUC voluntarily ceases to operate or reduces output from the Project (i) because the cost of energy that could have been generated by the Project would have been more expensive to OUC than the cost of energy available elsewhere, or (ii) because of valley load situations, OUC will make available to FMPA replacement energy in each hour, in addition to that from the Project, equal to the amount thereof reasonably anticipated to have been available to FMPA from the Project at a cost equal to the estimated variable cost of producing such power and energy from the Project that would have been incurred if the Project were continued in operation without such cessation or reduction of output, with appropriate adjustments being made for reasonably determinable changes in operating conditions.

SECTION 13. REPLACEMENT PROPERTY UNITS.

13.01 Designation of Replacement Property Units. OUC may purchase and own Replacement Property Units interchangeable with equivalent units at the Stanton Energy Center Site. OUC hereby extends to FMPA and FMPA hereby accepts the right and obligation to use any of the Replacement Property Units for SEC Unit Two.

13.02 Availability of Replacement Property Units. If at any time the Project needs a Replacement Property Unit to replace an equivalent item which has been damaged, OUC shall make such Replacement Property Unit (if available) available for SEC Unit Two's use as expeditiously as possible.

FMPA shall pay to OUC a monthly User Charge for the availability of each Replacement Property Unit beginning with the later of:

- (a) the Commercial Operation Date of SEC Unit Two; or
- (b) the date the item is designated as a Replacement Property Unit.

The monthly User Charge will be determined in accordance with Exhibit W.

13.03 Damaged Property Not Repairable. If it is determined by OUC that an equivalent Replacement Property Unit in service has been damaged beyond repair the owner(s) of such damaged item shall bear the entire cost of its retirement and replacement. If the item was a part of SEC Unit Two and is considered a Capital Addition as defined in Paragraph 1.04, the cost associated with its removal and the acquisition of a new item in place thereof shall be considered Capital Additions Cost. If such damaged item is not considered a Capital Addition, such costs shall be considered Fixed Operating Costs as defined in Paragraph 1.13.

13.04 Damaged Property Repairable. If it is determined by OUC that the damaged unit can be repaired, the owner(s) of the unit which used the Replacement Property Unit shall pay for the cost of loading, freighting and unloading the Replacement Property Unit 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 a part of SEC Unit Two, all of such cost, together with all incidental expenses thereto, shall be considered Fixed Operating Costs as defined in Paragraph 1.13.

SECTION 14. DISPOSAL OF WASTE OR SURPLUS COMMODITIES, MATERIALS, EQUIPMENT AND OTHER PERSONAL PROPERTY.

14.01 Disposal of Property. Any commodities, materials, equipment or other personal property which are produced from or are available from the Project and Common Facilities and which are surplus to the then present or reasonably foreseeable future requirements of the Project may be sold or otherwise disposed of upon such terms and conditions as determined by OUC. The receipts from such sales and/or the shared costs of such disposal shall be shared by the Parties in proportion to their respective Ownership Shares.

The foregoing shall not be applicable under any circumstances or in any manner to sale or disposal of electric energy from the Project.

SECTION 15. DAMAGE TO OR DESTRUCTION OF PROJECT - DISPOSITION UPON ABANDONMENT.

15.01 Damage Or Destruction Substantially Covered By Insurance.

If all or substantially all of the Project and Common Facilities is destroyed or damaged and the proceeds of all applicable insurance (insuring the interest of both Parties), as outlined in Section 9, available for reconstruction or repair is sufficient for the total cost of reconstruction and repair, the Project and Common Facilities shall be reconstructed or repaired in such manner as to restore it to the same general character and use as the original Project and Common Facilities, unless otherwise mutually agreed to in writing by the Parties. If all or substantially all of the Project and Common Facilities are destroyed or damaged in such a manner that the cost of reconstruction or repair exceeds all applicable insurance proceeds (insuring the interest of both Parties) available for reconstruction or repair, but such excess is less than or equal to 10% of the cost of reconstruction or repair of the Project and Common Facilities, the Project and Common Facilities shall be reconstructed or repaired in such manner as to restore it to the same general character and use as the original Project and Common Facilities, unless otherwise mutually agreed in writing by the Parties. Each of the Parties shall share such costs of such reconstruction or repair in proportion to its respective Ownership Share, to the extent such costs exceed all applicable insurance proceeds (insuring the interest of both Parties). The manner and time of payments shall be the same as the original construction of the Project and Common Facilities. All available proceeds of insurance shall be applied to the reconstruction or repair prior to any amounts being due from the Parties.

15.02 Damage Or Destruction Not Substantially Covered by Insurance. If all or substantially all of the Project and Common Facilities are destroyed or damaged beyond repair or damaged to the extent that the cost of repair exceeds the proceeds of all applicable insurance (insuring the interest of both Parties) by more than 10% of the cost of reconstruction or repair of the Project and Common Facilities and the Parties do not agree in writing to jointly reconstruct or repair the Project and Common Facilities, or if for any reason the Parties determine to abandon the Project and Common Facilities, the Project and Common Facilities shall be disposed of in accordance with a procedure agreed upon by the Parties, or if the Parties cannot agree, this matter shall become an arbitrable dispute subject to the provisions of Section 17 herein.

15.03 Disposition of Net Proceeds After Liquidation. The net proceeds of disposition of the Project and Common Facilities shall be distributed to the Parties in accordance with their respective Ownership Shares. Any demolition, removal and cleanup cost shall be charged against and borne by the Parties in accordance with their respective Ownership Shares.

15.04 Option to Purchase After Damage or Destruction. If the cost of reconstruction or repair exceeds the proceeds of all applicable insurance (insuring the interest of both Parties) by more than 10% of the cost of reconstruction or repair of the Project and Common Facilities and the Parties do not mutually agree to reconstruct the Project and Common Facilities and one Party desires to repair or reconstruct the Project and Common Facilities, such Party shall have the option to acquire the interest of the other Party. This option shall be exercised within one hundred eighty (180) days after either Party gives notice of its intent not to participate in the repair or reconstruction of the Project and Common Facilities. In the event the option is exercised and the Parties cannot agree on a purchase price, each

Party shall select a qualified independent appraiser. The two appraisers shall select a third qualified independent appraiser. The three appraisers shall agree on the net salvage value of the Project and Common Facilities or if no agreement can be reached then the value shall be the average of the appraisals. If the highest appraisal exceeds the lowest appraisal by more than 10% then the issue of the value may be taken to arbitration. The Party exercising the option shall pay the other its Ownership Share of the value within ninety (90) days after a final value is established or if such purchase is to be financed by a bond issue, then within 30 days after receipt of the bond proceeds, but in no event more than three hundred sixty (360) days after the final value is established. Payment shall be made in cash or cash equivalent. Each Party shall bear the expense of its appraiser and shall share the cost of the third appraiser in proportion with their respective Ownership Shares. In the event FMPA is the Party exercising the option, OUC shall, reconstruct the Project and Common Facilities and perform its responsibilities for management of the Project and Common Facilities as set forth in this Agreement unless FMPA elects to choose a successor to OUC.

15.05 Partial Damage Or Destruction Covered By Insurance. In the event that less than substantially all of the Project and Common Facilities shall be destroyed or damaged, and the proceeds of insurance (insuring the interest of both Parties) available for repair, restoration or reconstruction covers the total cost of repair, restoration or reconstruction, such proceeds shall be applied to the repair, restoration, or reconstruction of the Project and Common Facilities by the Parties in such manner as to restore the Project and Common Facilities to substantially the same general character and use as the original Project and Common Facilities, unless otherwise mutually agreed in writing to by the Parties.

15.06 Application of Insurance Proceeds in Favor of One Party.

If either Party has Insurance coverage for their individual benefit, all proceeds of any such insurance shall be the sole property of such Party and shall not be considered in determining whether the threshold level in Paragraphs 15.01, 15.02 and 15.04 has been reached.

SECTION 16. DEFAULTS AND NON-PAYMENTS.

16.01 Acts of Default. OUC and FMPA hereby agree that they shall pay all monies when due and carry out all other duties and obligations to be performed by them pursuant to all of the terms and conditions set forth and contained in this Agreement and failure of either Party to perform the obligations and covenants herein shall be an act of default by the Party.

16.02 Notice of Default. In the event of an act of default by either Party, the other Party shall promptly notify the defaulting Party, in writing, of the existence and nature of the default and a proposed manner of curing the default. Upon giving the said notice, the non-defaulting Party may elect but shall not be required to provisionally remedy the default by paying or meeting the obligations of the defaulting Party. Nothing herein shall be construed to obligate the defaulting Party to cure the default in the manner proposed by the non-defaulting Party.

16.03 Curing of Default. Within fifteen (15) days after written notice has been given, the defaulting Party shall cure such default. If there has been a Payment Default (as defined in Paragraph 4.09), (a) the non-defaulting Party may, but shall not be obligated to, pay all or any portion of such amount due but unpaid by the defaulting Party, in which event the defaulting Party shall be liable to such non-defaulting Party for the amount of such payments, together with interest thereon from the date of payment thereof by the non-defaulting Party until reimbursed in full thereof by the defaulting Party, at an annual rate equal to 125% of the Prime Rate at the time of such payment by the non-defaulting Party, or the maximum rate lawfully payable by such defaulting Party, whichever is less, (b) the defaulting Party shall be liable for, and shall indemnify the non-defaulting

Party against, liability to third parties to the extent provided in Paragraph 4.09 of this Agreement, and (c) the defaulting Party shall remain liable for all amounts due but unpaid by the defaulting Party and not paid by the non-defaulting Party pursuant to clause (a) of this Paragraph 16.03, together with interest on such amount, to accrue daily from the date upon which such payment was first due to and including the date payment thereof is made by the non-defaulting Party pursuant to clause (a) of this Paragraph 16.03 or payment thereof is made by the defaulting Party, in either case at an annual rate equal to 125% of the Prime Rate at the time of default, or the maximum rate lawfully payable by such defaulting Party, whichever is less.

16.04 Payments Under Protest. In the event any alleged default is the failure to make a payment of money when due, the Parties agree that any such payment shall be made under protest, and the dispute shall be submitted to arbitration. Under no circumstances shall either Party withhold any payment charged to any such Party under the terms of this Agreement. In the event any Party is entitled to a refund of all or any portion of any payment made under protest, such Party shall also be entitled to interest on such amount at the Prime Rate from the date of payment to the date of refund.

16.05 Suspension Of Output After Default. Should an act of default by either Party in the payment of monies under this Agreement continue for a period of sixty (60) days from the giving of said written notice without having been cured by the defaulting Party, then the non-defaulting Party may, by written notice, suspend the right of the defaulting Party to receive any part or all of its proportionate share of the Output of the Project and may suspend the right of the defaulting Party to be represented on or participate in the actions of the Project Committee. Upon suspension of the rights of the defaulting Party as provided in the prior sentence, the non-defaulting Party

shall be entitled to purchase all or any portion of the defaulting Party's share of the Output of the Project by paying the Fixed Operating Costs and the Variable Operating Costs of such Output. In the event the non-defaulting Party elects not to purchase all of the defaulting Party's share of the Output of the Project, the non-defaulting Party shall be entitled to sell such Output to third parties, on such terms and for such period deemed necessary in its judgment, which shall not be exercised unreasonably, to accomplish such sale under then existing market conditions, providing that such sales shall not be made for any period exceeding 90 days, unless the defaulting Party shall have been in default continuously for at least one hundred eighty (180) days, in which event such sales may be made for any period not to exceed 2 years. Any such sale of such Output shall not relieve the defaulting Party from any liability under this Agreement, except that the net proceeds of such sale shall be applied in reduction of the liability of such defaulting Party under this Agreement. When any default giving rise to the suspension of Output has been cured, the suspended Party shall be again entitled to its Ownership Share of the Output, subject to any interim sales of such Output to others entered into by the non-defaulting Party pursuant to this Paragraph 16.05.

16.06 Option To Purchase After Default. Should the suspension of the defaulting Party pursuant to the foregoing Paragraph continue for a period of one hundred eighty (180) days or longer, and the default giving rise to the suspension has not been cured, the non-defaulting Party shall have the option of purchasing any portion or all of the Ownership Share and all associated legal and equitable interest in the Project of the defaulting Party. Such option to purchase shall be exercisable by the serving of written notice of intent to purchase to the defaulting Party. Such purchase shall be made by

paying the defaulting Party (and/or holders of liens against its Ownership share, if any) a purchase price equal to the greatest of (1), (2) and (3) below:

(1) the amount determined pursuant to the following formula:

$$A \times \frac{B}{C} = \$ \underline{\hspace{2cm}}$$

where

A = the amount paid by the defaulting Party under this Agreement for those Construction Costs and Capital Additions Costs which were capitalized under the Uniform System of Accounts, less depreciation and retirements to the date of purchase

B = the amount of the defaulting Party's Ownership Share being purchased, expressed as a decimal

C = the defaulting Party's entire Ownership Share, immediately prior to such purchase, expressed as a decimal

(2) the amount determined pursuant to the following formula:

$$\frac{(D \times E)}{F} + G = \$ \underline{\hspace{2cm}}$$

where

D = the minimum amount which would be required as of the date of purchase to defease all outstanding bonds (if there are any such outstanding bonds) of the defaulting Party issued to finance Construction Costs or Capital Additions Costs of the Project payable solely from the amounts derived from the defaulting Party's Ownership Share of the Project, after applying to such purpose all applicable amounts held pursuant to the defaulting Party's applicable bond resolution or indenture

E = the amount of the defaulting Party's Ownership Share being purchased, expressed as a decimal

F = the defaulting Party's entire Ownership Share, immediately prior to such purchase, expressed as a decimal

G = all amounts, including unpaid interest, owing and unpaid by the defaulting Party under this Agreement

(3) the amount determined pursuant to the following formula:

$$\frac{(H \times J) + K}{I} = \$ \underline{\hspace{2cm}}$$

where

H = the minimum amount which would be required as of the date of purchase to defease all outstanding bonds (if there are any such outstanding bonds) of the non-defaulting Party issued to finance Construction Costs or Capital Additions Costs payable solely from amounts derived from the non-defaulting Party's Ownership Share of the Project after applying to such purpose all available amounts held pursuant to applicable bond resolution or indenture

I = the non-defaulting Party's Ownership Share, expressed as a decimal

J = the amount of the defaulting Party's Ownership Share, expressed as a decimal

K = all amounts, including unpaid interest, owing and unpaid by the defaulting Party under this Agreement.

In the event the non-defaulting Party elects not to purchase all of the defaulting Party's Ownership Share, the non-defaulting Party shall be entitled, but not obligated, to sell all or any remaining portion of the

defaulting Party's Ownership Share and all associated legal and equitable interest in the Project to third parties, on such terms deemed necessary in the non-defaulting Party's judgment, which shall not be exercised unreasonably, to accomplish such sale under the then existing market conditions, provided however that the purchase price shall not be less than the purchase price determined pursuant to the provisions of the immediately preceding sentence of this Paragraph 16.06. Prior to making any payments to the defaulting Party (and/or holders of liens against its Ownership Share, if any) in respect to the sale of all or any portion of its Ownership Share, the proceeds of such sale shall be first applied against any amounts, including unpaid interest, owing and unpaid by such defaulting Party under this Agreement. This Paragraph 16.06 shall not apply if the Party in default is actively pursuing good faith efforts to cure any default but has been unable to do so because of circumstances not within the control of the defaulting Party.

16.07 Management of the Project After Default. In the event of a purchase by FMPA or a third party of all of OUC's Ownership Share of the Project under Paragraph 16.06, OUC shall continue, at the option of FMPA, to be responsible for management of the Project as set forth in this Agreement, provided that FMPA reimburses OUC for all direct costs associated with such management functions and FMPA pays OUC a reasonable management fee.

16.08 Stay of Suspension or Option Pending a Final Order. The remedies of suspending the right of a defaulting Party to receive output or the option to purchase the Ownership Interest of a defaulting Party shall be stayed during any period in which there is a pending arbitration or court proceeding challenging the notice of default. The stay shall continue until

thirty (30) days after a final non-appealable order is rendered in such proceedings.

16.09 Non-Exclusive Remedy. Subject to the provisions of Paragraph 16.08, no remedy referred to in this Section 16 is intended to be exclusive of any other remedy set forth in this Agreement or available at law or in equity, but every such remedy herein provided shall be cumulative and may be exercised from time to time and as often as may be deemed expedient except where the exercise of any one of such remedies precludes its further exercise or the exercise of any other remedy. No delay or failure to exercise any remedy herein provided shall impair the right to exercise any such remedy or be construed to be a waiver of such right or of any default by a Party.

16.10 Mitigation of Damages. Nothing in this Agreement, including but not limited to the provisions of Paragraph 4.09, Section 6 and this Section 16, shall be construed to limit any Party's duty to mitigate its damages to the extent required by law.

SECTION 17. ARBITRATION OR LITIGATION.

17.01 General Provisions. If a dispute between the Parties should arise under this Agreement, either may call for submission of the dispute to arbitration. Arbitration shall be binding, if the Parties agree in writing to have the dispute submitted to arbitration. In the absence of such an agreement, the dispute may be submitted to a court of competent jurisdiction.

17.02 Notice of Arbitration. The Party calling for arbitration shall give written notice to the other Party, setting forth in such notice in adequate detail the nature of the dispute, the amount or amounts of money, if any, involved in such dispute, and the remedy sought by the Party calling for arbitration.

17.03 Designation of Arbitrators. Within twenty (20) days following delivery of the said written notice, the Parties, acting through their representatives on the Project Committee, shall each designate an arbitrator. The arbitrators so selected shall, within twenty (20) days following their selection, select one additional arbitrator.

17.04 Alternative Designation of Arbitrators. If the arbitrators selected by the parties, as herein provided, shall fail to select the additional arbitrator within the said twenty (20) day period, then the arbitrators selected by the Parties shall request from the American Arbitration Association (or a similar organization if the American Arbitration Association should not at the time exist) a list of arbitrators who are qualified and eligible to serve as hereinafter provided. The arbitrators selected by the Parties shall take turns striking names from the list of arbitrators furnished by the American Arbitration Association, and the last name remaining on said list shall be the additional arbitrator.

17.05 Qualifications of Arbitrators. All arbitrators shall be persons skilled and experienced in the field which gives rise to the dispute, and no person shall be eligible for appointment as an arbitrator who is an officer or employee of either of the Parties to the dispute or may otherwise have an interest in the outcome of the arbitration.

17.06 Rules of Procedure. Except as otherwise provided in this Section 17, the arbitration shall be governed by the rules of the American Arbitration Association (or the rules and practice of a similar organization if the American Arbitration Association should not at that time exist), except that if such rules and practice, conflict with state or federal law, specifically applicable to such arbitration proceedings, such law shall govern.

17.07 Conduct Pending Arbitration or Litigation. Pending the resolution of the dispute by arbitration or by litigation, OUC shall proceed with the Project, including all construction work, operating work, or other work in a manner consistent with this Agreement and Prudent Utility Practice; and each Party shall advance its share of the funds required to proceed with the Project in accordance with the applicable provisions of this Agreement. Amounts advanced by either Party pursuant to this Section during the pendency of such dispute shall be subject to refund upon a non-appealable order awarding such refund and shall be payable pursuant to Paragraph 16.04 hereof.

SECTION 18. NOTICES AND PROCEDURES AFTER NOTICE.

18.01 Notices. If at any time either Party desires or is required to give notice to the other Party pursuant to the terms of this Agreement, such notice shall be in writing and shall be hand-delivered or mailed by certified-mail-return-receipt-requested. Notice shall be effective upon receipt. Notices shall be given to the Parties at the following addresses or such other place as each Party may designate in writing:

1. As to OUC:
500 South Orange Avenue
Orlando, FL 32802
Attention: General Manager
2. As to FMPA
7201 Lake Ellenor Drive
Orlando, FL 32809
Attention: General Manager

18.02 Response To Notices. At any time either Party desires or is required to respond to any notice given pursuant to Paragraph 18.01, such response shall be made in the manner prescribed by Paragraph 18.01 and be given within fifteen (15) days after receipt of the notice unless otherwise provided in this Agreement.

18.03 Notice of Default or Notice of Payment Under Protest. Any notice of default or notice of payment under protest shall be made within thirty (30) days of the non-defaulting Party becoming aware of the facts giving rise to the notice of default or within thirty (30) days of the payment of funds which are the subject of the protest unless otherwise provided in this Agreement.

18.04 Remedies After Notice. No arbitration or court proceeding shall be initiated by any Party until forty-five (45) days after giving

written notice of the dispute giving rise to such proceeding. During such period, the Parties shall submit the dispute to the Project Committee for possible resolution. Nothing herein shall prevent either Party from seeking an injunction at any time if the dispute involves an immediate danger of injury to any person or destruction of property. Nothing herein shall prevent either Party from initiating any action prior to notice if such action would be barred by any applicable statute of limitations.

SECTION 19. MISCELLANEOUS.

19.01 Governing Law. The validity, interpretation, and performance of this Agreement and each of its provisions shall be governed by the laws of the State of Florida. It is agreed that this Agreement is entered into pursuant to the provisions, powers, and authority granted by Chapter 361, Florida Statutes as amended, known as the "Joint Power Act," and Chapter 163, Florida Statutes as amended, known as the "Florida Interlocal Cooperation Act of 1969."

19.02 Section Headings Not to Affect Meaning. The descriptive headings of the various Sections of this Agreement have been inserted for convenience of reference only and shall in no way modify or restrict any of the terms and provision thereof.

19.03 Severability. In the event any of the terms, covenants, or conditions of this Participation Agreement, its Appendices, and Exhibits, or the application of any such term, covenant, or condition, shall be held invalid by any court having jurisdiction, all other terms, covenants, and conditions of this Agreement and their application shall not be affected thereby, and shall remain in full force and effect.

19.04 Integration. The terms and provisions contained in this Participation Agreement, including Appendices and Exhibits, constitute the entire agreement between OUC and FMPA with respect to the Project and shall supersede all previous communications, representations, or agreements, either verbal or written between OUC and FMPA.

19.05 Cooperation. OUC and FMPA shall cooperate with each other in all activities relating to the Project, including, without limitation, the filing of applications for authorizations, permits, or licenses and the execution of such other documents as may be reasonably necessary to carry out

the provisions of this Agreement. In addition, each Party agrees to cooperate with the other as reasonably necessary, in the issuance and sale by such other Party of revenue bonds, notes or other evidences of indebtedness to finance its Ownership Share in the Project and to provide such information, certificates, opinions and other documentation with respect to the construction and operation of the Project and the business and affairs of such other Party and, in the case of FMPA, the business and affairs of FMPA Participating Members which are requested and reasonably necessary in connection with the issuance and sale of such revenue bonds, notes or other evidences of indebtedness. Each Party shall preserve and protect the confidentiality of any such information or other documentation specified by the other Party except to the extent prevented from doing so by applicable law or except to the extent that the issuance and sale of its said revenue bonds, notes or other evidences of indebtedness requires disclosure thereof. Where disclosure of such information or other documentation, or any part thereof, is required by applicable law or the issuance and sale of a Party's revenue bonds, notes or other evidences of indebtedness, such Party shall to the extent practicable promptly notify the other Party prior to such disclosure and give the other Party reasonable opportunity to present its views on the necessity and form of such disclosure.

In addition to the foregoing, OUC will provide such assistance as FMPA may reasonably require in connection with the sale by FMPA of any bonds, notes, or other evidence of indebtedness, whether public or private, related to FMPA's Ownership Share in the Project, including but not limited to the following for which FMPA agrees to reimburse OUC for any out-of-pocket costs incurred in connection therewith:

(1) OUC agrees that in connection with such sale, it will make available to FMPA and the managing underwriters of any such sale (which, subject to the final sentence of this subparagraph, may be used as an exhibit to the official statement prepared by FMPA for the purchasers of any such obligations) the current architectural and engineering report with respect to the Project prepared for OUC by their consulting engineer in connection with OUC's most recent financing of Project related costs. OUC shall use its best efforts to cause the engineer, at the option and expense of FMPA, to certify that the information contained in such report is true and correct to its best knowledge and belief and does not omit any material facts necessary to make such report not misleading in light of the circumstances under which it was furnished, subject to such exceptions or qualifications as may be set forth therein which are customary in connection with similar project financings. Such report shall be in such detail as is customary in similar financings by municipal utilities or comparable entities. FMPA agrees that prior to using or reproducing any portion of any such report, FMPA shall obtain the written consent of OUC's consulting engineer which prepared such report, and OUC shall use its best efforts to assist FMPA in obtaining such consent.

(2) OUC, at the request of the FMPA will make available in connection with any such sale specified in this Section 19.05, at least one of its senior personnel who is familiar with construction of the Project to assist FMPA and its underwriters (a) in their preparation of any official statements or reports; provided, however, that such assistance and preparation shall be limited to matters relating to the information in the report furnished pursuant to subparagraph (1) of this Section 19.05; (b) at the due diligence meetings with the underwriters or their representatives; and (c) at

information meetings with potential investors. Such assistance will be provided at such times and from time to time, and at such places, as shall be reasonably requested by FMPA.

19.06 Assignment. Subject to the provisions in Paragraph 19.16, each Party shall have the right to sell, lease, convey, transfer or assign in any manner whatsoever all or any portion of its Ownership Share in the Project. No Party shall be discharged from liability as to the performance of any of its obligations with respect to the Ownership Share sold, leased, conveyed, transferred or assigned except to the extent provided in Paragraph 19.16.

19.07 Amendments. This Agreement may be amended by and only by a written instrument duly executed by each of the Parties hereto.

19.08 Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon OUC and FMPA and their respective successors. This Agreement shall inure to the benefit of and be binding upon the assigns of OUC and FMPA when such assignment is made in accordance with the provisions of Paragraphs 19.06 and 19.16.

19.09 Force Majeure. OUC and FMPA shall not be liable or responsible for any loss, damage, injury or expense (including consequential damages and cost of replacement power) resulting from or arising out of or any delay in the performance or, the inability to perform, any duty or obligation required by this Agreement caused by a force majeure occurrence. The obligation to pay money in a timely manner is absolute and shall not be subject to the force majeure provisions unless such force majeure directly prevents said payment. Force majeure as used herein shall mean, without limitation, the following: acts of God; natural disaster; strikes and/or

lockouts and other industrial disturbances; acts of public enemies; sabotage; insurrections; riot; fire; flood; sinkhole; blight; famine; quarantine; epidemics; landslides; drought; lightning; earthquakes; hurricanes; tidal surges; tornadoes; storms; civil disturbances; war; explosion; injunction; 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 the Project; extraordinary delay in transportation; unforeseen soil conditions; equipment, material, supplies, labor or machinery shortages; partial or entire failure of utilities necessary or useful for the physical operation of the Project; breach of contract by any supplier, contractor, subcontractor, laborer or material man, other than OUC; or any other similar extreme cause or event reasonably beyond the control of either Party. The Party suffering an occurrence of force majeure shall use its best efforts to remedy with all reasonable dispatch the cause or causes preventing the carrying out of this Agreement; provided that the settlement of strikes, lockouts and other labor disputes or industrial disturbances shall be entirely within the discretion of the said Party, and it shall not be required to make settlement of strikes, lockouts and other labor disputes or industrial disturbances by acceding to demands which are unreasonable in the judgment of the said Party.

19.10 Time. OUC and FMPA agree that time is of the essence in this Agreement.

19.11 No Partnership. The covenants, obligations and liabilities of the Parties shall be several and not joint or collective. Each

Party shall be solely and individually responsible for its own covenants, obligations and liabilities as herein provided. Neither this Agreement nor any grant, lease or license related thereto, shall create any new entity nor be construed to create a new entity, such as a partnership, association or joint venture. The Parties shall not be liable as partners. No Party shall be under the control of or be deemed to control any other Party. Except to the extent this Agreement confers upon OUC the authority to act as agent for and on behalf of the other Party with respect to their several and separate individual interests and obligations, no Party shall have the right or power to bind any other Party. The Parties agree that they will take any and all action necessary and appropriate to secure exclusion from Subchapter K of Chapter 1 of Subtitle A of the Internal Revenue Code of 1954, as amended to date or as it may be amended hereafter, or under any similar income tax laws. The Parties agree to formally elect, if necessary, under the authority of Section 761(a) of the Internal Revenue Code of 1954, to be excluded from the application of all provisions of said Subchapter K. If the tax laws of the State of Florida hereafter contain provisions similar to those contained in Subchapter K of Chapter 1 of Subtitle A of the Internal Revenue Code of 1954 under which a similar election is permitted, the Parties agree to exercise such similar election. OUC is hereby authorized to file such evidence as may be necessary to give effect to the election made in this Section.

19.12 Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

19.13 No Pattern of Adverse Distinction or Undue Discrimination.

OUC 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 the Project as compared to its other generating units and OUC further agrees to take no action adverse to the interests of FMPA where such action is based in whole or in part upon the fact that the Project is owned in common with FMPA.

19.14 Interest Rate. 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.

19.15 Waiver of Right of Partition. Each of the Parties agrees that it will not take any action, by judicial proceedings or otherwise, to partition the Project, nor any part thereof, in anyway, whether by partition in kind or by sale and division of the proceeds thereof. Each of the Parties further waives the right of partition and the benefit of all statutory or common law provisions that may now or hereafter authorize such partition of the Project or any part thereof. In the event any such right of partition shall hereafter accrue, each Party shall from time to time upon the written request of any other Party execute and deliver such further instruments as may be necessary to confirm the foregoing waiver and release of its right to partition. The foregoing provisions of this Paragraph 19.15 shall be binding upon and inure to the benefit of the Parties, their respective successors and assigns, including mortgagees, receivers, trustees or other representatives and their respective successors and assigns, and shall run with the land.

19.16 Transfers to Third Parties; First Right of Refusal. If a Party (the Selling Party) desires to transfer (by sale, lease or otherwise)

all or any portion of its Ownership Share of the Project to any third party, the other Party to this Agreement (the Option Party) shall have a right of first refusal, to the extent provided in this Paragraph 19.16, to acquire such portion. The Selling Party shall first agree in writing with the third party as to all of the terms and conditions of the transfer, which agreement shall be expressly subject to the Option Party's right of first refusal. The Selling Party shall deliver to the Option Party a copy of the entire agreement. The Option Party shall have 90 days from the date of receipt to elect by written notice to the Selling Party to acquire the entire portion of the Ownership Share in the Project proposed to be transferred upon the same terms and conditions provided for in the agreement, and the Option Party shall have 270 days from the date of such receipt to complete such acquisition. In the event the Option Party does not make such election within 90 days from the receipt of the copy of the entire agreement, or the Option Party is not ready, willing and able to complete such acquisition within 270 days from such receipt, the Option Party's right of first refusal with respect to the proposed transfer shall expire at the close of business on such 90th or 270th day, as the case may be, and the Selling Party may sell such portion of its Ownership Share to the third party pursuant to the proposed agreement provided, however, that such transfer shall be completed not later than 270 days from the date the Option Party's right of first refusal with respect to the proposed transfer shall have expired and such third party shall assume and agree to be bound by the provisions of this Agreement to the extent of the Ownership Share so transferred (except that such third party shall not have a right of first refusal with respect to transfers of all or any portion of the Ownership Share of either Party to this Agreement). If the agreement with the

third party is amended in any respect, the amended agreement shall be treated as a new offer for which the Option Party has a right of first refusal in accordance with the foregoing provisions.

The right of first refusal shall not apply to:

- a) the transfer of any interest in the Project solely as security for any financing obtained by any Party, or
- b) the transfer of any interest in the Project pursuant to any merger, consolidation or reorganization of any Party, or
- c) any transfer by OUC of any portion (but not all) of its Ownership Share in the Project to one or more third parties within three years from the date of the Closing.

In the event FMPA transfers all or any portion of its Ownership Share of the Project to a third party pursuant to this Paragraph 19.16, FMPA shall remain secondarily liable for the performance of all obligations under this Agreement, arising during the ten year period immediately following the date of any such transfer, to the extent of the portion of Ownership Share so transferred. In the event OUC transfers a portion or portions of its Ownership Share of the Project to a third party pursuant to this Paragraph 19.16, or in the event OUC shall have completed any transfer to any other entity prior to the Closing, and as a result of such transfer or transfers OUC's Ownership Share remains at least 51%, OUC shall be discharged from all liability as to the performance of any obligations arising after the date of any such transfer to the extent of the portion of Ownership Share so transferred.

In the event OUC transfers all or any portion of its Ownership Share of the Project to a third party pursuant to this Paragraph 19.16, or in the event OUC shall have completed any transfer to any other entity prior to the Closing, and as a result of such transfer OUC's Ownership Share becomes for the first time less than 51%, OUC shall remain secondarily liable for the performance of all obligations under this Agreement, arising during the ten year period immediately following the date of such transfer, but only to the extent of that portion of the transferred Ownership Share which, together with the Ownership Share retained by OUC, equals 51%. Thereafter, in the event OUC transfers all or any portion of its Ownership Share of the Project to a third party pursuant to this Paragraph 19.16, OUC shall remain secondarily liable for the performance of all obligations under this Agreement, arising during the ten year period immediately following the date of any such transfer, to the extent of the portion of Ownership Share so transferred. Either Party that transfers all or any portion of its Ownership Share pursuant to this Paragraph 19.16 shall be discharged from all liability as to the performance of any obligations arising after the date of transfer with respect to the portion of the Ownership Share transferred except to the extent provided in the foregoing provisions of this Paragraph 19.16. In no event shall OUC be relieved of any of its obligations with respect to its management of the Project as a result of such transfer without the consent of the other Party to this Agreement provided that, if OUC transfers the entire portion of its Ownership Share in the Project, the then current owners of the Project shall reimburse OUC for all of its costs associated with its duties as manager of the Project and shall pay OUC a reasonable management fee.

19.17 Most Favored Nations Clause. Should OUC prior to the Commercial Operation Date enter into a participation agreement with any other entity for an ownership interest in the SEC Unit Two, OUC will transmit such subsequent agreement to FMPA. If any terms of such participation agreement are deemed by FMPA to be more favorable to that Participant than is this Participation Agreement, FMPA may, by notice given to OUC not more than 90 days after the date on which OUC has mailed such agreement to FMPA, request that OUC amend this Participation Agreement to incorporate the terms of such subsequent agreement requested by FMPA; in which event, OUC will agree so to amend this Participation Agreement, subject to the following: (i) OUC may require that such amendment incorporate any terms of such subsequent agreement desired by OUC and (ii) under no circumstances shall this provision be construed to require a change in FMPA's Ownership Percentage.

SECTION 20. RETIREMENT OR ABANDONMENT OF PROJECT.

20.01 Date of Retirement. The determination to retire the Project shall be made by OUC; provided, however, that no determination to retire the Project during the first thirty (30) years of its commercial operation shall be effective without the approval of OUC and FMPA so long as each owns an undivided interest in the Project.

20.02 Retirement Costs. All costs less salvage credits, if any, associated with retirement of the Project, including, without limitation: dismantling, demolishing and removal of equipment, facilities and structures; security; maintenance; and disposing of debris, shall be shared by the Parties in proportion to their Ownership Shares. These costs less salvage credits, if any, shall be treated as Capital Additions Costs and payment shall be made in accordance with the provisions of Paragraph 6.04. If such salvage credits exceed such costs, the difference shall be shared by the Parties in proportion to their respective Ownership Shares.

20.03 Reconveyance of FMPA's Interest. Upon retirement of the Project in accordance with the terms of this Agreement or upon the abandonment of the Project in accordance with Section 15, FMPA shall cause its interest in real property conveyed under Paragraph 3.02 hereof to be reconveyed to OUC in exchange for the payment to FMPA by OUC of the then fair market value of such real property.

SECTION 21. EFFECTIVE DATE AND TERM.

This Agreement shall become effective upon its execution and delivery by OUC and FMPA and shall remain in effect until the later of (a) the date the principal of, premium, if any, and interest on all bonds issued by FMPA to pay any part of the Construction Costs of the Project (including any bonds issued to refund such bonds) have been paid or funds set aside for the payment thereof in accordance with the instruments under which such bonds were issued or (b) the date the Project is retired from service or disposed of as an electric generating unit in accordance with Section 20.

SECTION 22. EXECUTION OF AGREEMENT.

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

Witness as to
Orlando Utilities Commission

Sylvia A. Waldo
[Signature]

ORLANDO UTILITIES COMMISSION

By [Signature]
Executive Vice President

Attest [Signature]
Assistant Secretary

(SEAL)

Witnesses as to
Florida Municipal Power Agency

[Signature]
[Signature]

FLORIDA MUNICIPAL POWER AGENCY

By [Signature]
CHAIRMAN

Attest [Signature]
SECRETARY

(SEAL)

EXHIBIT A

MAJOR PROJECT FACILITIES

1. Turbine - Generator and auxiliary equipment
2. Turbine - Generator foundation and building
3. Boiler Feed Pump Turbine
4. Steam Generator, boiler feed pump, fans and auxiliary equipment
5. Steam Generator foundation and building
6. Precipitator and foundation
7. Flue Gas Scrubber, foundation and building
8. Chimney and foundation
9. Cooling tower, circulating water pumps and foundations
10. Generator transformer and foundation
11. Station Service and start-up transformers
12. SEC Unit Two Site
13. Sludge Conditioning Equipment
14. Cooling Tower Blowdown Treatment Facility (Brine Plant)
15. Railcars

CLASS A COMMON FACILITIES

1. Sludge Conditioning Building and Equipment Within
2. Scrubber Additive Silo
3. Control Center Building
4. Coal Crusher Building & Equipment Within
5. Coal Conveyors 7A and 7B
6. Auxiliary Boiler
7. Pebble Lime Silo
8. Fly Ash Silo
9. Water Storage Pump Building
10. Neutralization Basin
11. Service Water Storage Tanks
12. Condensate Storage Tank
13. Demineralized Water Storage Tanks
14. Coal Pile Base
15. Water Management Building & Equipment Within
16. Coal Car Unloading Building & Equipment Within
17. Stacker Reclaimer
18. Emergency Coal Stockout and Reclaim Equipment
19. Limestone Conveyors 24 A & B
20. Scrubber Additive Stockout & Reclaim Equipment
21. Recycle Basin
22. Makeup Water Supply Storage Pond
23. Plant Road and Parking Area Improvements
24. Compressed Gas Storage Building

CLASS A COMMON FACILITIES

25. Coal Pile Runoff Pond
26. Construction Warehouses
27. Construction Office Building
28. Fuel Oil Storage Tanks and Equipment
29. Active Solid Waste Area Runoff Pond
30. Guard Station
31. Security Building
32. Plant Fencing
33. Yard Services Building
34. Permanent Warehouse
35. Coal Transfer Building & Equipment Within
36. Coal Conveyors 1, 2, 3, 4, 5, 6A, 6B
37. Sewage Treatment Plant (Permanent)
38. Well Water Pump House and Equipment
39. Turbine Room Crane
40. Administration and Plant Services Building and Equipment Within
41. Scrubber Makeup Water Pump Structure
42. Circulating Water Makeup Pump Structure
43. Truck Scale
44. Lime Unloading Building
45. Construction Change Building
46. Land on which the Class A Common Facilities are located, including open storage areas
47. Makeup Water Supply Pipeline
48. Makeup Water Supply Pumps and Structures (located at Sewer Plant)
49. Wastewater Return Pumps and Structures

CLASS A COMMON FACILITIES

50. Wastewater Return Pipeline
51. Construction Power Substation
52. Off-Site Access Road
53. Bee Line Highway Bridge
54. Sewage Treatment Plant Modification

EXHIBIT C

CLASS B COMMON FACILITIES

1. None

EXHIBIT D

EXTERNAL FACILITIES

1. Railroad From Taft Turnout
2. Railroad Track Scale
3. Switch Engine
4. Stanton Energy Center Site excluding land on which Common Facilities are located and excluding land dedicated to the 230 KV transmission corridor and substation.

EXHIBIT E

DESCRIPTION

STANTON ENERGY CENTER SITE

All of Section 13, the east 1/2 of Section 14, the east 1/2 of Section 23, all of Section 24, Township 23 south, Range 31 east and all of Sections 18 and 19, Township 23 south, Range 32 east, Orange County, Florida, but excluding the Stanton Energy Center Unit Two Site described in Exhibit F and excluding the Stanton Energy Center Unit One Site.

EXHIBIT F

DESCRIPTION

STANTON ENERGY CENTER UNIT TWO SITE

Main Generator Site

That part of: The Southeast 1/4 of Section 13, Township 23 South, Range 31 East, Orange County, Florida, described as follows:

From the Northeast corner of the Northeast 1/4 of Section 24, Township 23 South, Range 31 East, Orange County, Florida, run South 00 degrees 02 minutes 43 seconds West 30.11 feet along the East boundary of said Northeast 1/4 to a point on the Easterly prolongation of the Stanton Energy Center control baseline as presently monumented by a 4" x 4" concrete monument marked "HVCM 3" (having plant site coordinates of North 1,507,500.00 and East 445,300.00) and 4" x 4" concrete monument marked "HVCM 4" (having plant site coordinates of North 1,507,500.00 and East 447,700.00); thence run West 447.08 feet along said Easterly prolongation to said 4" x 4" concrete monument marked "HVCM 4"; thence continue West 797.25 feet along said Stanton Energy Center control baseline; thence run North 616.00 feet for the POINT OF BEGINNING; thence run West 852.75 feet; thence run North 244.00 feet; thence run East 852.75 feet; thence run South 244.00 feet to the POINT OF BEGINNING.

CONTAINING: 4.738 acres, more or less.

Cooling Tower Site

That part of: The Northeast 1/4 of Section 24, Township 23 South, Range 31 East, Orange County, Florida, described as follows:

From the Northeast corner of the Northeast 1/4 of Section 24, Township 23 South, Range 31 East, Orange County, Florida run South 00 degrees 02 minutes 43 seconds West 30.11 feet along the East boundary of said Northeast 1/4 to a point on the Easterly prolongation of the Stanton Energy Center control baseline as presently monumented by a 4" x 4" concrete monument marked "HVCM 3" (having plant site coordinates of North 1,507,500.00 and East 445,300.00) and a 4" x 4" concrete monument marked "HVCM 4" (having plant site coordinates of North 1,507,500.00 and East 447,700.00); thence run West 447.08 feet along said Easterly prolongation to said 4" x 4" concrete monument marked "HVCM 4"; thence continue West 250.00 feet along said POINT OF BEGINNING; thence continue South 450.00 feet; thence run East 390.00 feet; thence run North 450.00 feet; thence run West 390.00 feet to the POINT OF BEGINNING.

CONTAINING: 4.029 acres, more or less.

EXHIBIT G

DESCRIPTION OF EXISTING CONTRACTS AS OF APRIL 30, 1991

<u>Equipment or Service</u>	<u>Vendor</u>	<u>Date</u>
1. Steam Generator	Babcock & Wilcox	2/19/91
2. Turbine Generator	Westinghouse Electric Corporation	2/19/91
3. Structural Steel Fabrication	Cives Steel Company	3/12/91
4. Cooling Tower	Marley Cooling Tower Company	3/12/91
5. Chimney	Pullman Power Products Corp.	3/12/91
6. Ash Handling System	United Conveyor Corporation	3/12/91
7. Boiler Feed Pump Turbine	General Electric Company	3/12/91
8. Circulating Water Pump	Ingersoll-Rand Company	3/12/91
9. Flue Gas Scrubber	ABB Combustion Engineering Systems	4/16/91
10. Electrostatic Precipitator	Wheelabrator Air Pollution Control	4/16/91
11. Condensate Polishing Equipment	Hungerford & Terry, Inc.	4/16/91
12. Air Compressors	Ingersoll-Rand Company	4/16/91

ASSIGNMENT OF CONTRACT RIGHTS

FOR AND IN CONSIDERATION of the sum of One Dollar (\$1.00) and other good and valuable consideration, receipt and sufficiency of which is hereby acknowledged, ORLANDO UTILITIES COMMISSION (hereinafter Assignor) hereby grants unto FLORIDA MUNICIPAL POWER AGENCY, its successors and assigns, a _____ percent (____%) interest in and to the contracts described in Schedule "A" hereto attached. Assignor warrants that it has full right and authority to make this Assignment without prior written consent of any other party to such contracts.

This Assignment is subject to all of the terms and conditions of the Participation Agreement between the parties dated _____, 199__. Assignee, by acceptance hereof, agrees to pay when due its percentage share of any amounts due by Assignor under said contracts and to perform its percentage share of any other obligations of Assignor under said contracts. By acceptance hereof, Assignee does not waive its rights under Paragraph 5.04 of the above described Participation Agreement.

IN WITNESS WHEREOF, Assignor has caused this instrument to be executed in its name by its proper officers thereunto duly authorized this ____ day of _____, 19__.

Signed, sealed and delivered
in the presence:

ORLANDO UTILITIES COMMISSION

By: _____

Attest: _____

ASSIGNOR

ACCEPTANCE

FLORIDA MUNICIPAL POWER AGENCY hereby acknowledges acceptance of the foregoing Assignment this ____ day of _____, 199__ .

FLORIDA MUNICIPAL POWER AGENCY

By: _____

SCHEDULE "A"

List of Contracts

EXHIBIT I

LIST OF FMPA PARTICIPATING MEMBERS

Fort Pierce Utilities Authority

City of Homestead

Utility Board of the City of Key West

City of Lake Worth

City of Starke

City of Vero Beach

LIST OF LICENSES, PERMITS, APPROVALS, OBLIGATIONS AND COMMITMENTSWHICH WILL BE REQUIREDState and Local Approvals Required
By Conditions of CertificationDate

Department of Environmental Regulation
Approval of Particulate Emission Controls
for the Coal, Lime and Limestone Handling
Facilities

Thirty Days after
preliminary selection
of equipment

Department of Environmental Regulation
Approval of Location of Two Ambient Air
Monitoring Devices

One year prior to
plant operation

Department of Environmental Regulation
Approval of Plan or Procedure to Monitor
Efficiency of Emission Control Equipment

Prior to plant operation

Department of Environmental Regulation
Approval of Methods and Procedures Utilized
in Water Quality Monitoring

Prior to plant operation

Department of Environmental Regulation
and St. Johns River Water Management
District Approval of Ground Water
Monitoring Well Location

One year prior to plant
operation

Department of Environmental Regulation and
St. Johns River Water Management District
and Orange County Approval of Surface Water
Monitoring Sites in the Hart Branch and
Cowpen Branch

One year prior to plant
operation

St. Johns River Water Management District
Approval of Wellfield Construction Plans
and Pump Test Program

Sixty days prior to
construction

Department of Environmental Regulation
and St. Johns River Water Management
District Approval of Groundwater Monitoring
Well Network for Solid Waste Disposal Area,
Ponds, and Coal Pile

One year prior to plant
operation

Department of Environmental Regulation,
St. Johns River Water Management District
and Orange County Approval of Construction
and Canal Drainage Plans

Prior to construction

LIST OF LICENSES, PERMITS, APPROVALS, OBLIGATIONS AND COMMITMENTSWHICH WILL BE REQUIREDState and Local Approvals Required
By Conditions of CertificationDate

St. Johns River Water Management District
Approval of Construction Dewatering
Program for Controlling Groundwater
Impacts

Prior to Dewatering

Department of Environmental Regulation
Approval of Methods to be used for
Handling and Disposal of Solid Waste

Prior to plant
operation

Department of Environmental Regulation
Approval of Sludge Fixation Plan
(Permeability)

Ninety days prior to
operation

Department of Environmental Regulation
and St. Johns River Water Management
District Approval of Layout and Final
Plans of Solid Waste Disposal Area

Prior to plant
operation

Department of Transportation Approval of
State Highway Crossings of Associated
Transmission Lines and Railroad Spur

Prior to
construction

Orange County Coordination of County
Roads for Crossings of Associated
Transmission Lines and Railroad Spur

Prior to
construction

St. Johns River Water Management District
Review of Plans for Transmission Lines
and Railroad Spur Crossings of Streams,
Lakes, Ponds, Canals, Swamps, or Marshes
for Consistency with Conditions of
Certification, the Application and
District Regulations

Sixty days prior
to construction

Department of Environmental Regulation
and St. Johns River Water Management
District Approval of Nitrate Monitoring
Plan for Cooling Water Supply Pond

Prior to
construction

Department of Environmental Regulation
Submission of Report on Emission Testing
to Prove Unit Meets Emission Limits

Sixty days after unit
reaches maximum capacity
but no later than 180
days after start-up

LIST OF LICENSES, PERMITS, APPROVALS, OBLIGATIONS AND COMMITMENTSWHICH WILL BE REQUIREDSTATE AND LOCAL
License/PermitDATE

Approval of Supplemental Certificate Order
by Governor and Cabinet sitting as the
Siting Board

Prior to Construction

Supplemental Certification Order Signed
by Governor (constitutes Sole License of
State or Agency thereof for Construction and
Operation)

Prior to Construction

Prerequisites to Certification

Determination of Need Hearing by
Public Service Commission

Prior to Construction

Public Service Commission Need Order

Prior to Construction

Certification Hearing

Prior to Construction

Recommended Certification Order
by Hearing Examiner

Prior to Construction

LIST OF LICENSES, PERMITS, APPROVALS, OBLIGATIONS AND COMMITMENTS

WHICH WILL BE REQUIRED

	<u>DATE</u>
<u>FEDERAL</u>	
Modification to the Environmental Protection Agency Prevention of Significant Air Quality Deterioration (PSD) Pursuant to 40 CRF 52.21 Permit to Construct	Prior to Construction
U.S. Army Corps of Engineers Section 323 Dredge and Fill Permit for Site and Associated Facilities Nationwide	Prior to Construction
Environmental Protection Agency Permits required by the Clean Air Act Amendments of 1990	Prior to Operation

EXHIBIT K

LIST OF LICENSES, PERMITS, APPROVALS, OBLIGATIONS AND
COMMITMENTS PRIOR TO EFFECTIVENESS OF
PARTICIPATION AGREEMENT

- None -

EXHIBIT L

ASSIGNMENT OF LICENSES, PERMITS AND GOVERNMENTAL APPROVALS

FOR AND IN CONSIDERATION of the sum of One Dollar (\$1.00) and other good and valuable consideration, receipt and sufficiency of which is hereby acknowledged, ORLANDO UTILITIES COMMISSION (hereinafter Assignor) hereby grants unto FLORIDA MUNICIPAL POWER AGENCY, its successors and assigns, to the extent permitted by law, a non-exclusive _____ percent (____%) beneficial interest in and to the licenses, permits and governmental approvals listed on Schedule A attached hereto. Assignor warrants that it has full right and authority to make this Assignment to the extent permitted by law.

This assignment is subject to all of the terms and conditions of the Participation Agreement between the parties dated _____, 199__.

IN WITNESS WHEREOF, Assignor has caused this instrument to be executed in its name by its proper officers thereunto duly authorized this ____ day of _____, 199__.

Signed, sealed and delivered
in the presence of:

ORLANDO UTILITIES COMMISSION

By: _____

Attest: _____

ASSIGNOR

SCHEDULE "A"

Licenses

Permits

Approvals

WARRANTY DEED AND BILL OF SALE

THIS INDENTURE, made as of the ____ day of _____, 199__, between the CITY OF ORLANDO, a municipal corporation, and ORLANDO UTILITIES COMMISSION, a statutory commission under the laws of the State of Florida, hereinafter called the GRANTORS, and FLORIDA MUNICIPAL POWER AGENCY, a legal entity organized and existing under the laws of the State of Florida, whose mailing address is Post Office Box _____, Orlando, Florida, hereinafter called the GRANTEE.

WHEREAS, GRANTORS are the owners of certain lands in Orange County, Florida, upon which a coal-fired generating plant, known as the Curtis H. Stanton Energy Center, Unit Two (SEC Unit Two) is being constructed; and

WHEREAS, GRANTOR, ORLANDO UTILITIES COMMISSION, and FLORIDA MUNICIPAL POWER AGENCY have heretofore entered into that certain Participation Agreement dated as of _____, 199__, hereinafter called the "Participation Agreement", whereby the FLORIDA MUNICIPAL POWER AGENCY will participate in the cost and and power output of SEC Unit Two as provided therein; and

WHEREAS, GRANTEE wishes to acquire, and GRANTORS are 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, GRANTORS, for and in consideration of TEN DOLLARS (\$10.00) and other good and valuable considerations, the receipt and adequacy whereof is hereby conclusively acknowledged, have and by these presents do grant, bargain and sell unto the GRANTEE an undivided ____% interest in fee simple in and to that certain real property located in Orange County, Florida, to-wit:

SEE SCHEDULE "A" ATTACHED HERETO AND INCORPORATED
HEREIN BY REFERENCE.

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.

RESERVING unto the GRANTORS an easement in the property to enter upon, locate, construct, install, place, operate, maintain, inspect, repair, replace, relocate and disassemble and remove such machinery and equipment as may be necessary, 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 GRANTORS, GRANTEE and possible other joint owners to which undivided interests therein may hereafter be conveyed by GRANTORS by deed or deeds duly recorded in the Public Records of Orange County, Florida.

GRANTEE, as an incident to the foregoing, shall have non-exclusive right of ingress and egress upon the Stanton Energy Center Site for access to the Project and the Common Facilities as described in the Participation Agreement from adjacent public roads at reasonable times after reasonable notice and subject to such reasonable conditions as GRANTORS may impose. Said right of ingress and egress as to the External Facilities shall be for the purpose of inspection only.

Furthermore, and also as an incident to the foregoing, GRANTEE shall have a non-exclusive beneficial right of use of said External Facilities, the terms and conditions of which beneficial use are more particularly set forth in the Participation Agreement.

As part of the consideration for this conveyance, and as an incident to the title conveyed hereby, GRANTORS AND GRANTEE covenant as follows:

(1) This conveyance is made pursuant to all the terms and provisions of the Participation Agreement, as it may be amended or supplemented from time to time.

(2) Said property shall be used only for the purposes of constructing and operating SEC Unit Two and such other purposes set forth in and 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 GRANTORS and others who may now hold or hereafter acquire an interest 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 GRANTORS and others who may now or hereafter acquire an interest 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 the SEC Unit Two including any repairs or replacements thereof, and for a reasonable period thereafter for permanent retirement and disposal thereof; and (g) said reservations, conditions, restrictions, waivers and covenants are reasonably related to a proper purpose to be accomplished.

(4) GRANTORS covenant with GRANTEE that GRANTORS shall likewise be bound by all of the terms, conditions, restrictions, waivers and covenants hereof with respect to any interest retained by GRANTORS in said real estate and improvement thereon; and GRANTORS further covenant 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.

TO HAVE AND TO HOLD the same in fee simple forever.

AND the GRANTOR, ORLANDO UTILITIES COMMISSION, and not the CITY OF ORLANDO, hereby covenants with said GRANTEE that, except as above noted, that the GRANTORS are lawfully seized of said land in fee simple; that the GRANTOR, ORLANDO UTILITIES COMMISSION, hereby fully warrants the title to said land and will defend the same against the lawful claims of all persons whomsoever; and that said real and personal property is free of all encumbrances, except taxes accruing subsequent to December 31, 19__.

IN WITNESS WHEREOF, the GRANTORS and GRANTEE have executed these presents the day and year first above written.

Witnesses:

ORLANDO UTILITIES COMMISSION

By: _____

As to OUC

Attest: _____

CITY OF ORLANDO

By: _____

As to City of Orlando

Attest: _____

GRANTORS

FLORIDA MUNICIPAL POWER AGENCY

By: _____

As to FMPA

Attest: _____

GRANTEE

STATE OF FLORIDA:

SS:

COUNTY OF ORANGE:

Before me, the undersigned authority duly authorized under the laws of the State of Florida to take acknowledgments, this day personally appeared _____ and _____, respectively, _____ and _____ of the ORLANDO UTILITIES COMMISSION, a statutory commission under the laws of the State of Florida, to me known to be the individuals and officers described in and who executed the foregoing instrument on behalf of said ORLANDO UTILITIES COMMISSION, and severally acknowledged the execution thereof to be their free act and deed as such officers thereunto duly authorized, and that the official seal of said ORLANDO UTILITIES COMMISSION is duly affixed thereto and the instrument is the act and deed of said Commission.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal at Orlando, in the County of Orange and State of Florida, this the ____ day of _____, 199__.

Notary Public, State of Florida

(NOTARIAL SEAL)

My Commission expires:

STATE OF FLORIDA:

SS:

COUNTY OF ORANGE:

Before me, the undersigned authority, duly authorized under the laws of the State of Florida to take acknowledgments, this day personally appeared _____ and _____, respectively, Mayor and City Clerk of the CITY OF ORLANDO, a municipal corporation under the laws of the State of Florida, to me known to be the individuals and officers described in and who executed the foregoing instrument on behalf of said CITY OF ORLANDO, and severally acknowledged the execution thereof to be their free act and deed as such officers thereunto duly authorized, and that the official seal of said City is duly affixed thereto, and the instrument is the act and deed of said City.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal at Orlando, in the County of Orange and State of Florida, this the ____ day of _____, 199__.

Notary Public, State of Florida

(NOTARIAL SEAL)

My Commission expires:

STATE OF FLORIDA:

SS:

COUNTY OF ORANGE:

Before me, the undersigned authority duly authorized under the laws of the State of Florida to take acknowledgments, this day personally appeared _____ and _____ respectively, _____ and _____ of FLORIDA MUNICIPAL POWER AGENCY, a legal entity organized and existing under the laws of the State of Florida, to me known to be the individuals and officers described in and who executed the foregoing instrument on behalf of said FLORIDA MUNICIPAL POWER AGENCY, and severally acknowledged the execution thereof to be their free act and deed as such officers thereunto duly authorized, and that the official seal of said FLORIDA MUNICIPAL POWER AGENCY is duly affixed thereto and the instrument is the act and deed of said Agency.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal at Orlando, in the County of Orange and State of Florida, this the ____ day of _____, 199__.

Notary Public, State of Florida

(NOTARIAL SEAL)

My Commission expires:

SCHEDULE "A"

THE WARRANTY DEED AND BILL OF SALE BETWEEN CITY OF ORLANDO AND ORLANDO UTILITIES COMMISSION, GRANTORS, AND FLORIDA MUNICIPAL POWER AGENCY, GRANTEE

DESCRIPTIONSTANTON ENERGY CENTER UNIT TWO SITEMain Generator Site

That part of: The Southeast 1/4 of Section 13, Township 23 South, Range 31 East, Orange County, Florida, described as follows:

From the Northeast corner of the Northeast 1/4 of Section 24, Township 23 South, Range 31 East, Orange County, Florida, run South 00 degrees 02 minutes 43 seconds West 30.11 feet along the East boundary of said Northeast 1/4 to a point on the Easterly prolongation of the Stanton Energy Center control baseline as presently monumented by a 4" x 4" concrete monument marked "HVCM 3" (having plant site coordinates of North 1,507,500.00 and East 445,300.00) and 4" x 4" concrete monument marked "HVCM 4" (having plant site coordinates of North 1,507,500.00 and East 447,700.00); thence run West 447.08 feet along said Easterly prolongation to said 4" x 4" concrete monument marked "HVCM 4"; thence continue West 797.25 feet along said Stanton Energy Center control baseline; thence run North 616.00 feet for the POINT OF BEGINNING; thence run West 852.75 feet; thence run North 244.00 feet; thence run East 852.75 feet; thence run South 244.00 feet to the POINT OF BEGINNING.

CONTAINING: 4.38 acres, more or less.

Cooling Tower Site

That part of: The Northeast 1/4 of Section 24, Township 23 South, Range 31 East, Orange County, Florida, described as follows:

From the Northeast corner of the Northeast 1/4 of Section 24, Township 23 South, Range 31 East, Orange County, Florida run South 00 degrees 02 minutes 43 seconds West 30.11 feet along the East boundary of said Northeast 1/4 to a point on the Easterly prolongation of the Stanton Energy Center control baseline as presently monumented by a 4" x 4" concrete monument marked "HVCM 3" (having plant site coordinates of North 1,507,500.00 and East 445,300.00) and a 4" x 4" concrete monument marked "HVCM 4" (having plant site coordinates of North 1,507,500.00 and East 447,700.00); thence run West 447.08 feet along said Easterly prolongation to said 4" x 4" concrete monument marked "HVCM 4"; thence continue West 250.00 feet along said POINT OF BEGINNING; thence continue South 450.00 feet; thence run East 390.00 feet; thence run North 450.00 feet; thence run West 390.00 feet to the POINT OF BEGINNING.

CONTAINING: 4.29 acres, more or less.

EXHIBIT N

CALCULATION OF CAPITAL CHARGE RATE

	<u>BALANCE</u> <u>(1,000)</u>	<u>COST OF</u> <u>CAPITAL</u> <u>RATIO</u> <u>(%)</u>	<u>RATE</u> <u>(%)</u>	<u>RATE OF</u> <u>RETURN</u> <u>(%)</u>
Debt				
Equity	_____	_____		_____
Total	_____	_____		_____

Notes: The capital charge rate utilized will be the overall rate of return as approved by the Orlando Utilities Commission in the annual rate adequacy study. Any rate change will coincide with the effective date of the rate adequacy study.

EXHIBIT O

CLOSING CERTIFICATE

I, _____, _____ of OUC/FMPA do hereby certify that all representations and warranties of OUC/FMPA contained in Paragraphs 2.01/2.02 of the Participation Agreement are true and correct as of the date hereof.

WITNESS my hand and seal of OUC/FMPA this _____ day of _____, 199__.

(SEAL)

EXHIBIT P

Florida Municipal Power Agency
7201 Lake Ellenor Drive
Orlando, FL 32809

Re: Stanton Energy Center Unit Two Generation Project Participation Agreement

Gentlemen:

We have acted as counsel on behalf of the Orlando Utilities Commission (OUC), a statutory commission under the laws of the State of Florida in connection with an agreement entitled Participation Agreement between the Orlando Utilities Commission and Florida Municipal Power Agency for the Joint ownership of the Curtis H. Stanton Energy Center Unit Two Generation Project, dated as of _____, 199__, with Exhibits A through Z, inclusive ("the Participation Agreement"). We have participated in the review of the Participation Agreement for OUC and in all proceedings in connection therewith on behalf of OUC before OUC's governing body.

Based upon our familiarity with these transactions and the affairs of OUC generally, we are of the opinion that:

- (i) OUC is a statutory commission of the State of Florida duly organized, validly existing and in good standing under the laws of the State of Florida and has the power, authority and legal ability to execute and deliver the Participation Agreement and to perform its obligations thereunder and to carry on its business as it is now being conducted and as it is contemplated by the Participation Agreement. OUC, as a part of the government of the City of Orlando, together with the City of Orlando holds title to the undivided ownership interest in the Project to be owned by the City of Orlando (as defined in the Participation Agreement) as set forth in the Participation Agreement.
- (ii) The Participation Agreement has been duly and validly authorized by all necessary action on the part of OUC and, to the extent necessary, by the City Council of the City of Orlando, and has been duly executed and delivered by OUC, and assuming due authorization, execution and delivery of the Participation Agreement by FMPA constitutes a legal, valid and binding obligation of OUC enforceable in accordance with its terms subject to the further provisions of this letter.
- (iii) All requisite governmental and regulatory approvals and consents for the execution and delivery by OUC of the Participation Agreement and the sale and conveyance by OUC of the property to be sold and conveyed by it thereunder have been obtained. All requisite governmental and regulatory approvals and consents for the performance by OUC of the Participation Agreement have been obtained except for such approvals and consents related to the construction, operation or disposal of the Project as are not yet required to have been obtained.

- (iv) The execution, delivery and performance by OUC of the Participation Agreement will not contravene any law or any governmental rule, regulation or order applicable to OUC or its properties, the statutory authority of the Orlando Utilities Commission or the Charter of the City of Orlando, and will not contravene the provisions of or constitute a default under any contract, resolution or instrument to which OUC is a party or by which OUC is bound.
- (v) To our knowledge, there are no actions, suits, inquiries, investigations or proceedings pending or, to our knowledge, threatened against or affecting OUC before any court or administrative body or agency having jurisdiction over OUC wherein an unfavorable decision, ruling or finding, in our opinion would materially affect the ability of OUC to perform its obligations under the Participation Agreement.
- (vi) To our knowledge, there are no petitions for referendum pending which, in our opinion, would materially affect the ability of OUC to perform its obligations under the Participation Agreement.

This opinion is subject to the following:

- (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, debt adjustment, 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.

We are furnishing this letter to you pursuant to paragraph 3.08(d) of the Participation Agreement between the Orlando Utilities Commission and FMPA solely for the use of FMPA, and it may not be relied upon by any other person for any other purposes.

Sincerely yours,

GURNEY AND HANDLEY, P.A.

By: _____

EXHIBIT Q

Orlando Utilities Commission
Post Office Box 3193
Orlando, Florida 32802

Re: Curtis H. Stanton Energy Center Unit Two Participation Agreement

Gentlemen:

We have acted as general counsel on behalf of Florida Municipal Power Agency ("FMPA") in connection with an Agreement entitled Participation Agreement between the Orlando Utilities Commission and Florida Municipal Power Agency for the Joint Ownership of Curtis H. Stanton Energy Center Unit Two Generation Project, dated as of _____, 199__, with Exhibits A through Z, inclusive ("the Participation Agreement") and the related FMPA Member Contracts. We have participated in the review of the Participation Agreement for FMPA and in all proceedings in connection therewith on behalf of FMPA before FMPA's governing body.

Based on our familiarity with these transactions and the affairs of FMPA generally, we are of the opinion that:

- (i) FMPA is a legal entity duly organized, validly existing and in good standing under the laws of the State of Florida and has the power and authority to execute and deliver the Participation Agreement and the FMPA Member Contracts, to perform its obligations thereunder and to carry on its business as it is now being conducted and as it is contemplated by the Participation Agreement and the FMPA Member Contracts to be conducted in the future. FMPA has the requisite authority to own the undivided ownership interest in the Project as set forth in the Participation Agreement.
- (ii) The Participation Agreement and each of the FMPA Member Contracts have been duly and validly authorized, executed and delivered by FMPA, and assuming due authorization, execution and delivery of the Participation Agreement by OUC and the FMPA Member Contracts by the FMPA Participating Members constitutes valid and binding obligations of FMPA enforceable in accordance with their terms subject to the further provisions of this letter.
- (iii) No further approval, authorization, consent or order of any board or body (public or private) is legally required for the performance by FMPA of its obligations under the Participation Agreement and the FMPA Member Contracts.
- (iv) The execution, delivery and performance by FMPA of the Participation Agreement and each of the FMPA Member Contracts will not contravene any law, or any governmental rule, regulation or order applicable to FMPA or any of its properties and do not and will not contravene the provisions of or constitute a default under any contract, resolution or instrument to which FMPA is a party or by which FMPA is bound.

- (v) To our knowledge, there are no actions, suits, inquiries, investigations or proceedings pending or to our knowledge threatened against or affecting FMPA before any court or administrative body or agency having jurisdiction over FMPA, which in our opinion, would materially affect the ability of FMPA to perform its obligations under the Participation Agreement or any and FMPA Member Contract.
- (vi) To our knowledge, there are no petitions for referendum pending which, in our opinion, would materially affect the ability of FMPA to perform its obligations under the Participation Agreement or any FMPA Member Contract.

This opinion is subject to the following:

- (a) The enforceability of the rights and remedies of any party to the Participation Agreement and any FMPA Member Contract 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 or any FMPA Member Contract including but not limited to the remedy of specific performance.
- (c) All capitalized terms used herein shall have the same meaning as in the Participation Agreement unless the context clearly indicates otherwise.

We are furnishing this letter to you pursuant to paragraph 3.08(d) of the Participation Agreement between the Orlando Utilities Commission and FMPA solely for the use of the Orlando Utilities Commission, and it may not be relied upon by any other person for any other purposes.

Sincerely yours

MOORE, WILLIAMS, BRYANT, PEEPLES & GAUTIER

By: FREDERICK M. BRYANT For the Firm

EXHIBIT R-1

FLORIDA MUNICIPAL AGENCY (FMPA)

VARIABLE COST (COAL) INVENTORY - QUANTITY RECONCILIATION AND SETTLEMENT (1)

FOR MONTH OF JUNE 1983

	<u>100%</u>			<u>FMPA'S OWNERSHIP SHARE (35%)</u>		
	<u>QUANTITY (TONS) (A)</u>	<u>UNIT PRICE (B)</u>	<u>VALUE (C)</u>	<u>QUANTITY (TONS) (D)</u>	<u>UNIT PRICE (E)</u>	<u>VALUE (F)</u>
INVENTORY BEGINNING OF MONTH	2,234	\$52.100	\$116,391.40	781.9	\$52.100	\$ 40,736.99
COAL DELIVERED	<u>7,000</u>	56.000	<u>392,000.00</u>	<u>2,450.0</u>	56.000	<u>137,200.00</u>
TOTAL AVAILABLE	9,234	55.056	508,391.40	3,231.9	55.056	<u>137,200.00</u>
COAL BURNED	<u>6,720</u>	55.056	<u>369,976.32</u>	<u>2,352.0</u>	55.056	<u>129,491.71</u>
INVENTORY END OF MONTH	<u>2,514</u>	55.058	<u>138,415.08</u>	<u>879.9</u>	55.058	<u>48,445.28</u>
<u>QUANTITY DIFFERENCE:</u>						
ACTUAL SHARE BURNED (2)				2,544.2		
OWNERSHIP SHARE BURNED				<u>2,352.0</u>		
DUE TO (FROM) OUC (3)				<u>192.2</u>	55.056	<u>\$ 10,581.76</u>

NOTES:

- (1) Numbers shown on this exhibit are for example purposes only and relate to coal inventory.
- (2) Line 7 on Exhibit R-3 times Line 4, column (A) on Exhibit R-1.
- (3) Line 6 minus Line 7

EXHIBIT R-2

FLORIDA POWER MUNICIPAL POWER AGENCY (FMPA)

VARIABLE COST (COAL) INVENTORY - PRICE RECONCILIATION AND SETTLEMENT (1)

FOR MONTH OF JUNE 1983

1.	Next Month's Average Delivered Price	\$ 56.000/Ton
2.	Current Month's Average Burn Price (From Exhibit R-1, Line 4, Column B)	\$ 55.056/Ton
3.	Difference - Increase (Decrease) (Line 1 minus Line 2)	\$ 0.944/Ton
4.	Quantity due to (from) OUC in Current Month (From Exhibit R-1, Line 8, Column D)	192.2/Tons
5.	Payment to (from) OUC (Line 3 times Line 4) (Rounded to Nearest Penny)	<u>\$ 181.44</u>

Note: (1) Numbers shown on this exhibit are for example purposes only and relate to coal inventory.

EXHIBIT R-3

VARIABLE COST ALLOCATION RATIO (1)

FOR MONTH OF JUNE 1983

1.	Project Gross Output	259,200,000 KWH	Metered
2.	Gross Output Adjusted for Transformer Losses	256,608,000 KWH	Calculated
3.	Main Station Service Energy	25,920,000 KWH	Metered
4.	Station Service Energy Adjusted for Transformer Losses	26,182,000 KWH	Calculated
5.	Net Energy Out of the Project (Line 2 minus Line 4)	230,426,000 KWH	Calculated
6.	Actual net Energy Out of the Project for FMPA	87,239,000 KWH	From Dispatch
7.	Variable Cost Allocation Ratio (Line 6 divided by Line 5)	0.3786	Calculated

Note: (1) Numbers shown on this exhibit are for example purposes only.

EXHIBIT S

MONTHLY ALLOCATION OF GENERAL AND ADMINISTRATIVE EXPENSES

ALLOCABLE GENERAL AND ADMINISTRATIVE EXPENSES

- | | |
|---|----------|
| 1. Administrative and General Salaries
(Account 920)* | \$ _____ |
| 2. Office Supplies and Expenses (Account 921)* | \$ _____ |
| 3. Administrative Expenses Transferred (Credit)
(Account 922)* | \$ _____ |
| 4. Outside Services (Account 923)* | \$ _____ |
| 5. Employee Pensions and Benefits (Account 926)* | \$ _____ |
| 6. Miscellaneous General Expense (Account 930.2)* | \$ _____ |
| 7. Allocable General and Administrative Expenses*
(Sum of Lines 1 through 6) | \$ _____ |

ALLOCATION OF GENERAL AND ADMINISTRATION EXPENSES

- | | |
|---|----------|
| 8. Number of OUC Employees - Electric Operations | _____ |
| 9. Number of OUC Employees - Water Operations | _____ |
| 10. Number of OUC Employees - Customer Accounting | _____ |
| 11. Number of OUC Employees - General and Administrative | _____ |
| 12. TOTAL | _____ |
| 13. Basis for Allocation
(Line 8 plus Line 9 plus Line 10) | _____ |
| 14. Allocable Basis - Number of SEC Employees divided by 2 | _____ |
| 15. Allocable to SEC Unit No. 2 (Line 14 divided by Line 13)
(Express as a Decimal) | _____ |
| 16. General and Administrative Expenses Allocable to
SEC Unit No. 2 (Line 7 times Line 15) | \$ _____ |
| 17. FMPA's Ownership Share (expressed as a decimal) | _____ |
| 18. FMPA's Monthly General and Administrative
Expenses (Line 16 times Line 17) | \$ _____ |

* General and Administrative expenses from joint ownership agreements are to be excluded.

EXHIBIT I

ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION

The rate for calculating the allowance for funds used during construction shall be the Capital Charge Rate calculated in Exhibit N through the Commercial Operation Date.

EXHIBIT U
USER CHARGE

APPLICABLE TO EXTERNAL FACILITIES (1)(2)

	<u>External Facilities</u>
1. Depreciable Plant Balance excluding AFUDC (cost of property as defined in Uniform System of Accounts and maintained on books of OUC).	\$ _____
2. Monthly Depreciation Rate (1/12 of annual rate used by OUC based on straight line depreciation over the estimated service life of the facilities, subject to audit for reasonableness by OUC's independent auditors). (3)	% _____
3. Monthly Depreciation Expense (Line 1 times Line 2 divided by 100) (3)	\$ _____
4. Net Plant Balance (Depreciable Plant Balance as defined in (1) above less accumulated depreciation on Depreciable Plant Balance using the rate used in Line 2 above, plus land and other non-depreciable plant.)	\$ _____
5. Capital Charge Rate (1/12 of the annual rate as computed in Exhibit N)	% _____
6. Capital Charge (Line 4 times Line 5 divided by 100)	\$ _____
7. Monthly User Charge applicable to the facilities (Line 3 plus Line 6)	\$ _____
8. Net Revenue from Third Party use of the External Facilities	\$ _____
9. Net Monthly User Charge applicable to the facilities (Line 7 minus Line 8)	\$ _____
10. Allocation Factor to Stanton Unit #2 (decimal)	<u>0.5</u>
11. FMPA's Ownership Share (percent)	% _____
12. FMPA's Monthly User Charge (Line 9 times line 10 times 11 divided by 100)	\$ _____

- NOTES:
1. It is assumed that the cost of decommissioning the facilities will be equivalent to the salvage value of the facilities.
 2. The User Charge will be computed annually following the completion of the audit of the fiscal year financial report. Monthly user charges will be one-twelfth (1/12) of the annual amount to be billed on a calendar year basis.
 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 1).

EXHIBIT V

CERTIFICATE OF SUBSTANTIAL COMPLETION

The undersigned Engineer, responsible for Construction Management, and the undersigned Project Manager, do hereby certify that:

The construction of C. H. Stanton Energy Center Unit #2 is substantially complete as of _____, 199__. The date of Substantial Completion is the date when construction is sufficiently completed in accordance with plans and specifications so that the Project can be utilized for the purpose for which it was intended.

The Project has been constructed in accordance with Prudent Utility Practice.

The Project Construction is in substantial conformance with all plans and specifications issued by the design engineer.

Dated this ____ day of _____ 199__.

PROJECT MANAGER

ENGINEER

TITLE

TITLE

EXHIBIT W

USER CHARGE

APPLICABLE TO REPLACEMENT PROPERTY UNITS (1)(2)

- | | | |
|----|--|----------|
| 1. | Depreciable Plant Balance for excluding AFUDC (cost of property as defined in Uniform System of Accounts and maintained on books of OUC). | \$ _____ |
| 2. | Monthly Depreciation Rate (1/12 of annual rate used by OUC based on straight line depreciation over the estimated service life of the facilities, subject to audit for reasonableness by OUC's independent auditors). (3) | % _____ |
| 3. | Monthly Depreciation Expense (Line 1 times Line 2 divided by 100) (3) | \$ _____ |
| 4. | Net Plant Balance (Depreciable Plant Balance as defined in (1) above less accumulated depreciation on Depreciable Plant Balance using the rate used in (2) above) | \$ _____ |
| 5. | Capital Charge Rate (1/12 of annual rate as computed in Exhibit N) | % _____ |
| 6. | Capital Charge (Line 4 times Line 5 divided by 100) | \$ _____ |
| 7. | Monthly User Charge applicable to facilities ((Line 3 plus Line 6) times the nameplate rating of SEC Unit 2 divided by the sum of the nameplate ratings of all units of the Stanton Energy Center Site applicable to replacement property units) | \$ _____ |
| 8. | FMPA's Ownership Share | % _____ |
| 9. | FMPA's Monthly User Charge (Line 7 times Line 8 divided by 100) | \$ _____ |

- NOTES:
1. It is assumed that the cost of decommissioning the replacement property unit will be equivalent to the salvage value of replacement property unit components.
 2. The User Charge will be computed annually following the completion of the audit of the fiscal year financial report. Monthly user charges will be one-twelfth (1/12) of the annual amount to be billed on a calendar year basis
 3. Monthly depreciation expense shall cease to be included in this calculation when the accumulated depreciation expenses determined pursuant to this calculation equals 100% of depreciable plant (Line 1).

EXHIBIT X

USER CHARGE APPLICABLE TO INVENTORY

1. Inventory Value-
13 Month Rolling Average (Account 154) \$ _____
2. Capital Charge Rate (1/12 of annual rate
as computed in Exhibit N) % _____
3. Monthly Service Charge
((Line 1 times Line 2 divided by 100)
divided by sum of number of generating
units capable of utilizing the Inventory)) \$ _____
4. FMPA's Ownership Share % _____
5. FMPA's Monthly Service Charge
(Line 3 times Line 4 divided by 100) \$ _____

EXHIBIT Y
FORM OF OPINION OF COUNSEL
TO FMPA PARTICIPATING MEMBERS

_____, 199__

(Introductory Text to be Supplied)

1. (FMPA Participating Member) (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 integrated utility system as currently being conducted and to perform its obligations under the Power Sales Contract, dated as of _____, entered into between FMPA and the Participant (the "Power Sales Contract"), the Project Support Contract, dated as of _____, entered into between FMPA and the Participant (the "Project Support Contract"), and Interlocal Agreement Creating the Florida Municipal Power Agency, as amended (the "Interlocal Agreement").

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

3. Neither the Participant's execution and delivery of the Power Sales Contract, the Project Support Contract and the Interlocal Agreement, compliance by the Participant therewith nor the consummation of the transactions contemplated thereby, including, without limitation, the Participant's payment of amounts in respect of Monthly Power Costs, Monthly Transmission Costs and Project Support Payments, as defined and provided for in the Power Sales Contract and Project Support Contract, will conflict with or constitute a breach of or default under the terms of any constitutional provision or statute of the State of Florida, the Participant's (add local ordinance, charter and/or bylaws as appropriate), any administrative rule or regulation of the State of Florida or of any bond or note, resolution, indenture, judgment, decree, order, license, permit, franchise, contract, debt instrument, 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 or the Bond Resolution adopted by FMPA on _____.

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 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 Interlocal Agreement, 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 (other than described).

5. The rates charged by the Participant to its electric customers are established by (name of body) and are not subject to regulation by any other authority of the State of Florida, including any local authority, other than (described).

6. Except for the authorization of the governing body of the Participant, which has been fully obtained, no other approval, authorization, consent or order of, or filing or registration with, any governmental authority, legislative body, board, agency or commission having jurisdiction or any other person or entity is required for the execution and delivery by the Participant of the Power Sales Contract, the Project Support Contract or the Interlocal Agreement, or the performance by the Participant of its obligations thereunder.

Insofar as the foregoing opinions relate to the enforceability of any instrument, such opinions are subject to applicable bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting creditors' rights generally, and no opinion is being rendered as to the availability of any specific remedy, including specific performance or other equitable remedies.

A copy of this opinion is being delivered to the Orlando Utilities Commission and it may rely on this opinion as fully as though it were addressed directly to the Orlando Utilities Commission.

Respectfully submitted,

EXHIBIT Z

FORM OF OPINION OF GENERAL COUNSEL

TO FMPA, BOND COUNSEL TO FMPA OR SPECIAL

(Introductory Text to be Supplied)

1. Under the Constitution and general laws of the State of Florida, each of the Participants has full power and authority to enter into and perform its obligations under its respective Power Sales Contract and Power Support Contract.

2. Under the Constitution and general laws of the State of Florida, the Contract entered into by each Participant constitutes the legal, valid and binding obligations of such Participant each enforceable in accordance with its terms.

3. The execution and delivery by each of the Participants of the Contract the performance by each of the Participants of its obligations thereunder and the consummation of the transactions contemplated therein, will not violate any constitutional provision or any of the general laws of the State of Florida.

4. Except for the authorization of the governing body of the Participant or any other local governmental authority as to which we express no opinion, no other approval, consent or order of, or filing with any governmental authority of the State of Florida, is required for the execution and delivery by each Participant of the Contract, or the performance by each Participant of its obligations thereunder.

In rendering the foregoing opinion, we have made no investigation of, and do not express any opinion with respect to, the following as they may relate to the valid and binding nature of such Contracts and and performance by each Participant thereunder: (i) the legal existence or formation of any Participant or the Incumbency of any official or officer thereof, (ii) the charter, by laws or other governing instrument of any Participant, (iii) any local or special acts or any ordinance, resolution or other proceedings of any Participant, including, without limitation, any proceedings relating to the negotiation or authorization of any such Contract or the execution, delivery or performance thereof, (iv) any bond resolution, indenture, contract, debt instrument, agreement or other instrument (other than such Contracts and or any governmental order, regulation or rule of or applicable to any Participant, (v) any judicial order, judgment or decree in a proceeding to which any Participant is a party (other than any judicial order, judgment or decree involving specifically the Contract with a Participant), or (vi) any approval, consent, filing, registration or

authorization by or with any regulatory authority or other governmental or public agency, authority or person which may be or has been required for the authorization, execution, delivery or performance by any Participant of the Contract except as set forth in Paragraph 4 above. We have assumed, without independent investigation, that each such Contract has been duly authorized, executed and delivered by the Participant party thereto.

The opinions set forth above, insofar as they relate to the enforceability of the Contracts, are subject to the effect of, and restrictions and limitations imposed by or resulting from, bankruptcy, insolvency, debt adjustment, moratorium, reorganization or other similar laws affecting creditor's rights and judicial discretion, the valid exercise of the sovereign police powers of the State of Florida and of the constitutional power of the United States of America.

By use of the word "enforceable" in this opinion, we are not rendering any opinion as to the availability of any remedy in the nature of specific performance or any other equitable remedy.

Very truly yours,

A RESOLUTION OF THE BOARD OF DIRECTORS OF FLORIDA MUNICIPAL POWER AGENCY (I) APPROVING THE STANTON II PROJECT REVENUE BOND RESOLUTION; (II) AUTHORIZING THE ISSUANCE OF BONDS IN AN AMOUNT NOT EXCEEDING \$275,000,000 PURSUANT TO SAID BOND RESOLUTION; (III) TAKING CERTAIN OTHER ACTIONS; AND (IV) PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE FLORIDA MUNICIPAL POWER AGENCY:

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 II, Florida Statutes, as amended (collectively, the "Act").

SECTION 2. DEFINITIONS. When used in this Resolution, capitalized terms shall have the same meaning as that specified in the Stanton II Project Revenue Bond Resolution attached hereto as Exhibit A unless otherwise provided herein or unless the context clearly requires otherwise.

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

3.01. Florida Municipal Power Agency ("FMPA") was formed pursuant to the Interlocal Agreement creating the Florida Municipal Power Agency, as amended (the "Interlocal Agreement"), and the findings, determinations and declarations made in the preambles thereof are hereby reaffirmed and ratified.

3.02. 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 energy.

3.03. FMPA is authorized by the terms of the Act and the Interlocal Agreement, among other things (i) to plan, finance, acquire, construct, reconstruct, own, lease, operate, maintain, repair, improve, extend or otherwise participate jointly in any electric power supply project or projects or to acquire an interest in any such project or facilities; (ii) to issue its bonds, notes or other evidences of indebtedness to pay all or part of the cost of acquiring joint electric power supply projects; and (iii) to exercise all other powers which have been or may be granted to FMPA under the laws of the State of Florida which may be necessary and proper to further the purposes of FMPA.

3.04. It is necessary and desirable and in the best interests of FMPA, the Project Participants and the residents of the State to whom the Project Participants furnish, supply or distribute electrical energy that FMPA issue Bonds pursuant to the Stanton II Project Revenue Bond Resolution to be adopted by the Board of Directors of FMPA relating to the Stanton II Project (the "Bond Resolution") and one or more Supplemental Resolutions adopted from time to time by FMPA supplementing such Bond Resolution to finance the costs of the Stanton II Project and the Board of Directors of FMPA desires to approve the terms of and authorize the execution and delivery of the Bond Resolution.

SECTION 4. APPROVAL AND AUTHORIZATION OF EXECUTION OF THE BOND RESOLUTION. The terms of the Bond Resolution, in the form annexed hereto as Exhibit A, are hereby expressly approved and the Bond Resolution is hereby adopted.

SECTION 5. AUTHORIZATION OF ISSUANCE OF BONDS. There is hereby authorized to be issued pursuant to the terms of the Bond Resolution, in the form annexed hereto as Exhibit A, Bonds in an amount not exceeding \$275,000,000, which Bonds shall bear a rate or rates of interest to be determined by further resolution of the Board of Directors of FMPA, which shall not exceed the maximum rate authorized by law.

SECTION 6. DESIGNATION OF AUTHORIZED OFFICERS OF FMPA. The Chairman and Vice Chairman of FMPA, the Secretary-Treasurer, the Assistant Secretary-Treasurer, the General Manager and the Controller are each hereby designated as Authorized Officers of FMPA for the purpose of executing and delivering the Bond Resolution and taking any other actions authorized by this Resolution.

SECTION 7. FURTHER ACTIONS. Each Authorized Officer of FMPA is hereby authorized and empowered (i) to execute and deliver the Bond Resolution, (ii) to commence proceedings for the validation of the Bonds, and in connection therewith to file the Bond Resolution and all other necessary and pertinent documents with the validating court, and (iii) to execute and deliver, in the name of and on behalf of FMPA such other documents, certificates or papers, not specifically referred to in this Resolution, as are required or contemplated by the provisions of the Bond Resolution and take all such further action as may be necessary or desirable in carrying out the terms and provisions of the the Bond Resolution.

SECTION 8. RESOLUTION TO CONSTITUTE CONTRACT. In consideration of the purchase and acceptance of any and all of the Bonds authorized to be issued pursuant to the Bond Resolution, or Supplemental Resolutions, if any, adopted from time to time by FMPA and supplementing such Bond Resolution, by those who shall hold the same from time to time (the "Holders"), the Bond Resolution shall

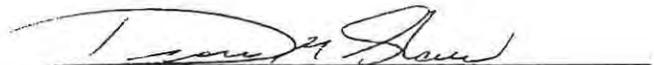
be deemed to be and shall constitute a contract between FMPA and the Holders from time to time of the Bonds. The covenants and agreements herein set forth to be performed by FMPA shall be solely for the benefit, protection and security of the Holders of the Bonds.

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 affect the validity or enforceability of such remaining provisions.

SECTION 10. EFFECTIVE DATE. This Resolution shall take effect immediately upon its adoption.

APPROVED AND ADOPTED by the Florida Municipal Power Agency on June 26, 1991.

FLORIDA MUNICIPAL POWER AGENCY


Chairman

ATTEST:


Secretary

c:\wp50\fmpa\stanton\boardres.bnd

FLORIDA MUNICIPAL POWER AGENCY

Stanton II Project Revenue Bonds

STANTON II PROJECT
REVENUE BOND RESOLUTION

Adopted June 26, 1991

FLORIDA MUNICIPAL POWER AGENCY
STANTON II PROJECT REVENUE BOND RESOLUTION

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STANTON II PROJECT REVENUE BOND RESOLUTION

Adopted June 26, 1991

WHEREAS, Florida Municipal Power Agency (hereinafter referred to as "FMPA") has heretofore been duly organized as a legal entity under the laws of the State of Florida and 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 determined that the purchase of an undivided interest in those facilities described herein and designated as the Initial Facilities is required to provide for a portion of the projected needs for Electric Capacity and Electric Energy of certain of its members; and

WHEREAS, FMPA will enter into the Participation Agreement between Orlando Utilities Commission and Florida Municipal Power Agency for the Joint Ownership of Curtis H. Stanton Energy Center Unit Two Generation Project with the Orlando Utilities Commission ("OUC"), pursuant to which FMPA will purchase a 15.9962% undivided interest in Curtis H. Stanton Energy Center Unit Two Generation Project ("Stanton Unit No. 2"), and FMPA will be entitled to Electric Capacity and Electric Energy derived from those facilities and contractual arrangements and agreements described herein and designated as the Stanton II 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 Stanton II Project for the supply of Electric Capacity and Electric Energy to certain of its members and will sell the Electric Capacity and Electric Energy of the Stanton II Project pursuant to Power Sales Contracts described herein with such members:

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of FMPA as follows:

ARTICLE I

DEFINITIONS AND STATUTORY AUTHORITY

101. **Definitions.** The following terms shall, for all purposes of the Resolution, have the following meanings:

Account or Accounts shall mean, as the case may be, each or all of the Accounts established in Section 502.

Accountant's Certificate shall mean a certificate signed by an independent certified public accountant of recognized national standing or a firm of independent certified public accountants of recognized national standing, selected by FMPA, who may be the accountant or firm of accountants who regularly audit the books of FMPA.

Accreted Value shall mean with respect to any Capital Appreciation Bonds (i) as of any Valuation Date, the amount set forth for such date in the Supplemental Resolution authorizing such Capital Appreciation Bonds and (ii) as of any date other than a Valuation Date, the sum of (a) the Accreted Value on the preceding Valuation Date and (b) the product of (1) a fraction, the numerator of which is the number of days having elapsed from the preceding Valuation Date and the denominator of which is the number of days from such preceding Valuation Date to the next succeeding Valuation Date and (2) the difference between the Accreted Values for such Valuation Dates. For purposes of this definition, the number of days having elapsed from the preceding Valuation Date and the number of days from the preceding Valuation Date to the next succeeding Valuation Date shall be calculated on the basis of a three hundred sixty (360) day year of twelve (12) thirty (30) day months.

Accrued Aggregate Debt Service shall mean, as of any date of calculation, an amount equal to the sum of the amounts of accrued Debt Service with respect to all Series, calculating the accrued Debt Service with respect to each Series at an amount equal to the sum of (i) interest on the Bonds of such Series accrued and unpaid and to accrue to the end of the then current calendar month, and (ii) Principal Installments due and unpaid and that portion of the Principal Installment for such Series next due which would have accrued (if deemed to accrue in the manner set forth in the definition of Debt Service) to the end of such calendar month. For purposes of this definition, the principal and interest portions of the Accreted Value of any Capital Appreciation Bonds becoming due at maturity or by virtue of a Sinking Fund Installment and the principal and interest portions of the Appreciated Value of any Deferred Income Bonds becoming due at maturity or by virtue of a Sinking Fund Installment shall be included in the calculations of accrued and

unpaid and accruing interest or Principal Installments in such manner and during such period of time as is specified in the Supplemental Resolution authorizing such Capital Appreciation Bonds or Deferred Income Bonds, as the case may be.

Act shall mean the Constitution and laws of the State of Florida, including particularly Chapter 163, Part I, as amended, Chapter 166, Part III, as amended, and Chapter 361, Part II, as amended, Florida Statutes.

Additional Bonds shall mean Bonds authenticated and delivered upon original issuance pursuant to Section 204 and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to Article III or Section 406 or Section 1106.

Additional Facilities shall mean FMPA's ownership interest in, or rights or obligation with respect to, one or more of the following: (1) any renewals, replacements, repairs, additions, betterments, modifications or improvements, necessary, to keep the Stanton II Project or any portion thereof in good operating condition or to prevent a loss of Revenues therefrom, (2) any additions, improvements, repairs and modifications to the Stanton II Project or any portion thereof and any retirement or disposal of the Stanton II Project or any portion thereof required by any governmental agency having jurisdiction over the Stanton II Project or for which FMPA shall be responsible by virtue of any obligation of FMPA arising out of the Participation Agreement, (3) capital costs incurred pursuant to actions taken under the Participation Agreement, whether required or optional, (4) additional fuel inventory or any rights thereto for the Stanton II Project to the extent that sufficient funds are not available to pay the cost thereof in any Fund or Account hereunder, (5) any items consisting of Common Facilities and/or External Facilities under the Participation Agreement, which FMPA and OUC thereafter agree shall be owned in part by FMPA for the Stanton II Project, and (6) any amounts relating for the Stanton II 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 Stanton Unit No. 2 or the construction or acquisition of any transmission facilities.

Aggregate Debt Service for any period shall mean, as of any date of calculation, the sum of the amounts of Debt Service for such period with respect to all Series; provided, however, that for purposes of estimating Aggregate Debt Service for any future period, (i) any Variable Interest Rate Bonds shall be deemed to bear at all

times to the maturity thereof the Estimated Average Interest Rate applicable thereto; (ii) any Put Bonds Outstanding during such period which are secured as to payment of principal upon tender prior to maturity date by a Credit Facility shall be assumed to mature on the stated maturity date thereof, unless such Credit Facility expires within six months or less of the date of calculation in which case such Put Bonds shall be assumed to mature on the expiration date of such Credit Facility; (iii) any such Put Bonds Outstanding which are not so secured by a Credit Facility shall be assumed to mature on the next date upon which the Holder thereof may require payment thereof or on which such Bonds are required to be tendered for payment; and (iv) Extendible Maturity Bonds Outstanding during such period shall be deemed to mature on the later of the stated maturity date or the date to which such stated maturity date has been extended. For purposes of this definition, the principal and interest portions of the Accreted Value of any Capital Appreciation Bonds becoming due at maturity or by virtue of a Sinking Fund Installment and the principal and interest portions of the Appreciated Value of any Deferred Income Bonds becoming due at maturity or by virtue of a Sinking Fund Installment shall be included in the calculations of accrued and unpaid and accruing interest or Principal Installments in such manner and during such period of time as is specified in the Supplemental Resolution authorizing such Capital Appreciation Bonds or Deferred Income Bonds, as the case may be.

Annual Budget shall mean the annual budget, as amended or supplemented, adopted or in effect for a particular Fiscal Year as provided in Section 709.

Appreciated Value shall mean with respect to any Deferred Income Bonds (i) as of any Valuation Date, the amount set forth for such date in the Supplemental Resolution authorizing such Deferred Income Bonds, (ii) as of any date prior to the Interest Commencement Date other than a Valuation Date, the sum of (a) the Appreciated Value on the preceding Valuation Date and (b) the product of (1) a fraction, the numerator of which is the number of days having elapsed from the preceding Valuation Date and the denominator of which is the number of days from such preceding Valuation Date to the next succeeding Valuation Date and (2) the difference between the Appreciated Values for such Valuation Dates, and (iii) as of any date on and after the Interest Commencement Date, the Appreciated Value on the Interest Commencement Date. For purposes of this definition, the number of days having elapsed from the preceding Valuation Date and the number of days from the preceding Valuation Date to the next succeeding Valuation Date shall be calculated on the basis of a three hundred sixty (360) day year of twelve (12) thirty (30) day months.

Authorized Newspaper shall mean a financial newspaper customarily published at least once a day for at least five days (other than legal holidays) in each calendar week, printed in the English language and of general circulation in the Borough of Manhattan, City and State of New York.

Authorized Officer of FMPA shall mean any person or persons designated by the Executive Committee or the Board of FMPA by resolution to act on behalf of FMPA under the Resolution. The designation of such person or persons shall be evidenced by a written certificate containing the specimen signature of such person or persons and signed on behalf of FMPA by its Chairman.

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 Resolution shall be given by law.

Bond or Bonds shall mean any bond or bonds, note or notes, or other evidences of indebtedness (other than Subordinated Debt), as the case may be, authenticated and delivered under and pursuant to the Resolution.

Bondholder or Holder of Bonds or Holder shall mean any person who shall be the registered owner of any Bond or Bonds.

Bond Registrar shall mean the Trustee and any other bank or trust company organized under the laws of any state of the United States of America or national banking association appointed by FMPA to perform the duties of Bond Registrar enumerated in Section 703.

Capital Appreciation Bonds shall mean any Bonds hereafter issued as to which interest is payable only at the maturity or prior redemption of such Bonds. For the purposes of (i) receiving payment of the Redemption Price if a Capital Appreciation Bond is redeemed prior to maturity or (ii) computing the principal amount of Bonds held by the registered owner of a Capital Appreciation Bond in giving to FMPA or the Trustee any notice, consent, request, or demand pursuant to the Resolution for any purpose whatsoever, the principal amount of a Capital Appreciation Bond shall be deemed to be its Accreted Value.

Construction Costs shall have the meaning given to that term in the Participation Agreement.

Construction Fund shall mean the Construction Fund established in Section 502.

Contingency Requirement shall mean, at any date of calculation, with respect to the Contingency Account in the Reserve and Contingency Fund, such amount as at the date of calculation shall have been established by FMPA, and in connection with any issuance of Bonds, as the Contingency Requirement in its Annual Budget which is then in effect.

Cost of Acquisition and Construction shall mean all costs of planning, engineering, designing, financing, installing, constructing, acquiring and placing in operation, or retirement or disposal of, the Stanton II Project and which shall include, but 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 Resolution, including all amounts required by the Supplemental Resolution authorizing a Series of Bonds to be paid from the proceeds of Bonds into the Debt Service Account in the Debt Service Fund;

(2) the acquisition of fuel for the Stanton II Project;

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

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

(5) the deposit or deposits required to be made under the Resolution from the proceeds of Bonds into any fund or account established pursuant to the Resolution as a reserve for renewals, replacements and contingencies and retirement from service, salvage, discontinuance, sale or disposal of any facilities of the Stanton II 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 Stanton II Project;

(7) all costs and expenses relating to claims or judgments arising out of the acquisition, construction and operation of the Stanton II Project;

(8) all 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 Stanton II 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 Stanton II Project;

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

(11) the costs and expenses, including the cost of credit enhancement, remarketing and other fiduciary fees and any similar fee for any of the Series of Bonds or issue of Subordinated Debt, and also 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.

(12) all other costs incurred in connection with, and properly chargeable to, the acquisition and construction of the Stanton II Project in accordance with, or which constitute Construction Costs including any prepayment of operating expenses and participation fee required under the Participation Agreement; 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.

(14) all costs incurred in connection with acquisition of clean air credits as defined in the Clean Air Act of 1990.

Prior to the Commercial Operation Date of Stanton Unit No. 2 (as defined in the Power Sales Contracts), FMPA shall apply as a credit against the Cost of Acquisition and Construction of the Stanton II Project, to the extent not credited against Monthly Power Costs or Monthly Transmission Costs (as such terms are defined in the Power Sales Contracts), all proper credits thereto, including, without limitation, all receipts, revenues and other monies to the extent received by it 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 relating to Stanton Unit No. 2 and interest earned on investments held under the Resolution and paid into or retained in the Construction Fund established thereunder.

Credit Facility shall mean an irrevocable letter of credit, surety bond, loan agreement, Standby Purchase Agreement or other agreement, facility or insurance or guaranty arrangement issued or extended by a bank, a trust company, a national banking association, an organization subject to registration with the Board of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956 or any successor provisions of law, a federal branch pursuant to the International Banking Act of 1978 or any successor provisions of law, a savings bank, a saving and loan association, an insurance company or association chartered or organized under the laws of any state of the United States of America, the Government National Mortgage Association or any successor thereto, the Federal National Mortgage Association or any successor thereto, or any other federal agency or instrumentality approved by the Authority, pursuant to which FMPA is entitled to obtain moneys to pay the principal, purchase price or Redemption Price of Bonds due in accordance with their terms or tendered for purchase or redemption, plus accrued interest thereon to the date of payment, purchase or redemption thereof in accordance with the Resolution, whether or not FMPA is in default under the Resolution.

Debt Service for any period shall mean, as of any date of calculation and with respect to any Series, an amount equal to the sum of (i) interest accruing during such period on Bonds of such Series, except to the extent that such interest is to be paid from deposits made from Bond proceeds into the Debt Service Account in the Debt Service Fund (including amounts, if any, transferred thereto

from the Construction Fund), and (ii) that portion of each Principal Installment for such Series which would accrue during such period if such Principal Installment were deemed to accrue daily in equal amounts from the next preceding Principal Installment due date for such Series (or, if there shall be no such preceding Principal Installment due date, from a date one year preceding the due date of such Principal Installment or from the date of issuance of the Bonds of such Series, whichever date is later). Such interest and Principal Installments for such Series shall be calculated on the assumption that (x) no Bonds (except for Put Bonds actually tendered for payment or for purchase in accordance with the Supplemental Resolution authorizing the Series of Bonds of which such Bond is one prior to the stated maturity thereof and not purchased or remarketed on the date required to be paid or purchased) of such Series Outstanding at the date of calculation will cease to be Outstanding except by reason of the payment of each Principal Installment on the due date thereof and (y) the principal amount of Put Bonds tendered for payment before the stated maturity thereof shall be deemed to accrue on the date required to be paid pursuant to such tender. For purposes of this definition, the principal and interest portions of the Accreted Value of Capital Appreciation Bonds and the Appreciated Value of Deferred Income Bonds becoming due at maturity or by virtue of a Sinking Fund Installment shall be included in the calculations of accrued and unpaid and accruing interest or Principal installments in such manner and during such period of time and is specified in the Supplemental Resolution authorizing such Capital Appreciation Bonds or Deferred Income Bonds.

Debt Service Fund shall mean the Debt Service Fund established in Section 502.

Debt Service Reserve Requirement shall mean, as of any date of calculation, an amount equal to one-half (1/2) of the greatest amount of Aggregate Debt Service for the then current or any future Fiscal Year provided, however, that as a result of the issuance of any Series of Bonds the interest on which is excluded from gross income for Federal income tax purposes the Debt Service Reserve Fund Requirement shall not exceed the sum of the Debt Service Reserve Fund Requirement immediately prior to the issuance of such Series plus 10% of the proceeds from the sale of such Series. For purposes of this definition, "proceeds" shall have the meaning given such term for purposes of Section 148(d) of the Code.

Deferred Income Bond shall mean any Bond (A) as to which interest accruing thereon prior to the Interest Commencement Date of such Bond is (i) compounded on each Valuation Date for such Deferred Income Bond and (ii) payable only at the maturity or prior redemption of such Bonds and (B) as to which interest accruing after the Interest Commencement Date is payable on the first interest payment

date immediately succeeding the Interest Commencement Date and semi-annually thereafter on the dates specified in the Supplemental Resolution authorizing such Bond. For the purposes of (i) receiving payment of the Redemption Price if a Deferred Income Bond is redeemed prior to maturity or (ii) computing the principal amount of Bonds held by the registered owner of a Deferred Income Bond in giving to FMPA or the Trustee any notice, consent, request, or demand pursuant to the Resolution for any purpose whatsoever, the principal amount of a Deferred Income Bond shall be deemed to be its Appreciated Value.

Depository shall mean any bank, trust company, national banking association, savings and loan association, savings bank or other banking association selected by FMPA as a depository of monies and securities held under the provisions of the Resolution, and may include the Trustee.

Electric Capacity shall mean kilowatts (kW) electric.

Electric Energy shall mean kilowatt hours (kWh).

Estimated Average Interest Rate shall mean, as to any Variable Interest Rate Bonds, the true interest cost for such Bonds, as estimated by FMPA on the date of authorization of such Bonds and as updated annually by FMPA.

Event of Default shall have the meaning given to such term in Section 801.

Extendible Maturity Bonds shall mean Bonds the maturities of which, by their term, may be extended by and at the option of the Holder thereof.

Fiduciary or Fiduciaries shall mean the Trustee, the Paying Agents, or any or all of them, as may be appropriate.

Fiscal Year shall mean the twelve (12) month period commencing at 12:01 a.m. on October 1 of each year and ending at 12:01 a.m. the succeeding October 1.

FMPA means the Florida Municipal Power Agency, a legal entity created and existing under the laws of the State of Florida, any successor agency or entity created under the laws of the State of Florida, and, to the extent permitted hereunder, any assignees of FMPA.

Fund or Funds shall mean, as the case may be, each or all of the Funds established in Section 502.

General Reserve Fund shall mean the General Reserve Fund established in Section 502.

Initial Facilities shall mean FMPA's 15.9962% undivided ownership interest in Stanton Unit No. 2.

Insurer shall mean any nationally recognized company engaged in the business of insuring municipal bonds which may from time to time insure the payment of principal of and interest on all or any portion of the Bonds of any Series.

Interest Commencement Date shall mean, with respect to any particular Deferred Income Bond, the date prior to the maturity date thereof specified in the Supplemental Resolution authorizing such Deferred Income Bond after which interest accruing on such Bond shall be payable on the first interest payment date immediately succeeding such Interest Commencement Date and semi-annually thereafter on the dates specified in such Supplemental Resolution.

Investment Securities shall mean and include any of the following securities, if and to the extent the same are at the time legal for investment of FMPA's funds:

(i) any bonds or other obligations which as to principal and interest constitute direct obligations of, or are unconditionally guaranteed by, the United States of America, including obligations of any of the Federal agencies set forth in clause (iii) below to the extent unconditionally guaranteed by the United States of America;

(ii) any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state (a) which are not callable prior to maturity or as to which irrevocable instructions have been given to the trustee of such bonds or other obligations by the obligor to give due notice of redemption and to call such bonds for redemption on the date or dates specified in such instructions, (b) which are secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or bonds or other obligations of the character described in clause (i) hereof which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the redemption date or dates specified in the irrevocable instructions referred to in subclause (a) of this clause (ii), as appropriate, and (c) as to which the principal

of and interest on the bonds and obligations of the character described in clause (i) hereof which have been deposited in such fund along with any cash on deposit in such fund are sufficient to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this clause (ii) on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in subclause (a) of this clause (ii), as appropriate;

(iii) bonds, debentures, or other evidences of indebtedness issued or guaranteed by any agency or corporation which has been or may hereafter be created pursuant to an Act of Congress as an agency or instrumentality of the United States of America;

(iv) New Housing Authority Bonds issued by public agencies or municipalities and fully secured as to the payment of both principal and interest by a pledge of annual contributions under an Annual Contributions Contract or Contracts with the United States of America; or Project Notes issued by public agencies or municipalities and fully secured as to the payment of both principal and interest by a requisition or payment agreement with the United States of America;

(v) direct and general obligations of any state of the United States of America or any agency, instrumentality or local governmental unit of any such state, to the payment of the principal of and interest on which the full faith and credit of such state, agency, instrumentality or local governmental unit is pledged, provided that at the time of their purchase hereunder such obligations are rated in either of the two highest rating categories by a nationally recognized bond rating agency;

(vi) obligations of any State of the United States of America or any political subdivision thereof or any agency or instrumentality of any state or political subdivision which shall be rated in the highest rating category by a nationally recognized bond rating agency;

(vii) certificates or other instruments that evidence ownership of the right to payments of principal of or interest on obligations of any State of the United States of America or any political subdivision thereof or any agency or instrumentality of any state or political subdivision, provided that such obligations shall be held in trust by a bank or trust company or a national banking association meeting the requirements for a successor Trustee under Section 909 of this Resolution, and provided further that the payments of all principal of and interest on such certificates or such obligations shall be fully insured or unconditionally guaranteed by, or otherwise unconditionally

payable pursuant to a credit support arrangement provided by, one or more financial institutions or insurance companies or associations which at the date of investment shall have an outstanding, unsecured, uninsured and unguaranteed debt issue rated in the highest rating category by a nationally recognized bond rating agency, or, in the case of an insurer providing municipal bond insurance policies insuring the payment, when due, of the principal of and interest on municipal bonds, such insurance policy shall result in such municipal bonds being rated in the highest rating category by a nationally recognized bond rating agency;

(viii) certificates that evidence ownership of the right to payments of principal or interest on obligations described in clause (i), provided that such obligations shall be held in trust by a bank or trust company or a national banking association meeting the requirements for a successor Trustee under Section 909 of this Resolution;

(ix) certificates of deposit, whether negotiable or non-negotiable, and banker's acceptances of the 50 largest banks in the United States or commercial paper issued by the parent holding company of any such bank which at the time of investment has an outstanding unsecured, uninsured and unguaranteed debt issue ranked in either of the two highest rating categories by a nationally recognized bond rating agency (including the Trustee and its parent holding company, if any, if they otherwise qualify);

(x) commercial paper, other than that issued by bank holding companies, (1) rated at the date of investment in the highest rating category by a nationally recognized bond rating agency or (2) issued by United States corporations which at the date of investment have an outstanding, unsecured, uninsured and unguaranteed debt issue rated in either of the two highest rating categories by a nationally recognized bond rating agency;

(xi) any repurchase agreement with any bank or trust company organized under the laws of any State of the United States of America or any national banking association or government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York, which agreement is secured by any one or more of the securities described in clause (i), (iii), (iv), (ix) or (x) above which securities shall at all times have a market value (exclusive of accrued interest) not less than the full amount of the repurchase agreement, and be delivered to another bank or trust company organized under the laws of any state of the United States of

America or any national banking association, as custodian in the name of or for exclusive benefit of FMPA;

(xii) shares of an Investment Company, organized under the Investment Company Act of 1940 as amended, which invests its assets exclusively in obligations of the type described in clause (i), (vi), (ix), (x) or (xi);

(xiii) Local Government Surplus Trust Fund of the State of Florida; and

(xiv) Certificates of deposit, whether negotiable or non-negotiable, and banker's acceptance of the 10 largest banks in the State of Florida measured in terms of their primary capital (i.e., equity minus reserves).

Maximum Interest Rate shall mean, with respect to any particular Variable Interest Rate Bonds, a numerical rate of interest, which shall be set forth in the Supplemental Resolution authorizing such Bonds, that shall be the maximum rate of interest such Bonds may at any time bear.

Minimum Interest Rate shall mean, with respect to any particular Variable Interest Rate Bonds, a numerical rate of interest which may (but need not) be set forth in the Supplemental Resolution authorizing such Bonds, that shall be the minimum rate of interest such Bonds may at any time bear.

Month shall mean a calendar month.

Operation and Maintenance Expenses shall mean (i) FMPA's expenses for operation and maintenance of the Stanton II Project, and ordinary repairs, replacements and reconstruction of the Stanton II Project not constituting a unit of property (as prescribed in the Uniform System of Accounts), including all costs of producing and delivering Electric Capacity and Electric Energy from the Stanton II Project and payments (other than payments out of Bond proceeds) into reserves in the Operation and Maintenance Fund for items of Operation and Maintenance Expenses the payment of which is not immediately required, and shall include, without limiting the generality of the foregoing, fuel costs, costs of transmission service, rents, user fees or charges, administrative and general expenses, engineering expenses, legal and financial advisory expenses, required payments to pension, retirement, health and hospitalization funds, insurance premiums, any taxes or payments in lieu of taxes and payments required under the Participation Agreement which are to be applied pursuant to the terms thereof to the payment of such costs and expenses, all to the extent properly allocable to the Stanton II Project, or required to be incurred under or in connection with the performance of FMPA's

obligations under the Power Sales Contracts and the Project Support Contracts, (ii) any other current expenses or obligations required to be paid by FMPA under the provisions of the Resolution or by law, all to the extent properly allocable to the Stanton II Project, or required to be incurred under or in connection with the performance of FMPA's obligations under the Power Sales Contracts and Project Support Contracts, and (iii) the fees and expenses of credit enhancement; remarketing and other fiduciary fees, and any similar fee for any other Series of Bonds or any issue of Subordinated Debt not otherwise capitalized as being Cost of Acquisition and Construction.

Operation and Maintenance Fund shall mean the Operation and Maintenance Fund established in Section 502.

Opinion of Counsel shall mean an opinion signed by an attorney or firm of attorneys (who may be counsel to FMPA) selected by FMPA.

Option Bonds shall mean both Extendible Maturity Bonds and Put Bonds.

OUC shall mean the Orlando Utilities Commission, a statutory commission under the laws of the State of Florida and, subject to the provisions of the Participation Agreement, its successors and assigns.

Outstanding, when used with reference to Bonds, shall mean as of any date, Bonds theretofore or thereupon being authenticated and delivered under the Resolution except:

- (i) Bonds cancelled by the Trustee at or prior to such date;
- (ii) Bonds (or portions of Bonds) for the payment or redemption of which monies, equal to the principal amount or Redemption Price thereof, as the case may be, with interest to the date of maturity or redemption date, shall be held in trust under the Resolution and set aside for such payment or redemption (whether at or prior to the maturity or redemption date), provided that if such Bonds (or portions of Bonds) are to be redeemed, notice of such redemption shall have been given or provision satisfactory to the Trustee shall have been made for the giving of such notice as provided in Article IV;
- (iii) Bonds in lieu of or in substitution for which other Bonds shall have been authenticated and delivered pursuant to Article III or Section 406 or Section 1106;
- (iv) Bonds deemed to have been paid as provided in subsections 2 or 3 of Section 1201; and

(v) Bonds deemed to have been purchased pursuant to the provisions of any Supplemental Resolution in lieu of which other Bonds have been authenticated and delivered as provided in such Supplemental Resolution.

Participation Agreement shall mean the Participation Agreement between Orlando Utilities Commission and Florida Municipal Power Agency for the Joint Ownership of Curtis H. Stanton Energy Center Unit Two Generation Project, between FMPA and OUC for the purchase of a 15.9962% undivided ownership interest in Stanton Unit No. 2, as the same may be amended or supplemented from time to time in accordance with the provisions thereof, which governs FMPA'S rights and obligations relating to its interest in Stanton Unit No. 2.

Paying Agent shall mean any bank or trust company organized under the laws of any state of the United States of America or any national banking association designated as paying agent for the Bonds of any Series, and its successor or successors hereafter appointed in the manner provided in the Resolution.

Power Sales Contracts shall mean the contracts, dated as of May 24, 1991 each between FMPA and a Project Participant, relating to the Stanton II Project, as the same may be amended from time to time in accordance with the terms thereof and the Resolution and any substantially similar contract entered into by FMPA in connection with any transfer of a Project Participant's Power Entitlement Share pursuant to Section 19 of said Power Sales Contracts, any assignment of such Power Entitlement Share pursuant to paragraph (c) of Section 28 of said Power Sales Contracts or any assignment with the consent of FMPA pursuant to paragraph (a) of Section 28 of said Power Sales Contracts.

Principal Installment shall mean, as of any date of calculation and with respect to any Series, so long as any Bonds thereof are Outstanding, (i) the principal amount of Bonds (including the principal amount of any Put Bonds tendered for payment and not purchased or remarketed prior to the date on which they are required to be purchased or paid) of such Series due (or so tendered for payment and not purchased or remarketed prior to the date on which they are required to be purchased or paid) on a certain future date for which no Sinking Fund Installments have been established, or (ii) the unsatisfied balance (determined as provided in Section 513) of any Sinking Fund Installments due on a certain future date for Bonds of such Series, plus the amount of the sinking fund redemption premiums, if any, which would be applicable upon redemption of such Bonds on such future date in a principal amount equal to said unsatisfied balance of such Sinking Fund Installments, or (iii) if such future dates coincide as to different Bonds of such Series, the sum of such

principal amount of Bonds and of such unsatisfied balance of Sinking Fund Installments due on such future date plus such applicable redemption premiums, if any.

Project Participants shall mean the parties, other than FMPA, to Power Sales Contracts and named on the Schedule of Project Participants, or any other party or parties who is a permitted transferee pursuant to the Power Sales Contracts.

Project Support Contracts shall mean the contracts, dated as of May 24, 1991 each between FMPA and a Project Participant, providing for the payment of costs relating to the Stanton II Project during 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 Resolution.

Project Support Payment shall have the meaning set forth in the Project Support Contracts.

Put Bonds shall mean Bonds which may be tendered by and at the option of the Holder thereof for payment by FMPA or purchase and remarketing prior to the stated maturity thereof or which are required to be tendered for purchase or remarketing in certain events prior to the stated maturity thereof, subject to the option of the Holder thereof to retain such Bond (or a Bond issued in exchange therefor).

Redemption Price shall mean, with respect to any Bond, the principal amount thereof plus the applicable premium, if any, payable upon redemption thereof pursuant to such Bond or the Resolution.

Refunding Bonds shall mean all Bonds, whether issued in one or more Series, authenticated and delivered on original issuance pursuant to Section 205, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to Article III or Section 406 or Section 1106.

Reserve and Contingency Fund shall mean the Reserve and Contingency Fund established in Section 502.

Resolution shall mean this Stanton II Project Revenue Bond Resolution as from time to time amended or supplemented by Supplemental Resolutions in accordance with the terms hereof.

Revenue Fund shall mean the Revenue Fund established in Section 502.

Revenues shall mean (i) all revenues, income, rents, user fees or charges, and receipts derived or to be derived by FMPA from or attributable or relating to the ownership and operation of the Stanton II Project, including all revenues attributable or relating to the Stanton II Project or to the payment of the costs thereof received or to be received by FMPA under the Power Sales Contracts, the Project Support Contracts, or otherwise payable to it for the sale of the output, Electric Capacity, Electric Energy or service of the Stanton II Project or any part thereof or otherwise with respect to the Stanton II Project, (ii) the proceeds of any insurance covering business interruption loss relating to the Stanton II Project and (iii) interest received or to be received on any monies or securities (other than monies or securities held in the Construction Fund or the Rate Stabilization Account in the Operation and Maintenance Fund) held pursuant to the Resolution and paid or required to be paid into the Revenue Fund.

Series shall mean all of the Bonds authenticated and delivered on original issuance and identified pursuant to the Supplemental Resolution authorizing such Bonds as a separate Series of Bonds, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to Article III or Section 406 or Section 1106, regardless of variations in maturity, interest rate, Sinking Fund Installments, or other provisions.

Sinking Fund Installment shall mean with respect to a Series an amount so designated which is established pursuant to clause (h) of paragraph (4) of subsection 1 of Section 202.

Standby Purchase Agreement shall mean an agreement by and between FMPA and another entity pursuant to which such entity is obligated to purchase Put Bonds tendered for purchase.

Stanton II Project shall mean the Initial Facilities, the Additional Facilities and related contractual arrangements and agreements including arrangements and agreements for the transmission of Electric Capacity and Electric Energy.

Stanton Unit No. 2 shall mean the Curtis H. Stanton Energy Center Unit One equipment, structures and improvements which comprise the nominally rated 415 MW net coal fueled generating unit to be known as Stanton Unit No. 2, to be located in Orange County, Florida, including for such unit (i) the land delineated and described in Exhibit F to the Participation Agreement and all land rights pertaining thereto, (ii) additions, improvements, renewals and replacements to said generating unit, (iii) the steam generator,

turbine, electrical generator, precipitator, scrubber, cooling tower, chimney, transformers and associated subsystems and other systems or facilities as more particularly described in Exhibits A and B to the Participation Agreement, (iv) an initial fuel inventory for use in connection with Stanton Unit No. 2 and (v) inventories of materials, supplies, fuel, tools and equipment for use in connection with Stanton Unit No. 2.

Subordinated Debt Fund shall mean the Subordinated Debt Fund established in Section 502.

Subordinated Debt shall mean indebtedness issued pursuant to and complying with the provisions of Section 513.

Supplemental Resolution shall mean any resolution supplemental to or amendatory of the Resolution adopted by FMPA in accordance with Article X hereof.

Trustee shall mean the trustee appointed pursuant to Article IX, and its successor or successors and any other corporation which may at any time be substituted in its place pursuant to the Resolution.

Uniform Systems 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 Licenses, as the same may be modified, amended or supplemented from time to time.

Valuation Date shall mean (i) with respect to any Capital Appreciation Bonds the date or dates set forth in the Supplemental Resolution authorizing such Bonds on which specific Accreted Values are assigned to the Capital Appreciation Bonds and (ii) with respect to any Deferred Income Bonds, the date or dates on or prior to the Interest Commencement Date set forth in the Supplemental Resolution authorizing such Bonds on which specific Appreciated Values are assigned to the Deferred Income Bonds.

Variable Interest Rate shall mean a variable interest rate to be borne by a Series of Bonds of any one or more maturities within a Series of Bonds. The method of computing such variable interest rate shall be specified in the Supplemental Resolution authorizing such Series of Bonds; provided, however, that such variable interest rate shall be subject to a Maximum Interest Rate. Such Supplemental Resolution shall also specify either (i) the particular period or periods of time for which each value of such variable interest rate shall remain in effect or (ii) the time or times upon which any change in such variable interest rate shall become effective.

Variable Interest Rate Bonds shall mean Bonds which bear a Variable Interest Rate.

Except where the context otherwise requires, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include firms, associations, corporations, districts, agencies and bodies.

102. Authority for the Resolution. This Resolution is adopted pursuant to the provisions of the Act and when accepted by the Trustee shall constitute a resolution authorizing bonds pursuant to the Act.

103. Resolution to Constitute Contract. In consideration of the purchase and acceptance of any and all of the Bonds authorized to be issued hereunder by those who shall hold the same from time to time, the Resolution shall be deemed to be and shall constitute a contract between FMPA and the Holders from time to time of the Bonds; and the security interest granted and the pledge and assignment made in the Resolution and the covenants and agreements therein set forth to be performed on behalf of FMPA shall be for the equal benefit, protection and security of the Holders of any and all of the Bonds, all of which, regardless of the time or times of their authentication and delivery or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof except as expressly provided in or permitted by the Resolution.

ARTICLE II

AUTHORIZATION AND ISSUANCE OF BONDS

201. Authorization of Bonds. 1. FMPA is hereby authorized to undertake, acquire and construct the Initial Facilities and to do and perform all acts and things required to be done or performed by FMPA to carry out such undertakings.

2. FMPA is hereby authorized to issue from time to time, as hereinafter provided, Bonds of FMPA to be designated as "Stanton II Project Revenue Bonds". The aggregate principal amount of the Bonds which may be executed, authenticated and delivered under the Resolution is not limited except as may hereafter be provided in the Resolution or as may be limited by law.

3. The Bonds may, if and when authorized by FMPA pursuant to one or more Supplemental Resolutions, be issued in one or more Series, and the designation thereof, in addition to the name "Stanton II Project Revenue Bonds", shall include such further

appropriate particular designation added to or incorporated in such title for the Bonds of any particular Series as FMPA may determine. Each Bond shall bear upon its face the designation so determined for the Series to which it belongs.

4. Nothing in the Resolution shall be deemed to preclude or prevent the consolidation into a single Series for purposes of issuance and sale of Bonds otherwise permitted by the Resolution to be issued at the same time in two or more separate Series, provided that solely for the purpose of satisfying the requirements of Section 202, Section 204 or Section 205, as the case may be, the Bonds otherwise permitted by the Resolution to be issued as a separate Series shall be considered separately as if such Bonds were to be issued as a separate Series. In the event that separate Series are combined for purposes of issuance and sale, they may be issued under a single Supplemental Resolution notwithstanding any other provision of the Resolution.

202. General Provisions for Issuance of Bonds. 1. All the Bonds of each Series, or if the Bonds of a Series are to be issued in part from time to time, all the Bonds of the portion of the Series that is then being issued, shall be executed by FMPA for issuance under the Resolution and delivered to the Trustee and thereupon shall be authenticated by the Trustee and by it delivered to FMPA or upon its order, but only upon the receipt by the Trustee (with copies of all documents to the Trustee) of:

(1) With respect to the initial Series of Bonds issued under the Resolution a copy of this Resolution, certified by an Authorized Officer of FMPA;

(2) An Opinion of Counsel of nationally recognized standing in the field of law relating to municipal bonds to the effect that (i) FMPA has the right and power to adopt the Resolution, and the Resolution has been duly and lawfully adopted by FMPA, is in full force and effect and is valid and binding upon FMPA in accordance with its terms, and no other authorization for the Resolution is required; (ii) the Resolution creates the valid pledge which it purports to create of the Revenues, monies, securities and funds held or set aside under the Resolution, subject to the provisions of the Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolution; and (iii) the Bonds of such Series are valid and binding obligations of FMPA as provided in the Resolution and entitled to the benefits of the Resolution and of the Act as amended to the date of such Opinion, and such Bonds have been duly and validly authorized and issued in accordance with law and in

accordance with the Resolution; provided, that such Opinion may take exception as to the effect of, or for restrictions or limitations imposed by or resulting from, bankruptcy, insolvency, debt adjustment, moratorium, reorganization or other similar laws affecting creditors' rights generally and judicial discretion and the valid exercise of the sovereign police powers of the State of Florida and of the constitutional power of the United States of America and may state that no opinion is being rendered as to the availability of any particular remedy;

(3) A written order as to the delivery of such Bonds, signed by an Authorized Officer of FMPA;

(4) A copy of the Supplemental Resolution authorizing such Bonds, certified by an Authorized Officer of FMPA, which shall, among other provisions, specify: (a) the authorized principal amount, designation and Series of such Bonds; (b) the purposes for which such Series of Bonds is being issued, which shall be (i) the purposes specified in Section 203, (ii) one of the purposes specified in Section 204, or (iii) the refunding of Bonds as provided in Section 205; (c) the date, and the maturity date or dates, of the Bonds of such Series; (d) if such Bonds are interest-bearing Bonds, the interest rate or rates or the manner of determining the interest rate or rates on the Bonds of such Series and the interest payment dates therefor; (e) the minimum denomination of, and the manner of dating, numbering and lettering, the Bonds of such Series, provided that such Bonds shall be in denominations equal to the minimum denomination or any multiple thereof as authorized by such Supplemental Resolution; (f) the Paying Agent or Paying Agents and the place or places of payment of the principal and Redemption Price, if any, of, and interest on, the Bonds of such Series; (g) the Redemption Price or Prices, if any, and, subject to Article IV, the redemption terms for the Bonds of such Series; (h) the amount and due date of each Sinking Fund Installment, if any, for Bonds of like maturity of such Series, provided that each Sinking Fund Installment due date shall fall upon an interest payment date for such Bonds; (i) if so determined by FMPA, provisions for the sale of the Bonds of such Series; (j) the amount (or the method of determining the amount), if any, to be deposited from the proceeds of such Series of Bonds in the Debt Service Account in the Debt Service Fund and provisions for the application thereof to the payment of all or a portion of the interest on such Series of Bonds or any other Series of Bonds; (k) the amount, if any, to be deposited from the proceeds of such Series of Bonds in the

Debt Service Reserve Account in the Debt Service Fund; (l) the amount, if any, to be deposited from the proceeds of such Series of Bonds in any account in the Reserve and Contingency Fund; (m) the amount, if any, to be deposited from the proceeds of such Series of Bonds in each Account in the Operation and Maintenance Fund; (n) the amount, if any, to be deposited from the proceeds of such Series of Bonds in the Construction Fund; (o) if any of the Bonds of such Series are Option Bonds, the terms and conditions of the exercise by the Holders of such Bonds of the payment options granted thereby; (p) if any of the Bonds are Variable Interest Rate Bonds, any additional items required or permitted to be specified in such Supplemental Resolution pursuant to this Resolution; and (q) the forms of the Bonds of such Series and of the Trustee's certificate of authentication;

(5) The amount, if any, necessary for deposit in the Debt Service Reserve Account in the Debt Service Fund so that such Account shall equal the Debt Service Reserve Requirement calculated immediately after the authentication and delivery of such Series of Bonds, including any amounts necessary to cure any deficiencies in such Account at the time of issuance of such Bonds;

(6) Except in the case of the initial Series of Bonds and Refunding Bonds, a certificate of an Authorized Officer of FMPA stating that FMPA is not in default in the performance of any of the covenants, conditions, agreements or provisions contained in the Resolution;

(7) An Opinion of Counsel to the effect that all Power Sales Contracts and Project Support Contracts are in full force and effect, or, to the extent that any Power Sales Contract or Project Support Contract is not in full force and effect, one or more other Project Participants of FMPA have acquired the entire Power Entitlement Share as defined under the Power Sales Contract, and assumed the obligations under such Power Sales Contract and such Project Support Contract, of the Project Participant which was party to any such Contracts or one or more other entities have entered into valid and binding contract or contracts with FMPA relating to such Power Entitlement Share in accordance with the provisions of the Power Sales Contract and Project Support Contract and such contracts contain provisions in respect of such Power Entitlement Share which impose upon such entity or entities obligations and duties substantially similar to or greater than those imposed upon Project Participants in the Power Sales

Contract and Project Support Contract; provided that once such an Opinion of Counsel has been received by the Trustee no new Opinion of Counsel need be furnished to the Trustee unless the Power Sales Contracts, the Project Support Contracts or any of them have been amended, modified or supplemented subsequent to the date of the prior Opinion of Counsel; provided further, that in rendering such opinion, Counsel may rely on the opinion of counsel to each Project Participant to the effect that the Power Sales Contract and the Project Support Contract have been duly authorized, executed and delivered by the Project Participant and are valid as they relate to the Project Participant; provided further, that such Opinion may take exception as to the effect of, or for restrictions or limitations imposed by or resulting from, bankruptcy, insolvency, debt adjustment, moratorium, reorganization or other similar laws affecting creditors' rights generally and judicial discretion and the valid exercise of the sovereign police powers of the State of Florida and of the constitutional power of the United States of America and may state that no opinion is being rendered as to the availability of any particular remedy;

If Bonds of a Series are being issued in part from time to time, the requirements in (1) and (4) above are satisfied upon the delivery to the Trustee of a certificate, dated the date of issuance, signed by an Authorized Officer of FMPA stating the documents mentioned therein have not been amended, modified or changed in any way that affects such Bonds. The opinion in (2) above is not required in connection with the subsequent issuance of a portion of Bonds of a Series issued from time to time unless, by the terms of the opinion initially rendered in connection with the issuance of the first portion of Bonds of such Series such opinion does not cover such subsequent issuances of Bonds.

(8) Evidence that the amount on deposit in the Contingency Account in the Reserve and Contingency Fund equals the Contingency Requirement;

(9) Such further documents, monies, securities and evidences of deposit of funds with the Trustee as are required by the provisions of Sections 203, 204 or 205 or Article X or any Supplemental Resolution adopted pursuant to Article X.

2. All the Bonds of each Series of like maturity, other than Variable Interest Rate Bonds, shall be identical in all respects, except as to denominations, numbers and letters. Unless

otherwise specifically provided in the Supplemental Resolution authorizing such Series of Bonds, after the original issuance of Bonds of any Series, no Bonds of such Series shall be issued except in lieu of or in substitution for other Bonds of such Series pursuant to Article III or Section 406 or Section 1106.

203. Initial Facilities Issue. 1. There is hereby authorized an issue of Bonds under the Resolution which shall be designated "Initial Facilities Issue" and which shall be issued in one or more Series from time to time for the purpose of financing the Cost of Acquisition and Construction of the Initial Facilities.

2. Proceeds, including accrued interest, of each Series of Bonds of the Initial Facilities Issue authenticated and delivered upon original issuance pursuant to this Section 203 shall be applied simultaneously with the delivery of such Bonds, as shall be provided in the Supplemental Resolution authorizing such Series.

204. Additional Bonds. 1. After authentication and delivery of all of the Bonds of the Initial Facilities Issue pursuant to Section 203 (or that part of the authorized amount of the Initial Facilities Issue which FMPA determines shall be issued under Section 203), one or more Series of Additional Bonds may be authenticated and delivered upon original issuance at any time or from time to time for the purpose of providing additional funds for the payment of the Cost of Acquisition and Construction of the Initial Facilities, in an aggregate principal amount for all Series of such Bonds that will provide FMPA with funds equal, as nearly as practicable, to the completion requirement for the Initial Facilities. Such completion requirement shall be an amount which, together with all other funds of FMPA available or estimated to be available for the Initial Facilities (as stated in a certificate of an Authorized Officer of FMPA) is, as nearly as practicable, necessary and sufficient to complete the payment of the Cost of Acquisition and Construction of the Initial Facilities.

2. One or more Series of Additional Bonds may be authenticated and delivered upon original issuance for the purpose of paying all or a portion of the Cost of Acquisition and Construction of any Additional Facilities upon compliance with the terms and conditions set forth in this subsection 2 and in Section 202. In the event such Additional Facilities include any major renewals, replacements, repairs, additions, betterments or improvements referred to in clause (i) of the definition of "Additional Facilities" in Section 101, there shall also be delivered a certificate of an Authorized Officer of FMPA stating to the effect that such facilities are necessary to keep the Stanton II Project in good operating condition or to prevent a loss of Revenues therefrom or that such facilities are required by the Participation Agreement.

3. In providing the certificate referred to in subsection 2 of this Section 204, an Authorized Officer of FMPA may rely on certificates, written estimates or written information provided to him by OUC to the extent deemed reasonable and appropriate by such Authorized Officer.

4. The proceeds, including accrued interest, of the Additional Bonds of each Series shall be applied simultaneously with the delivery of such Bonds as provided in the Supplemental Resolution authorizing such Series.

205. Refunding Bonds. 1. One or more Series of Refunding Bonds may be issued at any time to refund Outstanding Bonds. Refunding Bonds shall be issued in a principal amount sufficient, together with other monies available therefor, to accomplish such refunding and to make the deposits in the Funds and Accounts under the Resolution required by the provisions of the Supplemental Resolution authorizing such Bonds.

2. Refunding Bonds of each Series shall be authenticated and delivered by the Trustee only upon receipt by the Trustee (with copies of all documents to the Trustee) (in addition to the documents required by Section 202) of:

(1) Instructions to the Trustee, satisfactory to it, to give due notice of redemption, if applicable, of all the Bonds to be refunded on a redemption date or dates specified in such instructions, subject to the provisions of Section 1201 hereof;

(2) If the Bonds to be refunded are not by their terms subject to redemption or will not be redeemed within the next succeeding 60 days, instructions to the Trustee, satisfactory to it, to mail the notice provided for in Section 1201 to the Holders of the Bonds being refunded;

(3) Either (i) monies (including monies withdrawn and deposited pursuant to subsection 4 of Section 507 and subsection 4 of Section 508) in an amount sufficient to effect payment at the applicable Redemption Price of the Bonds to be refunded, together with accrued interest on such Bonds to the redemption date, which monies shall be held by the Trustee or any one or more of the Paying Agents in a separate account irrevocably in trust for and assigned to the respective Holders of the Bonds to be refunded, or (ii) Investment Securities in such principal amounts, of such maturities, bearing such interest, and otherwise having such terms and qualifications and any monies, as shall be necessary to comply with the provisions of

subsection 2 of Section 1201, which Investment Securities and monies shall be held in trust and used only as provided in said subsection 2; and

(4) A certificate of an Authorized Officer of FMPA stating that such Refunding Bonds are being issued to reduce Monthly Power Costs, Project Energy Related Costs and/or Monthly Transmission Costs as defined in the Power Sales Contracts or that the issuance of such Refunding Bonds is otherwise advantageous to FMPA.

3. The proceeds, including accrued interest, of the Refunding Bonds of each Series shall be applied simultaneously with the delivery of such Bonds for the purposes of making deposits in such Funds and Accounts under the Resolution as shall be provided by the Supplemental Resolution authorizing such Series of Refunding Bonds and shall be applied to the refunding purposes thereof in the manner provided in said Supplemental Resolution.

ARTICLE III

GENERAL TERMS AND PROVISIONS OF BONDS

301. Medium of Payment; Form and Date; Letters and Numbers. 1. The Bonds shall be payable, with respect to interest, principal and Redemption Price, in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

2. The Bonds of each Series may be issued only in the form of fully registered Bonds without coupons unless otherwise authorized by a Supplemental Resolution. The Bonds of each Series shall be in substantially the form set forth in the Supplemental Resolution authorizing such Series of Bonds.

3. Each Bond shall be lettered and numbered as provided in the Resolution or the Supplemental Resolution authorizing the Series of which such Bond is a part and so as to be distinguished from every other Bond.

4. Except as may be otherwise provided for any Series of Bonds in the Supplemental Resolution authorizing such Series of Bonds, the Bonds of each Series shall be dated as of the date six months preceding the interest payment date next following the date of authentication thereof by the Trustee, unless such date of authentication shall be an interest payment date, in which case they shall be dated as of such date of authentication; provided, however, that if, as shown by the records of the Trustee, interest on the Bonds of any

Series shall be in default, Bonds of such Series issued in lieu of Bonds surrendered for transfer or exchange may be dated as of the date to which interest has been paid in full on the Bonds surrendered; provided, further, that if the date of authentication shall be prior to the first interest payment date for the Bonds of such Series, Bonds shall be dated as provided in the Supplemental Resolution authorizing the Bonds of such Series. Except as may be otherwise provided for any Series of Bonds in the Supplemental Resolution authorizing such Series of Bonds, Bonds of each Series shall bear interest from their date.

302. Legends. The Bonds of each Series may contain or have endorsed thereon such provisions, specifications and descriptive words not inconsistent with the provisions of the Resolution as may be necessary or desirable to comply with custom, the rules of any securities exchange or commission or brokerage board, or otherwise, as may be determined by FMPA prior to the authentication and delivery thereof.

303. Execution and Authentication. 1. The Bonds shall be executed in the name of FMPA by the manual or facsimile signature of its Chairman or any Vice Chairman and its seal (or a facsimile thereof), if any, shall be impressed, imprinted, engraved or otherwise reproduced thereon and attested by the manual or facsimile signature of its Secretary or an Assistant Secretary, or in such other manner as may be required or permitted by law. In case any one or more of the officers who shall have signed or sealed any of the Bonds shall cease to be such officer before the Bonds so signed and sealed shall have been authenticated and delivered by the Trustee, such Bonds may, nevertheless, be authenticated and delivered as herein provided, and may be issued as if the persons who signed or sealed such Bonds had not ceased to hold such offices. Any Bond of a Series may be signed and sealed on behalf of FMPA by such persons as at the time of the execution of such Bonds shall be duly authorized or hold the proper office in FMPA, although at the date borne by the Bonds of such Series such persons may not have been so authorized or have held such office.

2. The Bonds of each Series shall bear thereon a certificate of authentication, in the form set forth in the Supplemental Resolution authorizing such Series of Bonds, executed manually by the Trustee. Only such Bonds as shall bear thereon such certificate of authentication shall be entitled to any right or benefit under the Resolution, and no Bond shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Trustee. Such certificate of the Trustee upon any Bond executed on behalf of FMPA shall be conclusive evidence that the Bond so authenticated has been duly authenticated and delivered under the

Resolution and that the Holder thereof is entitled to the benefits of the Resolution.

304. Exchange, Transfer and Registry. 1. The Bonds shall be transferable only upon the books of FMPA, which shall be kept for such purposes at the corporate trust office of the Bond Registrar, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorized attorney. Upon the transfer of any Bond, FMPA shall issue in the name of the transferee a new Bond or Bonds of the same aggregate principal amount and Series and maturity as the surrendered Bond.

2. The registered owner of any Bond or Bonds of one or more denominations shall have the right to exchange such Bond or Bonds for a new Bond or Bonds of any denomination then authorized for such Bond or Bonds of the same aggregate principal amount and Series and maturity of the surrendered Bond or Bonds. Such Bond or Bonds shall be exchanged by FMPA for a new Bond or Bonds upon the request of the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender of such Bond or Bonds together with a written instrument requesting such exchange satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorized attorney.

3. FMPA and each Fiduciary may deem and treat the person in whose name any Bond shall be registered upon the books of FMPA as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal and Redemption Price, if any, of and interest on such Bond and for all other purposes, and all such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither FMPA nor any Fiduciary shall be affected by any notice to the contrary. FMPA agrees to indemnify and save each Fiduciary harmless from and against any and all loss, cost, charge, expense, judgment or liability incurred by it, acting in good faith and without negligence under the Resolution, in so treating such registered owner.

305. Regulations with Respect to Exchanges and Transfers. In all cases in which the privilege of exchanging or transferring Bonds is exercised, FMPA shall execute and the Trustee shall authenticate and deliver Bonds in accordance with the provisions of the Resolution. All Bonds surrendered in any such exchanges or transfers shall forthwith be delivered to the Trustee and cancelled or retained by the Trustee. For every such exchange or transfer of Bonds, whether temporary or definitive, FMPA or the Bond Registrar may make

a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer. Neither FMPA nor the Bond Registrar shall be required to exchange or transfer Bonds of any Series for a period of 15 days next preceding an interest payment date on the Bonds of such Series or next preceding any selection of Bonds to be redeemed or hereafter until after the mailing of any notice of redemption.

306. Bonds Mutilated, Destroyed, Stolen or Lost. If any Bond becomes mutilated or is lost, stolen or destroyed, FMPA may execute and the Trustee shall authenticate and deliver a new Bond of like date of issue, maturity date, principal amount and interest rate per annum as the Bond so mutilated, lost, stolen or destroyed, provided that (i) in the case of such mutilated Bond, such Bond is first surrendered to FMPA, (ii) in the case of any such lost, stolen or destroyed Bond, there is first furnished evidence of such loss, theft or destruction satisfactory to FMPA together with indemnity satisfactory to FMPA and the Trustee, (iii) all other reasonable requirements of FMPA are complied with, and (iv) expenses in connection with such transaction are paid by the Holder. Any Bond surrendered for transfer shall be cancelled. Any such new Bonds issued pursuant to this Section in substitution for Bonds alleged to be destroyed, stolen or lost shall constitute original additional contractual obligations on the part of FMPA, whether or not the Bonds so alleged to be destroyed, stolen or lost be at any time enforceable by anyone, and shall be equally secured by and entitled to equal and proportionate benefits with all other Bonds issued under the Resolution, in any monies or securities held by FMPA or any Fiduciary for the benefit of the Bondholders.

307. Temporary Bonds. 1. Until the definitive Bonds of any Series are prepared, FMPA may execute, in the same manner as is provided in Section 303, and upon the request of FMPA, the Trustee shall authenticate and deliver, in lieu of definitive Bonds, but subject to the same provisions, limitations and conditions as the definitive Bonds, one or more temporary Bonds substantially of the tenor of the definitive Bonds in lieu of which such temporary Bond or Bonds are issued, and with such omissions, insertions and variations as may be appropriate to temporary Bonds. FMPA at its own expense shall prepare and execute and, upon the surrender of such temporary Bonds for exchange and the cancellation of such surrendered temporary Bonds, the Trustee shall authenticate and, without charge to the Holder thereof, deliver in exchange therefor, definitive Bonds of the same aggregate principal amount and Series and maturity as the temporary Bonds surrendered. Until so exchanged, the temporary Bonds shall in all respects be entitled to the same benefits and security as definitive Bonds authenticated and issued pursuant to the Resolution.

2. All temporary Bonds surrendered in exchange either for another temporary Bond or Bonds or for a definitive Bond or Bonds shall be forthwith cancelled by the Trustee.

ARTICLE IV

REDEMPTION OF BONDS

401. Privilege of Redemption and Redemption Price.

Bonds of a Series subject to redemption prior to maturity pursuant to the Supplemental Resolution authorizing such Series of Bonds shall be redeemable, upon notice as provided in this Article IV or upon such other notice as shall be provided in such Supplemental Resolution at such times, at such Redemption Prices and upon such terms in addition to or in place of the terms contained in this Article IV as may be specified in the Supplemental Resolution authorizing such Series.

402. Redemption at the Election or Direction of FMPA.

In the case of any redemption of Bonds at the election or direction of FMPA, FMPA shall give written notice to the Trustee of its election or direction so to redeem, of the redemption date, of the Series, and of the principal amounts of the Bonds of each maturity of such Series to be redeemed (which Series, maturities and principal amounts thereof to be redeemed shall be determined by FMPA in its sole discretion, subject to any limitations with respect thereto contained in the Resolution). Such notice shall be given at least 40 days prior to the redemption date or such shorter period as shall be acceptable to the Trustee. In the event notice of redemption shall have been given as in Section 405 provided, there shall be paid on or prior to the redemption date to the appropriate Paying Agents an amount in cash which, in addition to other monies, if any, available therefor held by such Paying Agents, will be sufficient to redeem on the redemption date at the Redemption Price thereof, plus interest accrued and unpaid to the redemption date, all of the Bonds to be redeemed. FMPA shall promptly notify the Trustee in writing of all such payments by it to such Paying Agents.

403. Redemption Otherwise Than at FMPA's Election or Direction.

Whenever by the terms of the Resolution the Trustee is required or authorized to redeem Bonds otherwise than at the election or direction of FMPA, the Trustee shall (i) select the Bonds or portions of Bonds to be redeemed, (ii) give the notice of redemption and (iii) pay out of monies available therefor the Redemption Price thereof, plus interest accrued and unpaid to the redemption date, to the appropriate Paying Agents in accordance with the terms of this Article IV and, to the extent applicable, Section 507.

404. Selection of Bonds to be Redeemed. Unless otherwise provided in the Supplemental Resolution authorizing a Series of Bonds, if less than all of the Bonds of like maturity of any Series shall be called for prior redemption, the particular Bonds or portions of Bonds to be redeemed shall be selected at random by the Trustee in such manner as the Trustee in its discretion may deem fair and appropriate; provided, however, that, unless otherwise provided in the Supplemental Resolution authorizing a Series of Bonds, the portion of any Bond of a denomination of more than \$5,000 to be redeemed shall be in the principal amount of \$5,000 or a multiple thereof, and that, in selecting portions of such Bonds for redemption, the Trustee shall treat each such Bond as representing that number of Bonds of \$5,000 denomination which is obtained by dividing by \$5,000 the principal amount of such Bond to be redeemed in part.

405. Notice of Redemption. When the Trustee shall receive notice from FMPA of its election or direction to redeem Bonds pursuant to Section 402, and when redemption of Bonds is authorized or required pursuant to Section 403, the Trustee shall give notice, in the name of FMPA, of the redemption of such Bonds, which notice shall specify the Series and maturities of the Bonds to be redeemed, the redemption date and the place or places where amounts due upon such redemption will be payable and, if less than all of the Bonds of any like Series and maturity are to be redeemed, the letters and numbers or other distinguishing marks of such Bonds so to be redeemed, and, in the case of Bonds to be redeemed in part only, such notice shall also specify the respective portions of the principal amount thereof to be redeemed. Such notice shall further state that on such date there shall become due and payable upon each Bond to be redeemed the Redemption Price thereof, or the Redemption Price of the specified portions of the principal thereof in the case of Bonds to be redeemed in part only, together with interest accrued to the redemption date, and that from and after such date interest thereon shall cease to accrue and be payable. Such notice shall be mailed by the Trustee postage prepaid, not less than 30 days, or such other number of days as shall be specified in the Supplemental Resolution authorizing the Series of Bonds which such Bonds are a part, prior to the redemption date, to the registered owners of any Bonds or portions of Bonds which are to be redeemed, at their last addresses, if any, appearing on the registry books at the close of business on the last business day of the month preceding the month in which notice is given or at such other time as is specified in the Supplemental Resolution authorizing the Series of Bonds of which the Bonds to be redeemed are a part. Failure of the registered owner of any Bonds which are to be redeemed to receive any such notice shall not affect the validity of the proceedings for the redemption of Bonds.

406. Payment of Redeemed Bonds. Notice having been given in the manner provided in Section 405, the Bonds or portions

thereof so called for redemption shall become due and payable on the redemption date so designated at the Redemption Price, plus interest accrued and unpaid to the redemption date, and, upon presentation and surrender thereof at the office specified in such notice, such Bonds, or portions thereof, shall be paid at the Redemption Price, plus interest accrued and unpaid to the redemption date. If there shall be drawn for redemption less than all of a Bond, FMPA shall execute and the Trustee shall authenticate and the Paying Agent shall deliver, upon the surrender of such Bond, without charge to the owner thereof, for the unredeemed balance of the principal amount of the Bonds so surrendered, Bonds of like Series and maturity in any of the authorized denominations. If, on the redemption date, monies for the redemption of all the Bonds or portions thereof of any like Series and maturity to be redeemed, together with interest to the redemption date, shall be held by the Paying Agents so as to be available therefor on said date and if notice of redemption shall have been given as aforesaid, then, from and after the redemption date interest on the Bonds or portions thereof of such Series and maturity so called for redemption shall cease to accrue and become payable. If said monies shall not be so available on the redemption date, such Bonds or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

ARTICLE V

ESTABLISHMENT OF FUNDS AND APPLICATION THEREOF

501. **The Pledged Effected by the Resolution.** 1. The Bonds shall be special obligations of FMPA payable solely from and secured as to the payment of the principal and Redemption Price thereof, and interest thereon, in accordance with their terms and the provisions of the Resolution solely by (i) the proceeds of sale of the Bonds, (ii) all right, title and interest of FMPA in, to and under the Power Sales Contracts and the Project Support Contracts, (iii) the Revenues, and (iv) all Funds established by the Resolution including the investment income, if any, thereof, and the same are hereby pledged and assigned, subject only to the provisions of the Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolution. Such proceeds of sale of the Bonds, the Revenues, and the other monies and securities hereby pledged and assigned shall immediately be subject to the lien of this pledge without any further physical delivery thereof or other further act, and the lien of this pledge shall be a first lien and shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against FMPA, irrespective of whether such parties have notice thereof.

2. Nothing contained in the Resolution shall be construed to prevent FMPA from acquiring, constructing or financing through the issuance of its bonds, notes or other evidences of indebtedness any facilities which do not constitute a part of the Stanton II Project for the purposes of the Resolution; provided that such bonds, notes or other evidences of indebtedness shall not be payable out of or secured by the Revenues or any Fund held under the Resolution and neither the cost of such facilities nor any expenditure in connection therewith or with the financing thereof shall be payable from the Revenues or from any such Fund. This subsection 2 of this Section 501 shall not be construed as limiting any authority granted elsewhere in the Resolution to issue Subordinated Debt.

502. Establishment of Funds and Accounts. The following Funds and Accounts are hereby established.

- (1) Construction Fund, to be held by FMPA,
- (2) Revenue Fund, to be held by FMPA,
- (3) Operation and Maintenance Fund, to be held by FMPA, which shall consist of an Operation and Maintenance Account, a Working Capital Account and a Rate Stabilization Account,
- (4) Debt Service Fund, to be held by Trustee, which shall consist of a Debt Service Account and a Debt Service Reserve Account,
- (5) Subordinated Debt Fund, to be held as determined in a Supplemental Resolution,
- (6) Reserve and Contingency Fund, to be held by FMPA, which shall consist of a Renewal and Replacement Account and a Contingency Account, and
- (7) General Reserve Fund, to be held by FMPA.

503. Construction Fund. There shall be paid into the Construction Fund the amounts required to be so paid by the provisions of the Resolution and any Supplemental Resolution and there may be paid into the Construction Fund, at the option of FMPA, any monies received for or in connection with the Stanton II Project by FMPA from any other source, unless required to be otherwise applied as provided by the Resolution. Amounts in the Construction Fund shall be applied to the Cost of Acquisition and Construction by FMPA.

2. There may be established within the Construction Fund separate Accounts for the Initial Facilities and for any Additional

Facilities, the Cost of Acquisition and Construction of which is to be paid out of the Construction Fund.

3. Subject to the provisions of the Participation Agreement, the proceeds of insurance maintained pursuant to the Resolution against physical loss of or damage to the Stanton II Project or of contractors' performance bonds or other assurances of completion with respect thereto, pertaining to the period of construction thereof, shall be paid into the appropriate separate Account in the Construction Fund.

4. Upon completion of construction of the Initial Facilities or any Additional Facilities for which a separate Account had been established in the Construction Fund the balance in the separate Account in the Construction Fund established therefor in excess of the amount, if any, determined by FMPA to be required for the payment of any remaining part of the Cost of Acquisition and Construction shall be transferred to the Debt Service Reserve Account in the Debt Service Fund, if and to the extent necessary to make the amount in such Account equal to the Debt Service Reserve Requirement, and any balance shall be paid to FMPA for credit to the General Reserve Fund for application to the retirement of Bonds by purchase or redemption, for credit to the Working Capital Account in the Operation and Maintenance Fund, or for credit to the Contingency Account in the Reserve and Contingency Fund, in such amounts and in such order of priority as FMPA shall determine. If subsequent to such determination that any amounts are required for the payment of any remaining part of the Cost of Acquisition and Construction it is determined that any such amounts are no longer so required, any such excess amount shall be applied as provided in the preceding sentence.

5. Notwithstanding any of the other provisions of this Section, to the extent that other monies are not available therefor, amounts in the Construction Fund shall be applied to the payment of principal of and interest on Bonds when due.

504. Revenues and Revenue Fund. All Revenues shall be promptly deposited by FMPA upon receipt thereof into the Revenue Fund.

505. Payments into Certain Funds. In each Month after the deposit of Revenues into the Revenue Fund (but in any case no later than the last business day of such Month), FMPA shall credit to, or shall transfer to required party for deposit in, as appropriate and to the extent available, the following Funds and Accounts in the following order the amounts set forth below (such application to be made in such a manner so as to assure good funds in such Funds on the last business day of such Month):

(1) To the credit of the Operation and Maintenance Fund, (i) for credit to the Operation and Maintenance Account, the amount, if any, required so that the balance credited to said Account shall equal the amount estimated to be necessary for the payment of Operation and Maintenance Expenses for the next succeeding Month, (ii) for credit to the Working Capital Account, the amount, if any, required so that the balance credited to such Account shall equal the monies budgeted to be on credit to said Account for the next succeeding Month in the current Annual Budget, and (iii) for credit to Rate Stabilization Account, the amount, if any, required so that the balance credited to such Account shall equal the monies budgeted to be on credit to said Account for the next succeeding Month in the current Annual Budget;

(2) To the Debt Service Fund, (i) for credit to the Debt Service Account, the amount, if any, required so that the balance in said Account shall equal the Accrued Aggregate Debt Service as of the last day of the then current Month or, if interest and/or principal are required to be paid to Holders of Bonds during the next succeeding Month on a day other than the first day of such Month, Accrued Aggregate Debt Service as of the day through and including which such interest and/or principal is required to be paid; provided that, for the purposes of computing the amount to be deposited in said Account, there shall be excluded from the balance of said Account the amount, if any, set aside in said Account from the proceeds of Bonds (including amounts, if any, transferred thereto from the Construction Fund) for the payment of interest on Bonds less that amount of such proceeds to be applied in accordance with the Resolution to the payment of interest accrued and unpaid and to accrue on Bonds to the last day of the then current Month or, if interest is required to be paid to Holders of Bonds during the next succeeding Month on the day other than the first day of such Month less that amount of such proceeds to be applied in accordance with the Resolution of the payment of interest accrued and unpaid and to accrue on Bonds to the day through and including which such interest is required to be paid, and (ii) subject to the provisions of paragraph 6 of Section 508 of the Resolution, for credit to the Debt Service Reserve Account, the amount, if any, required for such Account to equal the Debt Service Reserve Requirement as of the last day of the then current Month;

(3) To the Subordinated Debt Fund, the amount, if any, as shall be required to pay principal or sinking fund

installments of and interest on each issue of Subordinated Debt and reserves therefor, as required by the Supplemental Resolution authorizing such issue of Subordinated Debt;

(4) To the credit of the Reserve and Contingency Fund, (i) for credit to the Renewal and Replacement Account, the amount, if any, budgeted for credit to said Account for the then current Month as set forth in the current Annual Budget, and (ii) for credit to the Contingency Account, the amount, if any, in such Month required for such Account to equal the Contingency Requirement as of the last day of the then current Month, provided that in no event shall there be required to be credited to the Contingency Account during any Month an amount in excess of 15% of Aggregate Debt Service for such Month; and

(5) To the credit of the General Reserve Fund, the remaining balance, if any, of monies in the Revenue Fund after making the above transfers, credits and deposits;

provided, however, that so long as there shall be held in the Debt Service Fund in amount sufficient to pay in full all Outstanding Bonds in accordance with their terms (including principal or applicable sinking fund Redemption Price and interest thereon), no transfers shall be required to be made to the Debt Service Fund.

506. Operation and Maintenance Fund. 1. Amounts credited to the Operation and Maintenance Account shall be applied from time to time by FMPA to the payment of Operation and Maintenance Expenses.

2. Amounts credited to the Operation and Maintenance Account which FMPA at any time determines to be in excess of the requirements of such Account shall be applied to make up any deficiencies in the following Funds and Accounts in the order stated: Working Capital Account in the Operation and Maintenance Fund; Debt Service Account in the Debt Service Fund; Debt Service Reserve Account in the Debt Service Fund; Subordinated Debt Fund; Renewal and Replacement Account in the Reserve and Contingency Fund; and Contingency Account in the Reserve and Contingency Fund. Any balance of such excess not so applied shall be credited to the General Reserve Fund.

3. Amounts credited to the Working Capital Account shall, at the direction of FMPA, (i) be credited to the Operation and Maintenance Account, (ii) be applied directly to any of the purposes for which amounts credited to the Operation and Maintenance Account could be applied, (iii) to the extent provided in the current Annual Budget be transferred to the Debt Service Account in the Debt Service

Fund, or (iv) to the extent that such amounts were not credited thereto from the proceeds of Bonds, to the Reserve and Contingency Fund.

4. If and to the extent provided in a Supplemental Resolution authorizing Bonds of a Series, amounts from the proceeds of such Bonds may be credited to the Working Capital Account and set aside therein as specified in the Supplemental Resolution for any purpose of such Account.

5. Amounts credited to the Working Capital Account which FMPA at any time determines to be in excess of the requirements of such Account shall be applied to make up any deficiencies in the following Funds and Accounts in the order stated: Debt Service Account in the Debt Service Fund; Debt Service Reserve Account in the Debt Service Fund; Subordinated Debt Fund; Renewal and Replacement Account in the Reserve and Contingency Fund; and Contingency Account in the Reserve and Contingency Fund. Any balance of such excess not so applied shall be credited to the General Reserve Fund.

6. Amounts credited to the Rate Stabilization Account shall, at the direction of FMPA, (i) to the extent provided in the current Annual Budget be credited to or transferred to, as appropriate, any other Fund or Account held under this Bond Resolution, (ii) be transferred to the Trustee for deposit in the Debt Service Account and the Debt Service Reserve Account in the Debt Service Fund in the amount necessary (or all the monies credited to the Rate Stabilization Account if less than the amount necessary) to make up any deficiencies in payments to said Accounts required by paragraph (2) of Section 505, (iii) be transferred to the Trustee for deposit in the Debt Service Reserve Account in the amount of any deficiency in such Account resulting from any transfer of monies from said Debt Service Reserve Account to said Debt Service Account, (iv) be transferred to the credit of the Renewal and Replacement Account and the Contingency Account in the Reserve and Contingency Fund, in that order, in the amount necessary (or all the monies credited to the Rate Stabilization Account if less than the amount necessary) to make up any deficiencies in amounts credited to said Accounts required by paragraph (4) of Section 505 and (v) be applied to the payment of the Cost of Acquisition and Construction.

507. Debt Service Fund -- Debt Service Account. 1. The Trustee shall pay out of the Debt Service Account to the respective Paying Agents (i) on or before each interest payment date for any of the bonds, the amount required for the interest payable on such date; (ii) on or before each Principal Installment due date, the amount required for the Principal Installment payable on such due date; and (iii) on or before any redemption date for the Bonds, the amount required for the payment of interest on the Bonds then to be

redeemed; provided, however, that if with respect to any Series of Bonds or portions thereof the amounts due on any such interest payment date and/or Principal Installment due date and/or redemption date are intended to be paid from a source other than amounts in the Debt Service Account prior to any application of amounts in the Debt Service Account to such payments, then Trustee shall not pay any such amounts to the Paying Agent until such amounts have failed to be provided from such other source at the time required and if any such amounts due are paid from such other source Trustee shall apply the amounts in the Debt Service Account to provide reimbursement for such payment from such other source as provided in the agreement governing reimbursement of such amounts to such other source. Such amounts shall be applied by the Paying Agents on and after the due dates thereof. The Trustee shall also pay out of the Debt Service Account the accrued interest included in the purchase price of Bonds purchased for retirement.

2. Amounts accumulated in the Debt Service Account with respect to any Sinking Fund Installment (together with amounts accumulated therein with respect to interest on the Bonds for which such Sinking Fund Installment was established) may and, if so directed by FMPA shall be applied by the Trustee, on or prior to the 40th day preceding the due date of such Sinking Fund Installment, to (i) the purchase of Bonds of the Series, maturity and interest rate within each maturity for which such Sinking Fund Installment was established or (ii) the redemption at the applicable sinking fund Redemption Price of such Bonds, if then redeemable by their terms. All purchases of any Bonds pursuant to this subsection 2 shall be made at prices not exceeding the applicable sinking fund Redemption Price of such Bonds plus accrued interest, and such purchases shall be made by the Trustee as directed by FMPA. The applicable sinking fund Redemption Price (or principal amount of maturing Bonds) of any Bonds so purchased or redeemed shall be deemed to constitute part of the Debt Service Account until such Sinking Fund Installment date, for the purpose of calculating the amount of such Account. As soon as practicable after the 40th day preceding the due date of any such Sinking Fund Installment, the Trustee shall proceed to call for redemption, by giving notice as provided in Section 405 or in the Supplemental Resolution authorizing the Series of Bonds of which the Bonds to be redeemed are part, on such due date Bonds of the Series, maturity and interest rate within each maturity for which such Sinking Fund Installment was established (except in the case of Bonds maturing on a Sinking Fund Installment date) in such amount as shall be necessary to complete the retirement of the unsatisfied balance of such Sinking Fund Installment after making allowance for any Bonds purchased or redeemed pursuant to Section 511 which FMPA has directed the Trustee to apply as a credit against such Sinking Fund Installment as provided in subsection 3 of Section 511. The Trustee shall pay out of the Debt Service Account to the appropriate Paying

Agents, on or before such redemption date (or maturity date), the amount required for the redemption of the Bonds so called for redemption (or for the payment of such Bonds then maturing), and such amount shall be applied by such Paying Agents to such redemption (or payment). All expenses in connection with the purchase or redemption of Bonds shall be paid by FMPA from the Operation and Maintenance Fund.

Except as may be otherwise provided with respect to Option Bonds in the Supplemental Resolution providing for the issuance thereof, all Bonds paid or redeemed, either at or before maturity shall be delivered to the Trustee when such payment or redemption is made, and such Bonds, together with all Bonds purchased or redeemed, pursuant to Section 511 which have been delivered to the Trustee for application as a credit against Sinking Fund Installments and all Bonds purchased by the Trustee, shall thereupon be promptly cancelled.

3. The amount, if any, deposited in the Debt Service Account from the proceeds of each Series of Bonds shall be set aside in such Account and applied to the payment of interest on Bonds as provided in the Resolution and the Supplemental Resolution relating to the issuance of such Series of Bonds.

4. In the event of the refunding of any Bonds, the Trustee shall, if FMPA so directs, withdraw from the Debt Service Account in the Debt Service Fund all, or any portion of, the amounts accumulated therein with respect to Debt Service on the Bonds being refunded and deposit such amounts with the Trustee to be held for the payment of the principal or Redemption Price, if applicable, and interest on the Bonds being refunded; provided that such withdrawal shall not be made unless (a) immediately thereafter Bonds being refunded shall be deemed to have been paid pursuant to subsection 2 of Section 1201, and (b) the amount remaining in the Debt Service Account in the Debt Service Fund, after giving effect to the issuance of Refunding Bonds and the disposition of the proceeds thereof, shall not be less than the requirement of such Account pursuant to paragraph (2) of Section 505. In the event of such refunding, FMPA may also withdraw from the Debt Service Account in the Debt Service Fund all, or any portion of, the amounts accumulated therein with respect to Debt Service on the Bonds being refunded and deposit such amounts in any Fund or Account under this Resolution; provided, however, that such withdrawal shall not be made unless items (a) and (b) referred to hereinabove have been satisfied and provided, further, that, at the time of such withdrawal, there shall exist no deficiency in any Fund or Account held under this Resolution.

508. Debt Service Fund -- Debt Service Reserve Account.

1. If on the last business day of any month the amount in the Debt

Service Account shall be less than the amount required to be in such Account pursuant to paragraph (2) of Section 505, the Trustee shall apply amounts from the Debt Service Reserve Account to the extent necessary to make good the deficiency.

2. Whenever the monies on deposit in the Debt Service Reserve Account shall exceed the Debt Service Reserve Requirement, such excess may if requested by FMPA, be transferred to the credit of the Revenue Fund.

3. Whenever the amount in the Debt Service Reserve Account, together with the amount in the Debt Service Account is sufficient to pay in full all Outstanding Bonds in accordance with their terms (including principal or applicable sinking fund Redemption Price and interest thereon), the funds on deposit in the Debt Service Reserve Account shall be transferred to the Debt Service Account. Prior to said transfer, all investments held in the Debt Service Reserve Account shall be liquidated to the extent necessary in order to provide for the timely payment of principal and interest (or Redemption Price) on Bonds.

4. In lieu of the required deposits and transfers to the Debt Service Reserve Account or as a replacement or substitution for any moneys or Investment Securities then on deposit in the Debt Service Reserve Fund, FMPA may at any time cause to be deposited into the Debt Service Reserve Account for the benefit of the holders of the Bonds a surety bond, an insurance policy, a letter of credit or other similar obligation (and may replace such surety bond, insurance policy, letter of credit or similar obligation from time to time) providing for payments in an amount equal to the difference between the Debt Service Reserve Requirement and the sums, if any, then on deposit in the Debt Service Reserve Account or being deposited in the Debt Service Reserve Account concurrently with such surety bond, insurance policy, letter of credit or other similar obligation. The surety bond, insurance policy, letter of credit or other similar obligation shall be payable (upon the giving of notice as required thereunder) on any date on which moneys will be required to be withdrawn from the Debt Service Reserve Account and applied to the payment of a Principal Installment of or interest on any Bonds and such withdrawal cannot be met by amounts on deposit in the Debt Service Reserve Account. The insurer providing such surety bond or insurance policy shall be an insurer (i) whose municipal bond insurance policies at the time of issue insuring the payment, when due, of the principal of and interest on municipal bond issues results in such issues being rated in the highest rating category by a nationally recognized bond rating agency, or (ii) who holds the highest policy-holder rating accorded insurers by a nationally recognized insurance rating agency. The letter of credit issuer shall be a bank or trust company which at the time of issuance of the letter of

credit has an outstanding, unsecured, uninsured and unguaranteed debt issue rated in either of the two highest rating categories by a nationally recognized bond rating agency. The issuer of any other similar obligation shall have the qualifications set forth in a Supplemental Resolution authorizing the issuance of a Series of Bonds. If a disbursement is made pursuant to a surety bond, an insurance policy, a letter of credit or other similar obligation provided pursuant to this subsection, FMPA shall be obligated, within the time period specified in paragraph 6 of this Section 508, either (i) to reinstate the maximum limits of such surety bond, insurance policy, letter of credit or other similar obligation or (ii) to deposit into the Debt Service Reserve Account, funds in the amount of the disbursement made under such surety bond, insurance policy, letter of credit or other similar obligation, or a combination of such alternatives, as shall provide that the amount in the Debt Service Reserve Account equals the Debt Service Reserve Requirement.

5. In the event of the refunding of any Bonds, the Trustee, if FMPA so directs in writing, may withdraw from the Debt Service Reserve Account in the Debt Service Fund all, or any portion of, the amounts accumulated therein with respect to the Bonds being refunded and deposit such amounts with the Trustee to be held for the payment of the principal or Redemption Price, if applicable, and interest on the Bonds being refunded; provided that such withdrawal shall not be made unless (a) immediately thereafter the Bonds being refunded shall be deemed to have been paid pursuant to subsection 2 of Section 1201, and (b) the amount remaining in the Debt Service Reserve Account in the Debt Service Fund, after giving effect to the issuance of the Refunding Bonds and the disposition of the proceeds thereof and to any surety bond, insurance policy, letter of credit or other similar obligation deposited in such Account pursuant to subsection 4 of Section 508, shall not be less than the Debt Service Reserve Requirement. In the event of such refunding, FMPA may also direct the Trustee to withdraw from the Debt Service Reserve Account in the Debt Service Fund all, or any portion of, the amounts accumulated therein with respect to Debt Service on the Bonds being refunded and deposit such amounts in any Fund or Account under this Resolution; provided, however, that such withdrawal shall not be made unless items (a) and (b) referred to hereinabove have been satisfied and provided, further, that, at the time of such withdrawal, there shall exist no deficiency in any Fund or Account held under this Resolution.

6. Regardless of the provisions of Section 505 hereof, in the event that at any time the amount on deposit in the Debt Service Reserve Account, after giving effect to any surety bond, insurance policy, letter of credit or other similar obligation deposited in such Account pursuant of subsection 4 of Section 508, shall be less than the Debt Service Reserve Requirement as a result of any

withdrawal from said Account, FMPA shall restore the amount on deposit in the Debt Service Reserve Account, after giving effect to any surety bond, insurance policy, letter of credit or other similar obligation deposited in said Account pursuant to subsection 4 of Section 508, to the Debt Service Reserve Requirement in 24 equal monthly installments commencing within 90 days of such withdrawal.

509. Subordinated Debt Fund. 1. Subject to subsection 2 hereof, FMPA shall apply amounts in the Subordinated Debt Fund to the payment of the principal or sinking fund installment of and interest on each issue of Subordinated Debt and reserves therefor in accordance with the provisions of, and subject to the priorities and limitations and restrictions provided in, the Supplemental Resolution authorizing each issue of such Subordinated Debt.

2. If at any time the amount in the Debt Service Account in the Debt Service Fund shall be less than the requirement of such Account pursuant to paragraph (2) of Section 505, or the amount in the Debt Service Reserve Account shall be less than the Debt Service Reserve Requirement as the result of any transfer of monies from said Debt Service Reserve Account to the Debt Service Account, and there shall not be credited to the Reserve and Contingency Fund or the General Reserve Fund available monies sufficient to cure such deficiency, then FMPA shall withdraw from the Subordinated Debt Fund and deposit in the Debt Service Account or the Debt Service Reserve Account, as the case may be, the amount necessary (or all the monies in said Subordinated Debt Fund, if less than the amount necessary) to make up such deficiency.

510. Reserve and Contingency Fund. 1. Amounts credited to the Renewal and Replacement Account in the Reserve and Contingency Fund shall be applied to payment of the costs of major renewals, replacements, repairs, additions, betterments and improvements with respect to the Stanton II Project necessary to keep the same in good operating condition or to prevent a loss of Revenues therefrom, or required by any governmental agency having jurisdiction over the Stanton II Project or any part thereof or provided for under the Participation Agreement.

2. Amounts credited to the Contingency Account in the Reserve and Contingency Fund shall be applied to the payment of costs of major renewals, replacements, repairs, additions, betterments and improvements with respect to the Stanton II Project to the extent that amounts credited to the Renewal and Replacement Account are insufficient, the payment of extraordinary operation and maintenance expenses, and contingencies, including the prevention or correction of any unusual loss or damage, in connection with the Stanton II Project, all to the extent not provided for in the then current

Annual Budget or by reserves credited to the Operation and Maintenance Fund or from the proceeds of Additional Bonds.

3. If and to the extent provided in a Supplemental Resolution authorizing Bonds of a Series, amounts from the proceeds of such Bonds may be credited to the Reserve and Contingency Fund and to any Account therein as specified in the Supplemental Resolution for any purpose of such Account.

4. No payments shall be made from the Reserve and Contingency Fund if and to the extent that the proceeds of insurance or other monies recoverable as the result of damage, if any, are available to pay the costs otherwise payable from such Accounts.

5. If at any time the amount in the Debt Service Account in the Debt Service Fund shall be less than the requirement of such Account pursuant to paragraph (2) of Section 505, or the amount in the Debt Service Reserve Account in the Debt Service Fund shall be less than the Debt Service Reserve Requirement as the result of any transfer of monies from said Debt Service Reserve Account to the Debt Service Account, and there shall not be credited to the General Reserve Fund available monies sufficient to cure such deficiency, then FMPA shall transfer from the Reserve and Contingency Fund (from the Accounts therein in such order as FMPA shall determine) to the credit of the Debt Service Account or the Debt Service Reserve Account in the Debt Service Fund, as the case may be, the amount necessary (or all the monies credited to the Reserve and Contingency Fund if less than the amount necessary) to make up such deficiency.

6. If at any time amounts credited to the Renewal and Replacement Account or the Contingency Account exceed the respective amounts then required to be held therein, the excess, if not needed for any of the purposes specified in subsection 5 of this Section 510, may be transferred by FMPA, to the credit of the General Reserve Fund.

511. General Reserve Fund. 1. FMPA shall apply monies to the credit of the General Reserve Fund in the following amounts and in the following order of priority: (i) to the transfer to the credit of the Debt Service Account and the Debt Service Reserve Account in the Debt Service Fund the amount necessary (or all the monies credited to the General Reserve Fund if less than the amount necessary) to make up any deficiencies in payments to said Accounts required by paragraph (2) of Section 505, (ii) to the transfer to the credit of the Debt Service Reserve Account the amount of any deficiency in such Account resulting from any transfer of monies from said Debt Service Reserve Account to said Debt Service Account and (iii) to the transfer to the credit of the Renewal and Replacement Account and the Contingency Account in the Reserve and Contingency

Fund, in that order, the amount necessary (or all the monies credited to the General Reserve Fund if less than the amount necessary) to make up any deficiencies in amounts credited to said Accounts required by paragraph (4) of Section 505.

2. Amounts credited to the General Reserve Fund not required to meet a deficiency as required in subsection 1 of this Section 511 shall upon determination of FMPA be applied to or set aside by FMPA for any one or more of the following:

(a) the purchase or redemption of Bonds and expenses in connection with the purchase or redemption of such Bonds or any reserves which FMPA, at the direction of FMPA, determines shall be required for such purposes;

(b) payment of Operation and Maintenance Expenses or credit to the Working Capital Account in the Operation and Maintenance Fund for application to the purposes of that Account;

(c) payments into the separate Accounts established in the Construction Fund for application to the purposes of such Accounts;

(d) transfer to the credit of the Renewal and Replacement Account in the Reserve and Contingency Fund for improvements, extensions, betterments, renewals and replacements of any properties of the Stanton II Project;

(e) transfer to the Subordinated Debt Fund for the purpose set forth in Section 509;

(f) transfer to the credit of the Rate Stabilization Account in the Operation and Maintenance Fund for application to the purposes of that Account; and

(g) any other lawful purpose of FMPA related to the Stanton II Project;

provided, however, that, subject to the provisions of subsection 1 of this Section, amounts credited to the General Reserve Fund and required by the Resolution to be applied to the purchase or redemption of Bonds shall be applied to such purpose.

3. If at any time Bonds of any Series or maturity for which Sinking Fund Installments shall have been established are

purchased or redeemed pursuant to this Section 511, FMPA may from time to time and at any time by written notice to the Trustee specify the portion, if any, of such Bonds so purchased or redeemed and not previously applied as a credit against any Sinking Fund Installment which are to be credited against future Sinking Fund Installments. Such notice shall specify the amounts of such Bonds to be applied as a credit against each Sinking Fund Installment or Installments and the particular Sinking Fund Installment or Installments against which such Bonds are to be applied as a credit; provided, however, that none of such Bonds may be applied as a credit against a Sinking Fund Installment to become due less than 45 days after such notice is delivered to the Trustee. All such Bonds to be applied as a credit shall be surrendered to the Trustee for cancellation on or prior to the due date of the Sinking Fund Installment against which they are being applied as a credit. The portion of any such Sinking Fund Installment remaining after the deduction of any such amounts credited toward the same (or the original amount of any such Sinking Fund Installment if no such amounts shall have been credited toward the same) shall constitute the unsatisfied balance of such Sinking Fund Installment for the purpose of calculation of Sinking Fund Installments due on a future date.

512. Cancellation and Destruction of Bonds. Except as may be otherwise provided with respect to Option Bonds in the Supplemental Resolution providing for the issuance thereof, all Bonds paid or redeemed, either at or before maturity shall be delivered to the Trustee when such payment or redemption is made, and such Bonds, together with all Bonds purchased or redeemed, pursuant to Section 511 which have been delivered to the Trustee for application as a credit against Sinking Fund Installments and all Bonds purchased by the Trustee, shall thereupon be promptly cancelled. Bonds so cancelled may, to the extent permitted by law, at any time be destroyed by the Trustee, who shall execute a certificate of destruction in duplicate by the signature of one of its authorized officers describing the bonds so destroyed, and one executed certificate shall be filed with FMPA and the other executed certificate shall be retained by the Trustee.

513. Subordinated Debt. FMPA may, at any time, or from time to time, issue Subordinated Debt payable out of, and which may be secured by a pledge of, such amounts in the Subordinated Debt Fund or credited to the General Reserve Fund as may from time to time be available for the purpose of payment thereof as provided in Section 509 or Section 511, as the case may be; provided, however, that (i) such Subordinated Debt shall be issued only for any one or more of the purposes set forth in subsection 2 of Section 511 and the proceeds of such Subordinated Debt shall be applied only for such purpose or purposes, and (ii) such pledge shall be, and shall be

expressed to be, subordinate in all respects to the pledge created by the Resolution as security for the Bonds.

The Trustee shall not be deemed to owe any fiduciary duty to the holders of Subordinated Debt and shall not be liable to such holders if it shall mistakenly pay over or transfer to Holders of Bonds, FMPA, or any other person, monies to which any holder of Subordinated Debt shall be entitled by virtue of this Section 513 or otherwise, provided, however, that the Trustee shall not be relieved from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct. Notwithstanding any of the provisions of this Section 513 or any other provision of the Resolution, the Trustee shall not at any time be charged with knowledge of the existence of any facts which would prohibit the making of any payment of monies to or by the Trustee in respect of Subordinated Debt or of any default in the payment of the principal, premium, if any, or interest on any Subordinated Debt, unless and until the Trustee shall have received written notice thereof at its Principal Office from FMPA or the holders of at least 10% in principal amount of any class or category of any Subordinated Debt or from any trustee therefor.

ARTICLE VI

DEPOSITORIES OF MONEYS, SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS

601. Depositories. 1. All monies held by the Trustee and FMPA under the provisions of the Resolution shall constitute trust funds and the Trustee and FMPA may deposit such monies with one or more Depositories in trust for said parties. All monies deposited under the provisions of the Resolution with the Trustee, FMPA or any Depository shall be held in trust and applied only in accordance with the provisions of the Resolution, and each of the Funds and Accounts established by the Resolution shall be a trust fund for the purposes thereof.

2. Each Depository shall be a bank or trust company organized under the laws of any state of the United States or a national banking association having capital stock, surplus and undivided earnings of \$50,000,000 or more and willing and able to accept the office on reasonable and customary terms and authorized by law to act in accordance with the provisions of the Resolution.

602. Deposits. 1. All Revenues and monies held by any Depository under the Resolution may be placed on demand or time deposit, if and as directed by FMPA, provided that such deposits shall permit the monies so held to be available for use at the time

when needed. Any such deposit may be made in the commercial banking department of any Fiduciary which may honor checks and drafts on such deposit with the same force and effect as if it were not such Fiduciary. All monies held by any Fiduciary, as such, may be deposited by such Fiduciary in its banking department on demand or, if and to the extent directed by FMPA and acceptable to such Fiduciary, on time deposit, provided that such monies on deposit be available for use at the time when needed. Such Fiduciary shall allow and credit on such monies such interest, if any, as it customarily allows upon similar funds of similar size and under similar conditions or as required by law.

2. All monies held under the Resolution by the Trustee, FMPA or any Depository shall be either (1) fully insured by the Federal Deposit Insurance Corporation, or (2) continuously and fully secured, to the extent not insured by the Federal Deposit Insurance Corporation, by lodging with the Trustee or FMPA, as custodian, as collateral security, such securities as are described in clauses (i) through (iv), inclusive or in clause (viii) of the definition of **Investment Securities** in Section 101 having a market value (exclusive of accrued interest) not less than the amount of such moneys (or portion thereof not insured by the Federal Deposit Insurance Corporation), and secured in such other manner as may then be required by applicable Federal or State of Florida laws and regulations and applicable state laws and regulations of the state in which the Trustee, FMPA or such Depository (as the case may be) is located, regarding security for the deposit of trust funds; provided, however, that, to the extent permitted by law, it shall not be necessary for the Fiduciaries to give security under this subsection 2 for the deposit of any moneys with them held in trust and set aside by them for the payment of the principal or Redemption Price of or interest on any Bonds, or for the Trustee, FMPA or any Depository to give security for any monies which shall be represented by obligations or certificates of deposit purchased as an investment of such moneys.

3. All monies deposited with the Trustee and each Depository shall be credited to the particular Fund or Account to which such monies belong and, except as provided with respect to the investment of monies in Investment Securities in Section 603 hereof, the monies credited to each particular Fund or Account shall be kept separate and apart from, and not commingled with, any monies credited to any other Fund or Account or any other monies deposited with the Trustee, FMPA and each Depository.

603. Investment of Certain Funds. Moneys held in the Debt Service Account and the Debt Service Reserve Account in the Debt Service Fund shall be invested and reinvested by the Trustee at the direction of FMPA to the fullest extent practicable in Investment Securities which mature not later than such times as shall be

necessary to provide monies when needed for payments to be made from such Accounts, and in the case of the Debt Service Reserve Account mature not later than the final maturity date of any Bonds then outstanding hereunder. Subject to the terms of any resolution, indenture or other instrument securing any issue of Subordinated Debt, monies held in the Subordinated Debt Fund shall be invested and reinvested to the fullest extent practicable in Investment Securities which mature not later than such times as shall be necessary to provide monies when needed for payments to be made from such Fund. Moneys held in the Revenue Fund and the Construction Fund may be invested and reinvested in Investment Securities which mature not later than such times as shall be necessary to provide monies when needed for payments to be made from such Funds. Moneys in the Operation and Maintenance Fund (other than moneys in the Rate Stabilization Account and the Working Capital Account) may be invested in Investment Securities which mature within twelve months and monies in the Rate Stabilization Account, the Working Capital Account, the Reserve and Contingency Fund and the General Reserve Fund may be invested in Investment Securities which mature within five years; in any case the Investment Securities in such Funds or in the Accounts therein shall mature not later than such times as shall be necessary to provide monies when needed to provide payments from such Funds or Accounts. The Trustee shall make all such investments of monies held by it in accordance with instructions received from any Authorized Officer of FMPA. In making any investment in any Investment Securities with monies in any Fund or Account established under the Resolution, FMPA may instruct the Trustee to combine such monies with monies in any other Fund or Account, but solely for purposes of making such investment in such Investment Securities.

Interest (net of that which represents a return of accrued interest paid in connection with the purchase of any investment) earned on any monies or investments in such Funds and Accounts, other than the Construction Fund or the Rate Stabilization Account in the Operation and Maintenance Fund, shall be paid into the Revenue Fund, provided, however, that during construction of the Stanton II Project, such interest shall be paid into the Revenue Fund or the appropriate separate Account in the Construction Fund as directed by FMPA. Interest earned on any monies or investments in the Construction Fund or the Rate Stabilization Account in the Operation and Maintenance Fund, respectively, shall be held in such respective Fund or Account for the purposes thereof.

Nothing in the Resolution shall prevent any Investment Securities acquired as investments of or security for funds held under the Resolution from being issued or held in book-entry form on the books of the Department of the Treasury of the United States.

Nothing in the Resolution shall preclude the Trustee from investing or reinvesting monies through its Bond Department; provided, however, that FMPA may, in its discretion, direct that such monies be invested or reinvested in a manner other than through such Bond Department.

604. Valuation and Sale of Investments. Obligations purchased as an investment of monies in any Fund created under the provisions of the Resolution shall be deemed at all times to be a part of such Fund and any profit realized from the liquidation of such investment shall be credited to such Fund, and any loss resulting from the liquidation of such investment shall be charged to the respective Fund.

In computing the amount in any Fund created under the provisions of the Resolution for any purpose provided in the Resolution, obligations purchased as an investment of monies therein shall be valued at the amortized cost thereof. The accrued interest paid in connection with the purchase of any obligation shall be included in the value thereof until interest on such obligation is paid. Such computation shall be determined as of October 1 in each year and at such other times as FMPA shall determine.

Except as otherwise provided in the Resolution, the Trustee or FMPA shall sell at the best price obtainable, or present for redemption, any obligation so purchased as an investment whenever it shall be requested in writing by an Authorized Officer of FMPA so to do. Whenever it shall be necessary in order to provide monies to meet any payment or transfer from any Fund held by the Trustee or FMPA, the Trustee or FMPA shall sell at the best price obtainable or present for redemption such obligation or obligations designated by an Authorized Officer of FMPA necessary to provide sufficient monies for such payment or transfer; provided, however, that if FMPA fails to provide such designation promptly after request thereof by the Trustee, the Trustee may in its discretion select the obligation or obligations to be sold or presented for redemption.

The Trustee shall not be liable or responsible for any loss resulting from any such investment, sale or presentation for investment made in the manner provided above.

ARTICLE VII

PARTICULAR COVENANTS OF FMPA

FMPA covenants and agrees with the Trustee and the Bondholders as follows:

701. Payment of Bonds. FMPA shall duly and punctually pay or cause to be paid, but solely from the Revenues, the Funds and the proceeds of the Bonds pledged therefor by the Resolution, the principal or Redemption Price, if any, of every Bond and the interest thereon, at the dates and places and in the manner provided in the Bonds, according to the true intent and meaning thereof.

702. Extension of Payment of Bonds. FMPA shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any claims for interest by the purchase or funding of such Bonds or claims for interest or by any other arrangement, and in case the maturity of any of the Bonds or the time for payment of any such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled, in case of any default under the Resolution, to the benefit of the Resolution or to any payment out of Revenues or Funds established by the Resolution, including the investment income, if any, thereof, pledged under the Resolution or the monies (except monies held in trust for the payment of particular Bonds or claims for interest pursuant to the Resolution) held by the Fiduciaries, except subject to the prior payment of the principal of all Bonds Outstanding the maturity of which has not been extended and of such portion of the accrued interest on the Bonds as shall not be represented by such extended claims for interest. Nothing herein shall be deemed to limit the right of FMPA to issue Option Bonds or Refunding Bonds and such issuance shall not be deemed to constitute an extension of maturity of Bonds.

703. Offices for Servicing Bonds. FMPA shall at all times maintain one or more agencies in the City of New York, New York, and may maintain one or more such agencies in any other city or cities, where Bonds may be presented for payment. FMPA hereby appoints the Trustee as Bond Registrar, and the Trustee shall at all times maintain one or more agencies where Bonds may be presented for registration or transfer and where notices, demands and other documents may be served upon FMPA in respect of the Bonds or of the Resolution, and the Trustee shall continuously maintain or make arrangements to provide such services. FMPA hereby appoints the Paying Agent or Agents in such cities as its respective agents to maintain such agencies for the payment or redemption of Bonds.

704. Further Assurance. At any and all times FMPA shall, as far as it may be authorized by law, comply with any reasonable request of the Trustee to pass, make, do, execute, acknowledge and deliver all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, pledging, assigning and confirming all and singular the rights, Revenues and other monies, securities and funds hereby pledged, or intended so to be, or which FMPA may become bound to pledge.

705. Power to Issue Bonds and Pledge Revenues and Other Funds. FMPA is duly authorized under all applicable laws to create and issue the Bonds and to adopt the Resolution and to pledge the Revenues and other monies, securities and funds purported to be subjected to the lien of the Resolution in the manner and to the extent provided in the Resolution. Except to the extent otherwise provided in the Resolution, the Revenues and other monies, securities and funds so pledged are and will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the security interest, the pledge and assignment created by the Resolution, and all action on the part of FMPA to that end has been and will be duly and validly taken. The Bonds and the provisions of the Resolution are and will be the valid and legally enforceable obligations of FMPA in accordance with their terms and the terms of the Resolution. FMPA shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Revenues and other monies, securities and funds pledged under the Resolution and all the rights of the Bondholders under the Resolution against all claims and demands of all persons whomsoever.

706. Power to Fix and Collect Rates, Fees and Charges. FMPA has, and will have as long as any Bonds are Outstanding, good right and lawful power to fix, establish, maintain and collect rates, fees and charges with respect to the use of the capability of and sale of the output, Electric Capacity, Electric Energy, use or service of the Stanton II Project, subject to the terms of the Participation Agreement and the Power Sales Contracts.

707. Creation of Liens; Sale and Lease of Property.

1. FMPA shall not issue any bonds, notes, debentures or other evidences of indebtedness of similar nature, other than the Bonds, payable out of or secured by a security interest in or pledge or assignment of the Revenues or other monies, securities or funds held or set aside by the Fiduciaries under the Resolution and shall not create or cause to be created any lien or charge on the Revenues, or such monies, securities or funds; provided, however, that nothing contained in the Resolution shall prevent FMPA from issuing, if and to the extent permitted by law (i) bond anticipation notes, (ii) evidences of indebtedness (a) payable out of monies in the

Construction Fund as part of the Cost of Acquisition and Construction or (b) payable out of or secured by a security interest in a pledge and assignment of Revenues to be derived on and after such date as the pledge of the Revenues provided in the Resolution shall be discharged and satisfied as provided in Section 1201 or (iii) Subordinated Debt.

2. No part of the Stanton II Project shall be sold, mortgaged, leased or otherwise disposed of, except as follows:

(1) FMPA may sell or exchange at any time and from time to time any property or facilities constituting part of the Stanton II Project only if (a) it shall determine that such property or facilities are not useful in the operation of the Stanton II Project, or (b) the proceeds of such sale are \$250,000 or less, or (c) if such proceeds or fair value exceed \$250,000 it shall file with the Trustee a certificate of an Authorized Officer stating that the sale or exchange of such property or facilities will not impair the ability of FMPA to comply during the current or any future year with the provisions of subsection 1 of Section 712. The proceeds of any sale or exchange of any property or facilities constituting a part of the Stanton II Project not used to acquire other property necessary or desirable for the safe or efficient operation of the Stanton II Project shall forthwith be deposited in the General Reserve Fund and, subject to Section 511, used for the purposes set forth in Section 511;

(2) In addition to the Power Sales Contracts, the Project Support Contracts and the Participation Agreement, FMPA may lease or make contracts or grant licenses for the operation of, or make arrangements for the use of, or grant easements or other rights with respect to, any part of the Stanton II Project, provided that any such lease, contract, license, arrangement, easement or right does not impair the ability of FMPA to comply during the current or any future year with the provisions of subsection 1 of Section 712; and provided, further, that if the depreciated cost of the property to be covered by any such lease, contract, license, arrangement, easement or other right is in excess of \$500,000, FMPA shall first file with the Trustee a certificate of an Authorized Officer that the action of FMPA with respect thereto does not result in a breach of the conditions under this subsection 2. Any payments received by FMPA under or in connection with any such lease, contract, license, arrangement, easement or right in respect of the Stanton II Project or any part thereof shall constitute Revenues; and

(3) FMPA may sell or otherwise dispose of any part of the Stanton II Project to the extent required by the terms of the Participation Agreement. Any payments received as a result of any such sale or other disposition shall forthwith be deposited in the General Reserve Fund and used solely for the purposes specified in paragraph (a) of subsection 2 of Section 511.

708. Annual Budget. Not less than 30 days prior to the beginning of each Fiscal Year, FMPA shall prepare and file with the Trustee an Annual Budget for such Fiscal Year prepared in accordance with the provisions of, and in the manner contemplated by, the Power Sales Contracts, which shall set forth in reasonable detail the estimated Revenues and Operation and Maintenance Expenses and other expenditures for the Stanton II Project, and which shall include the estimated amount to be credited during such year, if appropriate, to the Rate Stabilization Account, in the Operation and Maintenance Fund; the estimated amount to be credited during such year to the Renewal and Replacement Account and the Contingency Account in the Reserve and Contingency Fund; and the requirements, if any, for the amounts estimated to be expended from each Fund and Account established under the Resolution. Such Annual Budget also shall set forth such detail with respect to such Revenues, Operation and Maintenance Expenses and other expenditures and such deposits as shall be necessary or appropriate so as to comply with the Power Sales Contracts and may set forth such additional material as FMPA may determine. Following the end of each calendar quarter of each Fiscal Year, and at such other times as it shall deem desirable, FMPA shall review its estimates set forth in the Annual Budget for such Fiscal Year, and in the event such estimates do not substantially correspond with actual Revenues, Operation and Maintenance Expenses or other requirements, or if there are at any time during any such Fiscal Year extraordinary expenses which FMPA forecasts will cause a substantial variance from the budget on an annual basis, FMPA shall prepare an amended Annual Budget for the remainder of such Fiscal Year. FMPA also may at any time adopt an amended Annual Budget for the remainder of the then current Fiscal Year.

709. Limitations on Operation and Maintenance and Other Costs. FMPA shall not incur Operation and Maintenance Expenses or other costs payable from the Renewal and Replacement Account in the Reserve and Contingency Fund in any Fiscal Year in excess of the reasonable and necessary amount of such Expenses or costs, respectively, and shall not expend any amount from the Operation and Maintenance Fund for Operation and Maintenance Expenses or from the Renewal and Replacement Account for costs payable therefrom for such Fiscal Year in excess of the respective amounts provided therefor in the Annual Budget as then in effect; provided, however, that any amounts of such Expenses or costs for which FMPA shall be responsible in accordance

with the provisions of the Participation Agreement shall be deemed to be reasonable and necessary. Nothing in this Section contained shall limit the amount which FMPA may expend for Operation and Maintenance Expenses or for other costs payable from the Renewal and Replacement Account in any Fiscal Year provided any amounts expended therefor in excess of such Annual Budget shall be paid from the Working Capital Account or Rate Stabilization Account in the Operation and Maintenance Fund or the Contingency Account in the Reserve and Contingency Fund, or shall be paid from the General Reserve Fund, or shall be received by FMPA from some source other than the Revenues, which source shall not be reimbursable out of Revenues.

710. Acquisition and Construction of the Stanton II Project and Its Operation and Maintenance. 1. FMPA shall use its best efforts to acquire and construct, or cause to be acquired and constructed, the Stanton II Project, in accordance with the plans and specifications therefor, with due diligence and in a sound and economical manner, all subject to the provisions of the Participation Agreement.

2. FMPA shall at all times use its best efforts to operate or cause to be operated the Stanton II Project properly and in an efficient and economical manner, consistent with the Power Sales Contracts, and shall use its best efforts to maintain, preserve, reconstruct and keep the same or cause the same to be so maintained, preserved, reconstructed and kept, with the appurtenances and every part and parcel thereof, in good repair, working order and condition, and shall from time to time make, or use its best efforts to cause to be made, all necessary and proper repairs, replacements and renewals so that at all times the operation of the Stanton II Project may be properly and advantageously conducted, all subject to the provisions of the Participation Agreement.

711. Rents, Rates, Fees and Charges. 1. FMPA shall at all times fix, establish, maintain and collect rents, rates, fees and charges for the sale of the output, Electric Capacity, Electric Energy, use or service of the Stanton II Project which shall be sufficient to provide Revenues in each Fiscal Year which, together with the other amounts available therefor, shall be equal to the sum of:

(a) The amount estimated by FMPA to be required to be paid during such Fiscal Year into the Operation and Maintenance Fund;

(b) The amounts, if any, required to be paid during such Fiscal Year into the Debt Service Fund other than any such amounts which the Annual Budget anticipates shall be transferred from other Funds;

(c) The amounts, if any, to be paid during such Fiscal Year into any other Fund established under Section 502 hereof; and

(d) All other charges or liens whatsoever payable out of Revenues during such Fiscal Year.

2. FMPA will not furnish or supply or cause to be furnished or supplied any use, output, Electric Capacity, Electric Energy, or service of the Stanton II Project, free of charge to any person, firm or corporation, public or private, and FMPA will to the extent permitted by law enforce the payment of any and all accounts owing to FMPA by reason of the ownership and operation of the Stanton II Project by discontinuing such use, output, Electric Capacity, Electric Energy, or service, or by filing suit therefor within 120 days after any such accounts are due, or by both such discontinuance and by filing suit.

3. In estimating Aggregate Debt Service on any Variable Interest Rate Bonds in calculating the amounts required to be deposited into the Debt Service Account in the Debt Service Fund for purposes of subsection 1 of this Section 712, FMPA shall be entitled to assume that such Variable Interest Rate Bonds will bear such interest rate or rates as FMPA shall determine; provided, however, that the interest rate or rates assumed shall not be less than the interest rate borne by such Variable Interest Rate Bonds at the time of determination of Aggregate Debt Service."

712. Power Sales Contracts, Project Support Contracts and the Participation Agreement; Enforcement and Amendment. 1. FMPA shall collect and forthwith cause to be deposited in the Revenue Fund all amounts payable to it pursuant to the Power Sales Contracts or the Project Support Contracts, or otherwise payable to it for the sale of the output, Electric Capacity, Electric Energy, or service of the Stanton II Project or any part thereof or otherwise with respect to the Stanton II Project. FMPA shall enforce the provisions of the Power Sales Contracts and the Project Support Contracts, as well as any other contract or contracts entered into relating to the sale of Electric Capacity and/or Electric Energy from, or services of, the Stanton II Project, and duly perform its covenants and agreements thereunder. FMPA will not consent or agree to or permit any rescission of or amendment to or otherwise take any action under or in connection with any Power Sales Contract or Project Support Contract which will impair the ability of FMPA to comply during the current or any future year with the provisions of subsection 1 of Section 712; provided that this provision shall not prevent FMPA from otherwise taking any action under or in connection with the Power Sales Contracts or the Project Support Contracts which is expressly permitted pursuant to the provisions thereof. A copy of each Power

Sales Contract and Project Support Contract certified by an Authorized Officer of FMPA shall be filed with the Trustee, and a copy of any such amendment certified by an Authorized Officer of FMPA shall be filed with the Trustee.

2. FMPA shall enforce the provisions of the Participation Agreement and duly perform its covenants and agreements thereunder. FMPA will not consent or agree to or permit any rescission of or amendment to or otherwise take any action under or in connection with the Participation Agreement which will in any manner materially impair or materially adversely affect the rights of FMPA thereunder or the rights or security of the Bondholders under the Resolution. The extension of the term of the Participation Agreement shall not constitute such an amendment. A copy of the Participation Agreement certified by an Authorized Officer of FMPA shall be filed with the Trustee, and a copy of any such amendment certified by an Authorized Officer of FMPA shall be filed with the Trustee.

713. Maintenance of Insurance. 1. FMPA shall maintain, or cause to be maintained, in force, as part of the Cost of Acquisition and Construction or Monthly Power Costs, as defined in the Power Sales Contracts, as appropriate, insurance with responsible insurers with policies for the benefit of FMPA and the other parties to the Participation Agreement, as their interests shall appear, against risk of direct physical loss, damage or destruction of the Stanton II Project, at least to the extent that similar insurance is usually carried by utilities constructing and operating electric generation or transmission facilities of the nature of the generation facilities and transmission facilities, if any, of the Stanton II 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. Insurance maintained pursuant to the Participation Agreement shall be deemed in compliance with this subsection 1 if such insurance otherwise complies with the requirements of this Section 714.

2. FMPA shall also use its best efforts to maintain or cause to be maintained any additional or other insurance which it shall deem necessary or advisable to protect its interests and those of the Bondholders.

3. Any such insurance shall be in the form of policies or contracts for insurance with insurers of good standing and shall be payable to FMPA unless otherwise required by the Participation Agreement.

4. FMPA shall file with the Trustee annually, within 120 days after the close of each Fiscal Year, a certificate of an Authorized Officer of FMPA (i) setting forth a description in

reasonable detail of the insurance then in effect pursuant to the requirements of this Section 714 and (ii) stating that FMPA has complied in all respects with the requirements of this Section.

714. Reconstruction; Application of Insurance Proceeds; Condemnation Awards. If after completion of construction any useful portion of the Stanton II Project shall be (i) damaged or destroyed or (ii) taken by any governmental authority under the power of eminent domain or otherwise ("Condemnation"), FMPA shall, as expeditiously as possible, continuously and diligently prosecute or cause to be prosecuted the reconstruction or replacement thereof, unless FMPA in a certificate of Authorized Officer filed with the Trustee shall state, in the opinion of FMPA, that such reconstruction or replacement is not in the interest of FMPA and the Bondholders or unless it is determined under the provisions of the Participation Agreement that such reconstruction or replacement is not to be undertaken. The proceeds of any insurance paid or award received on account of such damage, destruction (other than any business interruption loss insurance) or Condemnation unless held and applied under the Participation Agreement shall be held by FMPA in a special account and made available for, and to the extent necessary be applied to, the cost of such reconstruction or replacement of the Stanton II Project. Pending such application, such proceeds may be invested by FMPA in Investment Securities which mature not later than such times as shall be necessary to provide monies when needed to pay such costs of reconstruction or replacement. Interest earned on such account or investments shall be deposited in the Revenue Fund. Any such proceeds not applied within 36 months after receipt thereof by FMPA to repairing or replacing damaged, destroyed or taken property, or in respect of which notice in writing of intention to apply the same to the work of repairing or replacing the property damaged, destroyed or taken shall not have been given to the Trustee by FMPA within such 36 months, or which FMPA shall at any time notify the Trustee are not to be so applied (which notification shall be provided by FMPA to the Trustee promptly after any determination by FMPA that all or any portion of such proceeds are not to be so applied), shall, unless otherwise applied or to be applied under the Participation Agreement, be deposited in the General Reserve Fund and, subject to Section 511, used solely for the purposes set forth in paragraph (a) of subsection 2 of Section 511. Notwithstanding the foregoing, in the event that payments are made from the Reserve and Contingency Fund for any such repairing or replacing of property damaged, destroyed or taken prior to the availability of proceeds of insurance or Condemnation therefor, such proceeds when received shall be deposited in the Reserve and Contingency Fund to the extent of such payments therefrom.

2. If the proceeds of insurance or Condemnation authorized by this Section to be applied to the reconstruction or replacement of

any portion of the Stanton II Project are insufficient for such purpose, the deficiency may be supplied out of monies in the Reserve and Contingency Fund to the extent not needed to be reserved for the purposes provided therefor.

3. The proceeds of business interruption loss insurance, if any, shall be paid into the Revenue Fund unless otherwise required by the Participation Agreement.

715. Accounts and Reports. 1. FMPA shall keep or cause to be kept with respect to the Stanton II Project proper books of record and account (separate from all other records and accounts) in accordance with the Uniform System of Accounts, as such may be modified by the provisions of this Resolution, in which complete and correct entries shall be made of its transactions relating to the Stanton II Project, the amount of Revenues and the application thereof and each Fund and Account established under the Resolution and relating to its costs and charges under the Power Sales Contracts and Project Support Contracts and any other contracts for the sale of Electric Capacity and Electric Energy, and which, together with the Participation Agreement and all contracts and all other books and papers of FMPA, including insurance policies, relating to the Stanton II Project, shall, subject to the terms thereof, at all times be subject to the inspection of the Trustee and the Holders of an aggregate of not less than 5% in principal amount of the Bonds then Outstanding or their representatives duly authorized in writing.

2. The Trustee shall advise FMPA promptly after the end of each month of the respective transactions during such month relating to each Fund and Account held by it under the Resolution.

3. FMPA shall annually, within 180 days after the close of each Fiscal Year (the first such report to be filed with respect to the Fiscal Year ending the September 30 next following the issuance of the first Series of Bonds to be issued hereunder), file with the Trustee, and otherwise as provided by law, a copy of an annual report for such Fiscal Year, accompanied by an Accountant's Certificate, relating to the Stanton II Project and including the following statements in reasonable detail: (i) a statement of assets and liabilities as of the end of such Fiscal Year; (ii) a statement of Revenues and Operation and Maintenance Expenses of the Stanton II Project for such Fiscal Year; and (iii) a summary with respect to each Fund and Account established under the Resolution of the changes in financial condition during such Fiscal Year and the amount held therein at the end of such Fiscal Year. Such Accountant's Certificate shall state whether or not, to the knowledge of the signer, FMPA is in default with respect to any of the covenants, agreements or conditions on its part contained in the Resolution, and if so, the nature of such default.

4. FMPA shall file with the Trustee (a) forthwith upon becoming aware of any Event of Default or default in the performance by FMPA of any covenant, agreement or condition contained in the Resolution, a certificate signed by an Authorized Officer of FMPA and specifying such Event of Default or default and (b) within 120 days after the end of each Fiscal Year, commencing with the Fiscal Year ending on the September 30 next following the issuance of the first Series of Bonds to be issued hereunder, a certificate signed by an appropriate Authorized Officer of FMPA stating whether, to the best of his knowledge and belief, FMPA has kept, observed, performed and fulfilled its covenants and obligations contained in the Resolution and that there does not exist at the date of such certificate any default by FMPA under the Resolution or any Event of Default or other event which, with the lapse of time specified in Section 801, would become an Event of Default, or, if any such default or Event of Default or other event shall so exist, specifying the same and the nature and status thereof.

5. The reports, statements and other documents required to be furnished to the Trustee pursuant to any provisions of the Resolution shall be available for the inspection of Bondholders at the office of the Trustee and shall be mailed to each Bondholder who shall file a written request therefor with FMPA. FMPA may charge each Bondholder requesting such reports, statements and other documents a reasonable fee to cover reproduction, handling and postage.

716. Payment of Taxes and Charges. FMPA will from time to time duly pay and discharge, or cause to be paid and discharged, all taxes, assessments and other governmental charges, or required payments in lieu thereof, lawfully imposed upon the properties of FMPA or upon the rights, revenues, income, receipts, and other monies, securities and funds of FMPA when the same shall become due (including all rights, monies and other property transferred, assigned or pledged under the Resolution), and all lawful claims for labor and material and supplies, except those taxes, assessments, charges or claims which FMPA shall in good faith contest by proper legal proceedings if FMPA shall in all such cases have set aside on its books reserves deemed adequate by FMPA with respect thereto.

717. General. 1. FMPA shall at all times maintain its existence and shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of FMPA under the provisions of the Act and the Resolution.

2. Upon the date of authentication and delivery of any of the Bonds, all conditions, acts and things required by law and the Resolution to exist, to have happened and to have been performed precedent to and in the issuance of such Bonds shall exist, have happened and have been performed, and the issue of such Bonds,

together with all other obligations of FMPA, shall comply in all respects with the applicable laws of the State of Florida.

ARTICLE VIII

REMEDIES AND BONDHOLDERS

801. Events of Default. If one or more of the following Events of Default shall happen:

(i) if default shall be made in the due and punctual payment of the principal or Redemption Price of any Bond when and as the same shall become due and payable, whether at maturity or by call for redemption, or otherwise;

(ii) if default shall be made in the due and punctual payment of any installment of interest on any Bond or the unsatisfied balance of any Sinking Fund Installment therefor (except when such Sinking Fund Installment is due on the maturity date of such Bond), when and as such interest installment or Sinking Fund Installment shall become due and payable;

(iii) failure to pay when due the purchase price of any Bonds required to be purchased pursuant to the Resolution unless such Bonds are redeemed in lieu of such purchase;

(iv) if default shall be made by FMPA in the performance or observance of any other of the covenants, agreements or conditions on its part in the Resolution or in the Bonds contained, and such default shall continue for a period of 90 days after written notice thereof specifying such default and requiring that it shall have been remedied and stating that such notice is a "Notice of Default" hereunder is given to FMPA by the Trustee or to FMPA and to the Trustee by the Holders of not less than 10% in principal amount of the Bonds Outstanding;

(v) if FMPA shall commence a voluntary case or similar proceeding under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect (provided, however, that such event shall not constitute an Event of Default hereunder unless in addition, (x) FMPA is unable to meet its debts with respect to the Stanton II Project as such debts mature or (y) any plan of adjustment or other action in such proceeding would affect in any way the Revenues or the Stanton II Project), or shall authorize, apply for or consent to the appointment of or taking

possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator or similar official for the Stanton II Project , or any part thereof, and/or the rents, fees, charges or other revenues therefrom, or shall make any general assignment for the benefit of creditors, or shall make a written declaration or admission to the effect that it is unable to meet its debts with respect to the Stanton II Project as such debts mature, or shall authorize or take any action in furtherance of any of the foregoing; or

(vi) if a court having jurisdiction in the premises shall enter a decree or order for relief in respect of FMPA in an involuntary case or similar proceeding under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, (provided, however, that such event shall not constitute an Event of Default hereunder unless in addition, (x) FMPA is unable to meet its debts with respect to the Stanton II Project as such debts mature or (y) any plan of adjustment or other action in such proceeding would affect in any way the Revenues or the Stanton II Project), or a decree or order appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official for the Stanton II Project, or any part thereof, and/or the rents, fees, charges or other revenues therefore, or a decree or order for the dissolution, liquidation or winding up of FMPA and its affairs or a decree or order finding or determining that FMPA is unable to meet its debts with respect to the Stanton II Project as such debts mature, and any such decree or order shall remain unstayed and in effect for a period of 60 consecutive days;

then, and in each and every such case, other than an Event of Default described in clauses (iv), (v), (vii) or (viii) above, so long as such Event of Default shall not have been remedied, unless the principal of all the Bonds shall have already become due and payable, the Trustee (by notice in writing to FMPA), or the Holders of not less than 25% in principal amount of the Bonds Outstanding (by notice in writing to FMPA and to the Trustee) may declare the principal of all the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and be immediately due and payable, anything in the Resolution or in any of the Bonds contained to the contrary notwithstanding. In the case of an Event of Default described in clause, (iv), (v), (vii) or (viii) above, the Trustee shall, without further action, declare the principal of all the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, anything in this Resolution or in the Bonds to the contrary notwithstanding. The right of the Trustee or of the Holders

of not less than 25% in principal amount of the Bonds to make any such declaration as aforesaid, however, is subject to the condition that if, at any time before the Bonds shall have matured by their terms, all overdue installments of interest upon the Bonds, together with the reasonable and proper fees, charges, expenses and liabilities of the Trustee, and all other sums then payable by FMPA under the Resolution (except the principal of, and interest accrued since the next preceding Interest Payment Date on, the Bonds due and payable solely by virtue of such declaration) shall either be paid by or for the account of FMPA or provision satisfactory to the Trustee shall be made for such payment, and all defaults under the Bonds or under the Resolution (other than the payment of principal and interest due and payable solely by reason of such declaration) shall be made good or be secured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall be made therefor, then and in every such case the Holders of 25% in principal amount of the Bonds Outstanding, by written notice to FMPA, the Trustee, may rescind such declaration and annul such default in its entirety, or, if the Trustee shall have acted itself, and if there shall not have been theretofore delivered to the Trustee written directions to the contrary by the Holders of 25% in principal amount of the Bonds Outstanding, then any such declaration shall ipso facto be deemed to be rescinded and any such default shall ipso facto be deemed to be annulled, but no such rescission or annulment shall extend to or affect any subsequent default or impair or exhaust any right or power consequent thereon."

802. Accounting and Examination of Records After Default.

1. FMPA covenants that if an Event of Default shall have happened and shall not have been remedied, the books of record and account of FMPA and all other records relating to the Stanton II Project shall at all times be subject to the inspection and use of the Trustee and of its agents and attorneys.

2. FMPA covenants that if an Event of Default shall have happened and shall not have been remedied, FMPA, upon demand of the Trustee, will account, as if it were the trustee of an express trust, for all Revenues and other monies, securities and funds pledged or held under the Resolution for such period as shall be stated in such demand.

803. Application of Revenues and Other Moneys After Default. FMPA covenants that if an Event of Default shall happen and shall not have been remedied, FMPA, upon the demand of the Trustee, shall (i) order all Project Participants to make payments of all amounts due under the Power Sales Contracts and the Project Support Contracts directly to the Trustee for deposit in the Revenue Fund, (ii) to the extent not previously so granted, grant to the Trustee the rights and remedies afforded FMPA in the Power Sales

Contracts and the Project Support Contracts, and (iii) pay over or cause to be paid over to the Trustee (a) forthwith, all monies, securities and funds then held by FMPA in any Fund under the Resolution, and (b) all Revenues which are not paid directly to the Trustee as promptly as practicable after receipt thereof.

2. During the continuance of an Event of Default, the Trustee shall apply all monies, securities, funds and Revenues received by the Trustee pursuant to any right given or action taken under the provisions of this Article as follows and in the following order:

(i) Expenses of Fiduciaries -- to the payment of the reasonable and proper fees, charges, expenses and liabilities of the Fiduciaries;

(ii) Operation and Maintenance Expenses -- to the payment of the amounts required for Operation and Maintenance Expenses and for the reasonable renewals, repairs and replacements of the Stanton II Project necessary in the judgment of the Trustee to prevent loss of Revenues. For this purpose the books of record and accounts of FMPA relating to the Stanton II Project shall at all times be subject to the inspection of the Trustee and its representatives and agents during the continuance of such Event of Default;

(iii) Principal or Redemption Price and Interest to the payment of the interest and principal or Redemption Price then due on the Bonds, as follows:

(a) unless the principal of all of the Bonds shall have become or have been declared due and payable,

First: Interest -- To the payment to the persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, together with accrued and unpaid interest on the Bonds theretofore called for redemption, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference; and

Second: Principal or Redemption Price -- To the payment to the persons entitled thereto of the unpaid principal or Redemption Price of any Bonds which shall have become due, whether at maturity or by call for redemption, in the order of their due dates, and, if the amount available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal or Redemption Price due on such date, to the persons entitled thereto, without any discrimination or preference;

(b) if the principal of all of the Bonds shall have become or have been declared due and payable, to the payment of the principal and interest then due and unpaid upon the Bonds without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds; and

3. If and whenever all overdue installments of interest on all Bonds, together with the reasonable and proper charges, expenses and liabilities of the Trustee, and all other sums payable by FMPA under the Resolution, including the principal and Redemption Price of and accrued unpaid interest on all Bonds which shall then be payable by declaration or otherwise, shall either be paid by or for the account of FMPA, or provisions satisfactory to the Trustee shall be made for such payment, and all defaults under the Resolution or the Bonds shall be made good or secured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall be made therefor, the Trustee shall pay over to FMPA all monies, securities and funds then remaining unexpended in the hands of the Trustee (except monies, securities and funds deposited or pledged, or required by the terms of the Resolution to be deposited or pledged, with the Trustee), and thereupon FMPA, the Trustee shall be restored, respectively, to their former positions and rights under the Resolution. No such payment over to FMPA by the Trustee nor such restoration of FMPA and the Trustee to their former positions and rights shall extend to or affect any subsequent default under the Resolution or impair any right consequent thereon.

804. Appointment of Receiver. The Trustee shall have the right, upon the happening of an Event of Default, to apply in an

appropriate proceeding for the appointment of a receiver of the Stanton II Project.

805. Proceedings Brought by Trustee. 1. If an Event of Default shall happen and shall not have been remedied, then and in every such case, the Trustee, by its agents and attorneys, may proceed, and upon written request of the Holders of not less than 25% in principal amount of the Bonds Outstanding shall proceed, to protect and enforce its rights and the rights of the Holders of the Bonds under the Resolution forthwith by a suit or suits in equity or at law, whether for the specific performance of any covenant herein contained, or in aid of the execution of any power herein granted, or for an accounting against FMPA as if FMPA were the trustee of an express trust, or in the enforcement of any other legal or equitable right as the Trustee, being advised by counsel, shall deem most effectual to enforce any of its rights or to perform any of its duties under the Resolution.

2. All rights of action under the Resolution may be enforced by the Trustee without the possession of any of the Bonds or the production thereof at the trial or other proceedings, and any such suit or proceedings instituted by the Trustee shall be brought in its name.

3. The Holders of not less than a majority in principal amount of the Bonds at the time Outstanding may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, provided that the Trustee shall have the right to decline to follow any such direction if the Trustee shall be advised by counsel that the action or proceeding so directed may not lawfully be taken, or if the Trustee in good faith shall determine that the action or proceeding so directed would involve the Trustee in personal liability or be unjustly prejudicial to the Bondholders not parties to such direction.

4. Upon commencing a suit in equity or upon other commencement of judicial proceedings by the Trustee to enforce any right under the Resolution, the Trustee shall be entitled to exercise any and all rights and powers conferred in the Resolution and provided to be exercised by the Trustee upon the occurrence of any Event of Default.

5. Regardless of the happening of an Event of Default, the Trustee shall have power to, but unless requested in writing by the Holders of 25% in principal amount of the Bonds then Outstanding and furnished with reasonable security and indemnity, shall be under no obligation to, institute and maintain such suits and proceedings as it may be advised shall be necessary or expedient to prevent any

impairment of the security under the Resolution by any acts which may be unlawful or in violation of the Resolution, and such suits and proceedings as the Trustee may be advised shall be necessary or expedient to preserve or protect its interests and the interests of the Bondholders.

806. Restriction on Bondholder's Action. 1. No Holder of any Bond shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of any provision of the Resolution or the execution of any trust under the Resolution or for any remedy under the Resolution, unless such Holder shall have previously given to the Trustee written notice of the happening of an Event of Default, as provided in this Article, and the Holders of at least 25% in principal amount of the Bonds then Outstanding shall have filed a written request with the Trustee, and shall have offered it reasonable opportunity, either to exercise the powers granted in the Resolution or by the Act or by the laws of the State of Florida or to institute such action, suit or proceeding in its own name, and unless such Holders shall have offered to the Trustee adequate security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused to comply with such request for a period of 60 days after receipt by it of such notice, request and offer of indemnity, it being understood and intended that no one or more Holders of Bonds shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the pledge created by the Resolution, or to enforce any right under the Resolution, except in the manner therein provided; and that all proceedings at law or in equity to enforce any provision of the Resolution shall be instituted, had and maintained in the manner provided in the Resolution and for the equal benefit of all Holders of the Outstanding Bonds, subject only to the provisions of Section 702.

2. Nothing in the Resolution or in the Bonds contained shall affect or impair the obligation of FMFA, which is absolute and unconditional, to pay at the respective dates of maturity and places therein expressed the principal of (and premium, if any) and interest on the Bonds to the respective Holders thereof, or affect or impair the right of action, which is also absolute and unconditional, of any Holder to enforce such payment of his Bond.

807. Remedies Not Exclusive. No remedy by the terms of the Resolution conferred upon or reserved to the Trustee or the Bondholders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Resolution or existing at law or in equity or by statute on or after the date of execution and delivery of the Resolution.

808. Effect of Waiver and Other Circumstances. 1. No delay or omission of the Trustee or any Bondholder to exercise any right or power arising upon the happening or an Event of Default shall impair any right or power or shall be construed to be a waiver of any such Event of Default or be an acquiescence therein; and every power and remedy given by this Article to the Trustee or to the Bondholders may be exercised from time to time and as often as may be deemed expedient by the Trustee or by the Bondholders.

2. Prior to the declaration of maturity of the Bonds as provided in Section 801, the Holders of not less than a majority in principal amount of the Bonds at the time Outstanding, or their attorneys-in-fact duly authorized, may on behalf of the Holders of all of the Bonds waive any past default under the Resolution and its consequences, except a default in the payment of interest on or principal of or premium (if any) on any of the Bonds. No such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

809. Notice of Default. The Trustee shall promptly mail written notice of the occurrence of any Event of Default to each registered owner of Bonds then Outstanding at his address, if any, appearing upon the registry books of FMPA.

ARTICLE IX

CONCERNING THE FIDUCIARIES

901. Trustee; Appointment and Acceptance of Duties. The Trustee shall be appointed by a Supplemental Resolution. The Trustee shall signify its acceptance of the duties and obligations imposed upon it by the Resolution by executing and delivering to FMPA a written acceptance thereof, and by executing such acceptance the Trustee shall be deemed to have accepted such duties and obligations with respect to all the Bonds thereafter to be issued, but only, however, upon the terms and conditions set forth in the Resolution.

902. Paying Agents; Appointment and Acceptance of Duties. 1. FMPA shall appoint one or more Paying Agents for the Bonds of each Series, and may at any time or from time to time appoint one or more other Paying Agents. All Paying Agents appointed shall have the qualifications set forth in Section 913 for a successor Paying Agent. The Trustee may be appointed a Paying Agent.

2. Each Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by the Resolution by executing and delivering to FMPA and to the Trustee a written acceptance thereof.

3. Unless otherwise provided, the principal corporate trust offices of the Paying Agents are designated as the respective offices or agencies of FMPA for the payment of the interest on and principal or Redemption Price of the Bonds.

903. Responsibilities of Fiduciaries. 1. The recitals of fact herein and in the Bonds contained shall be taken as the statements of FMPA and no Fiduciary assumes any responsibility for the correctness of the same. No Fiduciary makes any representations as to the validity or sufficiency of the Resolution or of any Bonds issued thereunder or as to the security afforded by the Resolution, and no Fiduciary shall incur any liability in respect thereof. The Trustee shall, however, be responsible for its representation contained in its certificate of authentication on the Bonds. No Fiduciary shall be under any responsibility or duty with respect to the application of any monies paid by such Fiduciary in accordance with the provisions of the Resolution to FMPA or to any other Fiduciary. No Fiduciary shall be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any suit in respect thereof, or to advance any of its own monies, unless properly indemnified. Subject to the provisions of subsection 2 of this Section 903, no Fiduciary shall be liable in connection with the performance of its duties hereunder except for its own negligence, misconduct or default.

2. The Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in the Resolution. In case an Event of Default has occurred (which has not been cured) the Trustee shall exercise such of the rights and powers vested in it by the Resolution, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs. Any provision of the Resolution relating to action taken or to be taken by the Trustee or to evidence upon which the Trustee may rely shall be subject to the provisions of this Section 903 and Section 904.

904. Evidence on Which Fiduciaries May Act. 1. Each Fiduciary, upon receipt of any notice, resolution, request, consent, order, certificate, report, opinion, bond or other paper or document furnished to it pursuant to any provision of the Resolution, shall examine such instrument to determine whether it conforms to the requirements of the Resolution and shall be protected in acting upon any such instrument believed by it to be genuine and to have been signed or presented by the proper party or parties. Each Fiduciary may consult with counsel, who may or may not be counsel to FMPA, and the opinion of such counsel shall be full and complete authorization

and protection in respect of any action taken or suffered by it under the Resolution in good faith and in accordance therewith.

2. Whenever any Fiduciary shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under the Resolution, such matter (unless other evidence in respect thereof be therein specifically prescribed) may be deemed to be conclusively proved and established by a certificate of an Authorized Officer of FMPA, and such certificate shall be full warrant for any action taken or suffered in good faith under the provisions of the Resolution upon the faith thereof; but in its discretion the Fiduciary may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as it may deem reasonable. Neither the Trustee, the Bond Registrar nor the Paying Agent shall be bound to recognize any Person as a Bondholder or to take any action at his request unless his Bond shall be deposited with such entity or satisfactory evidence of the ownership of such Bond shall be furnished to such entity.

905. Compensation. FMPA shall pay to each Fiduciary from time to time reasonable compensation for all services rendered under the Resolution, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of its attorneys, agents and employees, incurred in and about the performance of their powers and duties under the Resolution, in accordance with the agreements made from time to time between FMPA and the Fiduciary. Subject to the provisions of Section 903, FMPA further agrees to indemnify and save each Fiduciary harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder and which are not due to such Fiduciary's negligence, misconduct or default.

906. Certain Permitted Acts. Any Fiduciary, individually or otherwise, may become the owner of any Bonds, with the same rights it would have if it were not a Fiduciary. To the extent permitted by law, any Fiduciary may act as depository for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondholders or to effect or aid in any reorganization growing out of the enforcement of the Bonds or the Resolution, whether or not any such committee shall represent the Holders of a majority in principal amount of the Bonds then Outstanding.

907. Resignation of Trustee. The Trustee may at any time resign and be discharged of the duties created by the Resolution by giving not less than 120 days' written notice to FMPA and to the Trustee, as the case may be, and mailing notice thereof to the Holders of Bonds then Outstanding, specifying the date when such resignation shall take effect, and such resignation shall take effect

upon the day specified in such notice unless (i) previously a successor shall have been appointed by FMPA or the Bondholders as provided in Section 909, in which event such resignation shall take effect immediately on the appointment of such successor, or (ii) a successor shall not have been appointed by FMPA or the Bondholders as provided in Section 909 on such date, in which event such resignation shall not take effect until a successor is appointed.

908. Removal of the Trustee. The Trustee may be removed at any time with or without cause by an instrument or concurrent instruments in writing, filed with the Trustee, and signed by the Holders of a majority in principal amount of the Bonds then Outstanding or their attorneys-in-fact duly authorized, excluding any Bonds held by or for the account of FMPA. So long as no Event of Default, or an event which, with notice or passage of time, or both, would become an Event of Default, shall have occurred and be continuing, the Trustee may be removed at any time, with or without cause, by a resolution of FMPA filed with the Trustee.

909. Appointment of Successor Trustee. 1. In case at any time the Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property, shall be appointed, or if any public officer shall take charge or control of the Trustee, or of its property or affairs, a successor Trustee may be appointed by FMPA by a duly executed written instrument signed by an Authorized Officer of FMPA, but if FMPA does not appoint a successor Trustee within 60 days then by the Holders of a majority in principal amount of the Bonds then Outstanding, excluding any Bonds held by or for the account of FMPA, by an instrument or concurrent instruments in writing signed and acknowledged by such Bondholders or by their attorneys-in-fact duly authorized and delivered to such successor Trustee, notification thereof being given to FMPA and the predecessor Trustee. After such appointment of a successor Trustee, FMPA shall mail notice of any such appointment by it or the Bondholders to the registered owners of the Bonds then Outstanding.

2. If no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section within 120 days after the Trustee shall have given to FMPA written notice as provided in Section 907 or after a vacancy in the office of the Trustee shall have occurred by reason of its inability to act, removal, or for any other reason whatsoever, the Trustee or the Holder of any Bond (in any case) may apply to any court of competent jurisdiction to appoint a successor Trustee. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Trustee.

3. Any Trustee appointed under the provisions of this Section 909 in succession to the Trustee shall be a bank or trust company organized under the laws of any state or a national banking association and shall have capital stock, surplus and undivided earnings aggregating at least \$50,000,000 if there be such a bank or trust company or national banking association willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by the Resolution.

910. Transfer of Rights and Property to Successor Trustee. Any successor trustee appointed under the Resolution shall execute, acknowledge and deliver to its predecessor Trustee, and also to FMPA, an instrument accepting such appointment, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become fully vested with all monies, estates, properties, rights, powers, duties and obligations of such predecessor Trustee, with like effect as if originally named as Trustee; but the Trustee ceasing to act shall nevertheless, on the written request of FMPA or of the successor Trustee, execute, acknowledge and deliver such instrument of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Trustee all the right, title and interest of the predecessor Trustee in and to any property, rights, interests and estates held by it under the Resolution, and shall pay over, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Should any deed, conveyance or instrument in writing from FMPA be required by such successor Trustee for more fully and certainly vesting in and confirming to such successor Trustee any such estates, rights, powers and duties, any and all such deeds, conveyances and instruments in writing shall, on request, and so far as may be authorized by law, be executed, acknowledged and delivered by FMPA. Any such successor Trustee shall promptly notify the Paying Agents of its appointment as Trustee.

911. Merger or Consolidation. Any company into which any Fiduciary may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which any Fiduciary may sell or transfer all or substantially all of its corporate trust business, provided such company shall be a bank or trust company organized under the laws of any state of the United States or a national banking association and shall be authorized by law to perform all the duties imposed upon it by the Resolution, shall be the successor to such Fiduciary without the execution or filing of any paper or the performance of any further act.

912. Adoption of Authentication. In case any of the Bonds contemplated to be issued under the Resolution shall have been

authenticated but not delivered, any successor Trustee may adopt the certificate of authentication of any predecessor Trustee so authenticating such Bonds and deliver such Bonds so authenticated; and in case any of the said Bonds shall not have been authenticated, any successor Trustee may authenticate such Bonds in the name of the predecessor Trustee, or in the name of the successor Trustee, and in all such cases such certificate shall have the full force which it is anywhere in said Bonds or in the Resolution provided that the certificate of the Trustee shall have.

913. Resignation or Removal of Paying Agent and Appointment of Successor. 1. Any Paying Agent may at any time resign and be discharged of the duties and obligations created by the Resolution by giving at least 60 days' written notice to FMFA, the Trustee and the other Paying Agents. Any Paying Agent may be removed at any time by an instrument filed with such Paying Agent and the Trustee and signed by an Authorized Officer of FMFA. Any successor Paying Agent shall be appointed by FMFA with the approval of the Trustee and shall be a bank or trust company organized under the laws of any state of the United States or a national banking association, having capital stock, surplus and undivided earnings aggregating at least \$50,000,000, and willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by the Resolution.

2. In the event of the resignation or removal of any Paying Agent, such Paying Agent shall pay over, assign and deliver any monies held by it as Paying Agent to its successor, or if there be no successor, to the Trustee. In the event that for any reason there shall be a vacancy in the office of any Paying Agent, the Trustee shall act as such Paying Agent.

914. Governing Law. The Trustee's immunities and standard of care in the administration of its trusts under the Resolution shall be governed by and construed in accordance with the laws of the jurisdiction in which is located its principal place of business.

915. Trustee's Reliance. In the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of the Resolution.

916. Trustee's Liability. The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith, in accordance with the provisions of the Resolution, in accordance with the direction of the Holders of a majority in principal amount of the Outstanding Bonds, relating to the time, method and place of conducting any proceeding for any remedy available to the

Trustee, or exercising any trust or power conferred upon the Trustee, under the Resolution with respect to the Bonds.

917. **Trustee's Agents or Attorneys.** The Trustee may execute any of its trusts or powers under the Resolution or perform any of its duties thereunder either directly or by or through agents or attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it thereunder.

ARTICLE X

SUPPLEMENTAL RESOLUTIONS

1001. **Supplemental Resolutions Effective Upon Filing With the Trustee.** For any one or more of the following purposes and at any time or from time to time, a Supplemental Resolution of FMPA may be adopted, which, upon the filing with the Trustee of a copy thereof certified by an Authorized Officer of FMPA shall be fully effective in accordance with its terms:

(1) To close the Resolution against, or provide limitations and restrictions in addition to the limitations and restrictions contained in the Resolution on, the authentication and delivery of Bonds or the issuance of other evidences of indebtedness;

(2) To add to the covenants and agreements of FMPA in the Resolution, other covenants and agreements to be observed by FMPA which are not contrary to or inconsistent with the Resolution as theretofore in effect;

(3) To add to the limitations and restrictions in the Resolution, other limitations and restrictions to be observed by FMPA which are not contrary to or inconsistent with the Resolution as theretofore in effect;

(4) To authorize Bonds of a Series and, in connection therewith, (a) specify and determine the matters and things referred to in Article II, and also any other matters and things relative to such Bonds which are not contrary to or inconsistent with the Resolution as theretofore in effect, (b) in the case of Variable Interest Rate Bonds, set forth provisions specifying the manner in which interest on Variable Interest Rate Bonds is to be calculated for the purposes of various definitions and provisions of the Resolution, provisions providing for changes in interest rates, interest rate periods or interest payment dates for

any Variable Interest Rate Bond of a Series, provisions regarding a Bondholder's right or obligation to tender Variable Interest Rate Bonds for redemption or purchase in lieu of redemption, and provisions governing the manner in which Variable Interest Rate Bonds which the owner thereof has the right to, or has exercised a right to, tender for redemption or purchase in lieu of redemption shall be treated for purposes of various definitions and provisions of the Resolution, and (c) set forth provisions governing the administration of any letter of credit, revolving credit agreement, bond insurance policy, reimbursement agreement or other agreement, instrument or document providing credit and/or liquidity support for any Bonds; or to amend, modify or rescind any such authorization, specification or determination at any time prior to the first authentication and delivery of such Bonds;

(5) To authorize, in compliance with all applicable law, Bonds of each Series to be issued in the form of coupon Bonds registrable as to principal only and, in connection therewith, specify and determine the matters and things relative to the issuance of such coupon Bonds, including provisions relating to the timing and manner of provision of any notice required to be given hereunder to the Holders of such coupon Bonds, which are not contrary to or inconsistent with the Resolution as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination at any time prior to the first authentication and delivery of such coupon Bonds;

(6) To authorize, in compliance with all applicable law, Bonds of each Series to be issued in the form of Bonds issued and held in book-entry form on the books of FMPA or any Fiduciary appointed for that purpose by FMPA and, in connection therewith, make such additional changes herein, not adverse to the rights of the Holders of the Bonds, as are necessary or appropriate to accomplish or recognize such book-entry form Bonds and specify and determine the matters and things, relative to the issuance of such book-entry form Bonds as are appropriate or necessary;

(7) To authorize Subordinated Debt of a Series and, in connection therewith, specify and determine such matters and things relative to such Subordinated Debt which are not contrary to or inconsistent with the Resolution as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination at any time prior to the first authentication and delivery of such Subordinated Debt;

(8) To confirm, as further assurance, any security interest, pledge or assignment under, and the subjection to any security interest, pledge or assignment created or to be created by, the Resolution of the Revenues or of any other monies, securities or funds;

(9) To modify any of the provisions of the Resolution in any other respect whatever, provided that (i) such modification shall be, and be expressed to be, effective only after all Bonds of each Series Outstanding at the date of the adoption of such Supplemental Resolution shall cease to be Outstanding, and (ii) such Supplemental Resolution shall be specifically referred to in the text of all Bonds of any Series authenticated and delivered after the date of the adoption of such Supplemental Resolution and of Bonds issued in exchange therefor or in place thereof;

(10) To add to the Events of Default in the Resolution additional Events of Default;

(11) To add to the Resolution any provisions relating to the application of interest earnings on any Fund or Account under the Resolution required by law to preserve the exemption of interest received on Bonds then Outstanding or to be issued from Federal and/or State income taxation; and

(12) To appoint the Trustee.

1002. Supplemental Resolutions Effective Upon Consent of Trustee. For any one or more of the following purposes and at any time or from time to time, a Supplemental Resolution may be adopted, which, upon (i) the filing with the Trustee of a copy thereof certified by an Authorized Officer of FMPA, and (ii) the filing with the Trustee and FMPA of an instrument in writing made by the Trustee consenting thereto, shall be fully effective in accordance with its terms:

(1) To cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Resolution;

(2) To insert such provisions clarifying matters or questions arising under the Resolution as are necessary or desirable and are not contrary to or inconsistent with the Resolution as theretofore in effect; or

(3) To make any other modification or amendment of the Resolution which the Trustee shall in its sole

discretion determine will not have a material adverse effect on the Bondholders.

1003. Supplemental Resolutions Effective With Consent of Bondholders. At any time or from time to time, a Supplemental Resolution may be adopted subject to consent by Bondholders and, if applicable, the Insurer, in accordance with and subject to the provisions of Article XI, which Supplemental Resolution, upon the filing with the Trustee of a copy thereof certified by an Authorized Officer of FMPA and upon compliance with the provisions of said Article XI, shall become fully effective in accordance with its terms as provided in said Article XI.

1004. General Provisions. 1. The Resolution shall not be modified or amended in any respect except as provided in and in accordance with and subject to the provisions of this Article X and Article XI. Nothing contained in this Article X or Article XI shall affect or limit the right or obligation of FMPA to adopt, make, do, execute, acknowledge or deliver any resolution, act or other instrument pursuant to the provisions of Section 704 or the right or obligation of FMPA to execute and deliver to any Fiduciary any instrument which elsewhere in the Resolution it is provided shall be delivered to said Fiduciary.

2. Any Supplemental Resolution referred to and permitted or authorized by Sections 1001 and 1002 may be adopted by FMPA without the consent of any of the Bondholders, but shall become effective only on the conditions, to the extent and at the time provided in said Sections, respectively. The copy of every Supplemental Resolution when filed with the Trustee shall be accompanied by an Opinion of Counsel stating that such Supplemental Resolution has been duly and lawfully adopted in accordance with the provisions of the Resolution, is authorized or permitted by the Resolution, and is valid and binding upon FMPA and enforceable in accordance with its terms.

3. The Trustee is hereby authorized to accept the delivery of a certified copy of any Supplemental Resolution referred to and permitted or authorized by Section 1001, 1002 or 1003 and to make all further agreements and stipulations which may be therein contained, and the Trustee, in taking such action, shall be fully protected in relying on an Opinion of Counsel that such Supplemental Resolution is authorized or permitted by the provisions of the Resolution.

4. No Supplemental Resolution shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto provided however this section shall not affect the rights of the Holders or FMPA to remove the Trustee as provided in Section 908 herein.

ARTICLE XI

AMENDMENTS

1101. Mailing. Any provision in this Article for the mailing of a notice or other paper to Bondholders shall be fully complied with if it is mailed postage prepaid only (i) to each registered owner of Bonds then Outstanding at his address, if any, appearing upon the registry books of FMPA, and (ii) to the Trustee.

1102. Powers of Amendment. Any modification or amendment of the Resolution and of the rights and obligations of FMPA and of the Holders of the Bonds thereunder, in any particular, may be made by a Supplemental Resolution, with the written consent given as provided in Section 1103 (i) of the Holders of at least a majority in principal amount of the Bonds Outstanding at the time such consent is given, and (ii) in case less than all of the several Series of Bonds then Outstanding are affected by the modification or amendment, of the Holders of at least a majority in principal amount of the Bonds of each Series so affected and Outstanding at the time such consent is given; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like Series and maturity remain Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section. No such modification or amendment shall permit a change in the terms of redemption (including Sinking Fund Installments) or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the Holder of such Bond, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the Holders of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto. For the purpose of this Section, a Series shall be deemed to be affected by a modification or amendment of the Resolution if the same adversely affects or diminishes the rights of the Holders of Bonds of such Series. The Trustee may in its discretion determine whether or not, in accordance with the foregoing powers of amendment, Bonds of any particular Series or maturity would be affected by any modification or amendment of the Resolution and any such determination shall be binding and conclusive on FMPA and all Holders of Bonds.

1103. Consent of Bondholders. FMPA may at any time adopt a Supplemental Resolution making a modification or amendment permitted by the provisions of Section 1102 to take effect when and as provided in this Section 1103. A copy of such Supplemental

Resolution (or brief summary thereof or reference thereto in form approved by the Trustee), together with a request to Bondholders for their consent thereto in form satisfactory to the Trustee, shall be mailed by FMPA to Bondholders (but failure to mail such copy and request shall not affect the validity of the Supplemental Resolution when consented to as in this Section 1103 provided). Such Supplemental Resolution shall not be effective unless and until (i) there shall have been filed with the Trustee (a) the written consents of Holders of the percentages of Outstanding Bonds specified in Section 1102 and (b) an Opinion of Counsel stating that such Supplemental Resolution has been duly and lawfully adopted and filed by FMPA in accordance with the provisions of the Resolution, is authorized or permitted by the Resolution, and is valid and binding upon FMPA and enforceable in accordance with its terms, subject to any applicable bankruptcy, insolvency or other laws affecting creditors' rights generally, and (ii) a notice shall have been given as hereinafter in this Section 1103 provided. Each such consent shall be effective only if accompanied by proof of the holding, at the date of such consent, of the Bonds with respect to which such consent is given, which proof shall be such as is permitted by Section 1202. A certificate or certificates executed by the Trustee and filed with the Trustee and FMPA stating that it has examined such proof and that such proof is sufficient in accordance with Section 1202 shall be conclusive that the consents have been given by the Holders of the Bonds described in such certificate or certificates of the Trustee. Any such consent shall be binding upon the Holder of the Bonds giving such consent and, anything in Section 1202 to the contrary notwithstanding, upon any subsequent Holder of such Bonds and of any Bonds issued in exchange therefor (whether or not such subsequent Holder thereof has notice thereof) unless such consent is revoked in writing by the Holder of such Bonds giving such consent or a subsequent Holder thereof by filing with the Trustee, prior to the time when the written statement of the Trustee hereinafter in this Section 1103 provided for is filed, such revocation and, if such Bonds are transferable by delivery, proof that such Bonds are held by the signer of such revocation in the manner permitted by Section 1202 hereof. The fact that a consent has not been revoked may likewise be proved by a certificate of the Trustee filed with the Trustee and FMPA to the effect that no revocation thereof is on file with the Trustee. At any time after the Holders of the required percentages of Bonds shall have filed their consents to the Supplemental Resolution, the Trustee shall make and file with the Trustee and FMPA a written statement that the Holders of such required percentages of Bonds have filed such consents. Such written statements shall be conclusive that such consents have been so filed. At any time thereafter, notice stating in substance that the Supplemental Resolution (which may be referred to as a Supplemental Resolution adopted by FMPA on a stated date, a copy of which is on file with the Trustee) has been consented to by the Holders of the required percentages of

Bonds and will be effective as provided in this Section 1103, may be given to Bondholders by FMPA by mailing such notice to Bondholders (but failure to mail such notice shall not prevent such Supplemental Resolution from becoming effective and binding as in this Section 1103 provided). FMPA shall file with the Trustee proof of the mailing thereof. A record, consisting of the certificates or statements required or permitted by this Section 1103 to be made by the Trustee, shall be proof of the matters therein stated. Such Supplemental Resolution making such amendment or modification shall be deemed conclusively binding upon FMPA, the Fiduciaries and the Holders of all Bonds at the expiration of 40 days after the filing with the Trustee of the proof of the mailing of such last mentioned notice, except in the event of a final decree of a court of competent jurisdiction setting aside such Supplemental Resolution in a legal action or equitable proceeding for such purpose commenced within such 40 day period; provided, however, that any Fiduciary and FMPA during such 40 day period and any such further period during which any such action or proceeding may be pending shall be entitled in their absolute discretion to take such action, or to refrain from taking such action, with respect to such Supplemental Resolution as they may deem expedient.

1104. Notifications by Unanimous Consent. The terms and provisions of the Resolution and the rights and obligations of FMPA and of the Holders of the Bonds thereunder may be modified or amended in any respect upon the adoption and filing by FMPA of a Supplemental Resolution and the consent of the Holders of all of the Bonds then Outstanding, such consent to be given as provided in Section 1103 except that no notice to Bondholders shall be required; provided, however, that no such modification or amendment shall change or modify any of the rights or obligations of any Fiduciary without the filing with the Trustee of the written assent thereto of such Fiduciary in addition to the consent of the Bondholders.

1105. Exclusion of Bonds. Bonds owned or held by or for the account of FMPA shall not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Bonds provided for in this Article XI, and FMPA shall not be entitled with respect to such Bonds to give any consent or take any other action provided for in this Article. At the time of any consent or other action taken under this Article, FMPA shall furnish the Trustee a certificate of an Authorized Officer of FMPA, upon which the Trustee may rely, describing all Bonds so to be excluded.

1106. Notation on Bonds. Bonds authenticated and delivered after the effective date of any action taken as in Article X or this Article XI provided may, and, if the Trustee so determines, shall, bear a notation by endorsement or otherwise in form approved by FMPA and the Trustee as to such action, and in that case upon demand of the Holder of any Bond Outstanding at such effective date

and presentation of his Bond for the purpose at the principal corporate trust office of the Trustee or upon any transfer or exchange of any Bond Outstanding at such effective date, suitable notation shall be made on such Bond or upon any Bond issued upon any such transfer or exchange by the Trustee as to any such action. If FMPA or the Trustee shall so determine, new Bonds so modified as in the opinion of the Trustee and FMPA to conform to such action shall be prepared, authenticated and delivered, and upon demand of the Holder of any Bond then Outstanding shall be exchanged, without cost to such Bondholder, for Bonds of the same Series and maturity then Outstanding, upon surrender of such Bonds.

1107. **Consent of the Insurer When Consent of Bondholder Required.** As long as any Bonds are Outstanding and insured as to the payment of principal and interest by a policy of insurance issued by an Insurer and such Insurer is not in default in respect of any of its obligations under such policy of insurance, such Insurer, and not the registered Holders thereof, shall be deemed to be the Holders of any Bonds of any Series as to which it is the Insurer at all times for the purpose of giving any approval or consent to the execution and delivery of any Supplemental Resolution or any amendment, change or modification of this Resolution which, as specified in Sections 1003, 1102, 1103 and 1104 hereof, requires the written approval or consent of the Holders of at least a majority in aggregate principal amount of Bonds of such Series at the time Outstanding.

ARTICLE XII

MISCELLANEOUS

1201. **Defeasance.** 1. If FMPA shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of all Bonds the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated in the Bonds and in the Resolution, then the pledge of all covenants, agreements and other obligations of FMPA to the Bondholders, shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall cause an accounting for such period or periods as shall be requested by FMPA to be prepared and filed with FMPA and, upon the request of FMPA, shall execute and deliver to FMPA all such instruments as may be desirable to evidence such discharge and satisfaction, and the Fiduciaries shall pay over or deliver to FMPA all monies or securities held by them pursuant to the Resolution which are not required for the payment of principal or Redemption Price, if applicable, on Bonds not theretofore surrendered for such payment or redemption. If FMPA shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of all

Outstanding Bonds the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in the Resolution, such Bonds shall cease to be entitled to any lien, benefit or security under the Resolution, and all covenants, agreements and obligations of FMPA to the Holders of such Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

2. Bonds or interest installments for the payment or redemption of which monies shall have been set aside and shall be held in trust by the Paying Agents (through deposit by FMPA of funds for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed in subsection 1 of this Section. Subject to the provisions of subsection 3 through subsection 7 of this Section, any Outstanding Bonds shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in subsection 1 of this Section if (a) in case any of said Bonds are to be redeemed on any date prior to their maturity, FMPA shall have given to the Trustee instructions accepted in writing by the Trustee to mail as provided in Article IV notice of redemption of such Bonds (other than Bonds which have been purchased by the Trustee at the direction of FMPA or purchased or otherwise acquired by FMPA and delivered to the Trustee as hereinafter provided prior to the mailing of such notice of redemption) on said date, (b) there shall have been deposited with the Trustee either monies (including monies withdrawn and deposited pursuant to subsection 4 of Section 507 and subsection 4 of Section 508) in an amount which shall be sufficient, or Investment Securities (including any Investment Securities issued or held in book-entry form on the books of the Department of the Treasury of the United States) the principal of and the interest on which when due will provide monies which, together with the monies, if any, deposited with the Trustee at the same time, shall be sufficient, to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on said Bonds on or prior to the redemption date or maturity date thereof, as the case may be, and (c) in the event said Bonds are not by their terms subject to redemption within the next succeeding 60 days, FMPA shall have given the Trustee in form satisfactory to it instructions to mail, as soon as practicable, a notice to the Holders of such Bonds at their last addresses appearing upon the registry books at the close of business on the last business day of the month preceding the month for which notice is mailed that the deposit required by (b) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with this Section 1201 and stating such maturity or redemption date upon which monies are expected, subject to the provisions of subsection 7 of this Section 1201, to be available for the payment of the principal or Redemption Price, if applicable, on said Bonds (other than Bonds

which have been purchased by the Trustee at the direction of FMPA or purchased or otherwise acquired by FMPA and delivered to the Trustee as hereinafter provided prior to the mailing of the notice of redemption referred to in clause (a) hereof). Any notice of redemption mailed pursuant to the preceding sentence with respect to Bonds which constitute less than all of the Outstanding Bonds of any maturity within a Series shall specify the letter and number or other distinguishing mark of each such Bond. The Trustee shall, as and to the extent necessary, apply monies held by it pursuant to this Section 1201 to the retirement of said Bonds in amounts equal to the unsatisfied balances (determined as provided in Section 511) of any Sinking Fund Installments with respect to such Bonds, all in the manner provided in the Resolution. The Trustee shall, if so directed by FMPA (i) prior to the maturity date of Bonds deemed to have been paid in accordance with this Section 1201 which are not to be redeemed prior to their maturity date or (ii) prior to the mailing of the notice of redemption referred to in clause (a) above with respect to any Bonds deemed to have been paid in accordance with this Section 1201 which are to be redeemed on any date prior to their maturity, apply monies deposited with the Trustee in respect of such Bonds and redeem or sell Investment Securities so deposited with the Trustee and apply the proceeds thereof to the purchase of such Bonds and the Trustee shall immediately thereafter cancel all such Bonds so purchased; provided, however, that the monies and Investment Securities remaining on deposit with the Trustee after the purchase and cancellation of such Bonds shall be sufficient to pay when due the Principal Installment or Redemption Price, if applicable, and interest due or to become due on all Bonds, in respect of which such monies and Investment Securities are being held by the Trustee on or prior to the redemption date or maturity date thereof, as the case may be. If, at any time (i) prior to the maturity date of Bonds deemed to have been paid in accordance with Section 1201 which are not to be redeemed prior to their maturity date or (ii) prior to the mailing of the notice of redemption referred to in clause (a) with respect to any Bonds deemed to have been paid in accordance with this Section 1201 which are to be redeemed on any date prior to their maturity, FMPA shall purchase or otherwise acquire any such Bonds and deliver such Bonds to the Trustee prior to their maturity date or redemption date, as the case may be, the Trustee shall immediately cancel all such Bonds so delivered; such delivery of Bonds to the Trustee shall be accompanied by directions from FMPA to the Trustee as to the manner in which such Bonds are to be applied against the obligation of the Trustee to pay or redeem Bonds deemed paid in accordance with this Section 1201. The directions given by FMPA to the Trustee referred to in the preceding sentences shall also specify the portion, if any, of such Bonds so purchased or delivered and cancelled to be applied against the obligation of the Trustee to pay Bonds deemed paid in accordance with this Section 1201 upon their maturity date or dates and the portion, if any, of such Bonds so purchased or

delivered and cancelled to be applied against the obligation of the Trustee to redeem Bonds deemed paid in accordance with this Section 1201 on any date or dates prior to their maturity. In the event that on any date as a result of any purchases, acquisitions and cancellations of Bonds as provided in this Section 1201 the total amount of monies and Investment Securities remaining on deposit with the Trustee under this Section 1201 is in excess of the total amount which would have been required to be deposited with the Trustee on such date in respect of the remaining Bonds in order to satisfy clause (b) of this subsection 2 of Section 1201, the Trustee shall, if requested by FMPA, pay the amount of such excess to FMPA free and clear of any trust, lien, security interest, pledge or assignment securing said Bonds or otherwise existing under this Resolution. Except as otherwise provided in this subsection 2 of Section 1201 and in subsection 3 through subsection 7 of this Section 1201, neither Investment Securities nor monies deposited with the Trustee pursuant to this Section nor principal or interest payments on any such Investment Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal or Redemption Price, if applicable, and interest on said Bonds; provided that any cash received from such principal or interest payments on such Investment Securities deposited with the Trustee, (A) to the extent such cash will not be required at any time for such purpose, shall be paid over to FMPA as received by the Trustee, free and clear of any trust, lien or pledge securing said Bonds or otherwise existing under the Resolution, and (B) to the extent such cash will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Investment Securities maturing at times and in amounts sufficient to pay when due the principal or Redemption Price, if applicable, and interest to become due on said Bonds on or prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to FMPA, as received by the Trustee, free and clear of any trust, lien, security interest, pledge or assignment securing said Bonds or otherwise existing under the Resolution. For the purposes of this Section, Investment Securities shall mean and include only (x) such securities as are described in clauses (i), (iv), (vi), (vii) or (viii) of the definition of "Investment Securities" in Section 101 which shall not be subject to redemption prior to their maturity other than at the option of the holder thereof, (y) such securities as are described in clause (ii) of the definition of Investment Securities which shall not be subject to redemption prior to their maturity other than at the option of the Holder thereof or as to which an irrevocable notice of redemption of such securities on a specified redemption date has been given and such securities are not otherwise subject to redemption prior to such specified date other than at the option of the Holder thereof, or (z) upon compliance with the provisions of subsection 5 of this Section 1201, such securities as are described in clauses (i), (iv), (vi), (vii) or

(viii) of the definition of Investment Securities which are subject to redemption prior to maturity at the option of the issuer thereof on a specified date or dates.

3. For purposes of determining whether Variable Interest Rate Bonds shall be deemed to have been paid prior to the maturity or redemption date thereof, as the case may be, by the deposit of monies, or Investment Securities and monies, if any, in accordance with the second sentence of subsection 2 of this Section 1201, the interest to come due on such Variable Interest Rate Bonds on or prior to the maturity date or redemption date thereof, as the case may be, shall be calculated at the maximum rate permitted by the terms thereof; provided, however, that if on any date, as a result of such Variable Interest Rate Bonds having borne interest at less than such maximum rate for any period, the total amount of monies and Investment Securities on deposit with the Trustee for the payment of interest on such Variable Interest Rate Bonds is in excess of the total amount which would have been required to be deposited with the Trustee on such date in respect of such Variable Rate Bonds in order to satisfy the second sentence of subsection 2 of this Section 1201, the Trustee shall, if requested by FMPA, pay the amount of such excess to FMPA free and clear of any trust, lien, security interest, pledge or assignment securing the Bonds or otherwise existing under the Resolution.

4. Option Bonds shall be deemed to have been paid in accordance with the second sentence of subsection 2 of this Section 1201 only if, in addition to satisfying the requirements of clauses (a) and (c) of such sentence, there shall have been deposited with the Trustee moneys (including moneys withdrawn and deposited pursuant to subsection 4 of Section 507 and subsection 4 of Section 508) in an amount which shall be sufficient to pay when due the maximum amount of principal of and premium, if any, and interest on such Bonds which could become payable to the Holders of such Bonds upon the exercise of any options provided to the Holders of such Bonds; provided, however, that if, at the time a deposit is made with the Trustee pursuant to subsection 2 of this Section, the options originally exercisable by the Holder of an Option Bond are no longer exercisable, such Bond shall not be considered an Option Bond for purposes of this subsection 4. If any portion of the moneys deposited with the Trustee for the payment of the principal of and premium, if any, and interest on Option Bonds is not required for such purpose the Trustee shall, if requested by FMPA, pay the amount of such excess to FMPA free and clear of any trust, lien, security interest, pledge or assignment securing said Bonds or otherwise existing under the Resolution.

5. Investment Securities described in clause (z) of subsection 2 of Section 1201 may be included in the Investment Securities deposited with the Trustee in order to satisfy the

requirements of clause (b) of subsection 2 of Section 1201 only if the determination as to whether the monies and Investment Securities to be deposited with the Trustee in order to satisfy the requirements of such clause (b) would be sufficient to pay when due either on the maturity date thereof or, in the case of any bonds to be redeemed prior to the maturity date thereof, on the redemption date or dates specified in any notice of redemption to be mailed by the Trustee or in the instructions to mail a notice of redemption provided to the Trustee in accordance with subsection 2 of Section 1201, the principal and Redemption Price, if applicable, and interest on the Bonds which will be deemed to have been paid as provided in subsection 2 of Section 1201 is made both (i) on the assumption that the Investment Securities described in clause (z) were not redeemed at the option of the issuer prior to the maturity date thereof and (ii) on the assumptions that such Investment Securities would be redeemed by the issuer thereof at its option on each date on which such option could be exercised, that as of such date or dates interest ceased to accrue on such Investment Securities and that the proceeds of such redemption would not be reinvested by the Trustee.

6. In the event that after compliance with the provisions of subsection 5 of Section 1201 the Investment Securities described in clause (z) of subsection 2 of Section 1201 are included in the Investment Securities deposited with the Trustee in order to satisfy the requirements of clause (b) of subsection 2 of Section 1201 and any such Investment Securities are actually redeemed by the issuer thereof prior to their maturity date, then the Trustee at the direction of FMPA, provided that the aggregate of the monies and Investment Securities to be held by the Trustee, taking into account any changes in redemption dates or instructions to give notice of redemption given to the Trustee by FMPA in accordance with subsection 7 of Section 1201, shall at all times be sufficient to satisfy the requirements of clause (b) of subsection 2 of Section 1201, shall reinvest the proceeds of such redemption in Investment Securities.

7. In the event that after compliance with the provisions of subsection 5 of Section 1201 the Investment Securities described in clause (z) of subsection 2 of Section 1201 are included in the Investment Securities deposited with the Trustee in order to satisfy the requirements of clause (b) of subsection 2 of Section 1201, then any notice of redemption to be mailed by the Trustee and any set of instructions relating to a notice of redemption given to the Trustee may provide, at the option of FMPA, that any redemption date or dates in respect of all or any portion of the Bonds to be redeemed on such date or dates may at the option of FMPA be changed to any other permissible redemption date or dates and that redemption dates may be established for any Bonds deemed to have been paid in accordance with this Section 1201 upon their maturity date or dates at any time prior to the actual mailing of any applicable notice of redemption in the

event that all or any portion of any Investment Securities described in clause (z) of subsection 2 of Section 1201 have been called for redemption pursuant to an irrevocable notice of redemption or have been redeemed by the issuer thereof prior to the maturity date thereof; no such change of redemption date or dates or establishment of redemption date or dates may be made unless taking into account such changed redemption date or dates or newly established redemption date or dates the monies and Investment Securities on deposit with the Trustee including any Investment Securities deposited with the Trustee in connection with any reinvestment of redemption proceeds in accordance with subsection 6 of Section 1201 pursuant to clause (b) of subsection 2 of Section 1201 would be sufficient to pay when due the principal and Redemption Price, if applicable, and interest on all Bonds deemed to have been paid in accordance with subsection 2 of Section 1201 which have not as yet been paid.

8. FMPA agrees that it will take no action in connection with any of the transactions referred to in this Section 1201 which will cause the bonds to be "Arbitrage Bonds" within the meaning of Section 103(c) of the Internal Revenue Code of 1986, as amended, and the regulations thereunder in effect on the date of the transaction and applicable to the transaction.

9. Anything in the Resolution to the contrary notwithstanding, any monies held by a Fiduciary in trust for the payment and discharge of any of the Bonds which remain unclaimed for six years after the date when such Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such monies were held by the Fiduciary at such date, or for six years after the date of deposit of such monies if deposited with the Fiduciary after the said date when such Bonds became due and payable, shall, at the written request of FMPA, be repaid by the Fiduciary to FMPA, as its absolute property and free from trust, and the Fiduciary shall thereupon be released and discharged with respect thereto and the Bondholders shall look only to FMPA for the payment of such Bonds; provided, however, that before being required to make any such payment to FMPA the Fiduciary shall, at the expense of FMPA, cause to be published at least twice, at an interval of not less than seven days between publications, in the Authorized Newspaper, a notice that said monies remain unclaimed and that, after a date named in said notice, which date shall be not less than 30 days after the date of the first publication of such notice, the balance of such monies then unclaimed will be returned to FMPA.

1202. Evidence of Signatures of Bondholders and Ownership of Bonds. 1. Any request, consent, revocation of consent or other instrument which the Resolution may require or permit to be signed and executed by the Bondholders may be in one or more instruments of similar tenor, and shall be signed or executed by such Bondholders in

person or by their attorneys appointed in writing. Proof of (i) the execution of any such instrument, or of an instrument appointing any such attorney, or (ii) the holding by any person of the Bonds shall be sufficient for any purpose of the Resolution (except as otherwise therein expressly provided) if made in the following manner, or in any other manner satisfactory to the Trustee, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable:

(1) The fact and date of the execution by any Bondholder or his attorney of such instruments may be proved by a guarantee of the signature thereon by a bank or trust company or by the certificate of any notary public or other officer authorized to take acknowledgments of deeds, that the person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. Where such execution is by an officer of a corporation or association or a member of a partnership, on behalf of such corporation, association or partnership, such signature, guarantee, certificate or affidavit shall also constitute sufficient proof of his authority.

(2) The amount of Bonds transferable by delivery held by any person executing any instrument as a Bondholder, the date of his holding such Bonds, and the numbers and other identification thereof, may be proved by a certificate, which need not be acknowledged or verified, in form satisfactory to the Trustee, executed by the Trustee or by a member of a financial firm or by an officer of a bank, trust company, insurance company, or financial corporation or other depository wherever situated, showing at the date therein mentioned that such person exhibited to such member or officer or had on deposit with such depository the Bonds described in such certificate. Such certificate may be given by a member of a financial firm or by an officer of any bank, trust company, insurance company or financial corporation or depository with respect to Bonds owned by it, if acceptable to the Trustee. In addition to the foregoing provisions, the Trustee may from time to time make such reasonable regulations as it may deem advisable permitting other proof of holding of Bonds transferable by delivery.

2. The ownership of Bonds registered otherwise than to bearer and the amount, numbers and other identification, and date of holding the same shall be proved by the registry books.

3. Any request or consent by the owner of any Bond shall bind all future owners of such Bond in respect of anything done or suffered to be done by FMPA or any Fiduciary in accordance therewith.

1203. Moneys Held for Particular Bonds. The amounts held by any Fiduciary for the payment of the interest, principal or Redemption Price due on any date with respect to particular Bonds shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Holders of the Bonds entitled thereto.

1204. Preservation and Inspection of Documents. All documents received by any Fiduciary under the provisions of the Resolution shall be retained in its possession and shall be subject at all reasonable times to the inspection of FMPA, any other Fiduciary, and any Bondholder and their agents and their representatives, any of whom may make copies thereof.

1205. Parties Interested Herein. Nothing in the Resolution expressed or implied is intended or shall be construed to confer upon, or to give to, any person or corporation, other than FMPA, the Fiduciaries and the Holders of the Bonds, any right, remedy or claim under or by reason of the Resolution or any covenant, condition or stipulation thereof; and all the covenants, stipulations, promises and agreements in the Resolution contained by and on behalf of FMPA shall be for the sole and exclusive benefit of FMPA, the Fiduciaries and the Holders of the Bonds.

1206. No Recourse on the Bonds. No recourse shall be had for the payment of the principal of or interest on the Bonds or for any claim based thereon or on the Resolution against any member or officer of FMPA or any person executing the Bonds.

1207. Publication of Notice; Suspension of Publication.
1. Any publication to be made under the provisions of the Resolution in successive weeks or on successive dates may be made in each instance upon any business day of the week and need not be made in the same Authorized Newspaper for any or all of the successive publications but may be made in a different Authorized Newspaper.

2. If, because of the temporary or permanent suspension of the publication or general circulation of any Authorized Newspaper or for any other reason, it is impossible or impractical to publish any notice pursuant to the Resolution in the manner herein provided, then such publication in lieu thereof as shall be made with the approval of the Trustee shall constitute a sufficient publication of such notice.

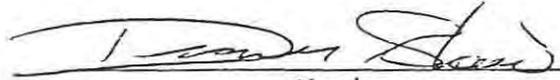
1208. **Severability of Invalid Provisions.** If any one or more of the covenants or agreements provided in the Resolution on the part of FMPA or any Fiduciary to be performed should be contrary to law, then such covenant or covenants or agreement or agreements shall be deemed severable from the remaining covenants and agreements, and shall in no way affect the validity of the other provisions of the Resolution.

1209. **Holidays.** If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in the Resolution, shall be a legal holiday or a day on which banking institutions in the city in which is located the principal office of the Trustee or the operational office of FMPA are authorized by law to remain closed, such payment may be made or act performed or right exercised on the next succeeding day not a legal holiday or a day on which such banking institutions are authorized by law to remain closed with the same force and effect as if done on the nominal date provided in the Resolution, and no interest shall accrue for the period after such nominal date.

1210. **Effective Date.** This Resolution shall take effect from and after the date of its adoption by FMPA.

Approved and adopted by the Florida Municipal Power Agency on June 26, 1991.

FLORIDA MUNICIPAL POWER AGENCY


Chairman

ATTEST:


Secretary

STANTON II PROJECT

POWER SALES CONTRACT

BETWEEN

FLORIDA MUNICIPAL POWER AGENCY

AND

CITY OF _____, FLORIDA

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STANTON II PROJECT
POWER SALES CONTRACT

This POWER SALES CONTRACT made and entered into as of _____, 1991, by and between FLORIDA MUNICIPAL POWER AGENCY, a legal entity organized under the laws of the State of Florida ("FMPA") and CITY OF _____, a public agency of the State of Florida and member of FMPA who has executed this Agreement (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 will enter into the Participation Agreement between Orlando Utilities Commission and Florida Municipal Power Agency for the Joint Ownership of Curtis H. Stanton Energy Center Unit Two Generation Project, with the Orlando Utilities Commission ("OUC"), pursuant to which FMPA will purchase a 15.9962% undivided interest in Curtis H. Stanton Energy Center Unit Two Generation Project ("Stanton Unit No. 2"), and FMPA 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 Stanton II 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 Stanton II 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 Stanton II 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 Stanton II 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 a resolution adopted by the Board of FMPA at a meeting duly called and duly held on _____, 1991, which Interlocal Agreement, as so amended and supplemented, constitutes "an agreement to implement a project" and a "joint power agreement" for the Stanton II 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 Stanton II 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 Stanton II Project and to pledge such contracts and 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 obligations 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 Stanton II Project or any portion thereof in good operating condition or to prevent a loss of Revenues therefrom, (ii) any additions, improvements, repairs and modifications to the Stanton II Project or any portion thereof and any retirement or disposal of the Stanton II Project or any portion thereof required by any governmental agency having jurisdiction over the Stanton II Project or any portion thereof or for which FMPA shall be responsible by virtue of any obligation of FMPA arising out of the Participation Agreement, (iii) capital costs incurred pursuant to actions taken under the Participation Agreement, whether required or optional, (iv) additional fuel inventory requirements or any rights thereto, and (v) any amounts relating to the Stanton II 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 Stanton Unit No. 2 or the construction or acquisition of any 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, Project Energy Related Costs and Monthly Transmission Costs for the following Contract Year, or, in the case of an amended Annual Budget adopted by the Board of FMPA, during the remainder of a Contract Year, and the Project Participant's share, if any, 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 adopted by the Board of FMPA on _____, 1991 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 Stanton II 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 the Commercial Operation Date for Stanton Unit No. 2 as such term is defined in the Participation Agreement or such other date as such Unit, in the opinion of FMPA, is producing and delivering Electric Capacity and Electric Energy for commercial use.

Construction Costs shall have the meaning given to that term in the Participation Agreement.

Consulting Engineer shall mean, as of any date, an engineer or engineering firm or corporation then retained by FMPA pursuant to the Bond Resolution to perform acts and carry out duties provided for such Consulting Engineer in the Bond Resolution.

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 Stanton 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, Project Energy Related Costs or Monthly Transmission Costs, all costs of planning, engineering, designing, financing, installing, constructing, acquiring and placing in operation or retirement or disposal of the Stanton II 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) the acquisition of fuel for the Stanton II Project;

(3) allowance for working capital requirements of the Stanton II 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, sale or disposal of any facilities of the Stanton II 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 Stanton II Project;

(7) all costs and expenses relating to claims or judgments arising out of the acquisition, construction and operation of the Stanton II Project;

(8) all 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 Stanton II 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 Stanton II Project;

(10) all costs incurred or associated with the salvage, discontinuance 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;

(12) all other costs incurred in connection with, and properly chargeable to, the acquisition and construction of the Stanton II Project in accordance with, or which constitute Construction Costs, including any prepayment of operating expenses required under the Participation Agreement; 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.

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).

Fuel Costs shall mean all costs incurred by FMPA during a period that are allocable to the acquisition, processing, transportation, delivering and storage of coal or other fuel source

required for the Stanton II Project, including working capital therefor.

Initial Facilities shall mean FMPA's 15.9962% undivided ownership interest in Stanton 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 (other than Project Energy Related Costs or Monthly Transmission Costs) attributable to the Stanton II Project, 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 Rate Stabilization Account for the payment of Monthly Power Costs established in prior periods (including income from investment of 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 and retirement from service of, and repairs, renewals, replacements, additions, improvements, betterments and modifications to, the Stanton II 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;

(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 (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 the Stanton II Project 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 the Stanton II Project and of producing Electric Capacity and Electric Energy therefrom during such Month (including administrative and general expenses, working capital, taxes or payments in lieu thereof and Fuel Costs and user charges for such month which Fuel Costs and

user charges are payable whether or not Electric Capacity and Electric Energy is produced by the Stanton II Project, but excluding amounts of Fuel Costs billed or expected by FMPA to be billed as Project Energy Related Costs) not included in the costs specified in the other items of this definition and properly chargeable to the Stanton II Project 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;

(6) all costs incurred or associated with the discontinuance and disposition or sale of properties required to be paid by FMPA in accordance with the Participation Agreement (whether or not in connection with the issuance of a final accounting statement referred to in Section 13) including, but not limited to, all of FMPA's accrued costs and liabilities resulting from FMPA's ownership, acquisition, construction, operation, maintenance and renewals and replacements of the Stanton II Project;

(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 the Stanton II Project;

(8) any additional amount not specified in the other items of this definition (excluding Project Related Energy Costs and Monthly Transmission Costs) 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 the Stanton II Project (including any amounts to be paid into the Rate Stabilization 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 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.

Monthly Transmission Costs shall mean, with respect to each Month of each Contract Year, all costs attributable to the transmission and delivery pursuant to the Power Sales Contracts 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 the Stanton II Project less the associated Electric Energy utilized by the Stanton II Project for all processes, auxiliary equipment and systems used or useful in connection with start-up, operation, maintenance, control, supply or shutdown of the Stanton II Project, including appropriate station service transformer losses.

OUC shall mean Orlando Utilities Commission, a statutory commission under the laws of the State of Florida and, subject to the provisions of the Participation Agreement, its successors and assigns.

Participation Agreement shall mean the Participation Agreement between Orlando Utilities Commission and Florida Municipal Power Agency for the Joint Ownership of Curtis H. Stanton Energy Center Unit Two Generation Project, between FMPA and OUC for the purchase of a 15.9962% undivided ownership interest in Stanton Unit No. 2, as the same may be amended or supplemented from time to time in accordance with the provisions thereof, which governs FMPA's rights and obligations relating to its interest in Stanton Unit No. 2.

Point or Points of Delivery shall mean the point or points of delivery specified in Annex 3 hereto or such other 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 Stanton II Project, as the same may be amended from time to time, and any substantially similar contract entered into by FMPA in connection with 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 the Stanton II Project is capable of generating at any particular time (including times when the Stanton Unit No. 2 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 all determined in accordance with such agreement.

Project Energy Related Costs shall mean, with respect to the Stanton II Project, those costs which vary with the amount of Electric Capacity and Electric Energy produced from time to time, including without limitation, Fuel Costs allocated to fuel burned or consumed during any period (other than Fuel Costs payable as Monthly Power Costs), cost of all disposal of wastes directly relating to production of Electric Capacity and Electric Energy and other costs incurred under the Participation Agreement which are directly related to the amount of Electric Capacity and Electric Energy produced under the Participation Agreement.

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 Stanton II Project or any portion thereof 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 _____, 1991, each between FMPA and a Project Participant, providing for the payment of costs relating to the Stanton II 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.

Rate Stabilization Account shall mean the account of that name established by the Bond Resolution.

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.

Stanton II Project shall mean the Initial Facilities, the Additional Facilities and related contractual arrangements and agreements including arrangements and agreements for the transmission of Electric Capacity and Electric Energy.

Stanton Unit No. 2 shall mean the Curtis H. Stanton Energy Center Unit Two equipment, structures and improvements which comprise the nominally rated 415 MW net coal fueled generating unit to be known as Stanton Unit No. 2, to be located in Orange County, Florida, including for such unit (i) the land delineated and described in Exhibit F to the Participation Agreement and all land rights pertaining thereto, (ii) additions, improvements, renewals and replacements to said generating unit, (iii) the steam generator, turbine, electrical generator, precipitator, scrubber, cooling tower, chimney, transformers and associated subsystems and other systems or facilities as more particularly described in Exhibit A to the Participation Agreement, (iv) an initial fuel inventory for use in connection with Stanton Unit No. 2, and (v) inventories of materials, supplies, fuel, tools and equipment for use in connection with Stanton Unit No. 2.

Transmission Services shall mean, with respect to each Project Participant, any provisions for the transmission and delivery of such Project Participant's Power Entitlement Share to its Point or Points of Delivery, as may be determined from time to time, pursuant to any transmission contracts, transmission agreements or other transmission arrangements and for the dispatching and scheduling, if any, of such Power Entitlement Share, if any.

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 by FMPA and shall, unless this Power Sales Contract is terminated pursuant to Section 29 hereof, continue until the latest 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, (ii) the later of (a) the date Stanton Unit No. 2 is finally disposed of as an electric generating unit pursuant to the Participation Agreement or (b) the date the interest of FMPA in Stanton 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 nor expiration of this Power Sales Contract shall affect any accrued liability or obligation hereunder. Notwithstanding the foregoing, in the event it is ultimately determined that any other Project Participant failed to duly and validly execute and deliver its Power Sales Contract or Project Support Contract or both, or if any other Power Sales Contract or

Project Support Contract or both, or any portion thereof, shall be deemed invalid or unenforceable for any other reason whatsoever, such determination shall in no way affect the commencement, term or enforceability of this Power Sales Contract or the Project Participant's obligations hereunder.

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, (ii) for its share of monthly Project Energy Related Costs, an amount determined by multiplying Project Energy Related Costs for such Month by a fraction the numerator of which is the Electric Energy scheduled from the Stanton II Project by the Project Participant during the Month to which such payment relates and the denominator of which is the Electric Energy scheduled from the Stanton II Project by all Project Participants during such Month, and (iii) all costs described in the definition of Monthly Transmission Costs which are properly allocable, as determined by FMPA, to the Project Participant.

In the event that OUC makes available to FMPA any part of the Net Electric Capacity and Energy from Stanton Unit No. 2 to which OUC 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.

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 shall provide an estimate of the Project Participant's monthly payments hereunder and serve as a basis for Project Participant's payments hereunder for Monthly Power Costs and Monthly Transmission Costs for such Contract Year. During each Contract Year, the Board 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, actual Project Energy Related 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, Project Energy Related 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 provide an estimate of the Project Participant's monthly payments hereunder for the remainder of such Contract Year and serve as the basis for the Project Participant's monthly payments for Monthly Power Costs and Monthly Transmission Costs 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 Project Energy Related Costs as computed for each Participant in accordance with clause (ii) of Section 3 hereof; (iii) 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; (iv) 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; (v) the credits, if any, against the Project Participant's share of Monthly Power Costs determined in accordance with paragraph (i) of this Section 4; (vi) the amount, if any, credited to or payable by the Project Participant with respect to any adjustment for actual Project Energy Related Costs incurred during a prior Month for which credit or payment has not been made; and (vii) any other amounts (except amounts in respect of Monthly Power Costs, Project Energy Related Costs and Monthly Transmission Costs, which amounts are intended to be billed exclusively pursuant to clauses (i), (ii) and (iii) above, respectively) 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 2%, 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, and at such other times as it shall deem desirable, 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 (i) of this Section 4 and Project Energy Related Costs 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 or for such number of months as FMPA deems appropriate, 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 (i) of this Section 4 and Project Energy Related Costs allocable to the Project Participant, based on the annual audit of accounts provided for in Section 10 hereof or, if for a period other than a full Contract Year, on such other information as FMPA deems reliable. 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 (i) of this Section 4 and Project Energy Related Costs 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 (iv) 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 (i) of this Section 4, and Project Energy Related Costs 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 (iv) of paragraph (b) of this Section 4.

(g) Project Energy Related Costs, including any adjustments thereto, shall be determined by FMPA in accordance with the applicable provisions of this Power Sales Contract and the Participation Agreement, respectively. The Project Participant shall pay such amounts pursuant to paragraphs (b) and (c) of this Section 4.

(h) The obligation of the Project Participant to make the payments under this Section 4 for its share of Monthly Power Costs, Project Energy Related 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 integrated utility system solely from the revenues and other available funds of the electric or 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 the Stanton II Project. Subject to the provisions of paragraph (j) 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 performance of FMPA or OUC under the Participation Agreement or the performance by FMPA under this or any other agreement or instrument or the validity or enforceability of any other Power Sales Contract, any other Project Support Contract or any other agreement between FMPA and any other Project Participant. Subject to the provisions of paragraph (j) 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 Stanton II Project. 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 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 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 any property located within its boundaries or service area.

(i) 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 Stanton II 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 the Stanton II Project, in each case, to the extent not credited against the Cost of Acquisition and Construction.

(j) 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 Stanton II 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.

(k) 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 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 Stanton II Project shall provide to FMPA or its designee a written advance daily schedule of hourly Electric Energy to be delivered to the Project Participants' 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 Participant's Power Entitlement Shares. The Project Participant shall provide FMPA with such other estimated schedules of Electric Capacity and Electric Energy as FMPA may reasonably require to carry out the duties of FMPA under the Participation Agreement. Deliveries at 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 Stanton II 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 Stanton II Project.

FMPA may appoint an agent from time to time to dispatch the output of the Stanton II Project to the Project Participants' Points of Delivery. The agent shall schedule and dispatch FMPA's entitlement to the output of the Stanton II 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 its 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 the Stanton II Project, 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 Stanton II 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 Stanton II 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 Stanton II Project and relating to Monthly Power Costs, Project Energy Related 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 180 days after the end of each fiscal year, or at such later date as may be agreed to by FMPA upon the written request of the Project Participant, 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 Stanton II Project,

(2) status of the Stanton II Project annual budget,

(3) status of construction budget of the Stanton II Project during construction, and

(4) monthly operating statistics relating to the Stanton II Project;

(b) FMPA shall furnish or otherwise make available to the Project Participant all other information which FMPA receives under the Participation Agreement.

(c) The Project Participant shall, upon request, furnish to FMPA all such information, certificates, certified copies of official proceedings, 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 (d) hereof), official statements and other documents as (i) shall be reasonably necessary in connection with the financing, acquisition, construction, operation, maintenance, abandonment or retirement of the Stanton II Project or (ii) FMPA shall be reasonably requested to deliver pursuant to the Participation Agreement.

(d) The Project Participant shall, at the time requested by FMPA, cause an opinion or opinions (i) 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 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, and (ii) in such form as may be required under the Participation Agreement.

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 Stanton II 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 hereof of this Power Sales Contract and 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 Stanton II 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, Project Energy Related 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 hereof of this Power Sales Contract and 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 Stanton II 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 Stanton II Project.

Subject to the provisions of the Participation Agreement, if Stanton Unit No. 2 shall never be placed in service or shall be permanently removed from service, FMPA shall use its best efforts to cause Stanton Unit No. 2 to be economically salvaged,

discontinued, disposed of or sold in whole or in part. The costs of salvage, discontinuance or disposition shall include, but shall not be limited to, all accrued costs and liabilities resulting from the construction, operation (including cost of fuel), maintenance of and renewals and replacements to the Stanton II Project. FMPA shall, after Stanton Unit No. 2 has been finally salvaged 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 Stanton II 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 (a) to maintain its electric or integrated utility system in good repair and operating condition; (b) to cooperate with FMPA in the performance of the respective obligations of such Project Participant and FMPA under this Power Sales Contract; and (c) to establish, levy and collect rents, rates and other charges for the products and services provided by its electric or integrated utility system, which rents, rates, and other charges shall be at least sufficient (i) to meet the operation and maintenance expenses of such electric or integrated utility system, (ii) to comply with all covenants pertaining thereto contained in, and all other provisions of, any resolution, trust indenture, or other security agreement relating to any bonds or other evidence of indebtedness issued or to be issued by the Project Participant, (iii) to generate funds sufficient to fulfill the terms of all other contracts and agreements made by the Project Participant, including, without limitation, this Power Sales Contract, and (iv) to pay all other amounts payable from or constituting a lien or charge on the revenues of its electric or 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 Stanton II 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, to and under 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 Stanton II 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.

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 clauses (a), (b), (c) or (e) of 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 Stanton II 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 paragraph 7.01 of the Participation Agreement, OUC 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 OUC will enter into the Participation Agreement in reliance on OUC's being a third-party beneficiary of this Power Sales Contract as provided in this Section 24(c). OUC and FMPA have acknowledged and agreed to, and the Project Participant hereby acknowledges and agrees to, the position of OUC 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 OUC. In addition, the Project Participant acknowledges and agrees to OUC's right to intervene in any legal or arbitration proceeding or action commenced by or against the Project Participant under the circumstances and in the manner described in paragraph 7.01 of the Participation Agreement.

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

SECTION 25. Measurement of Electric Energy.

(a) FMPA will or will cause OUC to install, maintain, and operate the metering equipment, required to measure the quantities of Electric Energy produced and delivered from Stanton Unit No. 2 all in accordance with Section 12 of the Participation Agreement. FMPA shall have the option of metering at a location other than Stanton Unit No. 2, 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 Stanton II 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 derived from the Stanton II Project, 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 and for the assignments authorized by paragraph (c) 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 and may deliver possession of this Power Sales Contract to such trustee in connection therewith, and, upon such assignment and pledge, 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, abandon or otherwise dispose of all or substantially all of its electric or integrated utility system except upon ninety (90) days prior written notice to FMPA and, in any event, will not sell,

lease, abandon or otherwise dispose of the same unless the following conditions are met: (i) the Project Participant shall, subject to the Participation Agreement, assign this Power Sales Contract and its rights and interest hereunder to the purchaser or lessee of said electric or integrated system, if any, and any 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, if any; and (iii) FMPA shall by appropriate action determine, in its sole discretion, that such sale, lease, abandonment or other disposition will not adversely affect FMPA's ability to meet its obligations under the Participation Agreement and 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.

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.

(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 should 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 Project Participant at the address set forth on Annex 1 hereto; 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:

(SEAL)

CITY OF VERO BEACH, FLORIDA

By *J.M. Kavic*
Title: City Manager

Attest:

Jammy K. Vock
Title: *Deputy City Clerk*

a:powersal.com

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:

CITY OF FLORIDA

(SEAL)

By _____
Title:

Attest:

Title: City Clerk

a:powerreal.com

Annex 1

SCHEDULE OF PROJECT PARTICIPANTS

<u>Name and Address of Participant</u>	<u>Power Entitlement Share</u>
Fort Pierce Utilities Authority P. O. Box 3191 Fort Pierce, FL 33450	23.9521%
City of Homestead 790 N. Homestead Blvd. Homestead, FL 33030	23.9521%
City of Lake Worth 1776 Lake Worth Road Lake Worth, FL 33460	11.9760%
City of Starke P. O. Drawer "C" Starke, FL 32091	1.7964%
City of Vero Beach P. O. Box 1389 Vero Beach, FL 32960	23.9521%
Utility Board of City of Key West P. O. Drawer 6100 Key West, FL 33041-6100	14.3713%
	<hr/>
Total	100.0000%

Annex 2

(FORM OF OPINION OF COUNSEL TO PROJECT PARTICIPANT)

_____, 1991

Florida Municipal Power Agency
Orlando Central Park
7201 Lake Ellenor Drive
Orlando, Florida 33809

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

- (a) FMPA's Stanton II Project Revenue Bond Resolution, adopted by the Board of Directors of FMPA on _____, 1991 (the "Bond Resolution") pursuant to which the \$_____ aggregate principal amount of its Stanton II Project Revenue Bonds, 1991 Series (the "Bonds") are being issued;
- (b) the Power Sales Contract, dated as of _____, 1991 (the "Power Sales Contract") between FMPA and the Participant, and the Project Support Contract, dated as of _____, 1991 (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 _____, 1991 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 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 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 ordinances or charter, 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 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,

ANNEX 3

PROJECT PARTICIPANTS POINT OR POINTS OF DELIVERY

<u>Project Participant</u>	<u>Point or Point of Delivery</u>
Fort Pierce Utilities Authority	Interconnection point between the Fort Pierce Utilities Authority and the Florida Power and Light Company as of date of this Agreement
City of Homestead	Interconnection point between the City of Homestead and the Florida Power and Light Company as of date of this Agreement
Utility Board of the City of Key West	Interconnection point between the Florida Keys Electric Cooperative Association, Inc. and the Florida Power and Light Company located at the Florida Keys Electric Cooperative Association, Inc. - Florida Power and Light Company metering point near the Dade-Monroe County line
City of Lake Worth	Interconnection point between the City of Lake Worth and the Florida Power and Light Company as of date of this Agreement
City of Starke	Interconnection point between the City of Starke and the Florida Power and Light Company as of date of this Agreement
City of Vero Beach	Interconnection point between the City of Vero Beach and the Florida Power and Light Company as of date of this Agreement

STANTON II PROJECT
PROJECT SUPPORT CONTRACT

BETWEEN

FLORIDA MUNICIPAL POWER AGENCY

AND

CITY OF _____, FLORIDA

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STANTON II PROJECT

PROJECT SUPPORT CONTRACT

This PROJECT SUPPORT CONTRACT made and entered into as of _____, 1991, by and between FLORIDA MUNICIPAL POWER AGENCY, a legal entity organized under the laws of the State of Florida ("FMPA") and CITY OF _____, a public agency of the State of Florida and member of FMPA who has executed this Agreement (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 will enter into the Participation Agreement between Orlando Utilities Commission and Florida Municipal Power Agency for the Joint Ownership of Curtis H. Stanton Energy Center Unit Two Generation Project, with the Orlando Utilities Commission ("OUC"), pursuant to which FMPA will purchase a 15.9962% undivided interest in Curtis H. Stanton Energy Center Unit Two Generation Project ("Stanton Unit No. 2"), and FMPA 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 Stanton II 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 Annex 1 attached hereto; and

WHEREAS, the acquisition and construction of the Stanton II 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 a resolution adopted by the Board of Directors of FMPA at a meeting duly called and duly held on _____, 1991, which constitutes "an agreement to implement a project" and a "joint power agreement" for the Stanton II 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 Stanton II Project by providing support for the payment by FMPA of costs of the Stanton II 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 Stanton II 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 Stanton II Project by all who shall at any time become holders thereof that FMPA have substantially similar binding contracts with the Project Participant and the other Project Participants as described in the preceding clause and that FMPA pledge such contracts and 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 the same may be amended or supplemented from time to time in the future in accordance with the provisions thereof.

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 Stanton II Project.

Project Support Month shall mean any Month of any Contract Year during which no Electric Capacity and Electric Energy from the Stanton II 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 Stanton II 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 originally listed in the Schedule of Project Participants and by FMPA and shall continue for the term of the Project Participant's Power Sales Contract. Notwithstanding the foregoing, in the event it is ultimately determined that any other Project Participant failed duly and validly to execute and deliver its Power Sales Contract or Project Support Contract or both, or if any such Power Sales Contract or Project Support Contract or both, or any portion thereof, shall be deemed invalid or unenforceable for any other reason whatsoever, such determination shall in no way affect the commencement, term or enforceability of this Project Support Contract or the Project Participant's obligations hereunder.

SECTION 3. Project Participant's Stanton II 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 2%, 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, or at such other times as it shall deem desirable, 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 to the Stanton II Project 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 or OUC under the Participation Agreement or the performance by FMPA under the Power Sales Contract or this or any other agreement or instrument or the validity or enforceability of any other Project Support Contract between FMPA and any other Project Participant; Project Support Payments shall be made whether or not Stanton Unit No. 2 is completed, operable or operating and notwithstanding the suspension, interruption, interference, reduction or curtailment of the output of Stanton Unit No. 2 or otherwise from the Stanton II Project for any reason whatsoever in whole or in part, and such Project Support Payments shall not be subject to any reduction, whether the offset, counterclaim or otherwise.

(i) The obligation of this 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 integrated utility system, subject and subordinate to payments permitted by or described in clauses (i) through (iv) of paragraph (b) of Section 4 hereof from revenues of the Project Participant's electric or 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 integrated utility system. 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 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 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 any property 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 Stanton II 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 (i) to maintain its electric or integrated utility system in good repair and operating condition; (ii) to cooperate with FMPA in the performance of the respective obligations of such Project Participant and FMPA under this Project Support Contract; and (iii) to establish, levy and collect rents, rates and other charges for the products and services provided by its electric or integrated utility system, which rents, rates and other charges shall be at least sufficient (A) to meet the operation and maintenance expenses of such electric or integrated utility system, (B) to comply with all covenants pertaining thereto contained in, and all other provisions of, any resolution, trust indenture, or other security agreement relating to any bonds or other evidences of indebtedness issued or to be issued by the Project Participant, (C) to generate funds sufficient to fulfill the terms of all other contracts and agreements made by the Project Participant, including, without limitation, this Project Support Contract, and (D) to pay all other amounts payable from or constituting a lien or charge on the revenues of its electric or integrated utility system.

(b) Except with respect to (i) operation, maintenance, renewal and replacement expenses of the Project Participant's electric or 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) for electric or integrated utility system purposes payable from revenues of the Project Participant's electric or integrated utility system, (iii) subordinated bonds, notes or other obligations for money borrowed for electric or integrated utility system purposes payable from revenues of the Project Participant's electric or 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 or from funds established under the ordinances or resolutions authorizing bonds, notes or other obligations referred to in clauses (ii) or (iii) hereof, 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 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 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 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 180 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 (i) 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 revenues of its electric or 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, and (ii) in such form as may be required under the Participation Agreement.

SECTION 6. Pledge of Payments.

All right, title and interest of FMPA in, to and under this Project Support Contract and all payments required to be made by the Project Participant pursuant to the provisions of Section 3 hereof, and all other payments attributable to the Stanton II Project to be made in accordance with or pursuant to any other provision 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 establish, levy and collect rents, 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 and for the assignments authorized by subsections (b) and (c) of this Section 13, 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.

(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 Project Support Contract and 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 and pledge, 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, abandon or otherwise dispose of all or substantially all of its electric or integrated utility system except upon ninety (90) days prior written notice to FMPA and, in any event, will not sell, lease, abandon 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 integrated utility system, if any, and any 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, in its sole discretion, that such sale, lease, abandonment or other disposition will not adversely affect FMPA's ability to meet its obligations under the Participant Agreement and 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 Stanton II Project.

Subject to the provisions of the Participation Agreement, if Stanton Unit No. 2 shall never be placed in service or shall be permanently removed from service, FMPA shall use its bests efforts to cause Stanton Unit No. 2 to be economically salvaged, discontinued, disposed of or sold in whole or in part. The costs of salvage, discontinuance or disposition shall include, but shall not be limited to, all accrued costs and liabilities resulting from the construction, operation (including cost of fuel), maintenance of and renewals and replacements to the Stanton II Project. FMPA shall, after Stanton Unit No. 2 has been finally salvaged 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 Stanton II 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 approved 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 FMFA, in undertaking, or causing to be undertaken, the planning, financing, construction, acquisition, operation and maintenance of the Stanton II 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 FMFA 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) FMFA 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 thereto 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 paragraph 7.01 of the Participation Agreement, OUC shall have the right on its own behalf to take any action which FMFA 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 FMFA and OUC will enter into the Participation Agreement in reliance on OUC's being a third-party beneficiary of this Project Support Contract as provided in this Section 17(c). OUC and FMFA have acknowledged and agreed to, and the Project Participant hereby acknowledges and agrees to, the position of OUC 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 OUC. In addition, the Project Participant acknowledges and agrees to OUC's right to intervene in any legal or arbitration proceeding or action commenced by or against the Project Participant under the circumstances and in the manner described in paragraph 7.01 of the Participation Agreement.

(d) OUC and FMFA have respectively 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, altered or terminated in any other way that would materially lessen, release or alter the rights of OUC or the obligation of the Project Participant to OUC without the express written consent of OUC, respectively; without limiting the

the foregoing, it is expressly understood that any to the rate covenant and the obligations to make hereunder and the priority of such payments to FMPA be material alteration of the rights of OUC.

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 excuted 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: _____

Attest:

Secretary

CITY OF VERO BEACH, FLORIDA

(SEAL)

By: *J.M. Klaric*
Title: City Manager

Attest:

Johnny K. Vock
Title: *Deputy City Clerk*

generality of the foregoing, it is expressly understood that any modification to the rate covenant and the obligations to make payments hereunder and the priority of such payments to FMFA constitute material alteration of the rights of OUC.

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: _____

Attest:

Secretary

CITY OF FLORIDA

(SEAL)

By: _____
Title:

Attest:

Title: City Clerk

Annex 1

SCHEDULE OF PROJECT PARTICIPANTS

<u>Name and Address of Participant</u>	<u>Power Entitlement Share</u>
Fort Pierce Utilities Authority P.O. Box 3191 Fort Pierce, FL 33450	23.9521%
City of Homestead 790 N. Homestead Blvd. Homestead, FL 33030	23.9521%
City of Lake Worth 1776 Lake Worth Road Lake Worth, FL 33460	11.9760%
City of Starke P.O. Drawer "C" Starke, FL 32091	1.7964%
City of Vero Beach P.O. Box 1389 Vero Beach, FL 32960	23.9521%
Utility Board of City of Key West P.O. Drawer 6100 Key West, FL 33041-6100	14.3713%
Total	100.0000%

RESOLUTION NO. 91- 20

A RESOLUTION OF THE CITY OF VERO BEACH, FLORIDA, (I) 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 STANTON II PROJECT, PROVIDING FOR THE MAKING OF PAYMENTS PURSUANT TO SAID POWER SALES CONTRACT, AND MAKING CERTAIN COVENANTS IN CONJUNCTION WITH SAID PAYMENTS; (II) APPROVING AND AUTHORIZING THE EXECUTION OF A PROJECT SUPPORT CONTRACT BETWEEN FLORIDA MUNICIPAL POWER AGENCY AND THE CITY OF VERO BEACH IN CONNECTION WITH THE STANTON II PROJECT, PROVIDING FOR THE MAKING OF PAYMENTS PURSUANT TO SAID PROJECT SUPPORT CONTRACT, AND MAKING CERTAIN COVENANTS IN CONJUNCTION WITH SAID PAYMENTS; (III) REQUESTING A NUMBER OF MEGAWATTS FROM THE STANTON II PROJECT WHICH WILL SERVE AS THE BASIS FOR CALCULATION OF THE PROJECT PARTICIPANT'S POWER ENTITLEMENT SHARE AND APPROVING THE METHOD OF CALCULATION OF SAID POWER ENTITLEMENT SHARE; (IV) APPROVING THE METHOD OF CALCULATION OF FMPA'S UNDIVIDED OWNERSHIP PERCENTAGE IN STANTON UNIT NO. 2 (V) ACCEPTING AND APPROVING SAID POWER ENTITLEMENT SHARE AND APPROVING FMPA'S PERCENTAGE UNDIVIDED OWNERSHIP INTEREST IN STANTON UNIT NO. 2 AS SO CALCULATED BY FMPA; (VI) AUTHORIZATION TO INSERT SAID UNDIVIDED OWNERSHIP INTEREST PERCENTAGE AND CERTAIN DATES IN POWER SALES CONTRACT AND PROJECT SUPPORT CONTRACT; (VII) DESIGNATING AUTHORIZED OFFICERS OF THE PROJECT PARTICIPANT; (VIII) TAKING CERTAIN OTHER ACTIONS; AND (IX) PROVIDING AN EFFECTIVE DATE.

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

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:

(3.01) The Project Participant has heretofore entered into the Interlocal Agreement Creating the Florida 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").

(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.

(3.03) It is necessary and desirable and in the best interest 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 Stanton II Project and other costs associated with the Stanton II Project in the manner and under the terms and conditions provided in the Power Sales Contract and in the Project Support Contract.

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

(3.05) The Project Participant derives revenues from rents, rates, and other charges for the products and services provided by its electric or 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 St. Lucie Project Power Sales and Project Support Contracts dated as of June 1, 1982, as amended, between FMPA and the Project Participant; to the making of all payments required to be made pursuant to the Stanton Project Power Sales and Project Support Contracts dated January 16, 1984 between FMPA and the Project Participant; to the payment of principal and interest on its

**Electric Refunding Revenue Bonds, Series 1985A;
Electric Revenue Bonds, Series 1986;
Sunshine State Governmental Revenue Loans; and
Bond Anticipation Notes, Series 1990**

(collectively 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 integrated utility system solely from the revenues and other available funds of the Project Participant's electric or 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 the Stanton II Project, and shall not be subject to any reduction, whether by offset, counterclaim, or otherwise, and shall not be otherwise conditioned upon the performance of FMPA or OUC under the Participation Agreement or the performance by FMPA under the Power Sales Contract or any other agreement or instrument or the validity or enforceability of any other Power Sales Contract, any other Project Support Contract or any other agreement between FMPA and any other Project Participant.

(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 and other funds of the Project Participant's electric or 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 or OUC under the Participation Agreement or the performance by FMPA under the Power Sales Contract or the Project Support Contract or any of the agreements or instrument or the validity or enforceability of any other Project Support Contract between FMPA and any other Project Participant. The Project Support Payments shall be made whether or not Stanton Unit No. 2 is completed, operable, or operating and notwithstanding the suspension, interruption, interference, reduction or curtailment of the output of Stanton Unit No. 2 or otherwise from the Stanton 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 integrated utility system. The obligations of the Project Participant to make such 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 give rise to or constitute a lien upon any properties owned by or any property 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 any property located 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.

(3.06) The estimated revenues to be derived by the Project Participant from the operation of its electric or integrated utility system shall 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 (5) hereof, as the same shall become due.

Section 4-Approval and authorization of execution of the Power Sales Contract and the Project Support Contract; request for a number of megawatts from the Stanton II Project; approval of the method of calculation of power entitlement share; acceptance and approval of the power entitlement share as calculated; completion of Annex 1 to Power Sales Contract and Project Support Contract; approval of method of calculation of undivided ownership interest percentage of FMPA in Stanton Unit No. 2; approval of said undivided ownership interest percentage as so calculated by FMPA; authorization to insert said undivided ownership interest percentage and certain dates in Power Sales Contract and Project Support Contract.

(a) Subject to clauses (c), (d), (e), (f), and (g) of this Section 4, 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 herein 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), (d), (e), (f), and (g) of this Section 4, 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 hereby requests to be assigned a Power Entitlement Share in the Stanton II Project which will be equivalent to an amount of Net Electric Capacity and Energy equal to 16 megawatts.

(d) After the execution of the Power Sales Contract and Project Support Contract and delivery thereof to FMPA, Annex 1 to each of such Contracts shall be completed by FMPA to set forth the names and addresses of each Project Participant and the Power Entitlement Shares of the Project Participants (which shall aggregate 100%), and which in the case of the Project Participant shall be the percentage (rounded to the nearest one-thousandth percentage point) equivalent to approximately 16 MW. 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 Electric Capacity and Energy requested by each Project Participant by the aggregate number of megawatts of Net Electric Capacity and Energy requested by all Project Participants 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%. The Project Participant hereby approves such method of calculation of its Power Entitlement Share and those of all other Project Participants.

(e) The Power Entitlement Shares expressed as percentages and the corresponding Net Electric Capacity and Energy expressed in megawatts set forth above will be computed based upon an assumed Net Electric Capacity and Energy of Stanton Unit No. 2 of 415 MW and an undivided ownership interest percentage of FMPA in Stanton Unit No. 2 calculated by (1) dividing the aggregate number of megawatts (rounded to the nearest one-thousandth percentage point) of Net Electric Capacity and Energy requested by all Project Participants from the Stanton II Project by aid 415 MW and (2) multiplying each result by 100. In the event that the assumed Net Electric Capacity and Energy of Stanton Unit No. 2 of 415 MW is subsequently 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 (rounded to the nearest one-thousandth percentage point) to reflect such change in the assumed Net Electric Capacity and Energy of Stanton Unit No. 2. The Project Participant hereby approves such method of calculation of FMPA's undivided ownership interest in Stanton Unit No. 2.

(f) The Project Participant hereby (1) accepts and approves its Power Entitlement Share in the Stanton II Project as computed in accordance with clause (d) of this Section 4 and (2) approves the method of computation as set forth in clause (e) of this Section 4 of FMPA's percentage undivided ownership interest in the Stanton Unit No. 2 and the number produced which represents FMPA's percentage undivided ownership interest in the Stanton Unit No. 2 when computed by FMPA in accordance with the method set forth in clause (e) of this Section 4.

(g) After execution of the Power Sales Contracts and Project Support Contracts and delivery thereof to FMPA, the blanks in each of such Contracts for the percentage of FMPA's undivided ownership interest in Stanton Unit No. 2 shall be completed by FMPA by insertions of the percentage calculated as provided in clause (e) of this Section 4 and the blanks in each of such Contracts for the dates of various contracts and agreements shall be completed by FMPA by inserting the appropriate dates.

Section 5 - 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 integrated utility system solely from the revenues or other available funds of the Project Participant's electric or 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 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 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 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 give rise to or constitute a lien upon any properties owned by or any property 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 any property located 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 6 - 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 of FMPA or OUC under the Participation Agreement or the performance by FMPA under the Power Sales Contract or any other agreement or instrument or the validity or enforceability of any other Power Sales Contract, any other Project Support Contract, or any other agreement between FMPA and any other Project Participant.

(b) In order to induce the purchase from time to time of the Bonds to be issued by FMPA in respect of the Stanton II Project 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 or OUC under the Participation Agreement or the performance by FMPA under the Power Sales Contract or the Project Support Contract or any other agreement or instrument or the validity or enforceability of any other Project Support Contract between FMPA and any other Project Participant; Project Support Payments shall be made whether or not Stanton Unit No. 2 is completed, operable or operating, and notwithstanding suspension, interruption, interference, reduction, or curtailment of the output of Stanton Unit No. 2 or otherwise from the Stanton II 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 7 - Rate Covenant.

The Project Participant hereby confirms its agreement under the Power Sales Contract and the Project Support Contract that it will establish, levy, and collect rents, rates, and other charges for the products and services provided by its electric or integrated utility system which rents rates and other charges shall be at least sufficient to (1) to meet the operation and maintenance expenses of such electric or integrated utility system, (2) to comply with all covenants pertaining thereto contained in, and all other provisions of, any resolution, trust indenture, or other security agreement relating to any bonds or other evidences of indebtedness issued or to be issued by the Project Participant, (3) to generate funds sufficient to fulfill the terms of all other contracts and agreements made by the Project Participant, including, without limitation, the Power Sales Contract and the Project Support Contract, and (4) to pay all other amounts payable from or constituting a lien or charge on the revenues of its electric or integrated utility system.

Section 8 - Designation of Authorized Officers of the Project Participant.

The City Manager, T.M. Klaric and Assistant City Manager/Finance Director, T.R. Nason, 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 9 - Further Actions.

Each Authorized Officer of the Project Participant is hereby authorized and empowered (1) to execute and deliver the Power Sales Contract and the Project Support Contract and (2) 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 10 - 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 therein 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 Stanton II Project, and OUC, respectively.

Section 11 - 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 12 - Effective Date.

This Resolution shall become effective upon final passage.

This Resolution was moved for adoption by Councilman

Pease, seconded by Councilman

Ginn, and adopted on the 16th

day of April 1991, by the following vote:

Mayor Smith	<u>yes</u>
Vice Mayor Doty	<u>yes</u>
Councilman Pease	<u>yes</u>
Councilman Ginn	<u>yes</u>
Councilman Rathmey	<u>yes</u>

**MINUTES
SPECIAL BOARD OF DIRECTORS MEETING
MAY 24, 1991
THE GOLD KEY INN-CYPRESS ROOM
7100 SOUTH ORANGE BLOSSOM TRAIL
ORLANDO, FLORIDA**

**CALL TO ORDER,
DECLARATION OF
QUORUM**

Chairman Shaw, Ocala, called the Special FMPA Board of Directors meeting to order at 11:40 a.m. on May 24, 1991 in the Cypress Room of the Gold Key Inn, Orlando, Florida. A quorum was declared with 13 member systems present, representing 149 votes out of a possible 250 votes.

MEMBERS PRESENT

The following member systems, representing the number of votes indicated, were present:

- | | |
|-------------------------|----------------------|
| Bushnell (3) | Lake Worth (11) |
| Fort Pierce (13) | Leesburg (11) |
| Green Cove Springs (5) | New Smyrna Beach (9) |
| Jacksonville Beach (12) | Ocala (18) |
| Key West (13) | St. Cloud (7) |
| Kissimmee (14) | Vero Beach (13) |
| Lakeland (20) | |

MEMBERS ABSENT

The following member systems were not represented at the meeting:

- | | |
|------------------|------------------|
| Alachua (4) | Mount Dora (4) |
| Bartow (8) | Newberry (4) |
| Clewiston (5) | Sebring (7) |
| Fort Meade (4) | Starke (4) |
| Gainesville (19) | Tallahassee (19) |
| Havana (3) | Wauchula (4) |
| Homestead (9) | Williston (4) |
| Moore Haven (3) | |

**APPROVAL OF
MINUTES**

The Minutes for the Special Board of Directors meetings held December 14, 1990 and February 8, 1991 were included in the Agenda package mailed on May 17, 1991 for review by the Directors.

MOTION

Mr. Schindehette, Fort Pierce, moved for approval of the Minutes of Special Called Board of Directors meetings held December 14, 1990 and February 8, 1991.

ACTION

Mr. Biggs seconded the motion. The motion carried (149-0).

NEW BUSINESS:

APPROVAL OF REVISED ALL-REQUIREMENTS PROJECT POWER SUPPLY CONTRACTS:

Mr. Henze reported that the All-Requirements Project Power Supply contract with each of the Participants has been revised and approved by the Participants.

Mr. Henze explained that the changes allow additional project participants that have electric generating resources, i.e., Vero Beach, Fort Pierce, Lake Worth, and Key West, to join the All-Requirements Project, when all the conditions are met; define term "Authorized Representative" for clarification of authority of Participant's representative to FMPA; expand term "Revenue Requirements" to include Capacity and Energy Contract provisions; extend term of contract every five years beginning October 1, 1995, so as to have an evergreen minimum term of 30 years; provide withdrawal provisions and monetary penalty for withdrawal and also allow Participant to build generation at a customer's location to avoid losing all or part of that customer's load.

- MOTION Mr. Tardugno moved for approval of revised All-Requirements Project Power Supply Contracts; approval of execution by FMPA of the same, and approval to provide effective date of June 1, 1991, and all of the above subject to written approval by Morgan Guaranty Trust, the Letter of Credit provider. Mr. Biggs
- ACTION seconded the motion. The motion carried (149-0).

APPROVAL OF THE PARTICIPATION AGREEMENT BETWEEN OUC AND FMPA (ALL-REQUIREMENTS POWER SUPPLY PROJECT) FOR THE JOINT OWNERSHIP OF CURTIS H. STANTON ENERGY CENTER UNIT TWO GENERATION PROJECT:

This item was approved by the All-Requirements Project Participants and the Executive Committee, who recommends approval to the Board of Directors.

Mr. Henze reported that Orlando Utilities Commission has offered the All-Requirements Project joint ownership of 5.1724% in the Curtis H. Stanton Energy Center Unit Two Generation Project. A copy of the Participation Agreement between OUC and FMPA (All-Requirements Power Supply Project) was included in the Agenda package for review.

He reported that the proposed final documents were received at the Agency yesterday and that there were a few items that needed clarification because previously requested corrections were not made by OUC. Staff recommends that the Participation Agreement be approved in substantially the same form as presented, subject to approval and clarifying several sections in the agreement.

Chairman Shaw noted that the approval of the contract, subject to the changes, was needed to meet the schedule for the OUC Certificate of Need Hearing.

He stated that if the corrections could not be agreed upon with OUC, the topic would be placed on the June meeting agenda for further instructions.

- MOTION Mr. Padron moved approval of the Participation Agreement between Orlando Utilities Commission and Florida Municipal Power Agency (All-Requirements Power Supply Project) for the Joint Ownership of Curtis H. Stanton Energy Center Unit Two Generation Project, in substantially the same form as presented in the Board Agenda package for May 24, 1991, subject to negotiation of the changes that were requested to be incorporated in the Agreement; and further that such expenditures paid from Agency Funds related to this project will be reimbursed with proceeds of tax-exempt debt payable from revenue of the project.
- ACTION Mr. Ruano seconded the motion. The motion carried (149-0).

APPROVAL OF CONTRACT FOR FIRM TRANSMISSION SERVICE BETWEEN FMPA (ALL-REQUIREMENTS POWER SUPPLY PROJECT) AND OUC FOR STANTON ENERGY CENTER UNIT TWO:

Mr. Henze presented the agreement which covers the transmission services over the Orlando Utilities Commission's system for the All-Requirements Project entitlements. The agreement may be replaced later if and when a suitable joint transmission ownership arrangement with OUC is completed.

- MOTION Mr. Tardugno moved approval of the contract for Firm Transmission Service Between FMPA (All-Requirements Power Supply Project) and Orlando Utilities Commission for Stanton Energy Center Unit Two, in substantially the same form as presented in the Board Agenda package for May 24, 1991, subject to final negotiation of the finer points.
- ACTION Mr. Ruano seconded the motion. The motion carried (149-0).

APPROVAL OF BOARD RESOLUTION 91-B2 REGARDING APPROVAL OF STANTON II AS A PROJECT; POWER SALES CONTRACTS; PROJECT SUPPORT CONTRACTS; AND THE STANTON II PROJECT PARTICIPATION AGREEMENT BETWEEN OUC AND FMPA:

Mr. Henze reported that included in the Board Agenda was a Board Resolution to approve the Stanton II Project, the Power Sales Contract and Project Support Contract with the individual Project Participants; and the Stanton II Project Participation Agreement with Orlando Utilities Commission. He explained that staff recommended approval subject to clarifying and approval of several items.

The Board of Directors of Florida Municipal Power Agency Resolution 91-B2:

- 1) designates the Stanton II Project as a Project under the Interlocal Agreement;
- 2) establishes the power entitlement shares of the Project Participants in the Stanton II Project;
- 3) approves separate Power Sales Contracts between Florida Municipal Power Agency and each of the Project Participants;
- 4) approves separate Project Support Contracts between Florida Municipal Power Agency and each of the Project Participants;
- 5) approves the Stanton Unit No. 2 Participation Agreement between Florida Municipal Power Agency and the Orlando Utilities Commission (Stanton II Project);
- 6) takes certain other actions; and
- 7) provides an effective date.

MOTION Mr. Schindehette moved approval of the Board of Directors Resolution 91-B2, authorizing and approving Stanton II Project, Power Sales Contracts and Project Support Contracts; and the Stanton II Participation Agreement Between OUC and FMPA, as presented in the Board Agenda package for May 24, 1991, subject to changes which were requested to be incorporated, and further that such expenditures paid from Agency funds related to this project will be reimbursed with proceeds of tax-exempt debt payable from revenues of the project. Mr. Tardugno seconded the motion.

ACTION The motion carried (149-0).

APPROVAL OF CONTRACT FOR FIRM TRANSMISSION SERVICE BETWEEN FMPA (STANTON II PROJECT) AND OUC FOR STANTON ENERGY CENTER UNIT TWO:

Mr. Henze presented the Contract for Firm Transmission Service Between FMPA (Stanton II Project) and OUC for Stanton Energy Center Unit Two, which was included in the Board Agenda package. The agreement covers the transmission service over the OUC system for the Stanton II Project entitlements. The Agreement may be replaced later, if and when a suitable joint transmission ownership arrangement with OUC is completed.

MOTION Mr. Tardugno moved approval of the Contract for Firm Transmission Service Between FMPA (Stanton II Project) and Orlando utilities Commission for Stanton Energy Center Unit Two, in substantially the same form as presented in the Board Agenda package for May 24, 1991, subject to changes which were requested to be incorporated. Mr. Schindehette seconded the motion. The motion carried (149-0).

ADJOURNMENT There being no further business, the meeting adjourned at 11:50 a.m.


Dean G. Shaw
Chairman


Harry M. Schindehette
Secretary/Treasurer

Approved: June 26, 1991



7201 Lake Ellenor Drive
Orlando, Florida 32809-5769
(407) 859-7310 Fax (407) 856-6553
1 800 859-0744

RECEIVED

JUN 26 1996

V.B. Power Plant

June 25, 1996

Mr. J.S. Castleberry
City of Vero Beach
P.O. Box 1389
Vero Beach, FL 32961-1389

Dear Jimmy:

Re: Stanton II Transmission Agreement

Attached are the Stanton II Transmission Agreement and the FPL Transmission Tariff No. 1. These two documents are the agreements that FMPA has signed with FPL for transmitting the Stanton II demand and energy over FPL's Transmission System.

Please note on page 17 of the FPL Transmission Tariff No. 1 that there is no replacement transmission for Stanton II.

If you have any questions, please feel free to call me at 407-859-7310.

Sincerely,

Joseph J. Krupar
Operations Manager

JJK/sl
Attachments

Faint, illegible text, possibly a stamp or bleed-through from another page.

THE LONG TERM FIRM TRANSMISSION
SERVICE AGREEMENT FOR
STANTON UNIT TWO BETWEEN
FLORIDA POWER & LIGHT COMPANY
AND
THE FLORIDA MUNICIPAL POWER AGENCY

This Stanton Unit Two Transmission Service Agreement ("Service Agreement") is made and entered into this 22 day of May, 1996 by and between Florida Power & Light Company ("FPL") and the Florida Municipal Power Agency ("FMPA"). The Fort Pierce Utilities Authority ("Fort Pierce"), the City of Starke, Florida ("Starke"), the Utility Board of the City of Key West ("Key West"), and the City of Vero Beach, Florida ("Vero Beach") are collectively referred herein as the "Participating Members" and individually as a "Participating Member."

Section 1: Pursuant to the Participation Agreement between Orlando Utilities Commission and the Florida Municipal Power Agency for the Joint Ownership of the Curtis H. Stanton Energy Center Unit Two Generation Project dated June 26, 1991, FMPA has acquired an undivided ownership interest in the Orlando Utilities Commission's ("OUC") Curtis H. Stanton Energy Center Unit Two ("Stanton No. 2"), a coal fired steam electric power plant being constructed by OUC. Pursuant to the Stanton Delivery Service Agreement between Orlando Utilities Commission and the Florida Municipal Power Agency dated June 26, 1991, OUC will provide transmission service over OUC's transmission facilities for the portion of the output of FMPA's entitlement in Stanton No. 2 designated by FMPA for delivery to the point of interconnection(s) between FPL and OUC ("OUC Receipt Point") described in the Contract for Interchange Service

Between Florida Power & Light Company and the Orlando Utilities Commission, dated May 17, 1979, as such contract may be amended from time to time.

Section 2: FMPA has requested long term firm transmission service pursuant to Transmission Tariff No.1 of Florida Power & Light Company for Long-Term Transmission Service ("Tariff No. 1") for delivery of specified portions of Stanton No. 2 to Starke, Key West, Fort Pierce, and Vero Beach. This Service Agreement incorporates the provisions of Tariff No. 1, as it may be amended from time to time. FPL's obligation to provide service pursuant to this Service Agreement is contingent on FMPA actually delivering or having OUC deliver such power to FPL at the OUC Receipt Point.

Section 3: FMPA has submitted a deposit equal to the estimated payment for one (1) month of service under this Tariff No. 1. In the event that FMPA does not take service for any reason, FPL will return the deposit with interest at the rate specified in 18 C.F.R. § 35.19a(a)(2)(iii), less any costs FPL incurred in processing the Application (including, if necessary, the performance of a System Impact Study). FPL will provide FMPA with a statement identifying the costs incurred. When FPL begins providing service, FPL will credit the deposit, with interest at the rate specified in 18 C.F.R. § 35.19a(a)(2)(iii), after deducting the cost of processing the Application plus the cost of any System Impact Study.

Section 4: The service provided herein shall commence upon the earlier of commercial operation of Stanton No. 2, or June 1, 1996. FMPA shall give FPL at least thirty (30) days'

written notice prior to such commencement date. Transmission service shall be provided until the earlier of the retirement of Stanton No. 2, or December 31, 2032. Following execution, this Service Agreement shall become effective on the date permitted by the FERC. The applicable provisions of this Service Agreement will continue in effect after termination or cancellation to the extent necessary to provide for final billing, billing adjustments and payments and with respect to liability and indemnification from acts or events that occurred while the Service Agreement was in effect.

Section 5: FMPA may, upon six (6) months written notice to FPL, request that some or all of the Participating Members terminate service under this Service Agreement and request network service for such Participating Members under the Network Service Agreement between Florida Power & Light Company and the Florida Municipal Power Agency dated March 6, 1996, as such Network Service Agreement may be amended from time to time.

Section 6: FPL shall provide transmission service from the OUC Receipt Point to Fort Pierce at the delivery point(s) specified in the Contract for Interchange Service between Florida Power & Light Company and the Fort Pierce Utilities Authority, dated June 15, 1982, as such contract may be amended from time to time, in a quantity not to exceed Fort Pierce's Contract Demand as specified in Attachment A to this Service Agreement. FPL's ability to deliver power at such delivery point(s) shall also be consistent with provisions of the applicable interconnection agreement for such delivery point(s).

Section 7: FPL shall provide transmission service from the OUC Receipt Point to Starke at the delivery point(s) specified in the Contract for Interchange Service between Florida Power & Light Company and the City of Starke, Florida, dated December 21, 1982, as such contract may be amended from time to time, in a quantity not to exceed Starke's Contract Demand as specified in Attachment A to this Service Agreement. FPL's ability to deliver power at such delivery point(s) shall also be consistent with provisions of the applicable interconnection agreement for such delivery point(s).

Section 8: FPL shall provide transmission service from the OUC Receipt Point to Key West at the delivery point(s) specified in the Contract for Interchange Service between Florida Power & Light Company and the Utility Board of the City of Key West, dated December 3, 1986, as such contract may be amended from time to time, in a quantity not to exceed Key West's Contract Demand as specified in Attachment A to this Service Agreement. FPL's ability to deliver power at such delivery point(s) shall also be consistent with provisions of the applicable interconnection agreement for such delivery point(s).

Section 9: FPL shall provide transmission service from the OUC Receipt Point to Vero Beach at the delivery point(s) specified in the Contract for Interchange Service between Florida Power & Light Company and the City of Vero Beach, Florida, dated November 10, 1981, as such contract may be amended from time to time, in a quantity not to exceed Vero Beach's Contract Demand as specified in Attachment A to this Service Agreement. FPL's ability to deliver power

1 at such delivery point(s) shall also be consistent with provisions of the applicable interconnection
2 agreement for such delivery point(s).

Section 10: The initial Contract Demand for each Participating Member is set forth in Attachment A to this Service Agreement. FMPA may increase the initial Contract Demand for each Participating Member within ten (10) days after commercial operation of Stanton No. 2 by designating in writing to FPL such increases in Contract Demand. Such increases shall be based upon the final testing before commercial operation of Stanton No. 2. Upon such written notice by FMPA to increase the Contract Demand of each Participating Member, FPL shall file a revised Attachment A with the FERC and request a waiver from the FERC for such increases to become effective upon commercial operation of Stanton No. 2.

Section 11: Each Participating Member's Contract Demand may be increased when the cold winter capability of Stanton No. 2 is increased by OUC and when such increase is reasonably expected to be permanent. FMPA shall notify FPL in writing of the amount of the total revised cold winter capability of Stanton No. 2, and the amount of the revised Contract Demand for each Participating Member. Any such increase in each Participating Member's Contract Demand designated pursuant to this Section shall be documented by an executed letter of commitment by FPL and FMPA, and such increase shall be reflected in a revised Attachment A. FPL shall file the revised Attachment A with the FERC. The increase in each Participating Member's Contract Demand shall become effective on the date permitted by the FERC.

Section 12: FPL shall, during each hour in which it provides transmission service, transmit the power delivered to and received by FPL at the OUC Receipt Point(s), to the designated Participating Member's delivery point, less an amount attributed to transmission losses on FPL's system.

Section 13: FMPA will use reasonable best efforts to have in place in the shortest practicable time, but under no circumstances greater than one (1) year after the effective date of this Service Agreement, sufficient reactive compensation and control to meet the power factor requirements specified below (such range to be adhered to except for planned or temporary outages of equipment, for momentary deviations, or with FPL's written consent) at each Participating Member's delivery point(s). The Parties recognize that there are short term and infrequent variations in reactive power among systems and that the actions of FPL and of FMPA and the Participating Members will affect reactive power flows. FPL agrees that FMPA's obligations hereunder, are limited by the requirement that FPL maintains comparable power factor requirements at similar points of delivery/ interconnections. Upon FPL providing written notification to FMPA that an interconnection or point of delivery has consistently failed to meet the power factor requirements set forth in this Section, FMPA shall utilize FMPA's best efforts to install, or contract with others to have installed, the necessary equipment to meet such power factor requirements. If FMPA does not provide the necessary reactive compensation and control to comply with the objectives described in this Section, FPL shall have the unilateral right to install such equipment to meet these standards at FMPA's sole expense.

POWER FACTOR REQUIREMENTS	
On-Peak Hours	.97 (lagging) to 0.98 (leading)
Off-Peak Hours	.95 (lagging) to 1.00 (unity)

The On-Peak hours are the hours during the On Peak Period; the On Peak Period is (1) from December 1 through March 31 during the hours from 6 a.m. to 10 a.m., and 6 p.m. to 10 p.m. and; (2) from April 1 through November 30 during the hours from 10 a.m. to 10 p.m. FPL may change at any time the hours and dates of the On-Peak and Off-Peak hours by providing thirty (30) day written notice to FMPA.

Section 14: FPL retains the right to seek modification of this Service Agreement to fully recover all costs consistent with FERC's policy including, but not limited to, the recover of Stranded Investment, Opportunity Costs and Direct Assignment Facilities. FMPA retains the rights to seek modification or oppose any such filing by FPL.

Section 15: This Service Agreement may not be assigned without prior written consent of FPL or FMPA, provided, however, that such consent shall not be unreasonably withheld.

Section 16: FMPA agrees that FMPA will not seek to amend, and will oppose any attempt to amend, the existing Bond Resolutions for the Stanton No. 2 project, or any successor thereto, if as a result thereof either the amounts due to FPL under the Service Agreement would not be

included in the definition of O&M expenses or the priority of payment of O&M expenses from the project revenues would be changed from the current priority. In the event FMPA fails to act in conformity with the terms of this Section, FPL shall have the right to petition FERC for additional security, including but not limited to, a requirement of joint and several liability on the Participating Members, a requirement of a letter of credit, or any other relief FPL deems necessary. FMPA retains the right to seek modification or to oppose any such filing by FPL.

(The next page, Page 9, is the signature page)

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TRANSMISSION TARIFF NO. 1
OF
FLORIDA POWER & LIGHT COMPANY
FOR
LONG-TERM FIRM TRANSMISSION SERVICE

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TRANSMISSION TARIFF NO. 1
OF
FLORIDA POWER & LIGHT COMPANY
LONG-TERM FIRM TRANSMISSION SERVICE

ARTICLE I

DEFINITIONS

For all purposes of this Firm Transmission Tariff, the terms defined in this Article I will have the following meanings. Except where the context otherwise requires, definitions and other terms expressed in the singular will include the plural and vice versa.

Section 1.1 "Adjustment Interest Rate" means the rate(s) specified in 18 C.F.R. § 35.19a for the applicable time period.

Section 1.2 "Affiliate" means a Party's direct and indirect parent(s), affiliate(s) and subsidiary(ies) and the officers, directors, employees and agents of such Party and of its parent(s), affiliate(s) and subsidiary(ies).

Section 1.3 "Applicant" means an Eligible Entity that has submitted a complete Application to enter into a Service Agreement under this Tariff.

Section 1.4 "Application" means the application in the form of Schedule 4 to this Tariff, that is used to submit a request to enter into a Service Agreement under this Tariff.

1 Section 1.5 "Contract Demand" means the maximum
2 amount of power in megawatts (MWs), specified in the Service
3 Agreement, that FPL has agreed to transmit over the FPL
4 Transmission System from a specified Point of Receipt to a
5 specified Point of Delivery. The Contract Demand will be no
6 less than 1 MW.

7 Section 1.6 "Delivering Party" means the entity
8 supplying to a Point of Receipt the capacity and energy to be
9 transmitted under this Tariff.

10 Section 1.7 "Direct Assignment Facilities" means
11 facilities that must be constructed to satisfy a request for
12 service under this Tariff, the costs of which the Commission
13 may permit FPL to directly assign to the Wheeling Customer, as
14 determined on a case-by-case basis.

15 Section 1.8 "Due Diligence" means the exercise of
16 good faith efforts to perform a required act on a timely basis
17 and in accordance with Prudent Utility Practice, using the
18 technical and manpower resources available.

19 Section 1.9 "Eligible Entity" means any private
20 or public corporation, governmental agency or authority,
21 municipality, rural electric membership corporation or
22 cooperative, person, or lawful association of any of the
23 foregoing, which engages in the generation, transmission or
24 distribution of electric energy at wholesale or retail and

1 which is subject to regulation with respect to rates or
2 services under the laws of the state where such entity renders
3 electric utility service, or pursuant to the Federal Power
4 Act, or is legally exempted from such regulation, as a
5 municipality, rural electric cooperative, qualifying facility
6 or exempt wholesale generator. Ultimate consumers of electric
7 utility service (i.e., retail customers) are not Eligible
8 Entities under this Tariff.

9 Section 1.10 "FERC" means the Federal Energy
10 Regulatory Commission or any successor federal agency having
11 regulatory jurisdiction over this Tariff.

12 Section 1.11 "Firm Transmission Service" means
13 wholesale point-to-point transmission service provided by FPL
14 under this Tariff.

15 Section 1.12 "Force Majeure" means any cause
16 beyond the reasonable control of, and not the result of
17 negligence or the lack of diligence of, the Party claiming
18 Force Majeure or its contractors or suppliers. It will
19 include, without limitation, strike, stoppage in labor,
20 failure of contractors or suppliers of materials, riot, fire,
21 flood, ice, invasion, civil war, commotion, insurrection,
22 blockades, embargoes, sabotage, epidemics, explosions,
23 military or usurped power, order of any court granted in any
24 bona fide adverse legal proceeding or action, order of any

1 civil or military authority (either de facto or de jure and
2 including orders of governmental and administrative agencies
3 which conflict with the terms of this Tariff), acts of God or
4 public enemies, failure or malfunction of system facilities
5 and unscheduled outage of generating units or transmission
6 facilities.

7 Section 1.13 "FPL" means Florida Power & Light
8 Company.

9 Section 1.14 "FPL Transmission System" means the
10 transmission facilities owned, in whole or in part, leased and
11 operated by FPL.

12 Section 1.15 "Initial Evaluation" means the
13 evaluation performed by FPL to determine whether transmission
14 constraints exist or will exist, which require performance of
15 a System Study.

16 Section 1.16 "Native Load Customers" means those
17 entities on whose behalf FPL, by statute, franchise or
18 contract, has undertaken the obligation to plan, construct and
19 operate its system to provide reliable power supply and
20 transmission services, including both retail customers and
21 wholesale full and partial requirements customers to the
22 extent FPL must provide power supply or transmission services
23 to those types of entities. An obligation on the part of FPL
24 to provide service under this Tariff to a Wheeling Customer

1 does not qualify that Wheeling Customer as a Native Load
2 Customer.

3 Section 1.17 "Network Upgrades" means Transmission
4 Construction other than Direct Assignment Facilities.

5 Section 1.18 "Parties" means FPL and the other
6 Party or Parties to a Service Agreement entered into under
7 this Tariff; Party means one of the Parties to such Service
8 Agreement.

9 Section 1.19 "Point of Delivery" means a point of
10 interconnection on FPL's Transmission System between FPL and
11 the Receiving Party, or the Receiving Party's authorized
12 agent, where capacity and energy to be transmitted by FPL will
13 be made available to such Receiving Party. The Point of
14 Delivery will be specified in the Service Agreement. A
15 Service Agreement may specify multiple Points of Delivery, in
16 which event a separate Contract Demand between each Point of
17 Receipt and Point of Delivery will be specified.

18 Section 1.20 "Point of Receipt" means a point of
19 interconnection on FPL's Transmission System between FPL and
20 the Delivering Party, or the Delivering Party's authorized
21 agent, where capacity and energy to be transmitted by FPL will
22 be made available by such Delivering Party. The Point of
23 Receipt will be specified in the Service Agreement. A Service
24 Agreement may specify multiple Points of Receipt, in which

1 event a separate Contract Demand between each Point of Receipt
2 and Point of Delivery will be specified.

3 Section 1.21 "Prudent Utility Practice" means any
4 of the practices, methods and acts engaged in or approved by
5 a significant portion of the electric utility industry during
6 the relevant time period, or any of the practices, methods and
7 acts which, in the exercise of reasonable judgment in light of
8 the facts known at the time the decision was made, could have
9 been expected to accomplish the desired result at the lowest
10 reasonable cost consistent with good business practices,
11 reliability, safety and expedition. Prudent Utility Practice
12 is not intended to be limited to the optimum practice, method
13 or act to the exclusion of all others, but rather to be a
14 spectrum of acceptable practices, methods or acts.

15 Section 1.22 "Receiving Party" means the entity
16 receiving at a Point of Delivery the capacity and energy to be
17 transmitted under this Tariff. A Receiving Party and
18 authorized agent of a Receiving Party may not be a retail
19 customer of FPL.

20 Section 1.23 "Service Agreement" means the initial
21 agreement and any amendments thereto entered into by a
22 Wheeling Customer and FPL for service under this Tariff.

23 Section 1.24 "Stranded Investment" means
24 legitimate and verifiable investment in generation,

1 transmission or distribution facilities where such investment
2 was incurred to provide electric service pursuant to (i) a
3 legal obligation, (ii) an existing contractual obligation, or
4 (iii) where FPL has made investments based on a reasonable
5 expectation at the time that it would continue to serve the
6 Receiving Party, and FPL has reason to believe that such
7 investments will not be recovered as a result of providing the
8 requested transmission service.

9 Section 1.25 "Study Agreement" means an agreement
10 obligating an Applicant to compensate FPL for any costs
11 incurred in performing a System Study.

12 Section 1.26 "System Study" means a study
13 performed by FPL to determine whether Transmission
14 Construction is necessary to accommodate a request for service
15 under this Tariff and to estimate the cost of the Transmission
16 Construction.

17 Section 1.27 "Tariff" means this Tariff No. 1 and
18 all Schedules, Appendices and Service Agreements attached to
19 or entered into under this Tariff.

20 Section 1.28 "Transmission Construction" means the
21 design, engineering, licensing, and construction of
22 technically and economically feasible modifications, upgrades,
23 or additions to the FPL Transmission System, including Direct
24 Assignment Facilities and/or Network Upgrades, as required in

1 order to provide Firm Transmission Service, either initially
2 or during the term of the transaction. Any Transmission
3 Construction identified as necessary to provide Firm
4 Transmission Service will involve the facilities determined by
5 FPL to provide an efficient and cost-effective solution to a
6 transmission constraint taking into account the orderly and
7 efficient expansion of FPL's Transmission System and the
8 efficient use of rights-of-way. Transmission Construction may
9 include modifications, upgrades or additions that do not
10 entirely eliminate an existing or anticipated constraint.
11 Transmission Construction may include the acceleration of the
12 in-service date of FPL planned facilities.

13 Section 1.29 "Wheeling Customer" means an Eligible
14 Entity that has entered into a Service Agreement with FPL for
15 Firm Transmission Service or an Eligible Entity that is the
16 assignee or transferee of rights under a Service Agreement
17 pursuant to Section 13.1 of this Tariff.

18 ARTICLE II

19 AVAILABILITY OF SERVICE

20 Section 2.1 General: Subject to the terms and
21 conditions of this Tariff, FPL will provide Firm Transmission
22 Service whenever (i) an Eligible Entity has pending a complete
23 Application for Firm Transmission Service as required under
24 this Tariff, (ii) the Delivering Party and Receiving Party

1 identified in the Application each have an effective
2 interconnection or other comparable agreement with FPL, (iii)
3 FPL's Transmission System has capacity available (as described
4 in Section 2.2) to provide the requested Transmission Service,
5 and (iv) the Applicant and FPL have executed a Service
6 Agreement complying with the terms of this Tariff and such
7 Service Agreement has been accepted for filing by the FERC.

8 Section 2.2 Availability of Transmission
9 Capacity: Firm Transmission Service will be available
10 whenever capacity on the FPL Transmission System is forecast
11 to be adequate throughout the term of the transaction to
12 provide such service (a) without jeopardizing or impairing the
13 reliability of service provided by FPL to its Native Load
14 Customers, (b) without interfering with the ability of FPL to
15 meet its prior contractual commitments to others, and (c)
16 without increasing the cost of service to FPL's Native Load
17 Customers, unless such costs can be recovered from the
18 Wheeling Customer. Reliability of service for purposes of
19 this Section 2.2 will include, but not be limited to, the
20 requirements of Prudent Utility Practice and any requirements
21 under North American Electric Reliability Council,
22 Southeastern Electric Reliability Council, and Florida
23 Electric Power Coordinating Group guidelines and criteria, or
24 guidelines or criteria developed by similarly recognized

1 organizations that may exist in the future. In determining
2 whether reliability of service to Native Load Customers might
3 be jeopardized or impaired, FPL will ensure that sufficient
4 firm transmission capacity exists to meet the following
5 minimum requirements: (a) serving the existing and projected
6 demands of Native Load Customers (including an amount for
7 regulation and inadvertent flows), (b) meeting single
8 contingency criteria, (c) provision of adequate generation
9 reserves, including tie line support, and (d) other planning
10 criteria prudently employed by FPL in planning its electrical
11 system. The determination of the availability of capacity for
12 Firm Transmission Service under this Tariff shall be made on
13 the same basis as FPL's determination of availability of
14 transmission capacity for FPL's long-term transmission
15 arrangements.

16 Section 2.3 Construction of Facilities: Where
17 FPL determines that capacity on the FPL Transmission System is
18 not adequate to provide Firm Transmission Service without
19 impairing or degrading the reliability of service to Native
20 Load Customers or interfering with FPL's ability to meet prior
21 contractual commitments to others, FPL will use Due Diligence
22 to undertake Transmission Construction in order to provide
23 Firm Transmission Service, subject to compensation by the
24 Wheeling Customer as provided in Articles V and VIII. FPL's

1 offer to provide Firm Transmission Service under this Tariff
2 will be subject to FPL's ability to construct transmission
3 facilities in order to alleviate the constraints on its system
4 giving rise to the circumstances described above. Where FPL
5 is unable to obtain the necessary authorization to construct
6 the transmission facilities identified in the Service
7 Agreement, FPL will attempt to pursue alternative construction
8 options. In addition, whenever FPL projects that the
9 Opportunity Costs ~~(see Section 8.3)~~ attributable to a Firm
10 Transmission Service transaction are anticipated to exceed the
11 costs to remove the constraint causing such Opportunity Costs
12 to be incurred, FPL will have the right to construct
13 transmission facilities and to obtain compensation for the
14 costs thereof from the Wheeling Customer as provided in
15 Articles V and VIII. ~~If FPL is unable to complete~~
16 ~~Transmission Construction under such circumstances, and FPL is~~
17 ~~able to provide Firm Transmission Service without adversely~~
18 ~~native load reliability, FPL will provide the requested Firm~~
19 ~~Transmission Service so long as it is not subject to the~~
20 ~~ceilings on the level of Opportunity Costs set forth in~~
21 ~~Section 8.3(c).~~

22 Section 2.4 Construction on Other Systems: FPL
23 will not be required to provide or continue to provide Firm
24 Transmission Service in any circumstances where the capacity

1 of the FPL Transmission System is inadequate (as described in
2 Section 2.2 above) as a result of the failure of any entity
3 other than FPL to have adequate capacity or timely construct
4 transmission facilities on such entity's system. FPL will
5 have no obligation to construct facilities on the system(s) of
6 other entities or to support the cost of any additions or
7 enhancements to other systems in order to provide Firm
8 Transmission Service under this Tariff.

9 Section 2.5 Duration of Service: The minimum
10 term of Firm Transmission Service will be one year. The
11 maximum term of Firm Transmission Service shall be 30 years,
12 unless the Wheeling Customer has entered into (or has supplied
13 FPL evidence of a genuine intent to enter into) a wholesale
14 transaction in excess of 30 years, in which event the maximum
15 term shall be the term of such contract.

16 Section 2.6 Retail Service: Service under this
17 Tariff will not be available for the transmission of capacity
18 and/or energy to any ultimate consumer of electric utility
19 service (i.e., retail customers), or to electric distribution
20 systems established solely to serve ultimate consumers
21 formerly served by FPL, if FPL determines that such systems
22 were established as a means to facilitate transmission service
23 to ultimate consumers.

1 Section 2.7 Replacement Power: In the event of
2 a loss or reduction of the supply of capacity and energy to be
3 transmitted by FPL for any reason, FPL will have no obligation
4 to replace such deficient amounts of capacity and energy from
5 its own resources or to transmit capacity and energy from a
6 different Point of Receipt than the one specified in the
7 Service Agreement.

8 Section 2.8 Reciprocal Arrangements: In order to
9 maximize opportunities for efficient trade in bulk power
10 services, a Wheeling Customer owning or controlling
11 transmission facilities (or affiliated with an entity that
12 owns or controls transmission facilities) which enters into a
13 Service Agreement under this Tariff agrees to provide
14 comparable service to FPL and its Affiliates on similar terms
15 and conditions and over facilities owned or controlled by the
16 Wheeling Customer and/or its Affiliates. Wheeling Customers
17 that do not own or control transmission facilities or that are
18 not affiliated with an entity that owns or controls
19 transmission facilities shall not be subject to this
20 requirement, except to the extent that they or their
21 Affiliates subsequently acquire such transmission facilities.
22 ~~Where a Wheeling Customer is neither the producer, the~~
23 ~~transmitter nor the distributor of the capacity and energy to~~
24 ~~be transmitted under this Tariff, but instead acts as a bulk~~

1 ~~power broker or marketer, then it must designate an Eligible~~
2 ~~Entity that owns or controls transmission facilities as~~
3 ~~subject to this requirement to provide comparable service and~~
4 ~~such Eligible Entity must agree to such requirement.~~

5 Section 2.9 Bankruptcy and Insolvency:

6 Consistent with the procedures in Section 9.3, FPL will not be
7 required to provide Firm Transmission Service to an Eligible
8 Entity or Wheeling Customer that (a) files a voluntary
9 petition or has an involuntary petition filed against it, for
10 bankruptcy under the United States Bankruptcy Code, 11 U.S.C.
11 §§ 101 et. seq., or similar state insolvency laws, or (b)
12 otherwise becomes insolvent or is subject to receivership, or
13 fails to meet its payment obligations when due; provided,
14 however, that FPL will continue to provide Firm Transmission
15 Service if an Eligible Entity or Wheeling Customer provides a
16 guarantee of payment consistent with the provisions in Section
17 4.3.3 of this Tariff.

18 Section 2.10 Common Carrier: By undertaking to
19 provide service under this Tariff, FPL does not assume any
20 obligations of a common carrier.

21 ARTICLE III

22 CHARACTER OF SERVICE

23 Section 3.1 Priority of Service: Transmission
24 Service under this Tariff will have the same priority as FPL's

1 firm service to its own Native Load Customers. In the event
2 that the loading of FPL's Transmission System, or a portion
3 thereof, must be reduced for safe and reliable operation, such
4 reduction in loading will be proportionally allocated among
5 FPL's Native Load Customers and Wheeling Customers when such
6 proportional curtailments reasonably can be accommodated
7 within acceptable operating practices. When FPL determines
8 that an emergency exists and emergency electrical operating
9 procedures are implemented by FPL to reduce the loading on the
10 FPL Transmission System, the Wheeling Customer will be
11 required, upon request of FPL, to ensure that prompt
12 reductions in the delivery or receipt of Firm Transmission
13 Service are made to achieve the necessary reduction of flows
14 on the FPL Transmission System.

15 ARTICLE IV

16 PROCEDURES FOR OBTAINING SERVICE

17 Section 4.1 Submission of Application: Any
18 Eligible Entity that desires to enter into a Service Agreement
19 under this Tariff will submit a complete Application, with all
20 of the information prescribed in Schedule 4, and such
21 additional information as may be requested pursuant to Section
22 4.3, to:

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4.3.1 Utility Purchaser: FPL may require the Applicant to identify the utility purchaser of the power if FPL determines that such information is necessary for FPL to evaluate properly whether adequate capacity will be available on FPL's Transmission System to provide the service for the full term of the transaction (e.g., whether requests for Firm Transmission Service are duplicative or mutually exclusive of requests filed by other parties).

4.3.2 Financial Data: At FPL's request, the Applicant will provide the following financial data in addition to the information specified in Schedule 4:

- (a) Current financial statements, annual reports, 10-K reports, filings with regulatory agencies, a list of all Affiliates and any reports from credit reporting and bond rating agencies that are publicly available;
- (b) A bank reference and at least two trade references;
- (c) Verification that the Applicant is not operating under any provision of federal or state bankruptcy or insolvency laws and is not subject to liquidations or debt reduction

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procedures under state or federal laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement;

(d). Verification that the Applicant is not subject to pending liquidation or regulatory proceedings in state or federal courts which could cause a substantial deterioration in its financial condition, a condition of insolvency, or the inability to exist as an ongoing business entity; and

(e) Verification that no significant collection lawsuits or judgments are outstanding which would adversely affect the Applicant's ability to remain solvent.

The Applicant may elect to provide one of the guarantee of payment options specified in Section 4.3.3 in lieu of providing the financial data set forth above.

4.3.3

Guarantee of Payment: If FPL deems that the Applicant may not have the financial ability to pay for service, FPL may require that the Applicant provide a guarantee of payment in the form of one of the options set forth below:

(a) an irrevocable letter of credit acceptable to FPL;

- 1 (b) a security interest in collateral
2 found by FPL to be acceptable; or
3
4 (c) a guarantee by a person or another
5 entity who satisfies FPL's credit
6 appraisal criteria.

7 4.3.4 Other Information: FPL may request such
8 other information as it determines may
9 reasonably be required to evaluate the
10 effect of the provision of Firm
11 Transmission Service on FPL.

12 Section 4.4 Subsequent Requirements Where No
13 System Study is Needed: Where FPL determines in the Initial
14 Evaluation that adequate capacity (as described in Section
15 2.2) on the FPL Transmission System is available to provide
16 the requested service for the full amount and term of the
17 transaction requested, FPL will tender a Service Agreement to
18 the Applicant within sixty (60) days after receipt of a
19 complete Application. The Applicant will then have thirty
20 (30) days to execute the Service Agreement and return the
21 Agreement to FPL. FPL will execute and promptly file the
22 Service Agreement with the FERC. Failure of the Applicant to
23 execute and return the Service Agreement within such thirty
24 (30) day period will be deemed to be a withdrawal of the
25 Application for service. Nothing in this provision shall
26 limit such Applicant's right to file a new Application if the
27 original Application is deemed withdrawn.

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valid and pending, the Applicant will execute the Study Agreement within twenty (20) days and return the executed Study Agreement to FPL along with payment for the estimated cost of performing the System Study. FPL will exercise Due Diligence to complete the System Study within sixty (60) days (where the Application for service does not involve new generating facilities) and within 120 days (where new generating facilities are involved) of receipt of the executed Study Agreement. In the event that FPL, despite exercising Due Diligence, cannot complete the System Study by such study completion date, FPL will notify the Applicant and provide a new date for estimated completion of the System Study, along with an explanation of the reason(s) why additional time is required to complete the System Study.

4.5.2 System Study: In the course of performing the System Study, FPL will prepare (1) a preliminary and non-binding

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estimate of ~~(i)~~ any Opportunity Costs that it projects may be incurred to provide the service and (ii) ~~subject to the provisions of Article V, a binding estimate of the actual costs of any~~ Transmission Construction costs necessary to alleviate identified transmission constraints. Upon completion of the System Study, FPL will promptly present the results of the System Study to the Applicant. As soon as practicable thereafter, FPL will present a final invoice with a true-up for the actual cost of the System Study.

4.5.3

Execution of Service Agreement: If the Applicant so requests within thirty (30) days following receipt of the System Study, FPL will tender a Service Agreement (and such other agreements as may be required pursuant to Article V). The Service Agreement will provide that the Applicant will receive Firm Transmission Service, subject to FPL's ability to complete any necessary

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Transmission Construction, and the payment to FPL of the appropriate costs and charges pursuant to Articles V and VIII of this Tariff. The Applicant will have thirty (30) days to execute the Service Agreement (and other agreements as may be required pursuant to Article V). Upon receipt thereof, FPL will execute and promptly file the Service Agreement (and other agreements as may be required pursuant to Article V) with the FERC. Failure of the Applicant to execute and return such Service Agreement (and other agreements as may be required pursuant to Article V) within such thirty (30) day period will be deemed to be a withdrawal of the Application. ~~Nothing in this provision shall limit such Applicant's right to file a new Application if the original Application is deemed withdrawn.~~

Section 4.6 Disputes Regarding Service Agreement:

In circumstances where a Wheeling Customer believes that any provision of the Service Agreement violates the requirements

1 of this Tariff, it nonetheless will be required to execute the
2 Service Agreement within the time period set forth in the
3 applicable provision of this Article IV, but will be free
4 contemporaneously to present its dispute for resolution in
5 accordance with Section 13.13. In such cases, FPL will
6 commence providing service pursuant to the filed Service
7 Agreement, subject to the engineering and reliability
8 limitations of the FPL Transmission System and Prudent Utility
9 Practice, and both Parties will be bound by the terms and
10 conditions of the Service Agreement, subject to final
11 resolution of the dispute.

12 Section 4.7 Procedures for Delayed Service:
13 Payment for Transmission Service will commence no later than
14 sixty (60) days following execution of the Service Agreement.
15 Where service is not intended to commence within sixty (60)
16 days following the date of execution of the Service Agreement,
17 but where the Wheeling Customer either has (a) entered into a
18 contract for the purchase and sale of the capacity and/or
19 energy that is (are) to be transmitted or (b) arranged or is
20 in the process of arranging such a transaction as evidenced by
21 documentation establishing the existence of a genuine purchase
22 or sale transaction, then the payment of the rates and charges
23 for Firm Transmission Service may be postponed by the Wheeling
24 Customer's payment, at the time of execution of the Service

1 Agreement, of a non-refundable reservation fee equal to one
2 Monthly Charge for Firm Transmission Service for each year (or
3 fraction thereof) from the date referred to above, until
4 service is intended to commence. ~~In no event, however, will~~
5 ~~the period of postponement of payment for service will not~~
6 ~~exceed three (3) Five (5) years from the date of execution of~~
7 ~~the Service Agreement. The procedures in this Section 4.7 do~~
8 ~~not apply in circumstances where FPL determines that it must~~
9 ~~undertake Transmission Construction in order to provide Firm~~
10 ~~Transmission Service- or to the extent the Wheeling Customer's~~
11 ~~Firm Transmission Service will replace an existing~~
12 ~~Transmission Service Contract, or Wholesale Requirements~~
13 ~~Contract or Tariff (subject to all notice provisions in such~~
14 ~~contract or tariff). If during the reservation period FPL~~
15 ~~requires, or another Wheeling Customer submits a completed~~
16 ~~Application for Firm Transmission Service, and such request~~
17 ~~can be satisfied out of existing capacity only by releasing~~
18 ~~the capacity reserved by the Wheeling Customer, the request~~
19 ~~for service submitted by the original Wheeling Customer shall~~
20 ~~cease to be a valid request unless, within 30 days, the~~
21 ~~original Wheeling Customer agrees to pay the full monthly~~
22 ~~reservation fee for Firm Transmission Service pursuant to this~~
23 ~~Tariff concurrent with the service commencement date specified~~
24 ~~in the Wheeling Customer's completed Application. In the~~

1 event the original Wheeling Customer elects to release the
2 reserved transmission capacity, the reservation fees paid will
3 be forfeited and, to the extent the original Wheeling Customer
4 still requires Firm Transmission Service, and the original
5 Wheeling Customer will be required to submit a new Application
6 for Firm Transmission Service.

7 ARTICLE V

8 TRANSMISSION CONSTRUCTION

9 Section 5.1 General Provisions: Whenever FPL
10 determines in the System Study that Transmission Construction
11 may be necessary during the term of a transaction to
12 accommodate the Applicant's request for service, the following
13 additional provisions will apply.

14 Section 5.2 Service Agreement: ~~Except as~~
15 ~~provided for in Section 5.4,~~ Based on the results of the
16 System Study, FPL will identify Transmission Construction that
17 may be necessary to accommodate a transaction in the Service
18 Agreement, and will provide a non-binding estimate of the
19 ~~actual~~ cost thereof. All contractual commitments necessary to
20 assure that the Wheeling Customer's payment of the ~~actual~~ ~~such~~
21 ~~costs of Transmission Construction~~ will be included in or will
22 otherwise be in place concurrent with the execution of the
23 Service Agreement.

1 Section 5.3 Security: FPL will have the right to
2 require that a Wheeling Customer on whose behalf FPL agrees to
3 undertake Transmission Construction hereunder enter into a
4 security arrangement with FPL reasonably sufficient to protect
5 FPL from any financial risk of non-performance by the
6 Applicant.

7 Section 5.4 Undertaking Transmission
8 Construction: Upon receipt of the executed Service Agreement
9 and any other necessary contractual commitments to build
10 facilities (including the security agreement), FPL will use
11 Due Diligence to design, engineer, license and construct the
12 necessary Transmission Construction within a reasonable time
13 period. FPL will not undertake any Transmission Construction
14 if doing so would impair system reliability or otherwise
15 jeopardize service to FPL's Native Load Customers ~~or any other~~
16 ~~Firm Transmission Service customer~~. FPL's commitment to
17 undertake Transmission Construction in order to provide Firm
18 Transmission Service is contingent upon the success of its
19 efforts, using Due Diligence, to obtain the necessary rights-
20 of-way, property rights and required regulatory and legal
21 approvals. The Wheeling Customer will cooperate with FPL in
22 the construction of new facilities and will take all
23 reasonable steps to assist FPL in obtaining the necessary
24 rights-of-way, property rights and approvals. ~~Where~~

1 construction costs exceed the original expansion cost estimate
2 in the Service Agreement due to major unforeseen events which
3 are beyond the control of FPL, FPL may seek to revise the
4 binding estimate in the Service Agreement through an
5 appropriate filing under Section 205.

6 Section 5.5 Payments: Within sixty (60) days
7 following receipt of notice from FPL that facilities
8 constructed by FPL are ready to be placed into operation, the
9 Applicant will commence paying the charges for Firm
10 Transmission Service as required under Article VIII of this
11 Tariff. Failure to begin such payment will result in
12 forfeiture by the Wheeling Customer of all deposits and the
13 security provided under this Article, and FPL may further
14 resort to any other remedies that may be available to FPL at
15 law or in equity.

16 ARTICLE VI

17 PRIORITY OF REQUESTS

18 Section 6.1 General Priority Provisions:
19 Applications for Firm Transmission Service and FPL's ability
20 to enter into its own long-term firm transactions will be
21 evaluated on a first-come, first-served basis with the
22 earliest request receiving the highest priority.

23 Section 6.2 Deficient Applications: Deficient
24 Applications will be assigned a priority based on the date of

1 FPL's receipt of all of the information necessary for a
2 complete Application in accordance with Schedule 4 and Article
3 IV.

4 Section 6.3 Availability of Capacity: In
5 determining whether adequate transmission capacity will be
6 available on the FPL Transmission System to provide a
7 requested service, FPL will take into consideration all
8 Applications that have the same or a higher priority, and will
9 not take into consideration any other pending Applications
10 with a lesser priority. After FPL has evaluated the
11 availability of transmission capacity for the pending
12 Application(s) with the highest priority, FPL will then apply
13 the same procedures to determine whether existing capacity
14 will be available to provide service for the Application with
15 the next highest priority. This procedure will be repeated
16 until all pending Applications have been processed.

17 Section 6.4 Duplicative Requests: Should FPL
18 determine that particular requests for Firm Transmission
19 Service are mutually exclusive or duplicative (e.g., a
20 purchaser will buy from one but not all of the Applicants
21 requesting service in order to meet a particular resource
22 need), FPL reserves the right to process all such requests as
23 though they were a single request for Firm Transmission
24 Service, with the Firm Transmission Service awarded to the

1 Applicant that is selected by the purchaser. In this event,
2 (1) when notified that an Applicant was not selected by the
3 purchaser, FPL shall refund the Applicant's full deposit after
4 subtracting any legitimate costs incurred in preparing the
5 Initial Evaluation and System Study for the specific Applicant
6 and shall file a notice of cancellation of the corresponding
7 Service Agreement, if any, with the Commission; and (2) if FPL
8 prepared only one System Study in response to more than one
9 request, the cost of the System Study will be allocated to
10 each Applicant according to the ratio of the number of MW-
11 months of service requested by the Applicant to the total
12 number of MW-months of service requested by all Applicants
13 whose requests were included in the System Study.

1 notification to FPL identifying such systems and authorizing
2 such systems to schedule capacity and energy to be transmitted
3 by FPL pursuant to this Tariff on behalf of the Receiving
4 Party at the Point of Delivery and the Delivering Party at the
5 Point of Receipt.

6 **Section 7.2 Wheeling Customer's Other**
7 **Obligations:** The Wheeling Customer will operate its system
8 and facilities in accordance with Prudent Utility Practice and
9 any guidelines and requirements established for electric
10 utilities and their suppliers in the State of Florida (or
11 where applicable, other relevant jurisdictions), including
12 maintenance of load-shedding practices and control of reactive
13 power. The Wheeling Customer will provide timely and accurate
14 information to FPL that is required in the provision of
15 service under this Tariff.

16 **Section 7.3 FPL's Obligations:** Service under
17 this Tariff will be provided from the agreed-upon Point of
18 Receipt to the agreed-upon Point of Delivery (i.e., service
19 hereunder is Point-to-Point service). FPL's obligation to
20 provide service under this Tariff will be limited to times
21 during which energy is actually received at the Point of
22 Receipt for the Wheeling Customer's account for delivery to
23 the Point of Delivery. FPL will not be obligated to provide
24 service under this Tariff if it reasonably determines that

1 such delivery is causing or substantially contributing to a
2 condition that has or potentially could have an adverse
3 physical or reliability impact on the FPL Transmission System.
4 FPL will not be obligated to provide any use of its
5 distribution system facilities or other local facilities in
6 order to provide service under this Tariff.

7 ARTICLE VIII

8 CHARGES

9 Section 8.1 General: The Monthly Charge for Firm
10 Transmission Service will be based on the component charges
11 set forth in Sections 8.2 through 8.12 below, applied to the
12 Contract Demand(s) set forth in the Service Agreement. ~~Except~~
13 ~~as provided in Section 8.3 of this Tariff,~~ The charges for
14 Firm Transmission Service will be calculated based on the
15 higher of (i) the sum of the average cost components set forth
16 in Sections 8.2(a) and 8.4(a) plus the components set forth
17 in Sections 8.5 through 8.12 or (ii) the sum of the applicable
18 incremental cost components set forth in Sections 8.2(b), 8.3
19 and 8.4(b) plus the components set forth in Sections 8.5
20 through 8.12.

21 Section 8.2 Monthly Fixed Investment Charge: The
22 Monthly Fixed Investment Charge will consist of either:

23 (a) the Average Embedded Cost of Transmission
24 calculated pursuant to the rate formula in Schedule 1, or

1 ~~(b) the Incremental Cost of Network Upgrades~~
2 ~~constructed by FPL in order to provide Firm Transmission~~
3 ~~Service. The Incremental Cost of Network Upgrades will be a~~
4 ~~monthly charge designed to recover one twelfth of the annual~~
5 ~~revenue requirement associated with the design, engineering,~~
6 ~~licensing, construction, operation and maintenance of the~~
7 ~~Network Upgrades, including overheads. The Incremental Cost~~
8 ~~of Network Upgrades will reflect the amount of projected~~
9 ~~reductions in Native Load Customer revenue requirements that~~
10 ~~result from the installation of the Network Upgrades.~~
11 ~~Whenever the charges for Firm Transmission Service are based~~
12 ~~on the Incremental Cost of Network Upgrades, FPL will have the~~
13 ~~right to propose in the Service Agreement that FPL be~~
14 ~~permitted to recover a contribution to the fixed costs of its~~
15 ~~existing transmission system in addition to the Incremental~~
16 ~~Cost of Network Upgrade.~~

17 Section 8.3 Opportunity Costs: Opportunity Costs
18 ~~will consist of any costs incurred by FPL as a result of~~
19 ~~constraints on the FPL Transmission System which require FPL~~
20 ~~to (i) forego the purchase or sale of capacity and/or energy,~~
21 ~~(ii) deviate from the economic dispatch of its owned or~~
22 ~~purchased generation, (iii) incur increased environmental~~
23 ~~compliance costs, and/or (iv) incur any other identified~~
24 ~~costs, as a result of providing Firm Transmission Service to~~

1 ~~a Wheeling Customer under this Tariff. Opportunity Costs will~~
2 ~~be defined and determined in accordance with FERC rules and~~
3 ~~policies governing the recovery of such costs, including rules~~
4 ~~and policies relating to the maintenance of records and the~~
5 ~~reporting of such costs, in effect at the time FPL seeks the~~
6 ~~recovery of Opportunity Costs. Detailed provisions for~~
7 ~~calculating, reporting and billing for Opportunity Costs shall~~
8 ~~be set forth in the Service Agreement.~~

9 ~~(a) In circumstances where the Monthly Fixed~~
10 ~~Investment Charge is based upon the Average Embedded Cost of~~
11 ~~Transmission pursuant to Section 8.2(a) above, in those hours~~
12 ~~where FPL incurs Opportunity Costs, FPL will recover the~~
13 ~~higher of the hourly Opportunity Costs or the Average Embedded~~
14 ~~Cost of Transmission (stated on an hourly basis).~~

15 ~~(b) In circumstances where the Monthly Fixed~~
16 ~~Investment Charge is based upon the Incremental Cost of~~
17 ~~Network Upgrades pursuant to Section 8.2(b) above, and such~~
18 ~~Network Upgrades do not eliminate all Opportunity Costs, FPL~~
19 ~~will recover any remaining Opportunity Costs in addition to~~
20 ~~the Incremental Cost of Network Upgrades.~~

21 ~~(c) In all cases where FPL anticipates charging for~~
22 ~~Opportunity Costs under a Service Agreement, FPL will identify~~
23 ~~in the Service Agreement the estimated cost of Transmission~~
24 ~~Construction required to alleviate constraints causing the~~

1 ~~Opportunity Costs. Opportunity Costs charged in any year will~~
2 ~~not exceed the annual revenue requirement associated with the~~
3 ~~estimated cost of such Transmission Construction (escalated in~~
4 ~~accordance with the Handy Whitman index and other relevant~~
5 ~~indices) during such year. The above described ceiling on~~
6 ~~Opportunity Costs will not apply (1) during the period where~~
7 ~~FPL is, in good faith, in the process of removing the~~
8 ~~constraints giving rise to the Opportunity Costs through~~
9 ~~Transmission Construction; provided that FPL shall include its~~
10 ~~estimate of such time period in the Service Agreement and~~
11 ~~shall be required to file with the Commission under Section~~
12 ~~205 in order to extend such time period; or (2) in~~
13 ~~circumstances where FPL, despite good faith efforts, is unable~~
14 ~~to alleviate the constraints; provided that such good faith~~
15 ~~efforts shall include pursuing alternative options for~~
16 ~~alleviating constraints that may involve a higher cost in the~~
17 ~~event that FPL's preferred option cannot be accomplished. FPL~~
18 ~~will have the right to amend the Service Agreement during the~~
19 ~~term of the Firm Transmission Service transaction in order to~~
20 ~~modify the initial estimate of the cost of Transmission~~
21 ~~Construction based on changes not contemplated by FPL at the~~
22 ~~time of the initial estimate. Incremental and/or Opportunity~~
23 ~~Costs; FPL reserves the right to make a filing pursuant to~~
24 ~~Section 205 of the Federal Power Act to amend the Service~~

1 Agreement to enable FPL, consistent with FERC's policies, to
2 recover (a) Incremental Costs associated with the design,
3 engineering, licensing, construction, operation and/or
4 maintenance of Network Upgrades and/or (b) Opportunity Costs
5 resulting from constraints on the FPL Transmission System
6 which result in costs incurred or net revenues lost (excluding
7 revenues from transactions lost as a result of competition) by
8 FPL or by a customer under FPL's Wholesale Network
9 Transmission Service Tariff when their efficient use of the
10 FPL Transmission System is displaced by FPL providing Firm
11 Transmission Service under this Tariff. Detailed provisions
12 for calculating, reporting and billing Incremental Costs
13 and/or Opportunity Costs will be set forth in the Service
14 Agreement. Notwithstanding the foregoing, FPL reserves the
15 right to make a filing pursuant to Section 205 of the Federal
16 Power Act to enable FPL to (a) propose in the Service
17 Agreement that FPL be permitted to recover a contribution to
18 the Fixed costs of its existing transmission system in
19 addition to the Incremental Costs of Network Upgrades and/or
20 (b) include within the Monthly Average Embedded Cost charges
21 the Wheeling Customer's pro rata share of all system-wide
22 Opportunity Costs.

23 Section 8.4 Losses: ~~Compensation for losses~~
24 ~~incurred on the FPL system in providing Firm Transmission~~

1 ~~Service will be the responsibility of the Wheeling Customer.~~
2 ~~During each hour in which it provides Firm Transmission~~
3 ~~Service, FPL will deliver to the Point of Delivery the same~~
4 ~~quantity of capacity and energy power that is scheduled to~~
5 ~~FPL's system at the Point of Receipt, adjusted for the amount~~
6 ~~attributed to transmission losses on FPL's system., FPL will~~
7 ~~charge for losses based upon the losses incurred on the FPL~~
8 ~~system in providing Firm Transmission Service, determined as~~
9 ~~follows:~~

10 ~~(a) In circumstances where the Monthly Fixed~~
11 ~~Investment Charge is based on the Average Embedded Cost of~~
12 ~~Transmission pursuant to Section 8.2(a), t~~ The quantity of
13 losses deemed to be incurred by FPL will be based on FPL's
14 average system transmission loss percentage. The average
15 system transmission loss percentage will be based on FPL's
16 most recent calendar year data, which will be determined each
17 year prior to May 1, and applied to subsequent deliveries as
18 of May 1 of each year. ~~the product of (i) FPL's system~~
19 ~~average losses; and (i) the hourly amount of power that is~~
20 ~~scheduled over FPL's system by the Wheeling Customer. The~~
21 ~~charges for losses will be computed in accordance with~~
22 ~~Schedule 6.~~

23 ~~(b) In circumstances where the Monthly Fixed~~
24 ~~Investment Charge is based on the Incremental Cost of Network~~

1 Upgrades, and in any hour where Opportunity Costs are charged
2 pursuant to Section 8.3(a), the quantity of losses will be
3 determined for each transaction on an incremental basis. The
4 methodology used to determine incremental losses hereunder
5 will be set forth in the Service Agreement. The charges for
6 losses will be computed in accordance with Schedule 6.

7 Section 8.5 ~~[delete]~~ Reactive Costs: The Monthly
8 Charge for Firm Transmission Service will include a Reactive
9 Charge based on the generation related costs of providing the
10 reactive power support to provide Firm Transmission Service.
11 The Reactive Charge will be calculated as set forth in
12 Schedule 3.

13 Section 8.6 Direct Assignment Facilities:
14 Whenever the provision of Firm Transmission Service requires
15 installation of Direct Assignment Facilities, costs associated
16 with the design, engineering, licensing, construction,
17 operation and maintenance of the Direct Assignment Facilities,
18 including overheads, will be paid by the Wheeling Customer in
19 addition to the other charges specified in this Article VIII.

20 Section 8.7 Stranded Investment Charge: In
21 circumstances where a Wholesale Customer's contract with FPL
22 precedes the effective date of this Tariff, the Wheeling
23 Customer will reimburse FPL for all legitimate and verifiable
24 Stranded Investment Costs associated with providing Firm

1 ~~Transmission Service. FPL will seek to recover Stranded Costs~~
2 ~~from the Wheeling Customer in accordance with FERC's policies~~
3 ~~on Stranded Cost Recovery.~~ The level and basis for FPL's
4 assessment of any Stranded Investment costs will be set forth
5 in the Service Agreement.

6 Section 8.8 Transmission Tariff FERC Assessment
7 Charge: The Wheeling Customer will pay to FPL a pro rata
8 share of the annual charge the FERC assesses to FPL under the
9 FERC's regulations ("FERC Assessment"), in the form of a "FERC
10 Assessment Charge". The applicable FERC Assessment Charge for
11 each Wheeling Customer receiving service under this Tariff
12 shall be equal to the product of (i) the amount of electric
13 energy (expressed in mega-watt hours) transmitted over the FPL
14 Transmission System for the Wheeling Customer under this
15 Tariff during the assessment period and (ii) the applicable
16 FERC Assessment rate as such rate appears on the appropriate
17 FERC Statement of Annual Charges. The Wheeling Customer will
18 provide to FPL any information needed for the calculation of
19 such charge. The FERC Assessment Charge will normally be
20 assessed in the year following the year in which service is
21 provided. In the event that the FERC changes the method it
22 utilizes to calculate the FERC Assessment, the FERC Assessment
23 Charge will be calculated in a manner consistent with such

1 changed methodology so as to assign to the Wheeling Customer
2 a pro rata share of the FERC Assessment.

3 Section 8.9 Regulatory Expense Charge: The
4 Wheeling Customer will pay FPL for all FERC fees applicable to
5 the filing of the Service Agreement, and any amendments
6 thereto.

7 Section 8.10 Taxes and Fees Charge: The Wheeling
8 Customer will bear the cost of all taxes and fees (including
9 payments in lieu of taxes and fees), not specifically provided
10 for in the above charge provisions, that any governmental
11 authority may impose on FPL as a result of the Firm
12 Transmission Service provided to such Wheeling Customer,
13 including all fees and assessments, all sales, gross revenue,
14 and other taxes, and any applicable interest charged on any
15 deficiency assessment made by the taxing authority. Prior to
16 assessing charges under this provision, FPL will make an
17 appropriate filing pursuant to Section 205 of the Federal
18 Power Act.

19 Section 8.11 Customer Charge: The Wheeling
20 Customer will pay FPL a Customer Charge equal to \$650.00 per
21 month.

22 Section 8.12 Other Costs: FPL will have the right
23 to include in the Service Agreement, and subject to filing
24 pursuant to Section 205 of the Federal Power Act, provisions

1 for the recovery of any other identified costs of providing
2 Firm Transmission Service.

3 ARTICLE IX

4 BILLING AND PAYMENT

5 Section 9.1 Billing: FPL will render to the
6 Wheeling Customer, after the first of each month, a billing
7 statement and invoice for Firm Transmission Service. The
8 Wheeling Customer will pay all bills rendered under this
9 Tariff no later than the Past Due After Date. The Wheeling
10 Customer will make payment in immediately available funds
11 through wiring of funds or through other mutually agreeable
12 method(s). Payment will be made at the office or account of
13 FPL as designated by FPL. Any amounts remaining unpaid after
14 the Past Due After Date will be deemed delinquent and will
15 accrue interest at the Adjustment Interest Rate, such interest
16 to be calculated from the Past Due After Date to the date the
17 amount is paid in full by the Wheeling Customer.

18 Section 9.2 Past Due After Date: Except as
19 otherwise provided in this Section 9.2, the Past Due After
20 Date for a bill will be ten (10) days after the date of
21 mailing (as determined by postmark) of the bill to the
22 Wheeling Customer. If the Past Due After Date should fall on
23 a Sunday or on a Monday which is a holiday, the Past Due After
24 Date will be the next business day after such Sunday or

1 holiday. If the Past Due After Date should fall on a Saturday
2 or on a holiday other than a Monday holiday, the Past Due
3 After Date will be the business day prior to such Saturday or
4 holiday. Holidays will be those days observed as holidays by
5 FPL from time to time.

6 **Section 9.3** Default: In the event that the
7 Wheeling Customer fails to make full payment of a bill
8 rendered under this Tariff on or before the Past Due After
9 Date, FPL will notify the Wheeling Customer of such
10 delinquency, and the Wheeling Customer will have thirty (30)
11 days from the date of mailing (as determined by postmark) of
12 such notice to cure its delinquency. In the event that the
13 Wheeling Customer fails to make full payment of the delinquent
14 amount (including interest accrued at the Adjustment Interest
15 Rate) within such thirty-day period, the Wheeling Customer
16 will be deemed to be in default, ~~at which time FPL, in~~
17 ~~addition to any other legal or equitable remedy, may initiate~~
18 ~~proceedings to suspend or terminate service under this Tariff~~
19 ~~consistent with the FERC's regulations.~~ — FPL may also curtail
20 service to a Customer that is delinquent in its payments under
21 its Service Agreement and this rate schedule subject to the
22 following conditions:
23

1 ~~(a) FPL shall give the Customer at least thirty (30)~~
2 ~~days' advance written notice of its intent to~~
3 ~~curtail, and then only after giving written notice~~
4 ~~thereof to the Commission; and~~

5
6 ~~(b) FPL shall not curtail, or shall cease curtailment,~~
7 ~~under this provision if and when the Customer~~
8 ~~corrects the delinquency.~~

9 Section 9.4 Disputed Bill: In the event that a
10 Wheeling Customer challenges any portion of a bill rendered
11 under this Tariff, the Wheeling Customer will, notwithstanding
12 the presence of the dispute, pay both the disputed and
13 undisputed portion of the bill prior to the Past Due After
14 Date.

15 Section 9.5 Billing Challenges: The Wheeling
16 Customer may in good faith challenge the correctness of any
17 bill rendered under this Tariff no later than twenty-four (24)
18 months after the date the bill was rendered. Any billing
19 challenge will be in writing and will state the specific basis
20 for the challenge. A bill rendered under this Tariff will be
21 binding on the Wheeling Customer twenty-four (24) months after
22 the bill is rendered, except to the extent of any specific
23 challenge to the bill made by the Wheeling Customer prior to
24 such time.

1 Section 9.6 Billing Adjustments: FPL will have
2 the right to adjust any bill rendered under this Tariff no
3 later than twenty-four (24) months after the date the bill was
4 rendered. Any billing adjustment will be in writing and will
5 state the specific basis for the adjustment. A billing
6 adjustment will constitute a new bill for all purposes of this
7 Article. A bill rendered under this Tariff will be binding on
8 FPL twenty-four (24) months after the bill is rendered, except
9 to the extent of any specific adjustment to the bill made by
10 FPL prior to such time.

11 Section 9.7 Interest: Refunds and additional
12 charges that are due as a result of a billing adjustment or
13 billing challenge will include interest calculated at the
14 Adjustment Interest Rate. In the case of an additional
15 charge, interest will be calculated from the Past Due After
16 Date of the bill to which the adjustment or challenge relates
17 to the date the additional charge is paid to FPL. In the case
18 of a refund, interest will be calculated from the date the
19 amount being refunded was paid to FPL to the date the refund
20 is made.

21 Section 9.8 Audits: Within two (2) years
22 following a calendar year, FPL and the Wheeling Customer will
23 each have the right, upon reasonable notice, to audit each
24 other's accounts and records for such calendar year, to the

1 extent necessary to verify the correctness of the bills
2 rendered under this tariff. Any such audit will be conducted
3 during normal business hours at the offices where such
4 accounts and records are maintained. Audits will be conducted
5 by the auditing Party's designated personnel or by an
6 accounting firm recognized as experienced in electric utility
7 accounting practices. Audits will be conducted at the
8 auditing Party's expense. The audited Party will be entitled
9 to review the audit report and any supporting materials.

10 Section 9.9 ~~[deleted] Opportunity Cost~~
11 ~~Verification. Notwithstanding any other provision of this~~
12 ~~Article IX, the Wheeling Customer will have ninety (90) days~~
13 ~~from the end of the calendar year for which the Opportunity~~
14 ~~Costs were claimed to challenge, verify, audit, or seek~~
15 ~~adjustment to billing for Opportunity Costs. FPL shall not be~~
16 ~~required to retain records to verify such Opportunity Costs~~
17 ~~beyond such ninety (90) day period.~~

18 ARTICLE X

19 INDEMNIFICATION AND LIABILITY

20 Section 10.1 Indemnification: The Wheeling
21 Customer agrees to indemnify, save harmless and defend FPL and
22 its Affiliates to the full extent permitted by law, from and
23 against any and all liability, loss, claim, judgment, demand,
24 cost or expense (including attorney's fees), for damage or

1 injury to person(s) or property, or death of any person(s)
2 (each a "Covered Claim"), in any manner directly or indirectly
3 arising from or contributed to by any Transmission
4 Construction or Firm Transmission Service except where
5 conclusively shown to have been caused by the negligence or
6 willful misconduct of FPL, its Affiliates or any of its
7 contractors or suppliers, provided, however, that such
8 exception shall not exclude any Covered Claim based upon an
9 act of FPL, its Affiliates or any of its contractors or
10 suppliers, which was, at the time it was performed, consistent
11 with established industry practices. FPL agrees to provide
12 the Wheeling Customer with notice of any claim made against
13 FPL which is covered by this indemnity.

14 Section 10.2 Interruptions: FPL will use Prudent
15 Utility Practice to furnish Firm Transmission Service, but
16 does not warrant or guarantee uninterrupted or unimpaired
17 transmission of electricity. FPL and its Affiliates will not
18 be liable for any claim of damage attributable to any
19 interruption or reduction of service due to: (a) Force
20 Majeure, (b) any cause which FPL could not have reasonably
21 foreseen and prevented, (c) any operating decision, which in
22 FPL's judgment, is necessary to maintain reliable service or
23 to protect FPL's generation or transmission facilities, or (d)
24 any necessary or routine maintenance, repairs, replacements,

1 or installations of equipment, or the investigation and
2 inspection of such equipment. To the extent practicable, FPL
3 will provide reasonable advance notice to a Wheeling Customer
4 of any scheduled interruptions, reductions or other
5 impairments of Firm Transmission Service.

6 **Section 10.3 Limitations on Liability:**

7 Notwithstanding anything else in this Tariff to the contrary,
8 (1) neither Party (including its Affiliates) to a Service
9 Agreement will have any liability to the other Party under
10 this Tariff or the Service Agreement for any exemplary,
11 indirect, consequential or incidental damages, and (2) FPL
12 will not be liable for any costs incurred for replacement
13 power in the event of curtailment or interruption of Firm
14 Transmission or failure or inability of FPL to provide Firm
15 Transmission Service.

16 **Section 10.4 Insurance:** In the event FPL
17 determines that a Wheeling Customer may not have the resources
18 or authority to meet its obligations under this Tariff, FPL
19 may, in the Service Agreement, require that the Wheeling
20 Customer procure, or cause to be procured, a policy or
21 policies of liability insurance to cover generally all
22 liabilities which might arise under this Tariff and the
23 applicable Service Agreement, or in the provision or
24 nonprovision of Firm Transmission Service. FPL and its

1 Affiliates shall be designated under such policy(ies) as
2 either the named insured or an additional named insured.

3 ARTICLE XI

4 FORCE MAJEURE

5 Section 11.1 Force Majeure: In the event that
6 either Party to a Service Agreement is delayed in or prevented
7 from performing any of the obligations imposed on such Party
8 by this Tariff or the Service Agreement by reason of a Force
9 Majeure, then in each such case or cases, such Party will, to
10 the extent of such delay or inability to perform, be excused
11 from performing such obligation, and will not be liable to the
12 other Party for or on account of any loss, damage, injury or
13 expense resulting from or arising out of any such delay or
14 prevention from performing; provided, that the excuse from
15 performance will be of no greater scope and of no longer
16 duration than is reasonably required by the Force Majeure, and
17 the Party suffering any such delay in or prevention of
18 performance will use due and, in its judgment, practical
19 diligence to remove the causes thereof. Neither Party to a
20 Service Agreement will be required by the foregoing provision
21 to settle a strike affecting it except when, according to its
22 own best judgment, such a settlement seems advisable. Nothing
23 in this Section will excuse the Wheeling Customer from making
24 payment for Firm Transmission Service under this Tariff.

1 associated with such assignment, unless otherwise agreed by
2 FPL and the other affected parties.

3 Section 13.2 Applicable Laws, Regulation and
4 Orders: Subject to Section 13.10, FPL's provision of Firm
5 Transmission Service is subject to all existing or future
6 applicable federal, state and local laws and to all existing
7 and future duly promulgated orders and other duly authorized
8 actions of governmental authorities having jurisdiction over
9 the matters contained herein. FPL will not violate, directly
10 or indirectly, or become a party to a violation of, any
11 applicable federal, state, or local statute, regulation, rule
12 or order in order to provide Firm Transmission Service. FPL's
13 obligation to provide Firm Transmission Service is subject to
14 the condition that all requisite governmental and regulatory
15 approvals for the provision of such service will have been
16 obtained.

17 Section 13.3 Amendments and Rate Changes: Nothing
18 contained in this Tariff or in any Schedule, Service Agreement
19 or other agreement entered into pursuant to this Tariff will
20 be construed as affecting in any way the right of FPL to
21 unilaterally make application to the FERC for a change in any
22 rates, charges, terms or conditions of this Tariff or any
23 Schedule, Service Agreement or other agreement entered into
24 pursuant to this Tariff, or any rule or regulation related

1 Section 13.6 Waivers: Failure of a Party to a
2 Service Agreement to enforce any provision of the Service
3 Agreement or this Tariff will not be construed as a waiver of
4 such provisions, and will not affect the validity of the
5 Service Agreement or this Tariff or the right of either Party
6 to subsequently enforce any provisions of the Service
7 Agreement or this Tariff. Any waiver at any time by either
8 Party to a Service Agreement of its rights with respect to the
9 other Party or with respect to any matter arising in
10 connection with the Service Agreement or this Tariff will not
11 be considered a waiver with respect to any subsequent matter.
12 Failure of a Party to a Service Agreement to resort to any
13 legal remedy or to exercise any one or more alternative
14 remedies will not affect such Party's right to subsequently
15 resort to any one or more of such rights or remedies on
16 account of any such grounds then existing or which may
17 subsequently occur.

18 Section 13.7 After Termination or Cancellation:
19 The applicable provisions of this Tariff and any Service
20 Agreement entered into under this Tariff will continue in
21 effect after termination or cancellation to the extent
22 necessary to provide for final billing, billing adjustments
23 and payments and with respect to liability and indemnification

1 from acts or events that occurred while the Service Agreement
2 was in effect.

3 Section 13.8 Choice of Law: The validity,
4 interpretation and performance of this Tariff and any Service
5 Agreement entered into under this Tariff will be in accordance
6 with and controlled by the laws of the United States of
7 America and, to the extent not controlled thereby, the laws of
8 the State of Florida.

9 Section 13.9 Section Headings, Section References:
10 Section and article headings appearing in this Tariff are
11 inserted for convenience of reference only and will not be
12 used to interpret the rest of an article, section or
13 subsection.

14 Section 13.10 Withdrawal: This Tariff represents
15 a voluntary offer by FPL to provide transmission services. If
16 the FERC or any other court or agency having jurisdiction over
17 this Tariff, finds any term or condition of this Tariff to be
18 unjust, unreasonable, otherwise unlawful or incompatible with
19 regulatory policy, FPL will be free, in lieu of making
20 modifications hereto in order to comply with such laws or
21 policies, unilaterally to withdraw all or any portion of this
22 Tariff. Upon such withdrawal, FPL will either file rate
23 schedules replacing and superseding this Tariff for any
24 transactions ongoing at the time of withdrawal or will file a

1 notice of termination of such ongoing transactions pursuant to
2 18 C.F.R. § 35.15.

3 Section 13.11 Independent Contractors: The Parties
4 to a Service Agreement are independent contractors, and
5 nothing contained in this Tariff or the Service Agreement will
6 be deemed to create an association, joint venture,
7 partnership, principal/agent or any other kind of fiduciary
8 relationship between the Parties.

9 Section 13.12 Obligations to Employees: Each Party
10 to a Service Agreement agrees to waive all rights against and
11 release the other Party from any liability the other Party may
12 incur for payment, if any, of benefits to its own employees
13 under any statutory obligations.

14 Section 13.13 Third Party Beneficiaries: A Service
15 Agreement is intended solely for the benefit of the Parties to
16 the Service Agreement, and nothing in this Tariff or the
17 Service Agreement will be construed to create any duty to, or
18 standard of care with reference to, or any liability to, any
19 person not a Party to the Service Agreement.

20 Section 13.14 Resolution of Disputes: If any
21 dispute arises as to the terms of the Service Agreement or
22 this Tariff, and is not resolved within a reasonable period,
23 then that dispute will be resolved through a complaint

1 proceeding before the FERC or, by mutual agreement, through
2 arbitration.

3 Section 13.15 Notice: Any notice contemplated by
4 this Tariff will be made in writing and will be delivered
5 either in person, by prepaid telegram or by first class mail,
6 postage prepaid, certified-return receipt requested, to
7 FLORIDA POWER & LIGHT COMPANY, P.O. Box 029100, Miami, Florida
8 33102, Attention: Manager, Inter-Utility Markets. The
9 designation of the person to be notified or the address of
10 such person may be changed by FPL at any time, or from time to
11 time, by similar notice.

12

1 APPLICATION FOR
2 LONG-TERM FIRM TRANSMISSION SERVICE
3 (SAMPLE FORM)
4

5 The following typewritten information is provided to Florida Power & Light
6 Company ("FPL") in support of the Applicant's request for Firm
7 Transmission Service under FPL's Tariff No. 1 ("Tariff").
8

9 1. Name and Address of Applicant:

10
11 Name: _____

12 Address: _____

13 _____
14

15 2. Basis of Applicant's qualification as an Eligible Entity to receive
16 service under the Tariff.

17 _____

18 _____
19

20 3. Applicant's Contact Person:

21
22 Name: _____

23 Title: _____

24 Address: _____

25 _____

26 Telephone No.: _____
27

1 4. Is Applicant's request the result of a pending response to an RFP?
2 Yes _____ No _____

3 If yes, provide the following information on the RFP solicitation:

4 Name of Soliciting Entity: _____

5
6 Solicitor's Contact Person:

7 Name: _____

8 Title: _____

9 Address: _____

10 Telephone No.: _____

11 Date Bids Due: _____

12
13 5. Description of the transaction to be transmitted pursuant to this
14 request, including the generation resources being delivered, the
15 bulk power supplier(s), and the term of the contract therewith.

16 _____
17 _____
18 _____

19
20 6. The Applicant shall identify whether the transaction involves a new
21 or existing capacity resource:

22 New _____ Existing _____

23 The Applicant shall attach as an Exhibit a map and one-line diagram
24 showing the location of the resource.

1 7. Provide a description of the development status of the generation
2 resource(s) from which capacity and energy is to be transmitted.

3 _____
4 _____
5 _____

6
7 8. Specify the Proposed Point of Receipt and Point of Delivery and
8 identify the Proposed Delivering and Receiving Parties:

9
10 Point of Receipt: _____
11 Point of Delivery: _____
12 Delivering Party: _____
13 Receiving Party: _____

14
15 9. Electric Control Area(s) in which the transaction will originate:
16 _____

17
18 10. Electric Control Area in which the Receiving Party is located.
19 _____

20
21 11. Names of intervening Transmission Systems and Certification of
22 Arrangements for Delivery on Other System:

23 _____
24 _____

1 12. Contract Amount of capacity and/or energy to be received at the
2 Point of Receipt for transmission on the FPL System.

3
4 Contract Amount _____ Megawatts*

5
6 13. Proposed Term for the Service Agreement.

7
8 Start Date: _____

9 End Date: _____

10

11 14. Please describe the dispatchable characteristics of the transaction
12 resource or resources.

13 _____
14 _____
15 _____

16

17 15. Attach as an exhibit other information which will assist FPL in
18 evaluating this request.

19

20 16. Applicant has included a deposit of \$ _____ (equal to
21 the payment of two months of Firm Transmission Service) in the form
22 of _____.

23
24

* This is the maximum amount to be transmitted regardless of seasonal ratings and hourly variations.

1 17. Certification:

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Applicant hereby represents and warrants that all statements and representations made herein, including any supporting documents, are true to the best of Applicant's knowledge and belief. The undersigned officer warrants that the Applicant agrees to be bound by these representations and recognizes that any material changes thereto may result in FPL's reprioritizing its review of this Application. Applicant further certifies that it has read the complete contents of the Tariff and understands that service provided thereunder is rendered subject to the charges, rates, terms and conditions of service as set forth in the Tariff.

Submitted By:

Applicant: _____
Signature of Officer: _____
Name of Officer: _____
Title: _____
Date Signed: _____

(To be filled in by FPL upon receipt)

Date Received by FPL: _____
By: _____

MODEL
FORM OF SERVICE AGREEMENT

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This Service Agreement, dated as of _____, is entered into by
and between Florida Power & Light Company ("FPL") and _____
_____ ("Wheeling Customer").

The Wheeling Customer is _____

and has been determined by FPL to have submitted a complete Application
for Firm Transmission Service under FPL's Tariff No. 1 ("Tariff") on file
with and as may be revised from time to time in accordance with the rules
of the Federal Energy Regulatory Commission ("FERC").

The Wheeling Customer has provided to FPL an Application deposit in the
amount of \$_____, which will be applied in accordance with the
provisions of the Tariff.

Service under this Agreement shall commence on the later of: (1) 0001
hours on _____ 19____, or (2) the date on which
construction of Direct Assignment Facilities and/or Network Upgrades are
completed, or (3) such other date as it is permitted to become effective
by the FERC. Service under this agreement shall terminate on 2400 hours
on _____.

FPL agrees to provide and the Wheeling Customer agrees to take and pay for
Firm Transmission Service in accordance with the provisions of the Tariff
and this Service Agreement.

1 Any notice or request made to or by any Party regarding this Service
2 Agreement shall be made in writing and shall be delivered either in
3 person, or by prepaid mail (return receipt requested) to the
4 representative of the other Party as indicated below. Such representative
5 and address for notices or requests may be changed from time to time by
6 notice by one Party to the other.

7
8 FPL:

9 Manager
10 Inter-Utility Markets
11 Florida Power & Light Company
12 9250 West Flagler Street
13 Miami, Florida 33174
14

15 WHEELING CUSTOMER:
16 _____
17 _____
18 _____
19 _____
20

21 Appendices _____ through _____ to this Service Agreement, any exhibits
22 thereto and the Tariff are incorporated herein and made a part hereof.
23 This Service Agreement may be unilaterally amended, from time to time, by
24 FPL pursuant to Section 205 of the Federal Power Act as provided in
25 Section 13.3 of the Tariff.

26
27 This Service Agreement is intended as the exclusive integrated statement
28 of the Parties agreement regarding service provided hereunder. Parole or

1 extrinsic evidence shall not be used to vary or contradict the express
2 terms of this Service Agreement or the Tariff.

3
4 IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be
5 executed by their respective authorized representatives as of the date
6 first above written.

7

8

FLORIDA POWER & LIGHT COMPANY

9

10

By: _____

11

12

13

14

15

WHEELING CUSTOMER

16

17

18

By: _____

SPECIFICATIONS FOR LONG-TERM FIRM TRANSMISSION SERVICE

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1. Description of capacity and/or energy to be transmitted by FPL across the FPL Transmission System:

2. Point of Receipt: _____

3. Point of Delivery: _____

4. Maximum Amount of Capacity and/or Energy to be Transmitted from the Point of Receipt (Contract Amount) _____ MW

5. Name(s) of any intervening Transmission Systems: _____

6. The Wheeling Customer shall be required to pay to FPL the sum of the charges, in accordance with the terms of the Tariff Schedules or Schedules attached hereto, indicated below by an "X":

- _____ Schedule ____: Average Embedded Cost Transmission Charge
- _____ Schedule ____: Losses Charge
- ~~_____ Schedule ____: Opportunity Cost Charge~~
- ~~_____ Schedule ____: Reactive Costs~~
- _____ Schedule ____: Stranded Investment Charge
- _____ Schedule ____: Other Charges pertaining to: FERC Assessment Charges; Regulatory Expenses Charges; and Other Taxes and Fee Charges

1 7. ~~[deleted] If Schedules contained in the Tariff or this Service~~
2 ~~Agreement related to Opportunity Costs are applicable to Firm~~
3 ~~Transmission Service provided hereunder, the charges to the Wheeling~~
4 ~~Customer may be limited by the costs of those incremental facilities~~
5 ~~necessary to alleviate the constraint(s) that give rise to these~~
6 ~~charges plus other costs. The facilities identified as alleviating~~
7 ~~the constraint(s) that give rise to these charges, the estimated~~
8 ~~installed cost of such facilities and the determination of the~~
9 ~~annual levelized revenue requirements for such facilities, which~~
10 ~~will become the basis for the ceiling on these Opportunity Cost~~
11 ~~charges, are set forth below. This ceiling may be modified pursuant~~
12 ~~to Section 8.3(c) of the Tariff.~~

13
14 _____
15 _____
16 _____

17
18 8. If the System Study has identified the need for Direct Assignment
19 Facilities, the following additional provisions to the Service
20 Agreement shall apply:

21
22 _____
23 _____
24 _____

1 9. If the System Study has identified the need for Network Upgrades,
2 the following additional provisions to the Service Agreement shall
3 apply:

4
5 _____
6 _____
7 _____

8
9 10. Other Additional Provisions (if any):
10
11