



Final Term Sheet

Date:	August 16, 2012
Parties:	The City of Vero Beach (COVB), Orlando Utilities Commission (OUC) and Florida Power & Light Company (FPL)
Wholesale Power Supply Agreement Settlement:	<ul style="list-style-type: none"> • Voluntary termination of wholesale power supply agreement dated April 21, 2008 between COVB and OUC • \$20 million payment to OUC by COVB at closing of purchase by FPL of COVB’s electric utility system (Closing) • Permanent assignment to OUC of all COVB-owned FGT gas transport rights <ul style="list-style-type: none"> <input type="checkbox"/> FPL retains a reliability call option of gas transport for the COVB power plant until the earlier of four years after Closing or decommissioning of such power plant <input type="checkbox"/> COVB releases any rights to re-assignment of such FGT gas transport rights
FMPA Entitlements:	<ul style="list-style-type: none"> • Permanent assignment to OUC of all COVB-owned FMPA entitlements (St. Lucie, Stanton and Stanton 2 projects) at Closing • \$34 million payment to OUC by COVB at Closing • FPL will enter into a power purchase agreement (PPA) with OUC for each of Stanton & Stanton 2 projects <ul style="list-style-type: none"> <input type="checkbox"/> Cost-based pricing equal to all monthly fixed and energy costs on a pass through basis <input type="checkbox"/> Term: 3 years from Closing (expected January 1, 2014 – December 31, 2016)
FPL/COVB Purchase Offer	<ul style="list-style-type: none"> • Purchase offer is approximately \$179.6 million, consisting of: <ul style="list-style-type: none"> <input type="checkbox"/> Cash consideration: \$115 million <input type="checkbox"/> Estimated assumption of pension liability: \$14.4 million <input type="checkbox"/> Estimated cost of transmission upgrades: \$7.7 million <input type="checkbox"/> Estimated cost of substation relocation: \$7.8 million <input type="checkbox"/> Estimated cost of plant decommissioning: \$4.7 million <input type="checkbox"/> Estimated cost of 3-year entitlement PPAs with OUC: \$30 million • Closing not earlier than January 1, 2014

This term sheet (Term Sheet) is only intended to be a confirmation of interest between the parties hereto and shall not constitute a binding agreement between the parties hereto. No party hereto intends, by setting forth in this Term Sheet the provisions of any possible transaction, to create for itself or any other person, any legally binding obligation or liability. No subsequent oral agreement or conduct of the parties hereto, including partial performance, shall be deemed to impose any obligation or liability relating to the provisions of this Term Sheet. The legal rights and obligations of any party hereto relating to the provisions of this Term Sheet shall be only those rights and obligations set forth in separate definitive agreements, if any, that may be executed and delivered by such relevant parties.