

June 5, 2014

5.21.14 DRAFT, SUBJECT TO MANAGEMENT REVIEW AND REVISION
Proprietary & Confidential – For Settlement Discussion Purposes Only;
Subject to Confidentiality Agreement with respect to Settlement

CR-3 SETTLEMENT, RELEASE, AND ACQUISITION AGREEMENT

THIS CR-3 SETTLEMENT, RELEASE, AND ACQUISITION AGREEMENT (the “Agreement”), entered into as of the _____ day of _____, 2014, by and between DUKE ENERGY FLORIDA, INC., a Florida corporation, f/k/a Florida Power Corporation, f/k/a Florida Power Corporation d/b/a Progress Energy Florida, Inc. (the “Company”), and CITY OF ALACHUA, CITY OF BUSHNELL, CITY OF GAINESVILLE D/B/A GAINESVILLE REGIONAL UTILITIES, CITY OF KISSIMMEE, CITY OF LEESBURG, CITY OF NEW SMYRNA BEACH and the UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH, CITY OF OCALA, CITY OF ORLANDO and the ORLANDO UTILITIES COMMISSION (singularly a “Seller” and collectively the “Sellers”).

RECITALS

WHEREAS, the Company is a corporation duly incorporated under the laws of the State of Florida with the power to purchase and own the Purchased Interests (as hereinafter defined); and

WHEREAS, each of the Sellers is either a Florida municipality, or a Florida municipal electric utility, commission, board, or authority authorized to sell, convey, transfer and lease its assets; and

WHEREAS, each Seller owns an undivided tenant in common interest in Crystal River Unit 3, as defined below (“CR-3”), which Sellers desire to transfer and convey to Company, and Company desires to acquire such undivided interests, subject to the terms and provisions of this Agreement; and

WHEREAS, certain disputes have arisen by and between the Company and the Sellers, and by and between the Company and the Wholesale Customers (as defined below), respectively, concerning the operation and maintenance of, and management of CR-3 by the Company, including but not limited to:

(i) the events, actions, or omissions related to the CR-3 outage that began on October 2, 2009, including but not limited to, the CR-3 steam generator replacement (the “SGR Project”);

(ii) the CR-3 containment building delaminations that occurred during the CR-3 outage that began on October 2, 2009 as part of the SGR Project and/or the repair activities and repair plans associated with the CR-3 containment building delaminations;

(iii) the rights or obligations in or related to the Participation Agreement (as defined below), dated July 31, 1975 resulting from or related to the CR-3 outage that began on October 2, 2009, the SGR Project, the CR-3 containment building delaminations, and/or the associated CR-3 delamination repair activities and repair plans;

(iv) the rights or obligations in or related to the Settlement Agreement and Mutual Release dated May 31, 2002 resulting from or related to the CR-3 outage that began on October 2, 2009, the SGR Project, the CR-3 containment building delaminations, and/or the associated CR-3 delamination repair activities and repair plans;

(v) the rights or obligations in or related to all potentially applicable CR-3 property and accidental outage policies with Nuclear Electric Insurance Limited (“NEIL”) resulting from or related to the CR-3 outage that began on October 2, 2009, the SGR Project, the CR-3 containment building delaminations and/or the associated CR-3 delamination repair activities and repair plans;

(vi) the decision by the Company to settle all potential claims with NEIL resulting from or related to the CR-3 outage that began on October 2, 2009, the SGR Project, the CR-3 containment building delaminations, and/or the associated CR-3 delamination repair activities and repair plans under all applicable CR-3 property and accidental outage policies with NEIL;

(vii) the decision by the Company to retire and decommission CR-3; and/or

(viii) the rights or obligations in or related to the Company’s contracts to sell capacity, energy, or both, to the Wholesale Customers resulting from or related to the CR-3 outage that began on October 2, 2009, the SGR Project, the CR-3 containment building delaminations, and/or the associated CR-3 delamination repair activities and repair plans; and

WHEREAS, the parties hereto have agreed to enter into and execute this Agreement as a way of: (i) finally settling, resolving, and forever releasing all of their claims with respect to the Participant Disputes and Wholesale Customer Disputes (both as defined below); (ii) permitting the Company to reacquire the Purchased Interests (as defined below) from the Sellers; (iii) effectuating the Seller’s assignment and the Company’s assumption of the Sellers’ rights, obligations, and liabilities related to the Purchased Interests, including those arising out of or under the Participation Agreement on the terms more specifically set forth herein; (iv) transferring from Sellers to Company, all of Sellers’ right, title and interest in their respective CR-3 Decommissioning Trusts (as defined below), and all proceeds and rights therein and related thereto; and (v) effectuating the Seller’s assignment and the Company’s assumption of the Sellers’ CR3 decommissioning obligations and liabilities, subject to the “Sellers’ NDT Indemnification Obligations,” as defined in subsection 2.2(b) below, including funding the transferred Decommissioning Trusts in accordance with NRC requirements, but only following the Closing (as defined below); and

WHEREAS, this Agreement sets forth the respective rights and obligations of the parties hereto with respect to the settlement and release of the Participant Disputes and Wholesale Customer Disputes, the acquisition by Company of the Purchased Interests, and the transfer to Company of the Sellers’ CR-3 Decommissioning Trusts, and all proceeds, rights, and obligations set forth therein, all as more specifically described below.

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements herein contained, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged by all parties hereto, it is agreed by and between the parties hereto as follows:

OPERATIVE TERMS

SECTION 1. DEFINITIONS.

“Agreement” shall mean this CR-3 Settlement, Release, and Acquisition Agreement between the Company and Sellers, and which also includes all of the Consent and Joinders attached hereto.

“Assignment and Assumption Agreement” shall have the meaning set forth in Section 6.4 hereof.

“Closing” shall have the meaning set forth in Section 2.9 hereof.

“Closing Date” shall have the meaning set forth in Section 2.9 hereof.

“Company” shall mean Duke Energy Florida, Inc., a Florida corporation.

“Company’s Closing Certificate” shall have the meaning set forth in Section 7.1 hereof.

“Company Parent” shall mean the parent company of the Company, Duke Energy Corporation.

“Commitment” shall have the meaning set forth in Section 2.13 hereof.

“Crystal River Unit 3” or “CR-3” shall mean the nuclear steam electric generating unit located in Citrus County, Florida, together with the land and all improvements, facilities, structures and nuclear fuel used or to be used therewith or related thereto, known as the Crystal River Unit No. 3, which is currently non-operational, and has been retired, as set forth in Section 20 of the Participation Agreement, as defined below including, without limitation, the following:

(a) Realty. The Site (as defined below), together with all licenses, profits, easements, rights of way, development rights and entitlements, and all other tangible and intangible rights that are appurtenant or associated therewith or thereto, and all buildings, power plants, structures, improvements and fixtures located thereon (collectively the “Realty”);

(b) Personalty. The machinery and equipment, materials, spare parts and fuel inventories, tools, supplies and all other personal property used in or in connection with CR-3 (collectively, the “Personalty”);

(c) Permits. All of the pending and issued permits, franchises and licenses (including, without limitation, NRC licenses, air, water, and operating permits) held by Company or any other Seller with respect to CR-3 (collectively, the “Permits”);

(d) Contracts and Legal Rights. All contracts, including insurance policies, and legal rights, including but not limited to U.S. Department of Energy or other federal or state obligations related to CR-3 in which any of the Sellers have any rights, interests, obligations, or claims to amounts due, damages, or recoveries of any kind;

(e) Records. All right, title and interest of Sellers in all of the records and documentation concerning each applicable Seller's interest in and management of its CR-3 Decommissioning Trust; and

(f) Other Rights. All other rights or interests of Sellers pertaining, directly or indirectly, to CR-3 as parties to the Participation Agreement.

"CR-3 Decommissioning Trusts" shall mean the trust funds and/or external bank accounts established by the Sellers in compliance with 10 CFR 50.75, specifically the following:

- With respect to the City of Alachua, City of Bushnell, City of Gainesville d/b/a Gainesville Regional Utilities, City of Leesburg, City of Ocala, and the Kissimmee Utility Authority, the trust funds established by the Trust Fund Agreement by and between FMPA, as agent for the City of Alachua, City of Bushnell, City of Gainesville, City of Leesburg, City of Ocala, and the Kissimmee Utility Authority and Sun Trust Bank, dated July 19, 1990, as amended by the Amendment to Trust Fund Agreement dated March 24, 1992, and the 2001 Amendment to Trust Fund Agreement dated December 4, 2001.
- With respect to the City of New Smyrna Beach and the Utilities Commission, City of New Smyrna Beach, the Utilities Commission, City of New Smyrna Beach Restricted Sinking Fund Decommissioning Costs CR-3 Nuclear Plant, Account No. 898052393155, established and held at Bank of America, dated December 6, 2013.
- With respect to the Orlando Utilities Commission ("OUC"), the trust funds established by the Amended and Restated Nuclear Decommissioning Trust Fund Agreement between Orlando Utilities Commission and Wells Fargo Bank, N.A., for Crystal River Unit No. Three, dated September 23, 2011.

"CR-3 Operating and Maintenance and Capital Expenses" shall mean all expenses incurred by the Company attributable to CR-3 properly recorded in accordance with and as defined by the Participation Agreement (as defined below) and billed to the Sellers by the Company on a monthly basis pursuant to the terms of the Participation Agreement.

"CR-3 Operating Costs" shall have the meaning set forth in Section 2.6 hereof.

"Default Letter" shall have the meaning set forth in Section 2.18 hereof.

"Effective Date" shall mean the date this Agreement is executed last by Company and all Sellers, and the Consent and Joinders are executed by all Wholesale Customers, and by the Company Parent.

“Encumbrances” shall have the meaning set forth in Section 3.4.

“FMPA” shall mean the Florida Municipal Power Agency.

“Nuclear Regulatory Commission” or “NRC” shall mean the Nuclear Regulatory Commission, an agency of the United States government, as defined in 42 U.S.C. §5841, including all successor agencies.

“Participant Disputes” shall mean the disputes that have arisen or may arise between the Company and the Sellers concerning the operation and maintenance of, and management of CR-3 by the Company, including but not limited to:

(a) the events, actions, or omissions related to the CR-3 outage that began on October 2, 2009, including but not limited to, the CR-3 steam generator replacement (the “SGR Project”);

(b) the CR-3 containment building delaminations during the CR-3 outage that began on October 2, 2009 and/or the repair activities and repair plans associated with the CR-3 containment building delaminations;

(c) the rights or obligations in or related to the Participation Agreement resulting from or related to the CR-3 outage that began on October 2, 2009, the SGR Project, the CR-3 containment building delaminations, and/or the associated CR-3 delamination repair activities and repair plans;

(d) the rights or obligations in or related to the Settlement Agreement and Mutual Release dated May 31, 2002 resulting from or related to the CR-3 outage that began on October 2, 2009, the SGR Project, the CR-3 containment building delaminations, and/or the associated CR-3 delamination repair activities and repair plans;

(e) the rights or obligations in or related to all potentially applicable CR-3 property and accidental outage policies with NEIL resulting from or related to the CR-3 outage that began on October 2, 2009, the SGR Project, the CR-3 containment building delaminations and/or the associated CR-3 delamination repair activities and repair plans;

(f) the decision by the Company to settle all potential claims resulting from or related to the CR-3 outage that began on October 2, 2009, the SGR Project, the CR-3 containment building delaminations, and/or the associated CR-3 delamination repair activities and repair plans under all applicable CR-3 property and accidental outage policies with NEIL; and/or

(g) the decision by the Company to retire and decommission CR-3.

“Participants” shall mean City of Alachua, Florida; City of Bushnell, Florida; City of Gainesville d/b/a Gainesville Regional Utilities, Florida; City of Kissimmee, Florida; City of Leesburg, Florida; City of New Smyrna Beach and the Utilities Commission, City of New Smyrna Beach; City of Ocala, Florida; and the City of Orlando and the Orlando Utilities

Commission; each of which are parties to the Participation Agreement. “Participant” shall mean any of the Participants.

“Participation Agreement” shall mean the Crystal River Unit 3 Participation Agreement, dated as of July 31, 1975, between (among others) Company and the Sellers, relating to the ownership and operation of CR-3.

“Participation Waiver” shall have the meaning set forth in Section 5.5 hereof.

“Post-Closing Obligations” shall mean all obligations and liabilities with respect to the Purchased Interests by nature of being an owner, operator, or licensee of CR-3, whether arising under the Participation Agreement, NRC requirements, Florida Public Service Commission Requirements, or other applicable laws, rules or regulations, that are being sold, transferred, assigned, or otherwise conveyed by the Sellers and purchased, accepted and assumed by Company pursuant to this Agreement, that arise upon or after, or continue after, the Closing Date, including, without limitation, the obligations to decommission, and fund, invest, and manage a nuclear decommissioning trust fund, but specifically excluding the Seller’s NDT Indemnification Obligations, as defined in subsection 2.2(b) below.

“Purchased Interests” shall mean: (i) each respective Seller’s undivided percentage interest as a tenant in common with Company and the other Participants in CR-3, as set forth on **Exhibit “A”** attached hereto; (ii) all right, title and interest of each respective Seller in the Participation Agreement; (iii) each respective Seller’s legal and beneficial interest in all payments made to the U.S. Department of Energy or reserves established by or on behalf of each Seller with respect to irradiated nuclear fuel; (iv) each respective Seller’s rights or legal and beneficial interest in all damages, payments, or claims to damages or payments from the U.S. Department of Energy or any other federal or state agency related to CR-3; (v) each respective Seller’s interest in its CR-3 Decommissioning Trust, and all proceeds and rights therein and obligations related thereto arising after the Closing (subject to the Sellers’ NDT Indemnification Obligations); and (vi) all other rights, obligations, claims, demands, causes of action, choses in action or interests of each respective Seller in, or in any way pertaining to, CR-3 (subject to the Sellers’ NDT Indemnification Obligations).

“Seller” shall mean, individually, each of the Sellers, as defined below.

“Sellers” shall mean, collectively the City of Alachua, City of Bushnell, City of Gainesville d/b/a Gainesville Regional Utilities, City of Kissimmee, City of Leesburg, City of New Smyrna Beach and the Utilities Commission, City of New Smyrna Beach, City of Ocala, and the City of Orlando and the Orlando Utilities Commission.

“Sellers’ Closing Certificate” shall have the meaning set forth in Section 6.1 hereof.

“Seller Mutual General Release” shall have the meaning set forth in Section 2.1 hereof.

“Sellers’ NDT Indemnification Obligations” shall have the meaning set forth in Section 2.2 hereof.

“Settlement-Related Documents” shall have the meaning set forth in Section 2.1 hereof.

“Settlement Payment” shall have the meaning set forth in Section 2.3 hereof.

“SGR Project” shall have the meaning set forth in the clause (i) of the fourth recital hereof.

“Site” shall mean the real property in Citrus County, Florida, legally described in **Exhibit “B”** attached hereto.

“Title Objection Letter” shall have the meaning set forth in Section 2.13 hereof.

“Trust Conveyance Documents” shall have the meaning set forth in Section 2.4 hereof.

“Warranty Deed and Bill of Sale” shall have the meaning set forth in Section 6.3 hereof.

“Wholesale Customers” shall mean City of Bartow, City of Chattahoochee, City of Gainesville d/b/a Gainesville Regional Utilities, City of Homestead, City of Mount Dora, City of New Smyrna Beach and the Utilities Commission, City of New Smyrna Beach, City of Quincy, City of Williston, and Florida Municipal Power Agency (All – Requirements Power Supply Project).

“Wholesale Customer Contracts” shall mean the contracts defined in Section 2.6 and defined and listed in **Exhibit “G”** attached hereto.

“Wholesale Customer Disputes” shall mean all disputes that have arisen or may arise by and between the Company and the Wholesale Customers under the Wholesale Customers Contracts concerning the operation and maintenance of, and management of CR-3 by the Company on or before the Closing Date, including but not limited to:

(i) the events, actions, or omissions related to the CR-3 outage that began on October 2, 2009, including but not limited to, the CR-3 steam generator replacement project (“SGR Project”);

(ii) the CR-3 containment building delaminations that occurred during the CR-3 outage that began on October 2, 2009 during the SGR Project and/or the repair activities and repair plans associated with the CR-3 containment building delaminations;

(iii) the rights or obligations in or related to the Wholesale Customer Contracts resulting from or related to the CR-3 outage that began on October 2, 2009, the SGR Project, the CR-3 containment building delaminations, and/or the associated CR-3 delamination repair activities and repair plans;

(iv) the rights or obligations in or related to all potentially applicable CR-3 property and accidental outage policies with Nuclear Electric Insurance Limited (“NEIL”) resulting from or related to the CR-3 outage that began on October 2, 2009, the SGR Project, the CR-3 containment building delaminations and/or the associated CR-3 delamination repair activities and repair plans;

(v) the decision by the Company to settle all potential claims with NEIL resulting from or related to the CR-3 outage that began on October 2, 2009, the SGR Project, the CR-3 containment building delaminations, and/or the associated CR-3 delamination repair activities and repair plans under all applicable CR-3 property and accidental outage policies with NEIL; and/or

(vi) the decision by the Company to retire and decommission CR-3.

“Wholesale Customer Mutual General Releases” shall have the meaning set forth in Section 2.8(a) hereof.

“Wholesale Customer Payment” shall have the meaning set forth in Section 2.8 hereof.

SECTION 2. SETTLEMENT AND RELEASE OF CLAIMS; CLOSING

THE PARTIES HERETO ACKNOWLEDGE AND AGREE THAT THIS AGREEMENT IS INTENDED TO SERVE AS A GLOBAL SETTLEMENT DOCUMENT, SETTING FORTH THE TERMS FOR THE SETTLEMENT OF: (1) THE PARTICIPANT DISPUTES AND WHOLESALE CUSTOMER DISPUTES; (2) THE TERMS FOR THE ACQUISITION OF THE PURCHASED INTERESTS; AND (3) THE TRANSFER OF THE CR-3 DECOMMISSIONING TRUSTS, AND ALL PROCEEDS AND RIGHTS, AND ALL POST-CLOSING OBLIGATIONS AND LIABILITIES THEREIN (SUBJECT TO THE SELLERS’ NDT INDEMNIFICATION OBLIGATIONS), AT THE CLOSING. AS SUCH, THOSE THREE MATTERS ARE INTER-DEPENDENT, SUCH THAT THE COMPANY WOULD NOT BE WILLING TO PURCHASE THE PURCHASED INTERESTS AND RECEIVE THE CR-3 DECOMMISSIONING TRUSTS, AND ALL PROCEEDS AND RIGHTS, AND ALL POST-CLOSING OBLIGATIONS AND LIABILITIES THEREIN (SUBJECT TO THE SELLERS’ NDT INDEMNIFICATION OBLIGATIONS), AT THE CLOSING, BUT FOR THE SIMULTANEOUS SETTLEMENT AND RELEASE OF THE PARTICIPANT DISPUTES AND WHOLESALE CUSTOMER DISPUTES AT THE CLOSING, ALL AS SET FORTH HEREIN.

2.1 Settlement and Release of Seller Claims. Subject to the terms and conditions of this Agreement, and in consideration of the payment to Sellers by the Company of the Settlement Payment as set forth in Section 2.3 below, and for the performance of the Closing hereunder, each of the Sellers and the Company hereby acknowledge and agree that all of the Participant Disputes will be completely and finally resolved as follows:

(a) Seller Mutual General Release. Each of the Sellers and the Company agree to execute and deliver at the Closing, the mutual general release in the form attached hereto as **Exhibit “C”** (the “Seller Mutual General Releases”).

(b) Additional Actions. At and after the Closing, each of the Sellers and the Company agree to take such further actions as are necessary or appropriate to effectuate the intention of the foregoing.

The execution of the Seller Mutual General Releases, and any other documents related thereto, the execution of the Trust Conveyance Documents (as defined in Section 2.4 below), and the

execution of all of the documents described in Sections 6 and 7 below, will be collectively referred to below as the “Settlement-Related Documents”.

2.2 Terms of Acquisition.

(a) Contemporaneously with the execution and delivery of the Settlement-Related Documents, and subject to and in consideration of the terms and conditions of this Agreement, and in consideration of the payment to Sellers by the Company of the Settlement Payment set forth in Section 2.3 below, each of the Sellers will sell, convey and transfer to Company, and Company will purchase and accept from each of the Sellers, on the Closing Date, all right, title, and interest in and to the Purchased Interests, and Company will assume all obligations and liabilities of Sellers in the Purchased Interests, from and after the Closing Date (subject to the Sellers’ NDT Indemnification Obligations), payable at Closing.

(b) For the avoidance of doubt, the parties hereto acknowledge and agree it is their intention, as more specifically set forth in this Agreement, that each and all of the Sellers are selling or otherwise conveying to Company all of their respective ownership of, and all of their respective right, title, interest and Post-Closing Obligations in and to: (i) the Crystal River Unit 3 Plant; (ii) their respective CR-3 Decommissioning Trusts, and all proceeds and rights, and Post-Closing Obligations therein (subject to the Sellers’ NDT Indemnification Obligations; (iii) the Participation Agreement and the Settlement Agreement and Mutual Release dated May 31, 2002; and (iv) all NEIL insurance policies on which the Sellers are additional insureds, and to which each Seller who is also a Wholesale Customer may be entitled to replacement fuel payments. That is to say, following the Closing contemplated herein, and the payment to the Sellers as described herein, none of the Sellers will have any continuing ownership in, rights or obligations associated with, any of the foregoing, other than the Sellers’ indemnification obligations relating to their CR-3 Decommissioning Trusts for two (2) years after the Closing, as set forth in the Indemnification and Hold Harmless Agreement attached hereto as **Exhibit “D”** (the “Sellers’ NDT Indemnification Obligations”).

2.3 CR3 Joint Owner Settlement Payment and Allocation of Settlement Payment.

(a) On the Closing Date, the Company shall pay the Sellers a lump sum of FIFTY-FIVE MILLION AND NO/100 DOLLARS (\$55,000,000.00) (the “Settlement Payment”) by wire transfer to financial institutions designated by the Sellers and in the respective amounts set forth on **Exhibit “E”** of this Agreement. Of the Settlement Payment, TWO THOUSAND AND NO/100 DOLLARS (\$2,000.00) will be allocated as consideration for the transfer of the Purchased Interests, and FIFTY-FOUR MILLION NINE HUNDRED NINETY-EIGHT THOUSAND AND NO/100 DOLLARS (\$54,998,000.00) will be allocated as the consideration paid for the settlement of the Participant Disputes and the granting of the rights and obligations contained in the Settlement-Related Documents.

(b) The Company Parent shall execute the Consent and Joinder attached hereto to guarantee the obligations of the Company as set forth therein.

2.4 Transfer of CR-3 Decommissioning Trust Payments. At the Closing, each of the Sellers will execute such documentation as the Company will require, in order to vest full,

complete and valid title in the Company in and to all right, title and interest of each of the Sellers in and to the CR-3 Decommissioning Trusts, and all funds, proceeds and rights contained therein and all obligations and liabilities related thereto, subject to the Sellers' NDT Indemnification Obligations (collectively the "Trust Conveyance Documents"). The form of the Trust Conveyance Documents is set forth on **Exhibit "D"**. Prior to Closing, the Sellers may withdraw a total of \$429,560.21, allocated among the Sellers in the amounts set forth on Schedule 2.4 attached hereto, from their respective CR-3 Decommissioning Trusts for reimbursement of decommissioning costs previously invoiced by Company during the months of July through October 2013 and paid by the Sellers, as well as invoiced during the month of November 2013 and inadvertently paid by the City of Alachua, but previously not reimbursed from the CR-3 Decommissioning Trusts. Except as provided in the preceding sentence, in no event shall Sellers withdraw funds from their respective CR-3 Decommissioning Trusts prior to their transfer to Company. Until such transfer, Sellers shall keep their respective CR-3 Decommissioning Trusts invested in accordance with the applicable rules and regulations (including regulatory guides) of the U.S. Nuclear Regulatory Commission ("NRC") and Florida Public Service Commission ("FPSC"), as amended from time to time. Sellers shall also continue to manage the investments in their respective CR-3 Decommissioning Trusts in the same prudent manner in which they have been managing them through the Closing Date. Also, at all times from the Execution Date through and including the Closing Date, each of the Sellers will provide to Company quarterly investment statements showing the amounts of and investments in each respective Seller's CR-3 Decommissioning Trust, which statements must be provided on or before the fifteenth (15th) day following each fiscal quarter end. After the transfer of the Sellers' CR-3 Decommissioning Trusts to the Company, the Sellers shall have no CR-3 decommissioning obligations, responsibilities, or liabilities to Company, whether arising out of the Participation Agreement, Nuclear Regulatory Commission regulations or otherwise, except for the Sellers' NDT Indemnification Obligations.

Additionally, the Company and each of the Sellers will execute and deliver to the other party at Closing, an Indemnification and Hold Harmless Agreement, substantially in the form set forth on **Exhibit "D"**, by which the Sellers will indemnify and hold the Company harmless from all liabilities or claims arising out of or related to each Seller's possession, management, operation, use, or transfer of the respective Seller's CR-3 Decommissioning Trust, and all of the funds, proceeds, and rights associated therewith or contained therein, and the Company will indemnify and hold the Sellers harmless from all liabilities or claims arising out of or related to the Company's possession, management, operation, or use of the Company's CR-3 Decommissioning Trust, and all of the funds, proceeds, and rights associated therewith or contained therein, except for the Sellers' NDT Indemnification Obligations. Upon the Closing and the execution of the Settlement-Related Documents, the Sellers will no longer be parties to the Participation Agreement.

2.5 Removal from Participation Agreement. At the Closing, the parties will execute the Assignment and Assumption Agreement substantially in the form attached hereto as **Exhibit "F"**.

2.6 Future CR-3 Operating, Maintenance, Capital and Decommissioning Expenses. As of October 1, 2013, and at all times thereafter, the Sellers will have no further financial or other obligation for their respective ongoing CR-3 operating costs, including operation and

maintenance (“O&M”) and administrative and general (“A&G”) costs; capital costs; shut down costs; nuclear fuel costs; inventory; common and external facilities charges; nuclear decommissioning costs and nuclear decommissioning trust fund obligations, subject to the Sellers’ NDT Indemnification Obligations, or any other CR-3 related costs or liabilities which would otherwise be due and owing under the Participation Agreement (collectively “CR-3 Operating Costs”). The Sellers further agree that they are not entitled to, and the Company will not pay, any refund of insurance premiums, or portions of insurance premiums, paid through October 1, 2013, pursuant to the Participation Agreement. Within thirty (30) days of the Effective Date of this Agreement, the Company will refund to the Sellers \$1,311,402.90 by wire transfer to financial institutions designated by the Sellers and in the respective amounts set forth on Schedule 2.6 of this Agreement for CR-3 Operating Costs (which amount excludes replacement power costs) that were paid to Company by the Sellers for costs incurred (or estimated by Company to be incurred) on or after October 1, 2013.

2.7 Waiver by Company of CR-3 Repair Costs. The Company waives its claim to a right to seek recovery of any and all CR-3 repair costs that the Company alleges is owed by the Sellers, but not heretofore paid by the Sellers, which the Company estimates to be \$13.6 million.

2.8 CR-3 Related Payment to Wholesale Customers. The parties hereto acknowledge and agree that there currently exist a number of contracts between the Company, as the provider of electricity, and the Wholesale Customers, as the respective purchasers of electricity, as such contracts are more specifically set forth on **Exhibit “G”** attached hereto (collectively the “Wholesale Customer Contracts”). As material consideration for the execution and performance of this Agreement, the parties hereto agree that, at Closing, the following must occur:

(a) Wholesale Customer Contracts. All Wholesale Customers will execute and provide to Company at the Closing, the mutual general release included in **Exhibit “H”** attached hereto (the “Wholesale Customer Mutual General Release”).

(b) Wholesale Customer Payment. At Closing, and upon the written instruction and direction of all Wholesale Customers to Company, specifying the amount to be paid to each Wholesale Customer, the Company shall pay to the Wholesale Customers, a total of \$8,400,000.00 (the “Wholesale Customer Payment”) by wire transfer to financial institutions designated by the Wholesale Customers in the respective amounts set forth on Schedule 2.8(b).

(c) Wholesale Customer Consent and Joinder. To acknowledge their agreement and consent to the terms and provisions of this Section 2.8 and certain other sections of this Agreement set forth herein, each and all of the Wholesale Customers must execute the Consent and Joinder document attached to this Agreement.

(d) Company Parent Consent and Joinder. The Company Parent shall execute the Consent and Joinder attached hereto to guarantee the obligations of the Company as set forth therein

2.9 Closing Date. The purchase and sale and conveyance of the Purchased Interests, and the execution and delivery of the Settlement-Related Documents (collectively the “Closing”) will take place at 10:00 a.m., at the general offices of Company in St. Petersburg, Florida, on a date to be mutually agreed upon by the parties, which date shall be the earlier of: (a) within 30 days after all conditions precedent to the Closing set forth in Sections 6 and 7 below have been satisfied or waived in writing by the applicable parties; or (b) June 1, 2015 (the “Closing Date”). The Closing Date can be extended by the mutual written agreement of the Company, Sellers, Company Parent, and Wholesale Customers. To avoid doubt, each of the Sellers and Wholesale Customers hereby agree that its representatives may give such mutual written agreement to extend the Closing Date without action or approval of their respective governing bodies.

2.10 Failure to Close. The parties hereto expressly acknowledge and agree that, if the Closing does not occur on or before the Closing Date as referenced in Section 2.9 next above, this Agreement will automatically terminate without further action by any party, and this Agreement will have no effect, and Company, Sellers, Wholesale Customers, and Company Parent shall each retain any and all rights, obligations, claims or defenses that they may otherwise have. In addition, upon termination of this Agreement as aforesaid: (a) the Company will have the right to invoice Sellers for all due and owing CR-3 Operating Costs and all CR-3 maintenance and capital expenses then due and owing; and (b) the Sellers shall immediately repay to the Company the \$1,311,402.80 set forth in Section 2.6 above.

2.11 Transaction Expenses. Each Seller shall pay all of its own expenses in connection with the acquisition, assignments, transfer, conveyances and deliveries to be made hereunder, and Company shall have no liability therefor. Company shall pay all of its own expenses in connection with the acquisition, assignments, transfer, conveyances and deliveries to be made hereunder, and no Seller shall have any liability therefor. State documentary stamp tax which is required to be affixed to the deeds and the cost of recording any corrective instruments shall be paid by Company. The cost of recording the deeds will be paid by the applicable Seller.

2.12 Delivery of Purchased Interests and Closing Instruments. At the Closing, each Seller shall deliver to Company each of the items described in Section 6 hereof, together with all contracts, agreements, leases, permits, commitments, and rights pertaining to the Purchased Interests and Settlement-Related Documents.

2.13 Title Commitment and Policy. Within six (6) months after the Effective Date of this Agreement, the Sellers shall deliver to Company, at the Sellers’ expense, a Title Commitment from a nationally recognized title company reasonably acceptable to Company, agreeing to insure Company’s fee simple title to the Realty after Closing in the collective amount of \$6.37 million, in form and substance satisfactory to Company (the “Commitment”) together with legible copies of all title exception documents. The Sellers will cooperate fully with Company in order for all requirements set forth in Schedule B-1 of the Commitment to be deleted from the Commitment at Closing.

Each Seller agrees that all mortgages, liens, security interests, encumbrances, or judgments against its Realty (other than taxes and assessments for the year of Closing) will be satisfied by the applicable Seller at or prior to Closing.

If the Commitment shows exceptions against any Seller's interest which renders title to any of the Realty unmarketable or uninsurable, Company shall notify the Sellers in writing within thirty (30) days following its receipt of the Commitment, specifying the matters revealed by the Commitment which render title unmarketable or uninsurable and to which Company objects (the "Title Objection Letter"). The matters described in the Title Objection Letter shall be treated as title defects.

The Seller or Sellers upon whose Realty a title defect has been identified in the Title Objection Letter shall have thirty (30) days following their receipt of Company's Title Objection Letter within which to remove any title defects cited by Company other than mortgages, liens, security interests, encumbrances, and judgments to be satisfied at or prior to Closing. If such Seller or Sellers fail, within such time, to remove or cure such defects, Company shall be entitled to take such actions as the Company shall deem necessary or appropriate in order to cure such title defects, including, without limitation, utilizing up to the full amount of the applicable Seller(s)' allocation of the Settlement Payment, as set forth on **Exhibit "E"**, to remove/eliminate each and every matter set forth on the Title Objection Letter. The Company is free to waive any title defect in writing.

2.14 Cure of Title-Related Matters. At any time before the Closing, Company shall have the right to conduct, at its own expense, an independent review of each Seller's title to the Purchased Interests, including obtaining applicable UCC searches. If title to any of the Purchased Interests is found defective as determined by Company, Company shall within sixty (60) days thereafter, give notice to the applicable Seller specifying the defect(s), and any such defect which is not cured to Company's satisfaction prior to the Closing shall be treated as a title defect under Section 2.13, including the rights and obligations of the parties as set forth therein.

2.15 Risk of Loss by Casualty. If the Purchased Interests are damaged by fire or other casualty before Closing, the Sellers shall take such actions as may be required by the Participation Agreement (excluding CR-3 Operating Cost payment obligations). In such event, Company shall take the Purchased Interests "as is" together with all insurance proceeds that may be payable to Sellers as a result of such damage to the Purchased Interests. Company and Sellers will attend and perform at Closing in the manner described in this Agreement. At Closing, Sellers shall pay or assign to Company the insurance proceeds paid or payable to Sellers as a result of the damage to the Purchased Interests. Until Closing, Company shall maintain, for the benefit of Company and the Participants, insurance of the type and amount required by Section 11 of the Participation Agreement.

2.16 Permit Transfer. As soon as reasonably practicable following the Effective Date of this Agreement, Company shall file and pursue an application for approval of transfer of rights pursuant to the permits with the appropriate federal regulatory authorities. Any necessary filing fee for the application, the cost of advertisement of the filing of the application, together with all costs associated with the review and disposition by the appropriate administrative agency and all other costs incurred incidental thereto shall be the responsibility of Company. The Sellers shall cooperate with Company in all respects, at Company's request from time to time, with respect to such applications, including but not limited to, providing written notice to the appropriate federal administrative or governmental agency, including but not limited to, the NRC, of the Sellers' agreement to sell, convey and transfer the Purchased Interests.

2.17 Further Assurances. From time to time, each party to this Agreement shall execute and deliver to the others such other instruments of conveyance and transfer and take such other action as may reasonably be required so as to more effectively sell, convey, transfer to, and vest in Company, and to put Company in possession of, all of the properties or assets to be conveyed, transferred, and delivered to Company hereunder including the Purchased Interests.

2.18 Default. If any Seller or Company is in material breach of this Agreement prior to the Closing, then the non-defaulting party shall provide written notice to the defaulting party specifying with particularity such default (a “Default Letter”), and the defaulting party shall have sixty (60) days following its receipt of the Default Letter, in which to cure such default. If the defaulting party fails to cure such default within such sixty (60) day period, then the non-defaulting party may elect to cancel and terminate this Agreement, or may elect to seek specific performance of all of the defaulting party’s obligations hereunder. In addition, and without limiting or waiving any of its other remedies under this Agreement, the non-defaulting party shall be entitled to pursue all other remedies available at law or in equity.

SECTION 3. REPRESENTATIONS AND WARRANTIES OF SELLERS

As a material inducement to Company to execute and perform its obligations under this Agreement and to Close, each Seller hereby represents and warrants to Company that each of the following statements in this Section is true, correct, and complete, as of the Effective Date hereof, and will be true, correct and complete as of the Closing Date:

3.1 Organization. Each Seller is a Florida municipality, a Florida municipal utility, commission, board, or authority and holds title to its respective Purchased Interests as set forth on **Exhibit “A”**. Each Seller has the requisite power and authority to execute and deliver this Agreement and to perform its obligations hereunder. Copies of all applicable documents establishing each Seller’s due incorporation, valid existence and active status will be provided to Company on request.

3.2 Due Authorization. The execution, delivery and performance by each Seller of this Agreement and all Closing documents referenced herein have been duly authorized by all necessary action on the part of each Seller, does not contravene the Florida Constitution, any law, or any government rule, regulation or order applicable to each Seller, or its properties, and does not and will not contravene the provisions of, cause the acceleration of any rights under, cause the creation of any lien under, or constitute a default under, any contract, resolution or other instrument to which the applicable Seller is a party or by which the applicable Seller is bound, which could adversely affect the ability of the applicable Seller to carry out its obligations under this Agreement. All requisite government and regulatory approvals and consents for each Seller, including but not limited to the NRC, Federal Energy Regulatory Commission, approvals necessary for the execution, delivery and performance by the Sellers of this Agreement have been obtained or will be obtained prior to Closing. The execution, delivery and performance of this Agreement does not require the Sellers to (i) obtain any consent of any creditor, lessor, mortgagee, bondholder, or other party to any agreement or instrument to which any Seller is a party or by which any Seller or any of its properties are bound except as provided in Section 5.6 hereof [**Joint Owners to confirm**], or (ii) notify or obtain any permit, authorization or approval of any federal, state or local authority, except for the transfer of permits as set forth

herein. This Agreement has been duly and validly executed and delivered by each Seller, and constitutes the legal, valid and binding obligations of each Seller, enforceable in accordance with its respective terms, subject to bankruptcy, insolvency, reorganization, arrangement, moratorium and other laws affecting creditors' rights generally, to the application of equitable principles, and to the exercise of judicial discretion in appropriate cases.

3.3 Litigation. There are no actions, suits or proceedings pending against any Seller, or, to any Seller's knowledge, threatened against any Seller, or any of the assets to be conveyed hereunder before any court or administrative body or agency having jurisdiction over any Seller, or any of the assets to be conveyed hereunder (including any arbitrations, worker's compensation or other administrative proceedings, condemnation proceedings, criminal prosecutions, governmental investigations or audits) nor are there any other circumstances known to any Seller to be pending or threatened, which might materially adversely affect the execution, delivery and performance by any Seller of this Agreement.

3.4 Title to Property. With respect to the Realty and each item of Personalty, each Seller has the undivided percentage interest therein set forth on **Exhibit "A"** attached hereto, and good and marketable title, in the case of the Realty, and good and assignable title, in the case of the Personalty on such Seller's percentage interest, and in each case, free and clear of any liens, claims, charges, mortgages, leases, subleases, security interests, exceptions, encroachments, encumbrances and rights of any parties of any kind or type whatsoever (collectively "Encumbrances"). Each respective Seller holds legal and beneficial title to all of the rights of that Seller contained in the Settlement-Related Documents, and none of those rights has been assigned, transferred, conveyed, or encumbered in any way by any Seller.

3.5 Condition. The Sellers make no representations or warranties whatsoever, expressed, implied or statutory as to the value, quality, conditions, salability, obsolescence, merchantability, design, engineering, construction, fitness or suitability for use or working order for all or any part of the Realty or Personalty, wherever situate, and in whatever state of development, design, engineering, manufacturing, repair or construction.

3.6 Assigned Contracts. Each Seller represents that it has not entered into, nor is bound by any contract, other than Section 9.2 of the Participation Agreement, that would prohibit the applicable Seller from performing any of its obligations under this Agreement.

3.7 Disclosure. No representations or warranties by the Sellers contained in this Agreement, and no writing, certificate, list or other instrument furnished, or to be furnished by the Sellers to Company pursuant hereto, or in connection with the transactions contemplated hereby, contains, or shall contain, any untrue statement of a material fact, or omits, or shall omit, or fails or shall fail to state a material fact necessary in order to make the statements and information contained herein or therein, as the case may be, not misleading or necessary in order to provide Company with full and proper information as to the Purchased Interests and the Sellers' business and affairs. All financial documents provided by the Sellers to Company, including, without limitation, those concerning each respective CR-3 Decommissioning Trust, are true and correct in all material respects.

3.8 Representations and Warranties at Closing. All representations and warranties of the Sellers set forth in this Agreement shall be true and correct at and as of the Closing Date as if such representations and warranties were made at and as of such date.

3.9 CR-3 Decommissioning Trust Fund. Each Seller has funded its respective CR-3 Decommissioning Trust in accordance with the amounts included in each nuclear decommissioning cost study provided by Company at various points in time. Specifically, each Seller represents and warrants that its CR-3 Decommissioning Trust contains funds intended to be used for radiological decommissioning, site restoration, and spent fuel management, as those categories of costs were set forth in the nuclear decommissioning cost studies provided by the Company. Each Seller further represents and warrants that its account listed above in the definition of “CR-3 Decommissioning Trust” is the only account(s) created by such Seller to pay for the decommissioning of CR-3, and that no other Seller-owned accounts intended for decommissioning of CR-3 exist.

SECTION 4. REPRESENTATIONS AND WARRANTIES OF COMPANY

Company hereby represents and warrants to the Sellers as follows:

4.1 Organization. Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Florida and has the requisite power and authority to acquire and own the Purchased Interests, 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 contemplated to be conducted in the future.

4.2 Due Authorization. The execution, delivery and performance by Company of this Agreement have been duly authorized by all requisite action by Company, and, subject to the receipt of the items described in Section 6.5, do not (a) contravene any law, or any governmental rule, regulation or order applicable to Company or its properties, or the Articles of Incorporation or By-Laws of Company, or (b) contravene the provisions of, cause the acceleration of any rights under, cause the creation of any lien under, or constitute a default under, any contract, resolution or other instrument to which Company is a party or by which Company is bound, which could materially affect the ability of Company to carry out its obligations hereunder or thereunder. All requisite government and regulatory approvals and consents, including but not limited to NRC, Federal Energy Regulatory Commission, and Florida Public Service Commission approvals necessary for the execution, delivery and performance by the Company have been obtained or will be obtained prior to Closing. The execution, delivery and performance of this Agreement do not require the Company to (i) obtain any consent of any creditor, lessor, mortgagee, bondholder, or other party to any agreement or instrument to which Company is a party or by which any Company or any of its properties are bound except as provided in Section 5.6 hereof, or (ii) notify or obtain any permit, authorization or approval of any federal, state or local authority, except for the transfer of permits as set forth herein. This Agreement has been duly and validly executed and delivered by Company and will constitute the legal, valid and binding obligations of Company enforceable in accordance with its terms, subject to bankruptcy, insolvency, reorganization, arrangement, moratorium and other laws affecting creditors' rights generally, to the application of equitable principles, and to the exercise of judicial discretion in appropriate cases.

4.3 Litigation. There are no actions, suits, or proceedings pending against Company or, to Company's knowledge, threatened against or affecting Company before any court or administrative body or agency having jurisdiction over Company, which might materially adversely affect the execution, delivery and performance by Company of this Agreement.

4.4 Disclosure. No representations or warranties by Company contained in this Agreement and no writing, certificate, list or other instrument furnished, or to be furnished by Company to Sellers pursuant hereto, or in connection with the transactions contemplated hereby, contains, or shall contain, any untrue statement of a material fact, or omits, or shall omit, or fails, or shall fail, to state a material fact necessary in order to make the statements and information contained herein or therein, as the case may be, not misleading.

4.5 Representations and Warranties at Closing. All representations and warranties of Company set forth in this Agreement shall be true and correct at and as of the Closing Date as if such representations and warranties were made at and as of such date.

SECTION 5. OBLIGATIONS OF PARTIES

5.1 Duty to Disclose. In the event that prior to the Closing, either Company or any Seller becomes aware of any facts or circumstances that would make any of its representations and warranties herein untrue or misleading, such party shall promptly give written notice of such facts or circumstances to the other party.

5.2 Satisfaction of Conditions Precedent. Each party agrees to use reasonable efforts to cause the conditions precedent to its obligations to close the transactions under this Agreement, that are within its reasonable control, to be satisfied at or prior to the Closing (provided, however, that the foregoing shall not require either party to perform a covenant or duty of the other party, or to remedy a breach of representation or warranty of the other party, under this Agreement).

5.3 Conduct of Operations Prior to Closing. From and after the Effective Date of this Agreement until the Closing Date, except as otherwise consented to by the other party in writing:

(a) No Seller shall sell or otherwise assign or transfer all or any portion of the Purchased Interests or the rights of Seller contained in the Settlement-Related Documents, and shall not consider or solicit any proposals, for the purchase and sale of all or any portion of the foregoing without the prior written consent of Company;

(b) No party shall take any action in such a manner as would adversely affect that party's ability to consummate this Agreement and perform its obligations under this Agreement.

5.4 Consents. Each Seller shall use its best efforts to obtain, in writing, any third party consents or approvals necessary in order that the transactions contemplated hereby shall not result in any default or termination of any agreement to which that Seller is a party. Any failure to obtain such consents or approvals shall be treated as a title defect under Section 2.10 with respect to the properties affected thereby.

5.5 Required Waivers Under Participation Agreement.

(a) Prior to the Closing, Company shall attempt to obtain a written waiver from each party to the Participation Agreement that is not the Company or a Seller, pursuant to which such party shall waive its right to receive an offer to purchase a Seller's CR-3 ownership interest pursuant to Section 9.2 of the Participation Agreement (the "Participation Waiver"). Provided however, should Company be unable to obtain the Participation Waiver prior to Closing, the Company shall notify the Sellers in writing that it has not obtained the Participation Waiver, and proceed to Closing as set forth in this Agreement, subject to the Company's indemnification of Sellers related to the inability to obtain the Participation Waiver, as set forth in Section 8.4(b)(iv) of this Agreement.

(b) With respect to the Sellers' own rights of first refusal pursuant to Section 9.2 of the Participation Agreement, each Seller hereby forever waives and relinquishes its respective right of first refusal to purchase the pro rata share of each other Seller's interest in CR-3. Nothing in this Section shall be interpreted as authorizing Company to purchase less than the entire Purchased Interests pursuant to Section 9.2 of the Participation Agreement.

5.6 No Individual Sales. The parties hereto acknowledge and agree that it is their collective intention that the Company purchase all, and not less than all, of the Purchased Interests from each and all of the Sellers, and the Company shall have no obligation to purchase, and the Sellers shall have no obligation to sell, less than all of the Purchased Interests. Stated another way, unless waived by the Company and the Sellers in writing, there shall be no obligation on the Company to close and purchase, and no obligation on any Seller to close and sell, less than all of the Purchased Interests collectively owned by the Sellers.

SECTION 6. CONDITIONS PRECEDENT TO COMPANY'S OBLIGATION TO CLOSE

The obligation of Company to close is subject to the full satisfaction (or the waiver in writing by Company), prior to or at the Closing, of each of the following conditions in a manner, substance and form satisfactory to Company and its counsel:

6.1 Certificate. Each Seller shall have executed and delivered to Company a Closing Certificate, substantially in the form attached hereto as **Exhibit "I"**, signed by a duly authorized officer of such Seller, dated the Closing Date, which states that the representations and warranties of such Seller, contained in this Agreement and the information in all lists, certificates, documents, exhibits, and other writings delivered by such Seller to Company pursuant hereto, are true and correct as of the Effective Date hereof, and are deemed to have been made and delivered again as of and at the Closing, and that all shall then be true and complete in all material respects as if made as of and at the Closing (the "Seller's Closing Certificate").

6.2 Opinion of Counsel for Sellers. Counsel to each Seller shall have delivered an opinion dated the Closing Date and addressed to Company, substantially in the form attached hereto as **Exhibit "J"**.

6.3 Warranty Deed and Bill of Sale. Each Seller shall have executed and delivered a Special Warranty Deed and a Bill of Sale substantially in the form of **Exhibit “K”** attached hereto (the “Warranty Deed and Bill of Sale”), together with a Lien Affidavit, a FIRPTA affidavit and any other instrument that may be reasonably required or reasonably requested by Company in order for each Seller to convey to Company good and assignable title to each Seller’s interest in the Personalty, and good and marketable title to each Seller’s interest in the Realty (and all buildings, power plants, structures, improvements and fixtures located thereon), and to transfer to Company the rest of the Purchased Interests, under the terms of this Agreement, in each case free and clear of all Encumbrances.

6.4 Assignment and Assumption Agreement. Each Seller shall have executed and delivered the Assignment and Assumption Agreement in substantially the form of **Exhibit “F”** attached hereto (the “Assignment and Assumption Agreement”) for the Participation Agreement interest being transferred at Closing.

6.5 Execution and Delivery of Settlement-Related Documents. The Company, Sellers, and Wholesale Customers, as applicable, shall each have executed and delivered, all of the Settlement-Related Documents.

6.6 Execution of Wholesale Customer Mutual General Release. All Wholesale Customers shall have executed and delivered to Company the Wholesale Customer Mutual General Release in the form attached hereto as **Exhibit “H”**.

6.7 Consents, Approvals and Permits. All third party consents, regulatory approvals and governmental permits necessary for the consummation of the transactions under this Agreement, the issuance or assignment of all licenses, permits, and agreements required to have been obtained, on or prior to the Closing Date, with respect to the transactions under this Agreement, shall have been received (without the imposition of any additional conditions, qualifications, or reservations). Without limiting the generality of the preceding sentence, (a) the NRC shall have issued a final ruling as to the license transfer request to be filed by the Company and Sellers upon the Effective Date of this Agreement, which ruling must be acceptable to Company in its sole discretion, and (b) no proceeding before the Federal Energy Regulatory Commission or any other governmental body or agency or court shall be pending or threatened which challenges, or would challenge, any of the transactions under this Agreement.

6.8 Application for Amendment/Transfer of NRC Operating License. Company, as operator under NRC Operating License No. DPR-72 for CR-3, and as agent under the Participation Agreement, shall have made application to, and obtained written approval from the NRC for amendment/transfer of such license to delete the Sellers as entities authorized to possess (though not to operate) CR-3. Sellers, to the extent requested by Company, shall have cooperated in all respects with such application.

SECTION 7. CONDITIONS PRECEDENT TO SELLERS’ OBLIGATION TO CLOSE

The obligation of the Sellers to close is subject to the full satisfaction (or the waiver in writing by the Sellers), prior to or at the Closing, of each of the following conditions, in a manner, substance and form satisfactory to each of the Sellers and their counsel:

7.1 Certificate. Company shall have executed and delivered to the Sellers a Closing Certificate, substantially in the form attached hereto as **Exhibit “I”**, signed by a duly authorized officer, dated the date of Closing, which states that all of the Company’s representations and warranties contained in this Agreement and the information in all lists, certificates, documents, exhibits, and other writings delivered by the Company to the Sellers pursuant hereto, are true and correct as of the Effective Date hereof, and are deemed to have been made and delivered again as of and at the Closing, and that all shall then be true and complete in all material respects as if made as of and at the Closing (the “Company’s Closing Certificate”).

7.2 Opinion of Counsel for Company. Counsel to Company shall have delivered an opinion dated the Closing Date and addressed to Sellers, substantially in the form attached hereto as **Exhibit “L”**.

7.3 Assignment and Assumption Agreement. Company shall have executed and delivered to the Sellers the Assignment and Assumption Agreement in substantially the form of **Exhibit “F”**.

7.4 Execution and Delivery of Settlement-Related Documents. The Company, Sellers, and Wholesale Customers, as applicable, shall each have executed and delivered the Settlement-Related Documents.

7.5 Execution of Wholesale Customer Mutual General Release. Company shall have executed and delivered to the Wholesale Customers the Wholesale Customer Mutual General Release in the form attached hereto as **Exhibit “H”**.

7.6 Consents, Approvals and Permits. All third party consents, regulatory approvals and governmental permits necessary for the consummation of the transactions under this Agreement, the issuance or assignment of all licenses, permits, and agreements required to have been obtained, on or prior to the Closing Date, with respect to the transactions under this Agreement, shall have been received (without the imposition of any additional conditions, qualifications, or reservations). Without limiting the generality of the preceding sentence, (a) the NRC shall have issued a final ruling as to the license transfer request to be filed by the Company and Sellers upon the Effective Date of this Agreement, which ruling must be acceptable to Company in its sole discretion, and (b) no proceeding before the Federal Energy Regulatory Commission or any other governmental body or agency or court shall be pending or threatened which challenges, or would challenge, any of the transactions under this Agreement.

SECTION 8. GENERAL PROVISIONS.

8.1 Survival. All representations, warranties, covenants and agreements made by the Sellers, or Company under this Agreement, in connection with the transactions contemplated hereby, or in any certificate, exhibit, schedule, list or other instrument delivered pursuant hereto, shall survive the Closing and any investigations made at any time with respect thereto.

8.2 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.

8.3 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 provisions hereof.

8.4 Indemnifications. Effective as of the Closing, should it occur, but not otherwise:

(a) Each Seller hereby agrees to defend, indemnify and hold harmless Company, its affiliates, officers, agents, directors, employees, predecessors in interest, successors and assigns against, and in respect of, any and all manner of loss, costs, claims, damages, penalties, fines, liabilities and expenses, including, without limitation, reasonable attorneys' fees and litigation expenses, arising out of or relating in any way to:

(i) Any liability of the Seller arising out of the Participation Agreement and/or the Purchased Interests, not expressly assumed by Company pursuant to this Agreement; or

(ii) Any breach by such Seller of any of the representations, warranties, releases, covenants or agreements provided for in this Agreement, or in any of the documents executed by such Seller at Closing, or in any certificate or document delivered to Company by such Seller hereunder.

(b) Company hereby agrees to defend, indemnify and hold harmless each Seller, its affiliates, officers, agents, directors, employees, successors and assigns against, and in respect of, any and all manner of loss, costs, claims, damages, penalties, fines, liabilities and expenses, including, without limitation, reasonable attorneys' fees and litigation expenses, arising out of or relating in any way to, but excluding, at all times, the Sellers' NDT Indemnification Obligations:

(i) The construction, ownership, operation, maintenance, licensing, and repair of CR-3, including, without limitation, the CR-3 steam generator replacement project or subsequent containment wall delamination and retirement of CR-3;

(ii) Any breach by Company of any of the representations, warranties, releases, covenants or agreements provided for in this Agreement, or in any of the documents executed by Company at Closing, or in any certificate or document delivered to any Seller by Company hereunder; or

(iii) All obligations, responsibilities or liabilities assigned to and assumed by the Company pursuant to this Agreement or any of the Settlement-Related Documents, including, without limitation, those arising out of the Participation Agreement; or

(iv) Any claims by any party to the Participation Agreement that is not the Company or a Seller arising out of or related to the inability or failure to obtain the Participation Waiver prior to the Closing Date; or

(v) The decommissioning of CR-3, including without limitation, SAFSTOR activities, radiological decommissioning, site restoration, spent fuel management, or any other activities undertaken to permanently remove CR-3 from service and reduce and

remove radioactive material to levels that would permit termination of the Nuclear Regulatory Commission license, the disposal, management, and storage of spent fuel and radioactive materials and waste, and the dismantlement of site structures and other activities necessary to restore the CR-3 site to NRC, or other federal, state, or local governmental or regulatory authority, required conditions.

(c) If any action, suit or proceeding shall be commenced against, or any such claim, demand or assessment be asserted against, an indemnified party in respect of which such indemnified party proposes to demand indemnification, the indemnified party shall notify the indemnifying party to that effect with reasonable promptness and the indemnified party shall have the right at its own expense to participate in (but not to direct) the defense, compromise or settlement thereof. In connection therewith, the indemnified party shall cooperate fully to make available to the indemnifying party all pertinent information under its control. The indemnified party shall not admit liability or agree to a settlement without the prior written consent of the indemnifying party, which consent shall not be unreasonably withheld.

(d) The provisions of this Section 8.4 are in addition to, and not in limitation of, any of the provisions of the closing documents referenced herein, including, without limitation, the Seller Mutual General Releases attached hereto as **Exhibit "C"**.

8.5 Integration. The terms and provisions contained in this Agreement shall constitute the entire agreement between the Sellers and Company with respect to the matters provided for herein and therein and supersede all previous agreements with respect thereto, whether verbal or written, between the Sellers and Company.

8.6 Successors and Assigns. The terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors of the parties hereto (Company, Sellers, Wholesale Customers, and Company Parent) and their assignees permitted hereunder; provided, however, that except for any partial or full assignment or delegation by Company to a corporation or other entity affiliated with Company, to which Company may sell or assign all or substantially all of its assets, or with which Company may enter into a merger, consolidation, reorganization, or other business combination, any or all of which shall be permitted without Sellers' consent, neither this Agreement nor any portion thereof may be assigned or delegated by either party without the prior written consent of the other parties hereto. If this Agreement is assigned or delegated with such consent, the terms and conditions hereof shall be binding upon and shall inure to the benefit of such assignee and its successors and assignees permitted hereunder; provided, however, that no assignment or delegation of this Agreement or any of the rights or obligations hereof shall relieve the assignor of its obligations under this Agreement. Nothing expressed or referred to in this Agreement will be construed to give any person other than the parties to this Agreement any legal or equitable right, remedy, or claim under or with respect to this Agreement or any provision of this Agreement, except such rights as shall inure to a successor or permitted assignee pursuant to this Section.

8.7 Amendments and Waivers. This Agreement may be amended by and only by a written instrument duly executed by each of the parties hereto. Any of the terms or provisions of this Agreement may be waived in writing at any time by the party which is entitled to the benefits of such waived terms or provisions. No waiver of any of the provisions of this

Agreement shall be deemed to or shall constitute a waiver of any other provisions hereof (whether or not similar). No delay on the part of any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof.

8.8 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.

8.9 Jurisdiction; Service of Process. Any action or proceeding seeking to enforce any provision of, or based on any right arising out of, this Agreement may be brought against any of the parties solely in the courts of the State of Florida, County of Pinellas, or, if it has or can acquire jurisdiction, in the United States District Court for the Middle District of Florida, Tampa Division, and each of the parties consents to the jurisdiction of such courts (and of the appropriate appellate courts) in any such action or proceeding and waives any objection to venue therein.

8.10 Notices. All notices and other communications hereunder shall be in writing and shall be delivered by hand, by prepaid first class registered or certified mail, return receipt requested, by courier by a nationally recognized overnight courier service, or by facsimile (provided the sending party has received electronic confirmation of receipt by the receiving party and the sending party sends by mail a copy of such notice), addressed as set forth on **Exhibit “M”** attached hereto, or at such other address for a party as shall be specified by like notice. Except as otherwise provided in this Agreement, all notices and other communications shall be deemed effective upon receipt.

8.11 Costs. Except as otherwise provided in this Agreement, each party shall pay its own expenses with respect to the transactions under this Agreement.

8.12 Attorneys’ Fees. In the event of any litigation between the parties with respect to this Agreement, the prevailing party shall be entitled to recover its attorneys’ fees and costs (including paralegal costs) whether incurred prior to trial, during trial, on appeal or in bankruptcy proceedings, from the non prevailing party or parties.

8.13 Recitals. The Recitals in this Agreement form an integral part of this Agreement and set forth the basis upon which the parties have entered into this Agreement.

8.14 Interpretation. In the interpreting of this Agreement, the singular shall include the plural and vice versa, and, unless the context otherwise requires, the word “including” shall mean “including, without limitation”.

8.15 Radon Gas Notification. In accordance with the requirements of Florida law, the following notice is hereby given by the Sellers:

RADON GAS: Radon is a naturally occurring radioactive gas that, when it is accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information

regarding radon and radon testing may be obtained from the Citrus County Public Health Center.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed on its behalf as of the date first above written.

Witnesses:

DUKE ENERGY FLORIDA, INC.,
as the Company

Print Name: _____

By: _____
As its: _____

Print Name: _____

(CORPORATE SEAL)

As to Company

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed on its behalf as of the date first above written.

Witnesses:

CITY OF ALACHUA,
as a Seller

Print Name: _____

By: _____
As its: _____

Print Name: _____

(CORPORATE SEAL)

As to Seller

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed on its behalf as of the date first above written.

Witnesses:

CITY OF BUSHNELL,
as a Seller

Print Name: _____

By: _____
As its: _____

Print Name: _____

(CORPORATE SEAL)

As to Seller

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed on its behalf as of the date first above written.

Witnesses:

CITY OF GAINESVILLE
D/B/A GAINESVILLE REGIONAL
UTILITIES,
as a Seller

Print Name: _____

By: _____
As its: _____

Print Name: _____

(CORPORATE SEAL)

As to Seller

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed on its behalf as of the date first above written.

Witnesses:

CITY OF KISSIMMEE,
as a Seller

Print Name: _____

By: _____
As its: _____

Print Name: _____

(CORPORATE SEAL)

As to Seller

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed on its behalf as of the date first above written.

Witnesses:

CITY OF LEESBURG,
as a Seller

Print Name: _____

By: _____
As its: _____

Print Name: _____

(CORPORATE SEAL)

As to Seller

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed on its behalf as of the date first above written.

Witnesses:

CITY OF NEW SMYRNA BEACH,
as a Seller

Print Name: _____

By: _____
As its: _____

Print Name: _____

(CORPORATE SEAL)

As to Seller

Witnesses:

UTILITIES COMMISSION, CITY OF NEW
SMYRNA BEACH,

as a Seller

Print Name: _____

By: _____
As its: _____

Print Name: _____

(CORPORATE SEAL)

As to Seller

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed on its behalf as of the date first above written.

Witnesses:

CITY OF OCALA,
as a Seller

Print Name: _____

By: _____
As its: _____

Print Name: _____

(CORPORATE SEAL)

As to Seller

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed on its behalf as of the date first above written.

Witnesses:

CITY OF ORLANDO,
as a Seller

Print Name: _____

By: _____
As its: _____

Print Name: _____

(CORPORATE SEAL)

As to Seller

Witnesses:

ORLANDO UTILITIES COMMISSION,
as a Seller

Print Name: _____

By: _____
As its: _____

Print Name: _____

(CORPORATE SEAL)

As to Seller

CONSENT AND JOINDER

The Undersigned is a “Wholesale Customer”, as defined in the CR-3 Settlement Release, and Acquisition Agreement (the “**Agreement**”) to which this Consent and Joinder is attached. By execution of this Consent and Joinder, the Undersigned agrees with and will comply with the following sections of the Agreement, each of which applies to the Undersigned:

Sections 1, 2.8, 2.9, 2.10, 8.2, 8.3, 8.5, 8.6, 8.7, 8.8, 8.9, 8.10, 8.11, 8.12, 8.13, 8.14, Exhibit G, Exhibit H, Exhibit M and Schedule 2.8(b).

This Consent and Joinder has been duly and validly executed and delivered by the Undersigned and constitutes the legal, valid and binding obligations of the Undersigned.

Witnesses:

CITY OF BARTOW,
as a Wholesale Customer

Print Name: _____

By: _____
As its: _____

Print Name: _____

(CORPORATE SEAL)

As to City of Bartow

CONSENT AND JOINDER

The Undersigned is a “Wholesale Customer”, as defined in the CR-3 Settlement Release, and Acquisition Agreement (the “**Agreement**”) to which this Consent and Joinder is attached. By execution of this Consent and Joinder, the Undersigned agrees with and will comply with the following sections of the Agreement, each of which applies to the Undersigned:

Sections 1, 2.8, 2.9, 2.10, 8.2, 8.3, 8.5, 8.6, 8.7, 8.8, 8.9, 8.10, 8.11, 8.12, 8.13, 8.14, Exhibit G, Exhibit H, Exhibit M and Schedule 2.8(b).

This Consent and Joinder has been duly and validly executed and delivered by the Undersigned and constitutes the legal, valid and binding obligations of the Undersigned.

Witnesses:

CITY OF CHATTAHOOCHEE,
as a Wholesale Customer

Print Name: _____

By: _____
As its: _____

Print Name: _____

(CORPORATE SEAL)

As to City of Chattahoochee

CONSENT AND JOINDER

The Undersigned is a “Wholesale Customer”, as defined in the CR-3 Settlement Release, and Acquisition Agreement (the “**Agreement**”) to which this Consent and Joinder is attached. By execution of this Consent and Joinder, the Undersigned agrees with and will comply with the following sections of the Agreement, each of which applies to the Undersigned:

Sections 1, 2.8, 2.9, 2.10, 8.2, 8.3, 8.5, 8.6, 8.7, 8.8, 8.9, 8.10, 8.11, 8.12, 8.13, 8.14, Exhibit G, Exhibit H, Exhibit M and Schedule 2.8(b).

This Consent and Joinder has been duly and validly executed and delivered by the Undersigned and constitutes the legal, valid and binding obligations of the Undersigned.

Witnesses:

CITY OF GAINESVILLE d/b/a
GAINESVILLE REGIONAL UTILITIES,
as a Wholesale Customer

Print Name: _____

By: _____
As its: _____

Print Name: _____

(CORPORATE SEAL)

As to Gainesville Regional Utilities

CONSENT AND JOINDER

The Undersigned is a “Wholesale Customer”, as defined in the CR-3 Settlement Release, and Acquisition Agreement (the “**Agreement**”) to which this Consent and Joinder is attached. By execution of this Consent and Joinder, the Undersigned agrees with and will comply with the following sections of the Agreement, each of which applies to the Undersigned:

Sections 1, 2.8, 2.9, 2.10, 8.2, 8.3, 8.5, 8.6, 8.7, 8.8, 8.9, 8.10, 8.11, 8.12, 8.13, 8.14, Exhibit G, Exhibit H, Exhibit M and Schedule 2.8(b).

This Consent and Joinder has been duly and validly executed and delivered by the Undersigned and constitutes the legal, valid and binding obligations of the Undersigned.

Witnesses:

CITY OF HOMESTEAD,
as a Wholesale Customer

Print Name: _____

By: _____
As its: _____

Print Name: _____

(CORPORATE SEAL)

As to City of Homestead

CONSENT AND JOINDER

The Undersigned is a “Wholesale Customer”, as defined in the CR-3 Settlement Release, and Acquisition Agreement (the “**Agreement**”) to which this Consent and Joinder is attached. By execution of this Consent and Joinder, the Undersigned agrees with and will comply with the following sections of the Agreement, each of which applies to the Undersigned:

Sections 1, 2.8, 2.9, 2.10, 8.2, 8.3, 8.5, 8.6, 8.7, 8.8, 8.9, 8.10, 8.11, 8.12, 8.13, 8.14, Exhibit G, Exhibit H, Exhibit M and Schedule 2.8(b).

This Consent and Joinder has been duly and validly executed and delivered by the Undersigned and constitutes the legal, valid and binding obligations of the Undersigned.

Witnesses:

CITY OF MOUNT DORA,
as a Wholesale Customer

Print Name: _____

By: _____
As its: _____

Print Name: _____

(CORPORATE SEAL)

As to City of Mount Dora

CONSENT AND JOINDER

The Undersigned is a “Wholesale Customer”, as defined in the CR-3 Settlement Release, and Acquisition Agreement (the “**Agreement**”) to which this Consent and Joinder is attached. By execution of this Consent and Joinder, the Undersigned agrees with and will comply with the following sections of the Agreement, each of which applies to the Undersigned:

Sections 1, 2.8, 2.9, 2.10, 8.2, 8.3, 8.5, 8.6, 8.7, 8.8, 8.9, 8.10, 8.11, 8.12, 8.13, 8.14, Exhibit G, Exhibit H, Exhibit M and Schedule 2.8(b).

This Consent and Joinder has been duly and validly executed and delivered by the Undersigned and constitutes the legal, valid and binding obligations of the Undersigned.

Witnesses:

CITY OF NEW SMYRNA BEACH,
as a Wholesale Customer

Print Name: _____

By: _____
As its: _____

Print Name: _____

(CORPORATE SEAL)

As to City of New Smyrna Beach

Witnesses:

UTILITIES COMMISSION, CITY OF NEW
SMYRNA BEACH,
as a Wholesale Customer

Print Name: _____

By: _____
As its: _____

Print Name: _____

(CORPORATE SEAL)

As to New Smyrna Beach Utilities Commission

CONSENT AND JOINDER

The Undersigned is a “Wholesale Customer”, as defined in the CR-3 Settlement Release, and Acquisition Agreement (the “**Agreement**”) to which this Consent and Joinder is attached. By execution of this Consent and Joinder, the Undersigned agrees with and will comply with the following sections of the Agreement, each of which applies to the Undersigned:

Sections 1, 2.8, 2.9, 2.10, 8.2, 8.3, 8.5, 8.6, 8.7, 8.8, 8.9, 8.10, 8.11, 8.12, 8.13, 8.14, Exhibit G, Exhibit H, Exhibit M and Schedule 2.8(b).

This Consent and Joinder has been duly and validly executed and delivered by the Undersigned and constitutes the legal, valid and binding obligations of the Undersigned.

Witnesses:

CITY OF QUINCY,
as a Wholesale Customer

Print Name: _____

By: _____
As its: _____

Print Name: _____

(CORPORATE SEAL)

As to City of Quincy

CONSENT AND JOINDER

The Undersigned is a “Wholesale Customer”, as defined in the CR-3 Settlement Release, and Acquisition Agreement (the “**Agreement**”) to which this Consent and Joinder is attached. By execution of this Consent and Joinder, the Undersigned agrees with and will comply with the following sections of the Agreement, each of which applies to the Undersigned:

Sections 1, 2.8, 2.9, 2.10, 8.2, 8.3, 8.5, 8.6, 8.7, 8.8, 8.9, 8.10, 8.11, 8.12, 8.13, 8.14, Exhibit G, Exhibit H, Exhibit M and Schedule 2.8(b).

This Consent and Joinder has been duly and validly executed and delivered by the Undersigned and constitutes the legal, valid and binding obligations of the Undersigned.

Witnesses:

CITY OF WILLISTON,
as a Wholesale Customer

Print Name: _____

By: _____
As its: _____

Print Name: _____

(CORPORATE SEAL)

As to City of Williston

CONSENT AND JOINDER

The Undersigned is a “Wholesale Customer”, as defined in the CR-3 Settlement Release, and Acquisition Agreement (the “**Agreement**”) to which this Consent and Joinder is attached. By execution of this Consent and Joinder, the Undersigned agrees with and will comply with the following sections of the Agreement, each of which applies to the Undersigned:

Sections 1, 2.8, 2.9, 2.10, 8.2, 8.3, 8.5, 8.6, 8.7, 8.8, 8.9, 8.10, 8.11, 8.12, 8.13, 8.14, Exhibit G, Exhibit H, Exhibit M and Schedule 2.8(b).

This Consent and Joinder has been duly and validly executed and delivered by the Undersigned and constitutes the legal, valid and binding obligations of the Undersigned.

Witnesses:

FLORIDA MUNICIPAL
POWER AGENCY (ALL REQUIREMENTS
POWER SUPPLY PROJECT),
as a Wholesale Customer

Print Name: _____

By: _____
As its: _____

Print Name: _____

(CORPORATE SEAL)

As to FMPA

CONSENT AND JOINDER

The Undersigned is the parent company of the Company, as defined in the CR-3 Settlement Release, and Acquisition Agreement (the “**Agreement**”) to which this Consent and Joinder is attached. By execution of this Consent and Joinder, the Undersigned hereby agrees to guarantee the Company’s obligations as set forth in the Agreement.

This Consent and Joinder has been duly and validly executed and delivered by the Undersigned and constitutes the legal, valid and binding obligations of the Undersigned.

Witnesses:

DUKE ENERGY CORPORATION,
as the Company Parent

Print Name: _____

By: _____
As its: _____

Print Name: _____

(CORPORATE SEAL)

As to Duke Energy Corporation

EXHIBITS

Exhibit “A”	Schedule of Tenant in Common Interests of Sellers
Exhibit “B”	Legal Description of Realty/Site
Exhibit “C”	Form of General Release (Company and Sellers)
Exhibit “D”	Form of Trust Conveyance Documents
Exhibit “E”	Allocation of Settlement Payment
Exhibit “F”	Assignment and Assumption Agreement
Exhibit “G”	Copies of Wholesale Customer Contracts
Exhibit “H”	Form of Wholesale Customer General Release (Company and Wholesale Customers)
Exhibit “I”	Form of Closing Certificates
Exhibit “J”	Form of Opinion of Counsel for Sellers
Exhibit “K”	Form of Special Warranty Deed and Bill of Sale
Exhibit “L”	Form of Opinion of Counsel of Company
Exhibit “M”	Notice Provisions

SCHEDULES

Schedule 2.4	Allocation of \$429,560.21
Schedule 2.6	Allocation of \$1,311,402.90
Schedule 2.8(b)	Allocation of Wholesale Customer Payments

EXHIBIT "A"

Schedule of Tenant in Common Interests of Sellers

<u>Applicable Seller</u>	<u>Applicable Tenant in Common Undivided Percentage Interest in Realty</u>
City of Alachua	0.0779
City of Bushnell	0.0388
City of Gainesville	1.4079
City of Kissimmee	0.6754
City of Leesburg	0.8244
City of New Smyrna Beach and New Smyrna Beach Utilities Commission	0.5608
City of Ocala	1.3333
City of Orlando and Orlando Utilities Commission	1.6015

EXHIBIT "B"

Legal Description of Realty/Site

EXHIBIT “C”

Form of Mutual General Release
(Company and Sellers)

MUTUAL GENERAL RELEASE
(Company and Sellers)

This Mutual General Release is effective on the Closing Date by and between Duke Energy Florida, Inc. (the “Company”) and the City of Alachua, the City of Bushnell, the City of Gainesville d/b/a Gainesville Regional Utilities, the City of Kissimmee, the City of Leesburg, the City of New Smyrna Beach and the Utilities Commission, City of New Smyrna Beach, the City of Ocala, and the City of Orlando and Orlando Utilities Commission, who are minority owners of the Crystal River Unit 3 nuclear power plant (“CR-3”) (collectively the “Participants”).

WHEREAS, certain disputes have arisen or may arise by and between the Company and the Participants concerning the operation and maintenance of, and management of CR-3 by the Company, including but not limited to:

(vii) the events, actions, or omissions related to the CR-3 outage that began on October 2, 2009, including but not limited to, the CR-3 steam generator replacement project (the “SGR Project”);

(viii) the CR-3 containment building delaminations that occurred during the CR-3 outage that began on October 2, 2009 as part of the SGR Project and/or the repair activities and repair plans associated with the CR-3 containment building delaminations;

(ix) the rights or obligations in or related to the CR-3 Participation Agreement dated July 31, 1975 resulting from or related to the CR-3 outage that began on October 2, 2009, the SGR Project, the CR-3 containment building delaminations, and/or the associated CR-3 delamination repair activities and repair plans;

(x) the rights or obligations in or related to the Settlement Agreement and Mutual Release dated May 31, 2002 resulting from or related to the CR-3 outage that began on October 2, 2009, the SGR Project, the CR-3 containment building delaminations, and/or the associated CR-3 delamination repair activities and repair plans;

(xi) the rights or obligations in or related to all potentially applicable CR-3 property and accidental outage policies with Nuclear Electric Insurance Limited (“NEIL”) resulting from or related to the CR-3 outage that began on October 2, 2009, the SGR Project, the CR-3 containment building delaminations and/or the associated CR-3 delamination repair activities and repair plans;

(xii) the decision by the Company to settle all potential claims with NEIL resulting from or related to the CR-3 outage that began on October 2, 2009, the SGR Project, the CR-3 containment building delaminations, and/or the associated CR-3 delamination repair activities and repair plans under all applicable CR-3 property and accidental outage policies with NEIL; and/or

(xiii) the decision by the Company to retire and decommission CR-3 (collectively the “Participant Disputes”).

WHEREAS, all defined terms contained in the CR-3 Settlement, Release, and Acquisition Agreement that are not defined herein are incorporated herein by this reference;

WHEREAS, the Company and the Participants now desire to and do hereby resolve all issues between them in any way related to or connected with the Participant Disputes as set forth below.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises and agreements set forth below, and for other good and valuable consideration provided and received as acknowledged below by the execution of this Mutual General Release by the Company and the Participants, the Company and the Participants agree as follows:

1. The Participants, for themselves and their parents, subsidiaries, affiliates, directors, officers, agents, representatives, attorneys, successors, predecessors in interest, and assigns, do hereby fully and forever release, acquit, waive, discharge, and otherwise extinguish any and all of their rights, claims, and interests, of whatever kind or nature, in contract, in tort, or in law or equity, whether now known or unknown and that have arisen or that may arise in the future, from, in connection with, or relating in any way to the Participant Disputes.

2. The Participants further, for themselves and their parents, subsidiaries, affiliates, directors, officers, agents, representatives, attorneys, successors, predecessors in interest, and assigns, do hereby fully and forever release, acquit, waive, and discharge, the Company, its parent, subsidiaries, affiliates, directors, officers, agents, employees, representatives, attorneys, insurers, successors, predecessors in interest, and assigns from any and all actions, causes of action, losses, claims, damages, and demands, of whatever kind or nature, in contract, in tort, or in law or equity, whether now known or unknown and that have arisen or that may arise in the future, from, in connection with, or relating in any way to the Participant Disputes, any and all claims for attorneys' fees, costs and expenses relating to the Participant Disputes, and any and all claims for fraud in the inducement or any similar claim relating to the CR3 Settlement, Release, and Acquisition Agreement and/or this Mutual General Release.

3. The Company further, for itself and its parent, subsidiaries, affiliates, directors, officers, agents, employees, representatives, attorneys, successors, predecessors in interest, and assigns, hereby fully and forever releases, acquits, waives, and discharges, the Participants and their parents, subsidiaries, affiliates, directors, officers, agents, representatives, attorneys, insurers, successors, predecessors in interest, heirs, and assigns, from any and all actions, causes of action, losses, claims, damages, and demands, of whatever kind or nature, in contract, in tort, or in law or equity, whether now known or unknown and that have arisen or that may arise in the future, from, in connection with, or relating in any way to the Participant Disputes, any and all claims for attorneys' fees, costs and expenses relating to the Participant Disputes, and any and all claims for fraud in the inducement or any similar claim relating to the CR3 Settlement, Release, and Acquisition Agreement and/or this Mutual General Release.

4. The Participants also for themselves and their parents, subsidiaries, affiliates, directors, officers, agents, representatives, attorneys, insurers, successors, predecessors in interest, and assigns, do hereby fully and forever release, acquit, waive, and discharge, the Company, its parent, subsidiaries, affiliates, directors, officers, agents, employees,

representatives, attorneys, insurers, successors, predecessors in interest, and assigns from any and all actions, causes of action, losses, claims, damages, and demands, of whatever kind or nature, in contract, in tort, or in law or equity, whether now known or unknown and that have arisen or that may arise in the future, from, in connection with, or relating in any way to the allocation, and the amount of, any and all payments made by the Company to the Participants in accordance with the CR-3 Settlement, Release, and Acquisition Agreement, provided that such payments are made by the Company to the Participants in accordance with the terms of the CR-3 Settlement, Release, and Acquisition Agreement.

5. The Company and the Participants have entered into the CR-3 Settlement, Release, and Acquisition Agreement and/or this Mutual General Release solely in order to end the controversies between them, to avoid the risks and costs of arbitration or litigation, to conserve the time that arbitration or litigation would involve, and to obtain a compromise and final settlement of all the controversies between and among them related in any way to the Participant Disputes. The Company and the Participants agree and acknowledge that the terms of the CR-3 Settlement, Release and Acquisition Agreement and this Mutual General Release are a full and complete, final, and binding compromise of the Participant Disputes, including but not limited to, attorneys' fees, costs, and expenses.

6. It is understood that the execution and performance of this Mutual General Release is not to be considered an admission by either the Company or the Participants of liability or damages, but is a full settlement and compromise of the Participant Disputes.

7. The Company and the Participants further represent and warrant that they have not made or suffered to be made any assignment, subrogation, sale, conveyance, or transfer of any right, claim, action, or cause of action released in this Mutual General Release. These representations and warranties and any other representations and warranties contained in this Mutual General Release are conditions of the performance of this Mutual General Release by the Company and the Participants, and the Company and the Participants have relied on them in entering into this Mutual General Release.

8. The Participants further represent and warrant that, either collectively or individually, they will not assist any third party in the third party's prosecution of claims against the Company related to the CR-3 steam generator replacement project or subsequent containment wall delaminations and retirement of CR-3 occurring before the Closing referenced in the CR-3 Settlement, Release, and Acquisition Agreement. Notwithstanding the preceding sentence, no Participant shall be in violation of this Section 9 of this Mutual General Release, or the CR-3 Settlement, Release and Acquisition Agreement, when disclosing information to a third party where such disclosure is necessary to comply with any laws, including but not limited to Chapters 119 and 286, Florida Statutes, (the "Florida Public Records Law") rules or orders of any court with competent jurisdiction, or when required to respond to any lawful subpoena or public records request.

9. The terms of this Mutual General Release are contractual and not a mere recital, and all agreements and understandings of the Company and the Participants with respect to the Participant Disputes are expressed and embodied in the CR-3 Settlement, Release, and Acquisition Agreement and/or this Mutual General Release. The Company and the Participants

shall bear their own costs, expenses, and attorneys' fees incurred in connection with the Participant Disputes and the preparation, review, and execution of the CR-3 Settlement, Release, and Acquisition Agreement and/or this Mutual General Release.

10. If either the Company or any of the Participants commences an action to enforce or interpret any portion of this Mutual General Release, the prevailing party in such action (including any appeals) shall be paid by the other party the prevailing party's costs, expense, and reasonable attorneys' and paralegal fees and costs, to be awarded by the court.

11. This Mutual General Release shall be binding upon and shall inure to the benefit of the Company and the Participants and their respective predecessors in interest, successors, representatives, and assigns.

12. The Company and the Participants, through the persons executing this Mutual General Release on their behalf, represent and warrant that this Mutual General Release has been duly approved and authorized in accordance with applicable laws, regulations, resolutions, and by-laws so as to bind them and their parents, subsidiaries, affiliates, directors, officers, agents, representatives, attorneys, successors, predecessors in interest, and assigns, and that neither the Company nor any of the Participants shall later attempt to claim that the Mutual General Release was not duly approved and authorized.

13. In entering into this Mutual General Release, the Company and the Participants represent that they have been adequately represented in this matter by counsel of their choice, they have consulted legal counsel before executing this Mutual General Release, they have read and understood the terms of the Mutual General Release, and they are executing the Mutual General Release freely and voluntarily and without coercion or threats of any kind.

14. This Mutual General Release shall be construed and governed in accordance with the laws of the State of Florida.

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed on its behalf as of the date first above written.

Witnesses:

DUKE ENERGY FLORIDA, INC.

Print Name: _____

By: _____
As its: _____

Print Name: _____

(CORPORATE SEAL)

As to Company

Witnesses:

CITY OF _____

Print Name: _____

By: _____
As its: _____

Print Name: _____

(CORPORATE SEAL)

As to Seller

EXHIBIT "D"

Form of Trust Conveyance Documents

INDEMNIFICATION AND HOLD HARMLESS AGREEMENT

THIS INDEMNIFICATION AND HOLD HARMLESS AGREEMENT (the “Agreement”) is made and entered into this _____ day of _____, 201____, by and between CITY OF ALACHUA (the “City”) and DUKE ENERGY FLORIDA, INC. (the “Company”), and is made in reference to the following facts:

RECITALS

WHEREAS, City owns an undivided tenant in common interest in the nuclear generating unit known as Crystal River Unit 3 (“CR-3”), which City desires to transfer and convey to Company, and Company desires to acquire such undivided interest; and

WHEREAS, certain disputes have arisen or may arise by and between the Company and the City, concerning the operation and maintenance of, and management of CR-3 by the Company, including but not limited to:

(a) the events, actions, or omissions related to the CR-3 outage that began on October 2, 2009, including but not limited to, the CR-3 steam generator replacement (the “SGR Project”);

(b) the CR-3 containment building delaminations that occurred during the CR-3 outage that began on October 2, 2009 as part of the SGR Project and/or the repair activities and repair plans associated with the CR-3 containment building delaminations;

(c) the rights or obligations in or related to the Participation Agreement, dated July 31, 1975 between City and Company (among others), resulting from or related to the CR-3 outage that began on October 2, 2009, the SGR Project, the CR-3 containment building delaminations, and/or the associated CR-3 delamination repair activities and repair plans;

(d) the rights or obligations in or related to the Settlement Agreement and Mutual Release dated May 31, 2002 resulting from or related to the CR-3 outage that began on October 2, 2009, the SGR Project, the CR-3 containment building delaminations, and/or the associated CR-3 delamination repair activities and repair plans;

(e) the rights or obligations in or related to all potentially applicable CR-3 property and accidental outage policies with Nuclear Electric Insurance Limited (NEIL) resulting from or related to the CR-3 outage that began on October 2, 2009, the SGR Project, the CR-3 containment building delaminations and/or the associated CR-3 delamination repair activities and repair plans;

(f) the decision by the Company to settle all potential claims with NEIL resulting from or related to the CR-3 outage that began on October 2, 2009, the SGR Project, the CR-3 containment building delaminations, and/or the associated CR-3 delamination repair activities and repair plans under all applicable CR-3 property and accidental outage policies with NEIL; and/or

(g) the decision by the Company to retire and decommission CR-3; and

WHEREAS, as a way of settling the Participant Disputes, the City and Company, among others, have entered into a CR-3 Settlement, Release, and Acquisition Agreement dated _____, 2014, all terms and provisions (including defined terms) of which are incorporated herein by this reference (the "Settlement Agreement"); and

WHEREAS, Section 2.4 of the Settlement Agreement requires the City (among others) to transfer to Company at Closing all of City's right, title and interest in and to its CR-3 Decommissioning Trust, and all funds, proceeds and rights contained therein (collectively the "City's Decommissioning Trust"); and

WHEREAS, as a condition to accepting the transfer of the City's Decommissioning Trust, the Company and the City have agreed to indemnify and hold the other harmless from certain items and matters, all as more specifically set forth herein.

NOW, THEREFORE, for and in consideration of the premises, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged by both parties hereto, the parties agree as follows:

1. Recitals. The recitals of fact set forth above are true and correct and are by this reference made a part hereof.

2. Indemnification and Hold Harmless.

(a) At and after the Closing the City hereby indemnifies and holds Company, its parent, affiliates, directors, members, officers, employees, and agents, harmless from and against any and all actual, pending, or potential losses, costs, claims, damages, liabilities, fines, penalties, and expenses, including all attorneys' fees and all costs including paralegal costs, that the City is notified within two (2) years of the Closing in any way whatsoever of by the Company, its parent, affiliates, directors, members, officers, employees, or agents, any federal or state agency, or any trustee or agent of City's Decommissioning Trust, related to, arising out of, or relating in any way to : (i) the failure of City or any third party under the express or implied direction of the City, to have invested the funds in the City's Decommissioning Trust in accordance with all applicable rules and regulations (including regulatory guides) of the U. S. Nuclear Regulatory Commission ("NRC"), the Florida Public Service Commission ("PSC"), or any other federal or state agency, or successor agency, that now has, has in the past had, or hereafter may have for two (2) years from the Closing, authority regarding the City's Decommissioning Trust, or the funds therein, as amended from time to time; (ii) the failure of City, or any third party under the express or implied direction of the City, to insure and protect against the illicit conversion of funds in the City's Decommissioning Trust for the Company's benefit; and/or (iii) the City's possession, management, operation, use or transfer of City's Decommissioning Trust, including all funds contained therein, prior to the Closing.

(b) At and after the Closing, Company, its parent, successors, and assigns, hereby indemnifies and holds the City, its parent, affiliates, directors, members, officers, employees, and agents, harmless from and against any and all actual, pending, or potential losses, costs, claims, damages, liabilities, fines, penalties, and expenses, including all attorneys' fees and all costs including paralegal costs, that the Company is notified in any way whatsoever of by the City, its parent, affiliates, directors, members, officers, employees, or agents, any federal or state agency, or any trustee or agent of City's Decommissioning Trust, related to, arising out of, or relating in any way to : (i) the failure of Company, to have invested the funds in the Company's Decommissioning Trust, excluding that portion of the Decommissioning Trust transferred by the City at Closing and covered by the City's indemnification in paragraph 2 above, in accordance with all applicable rules and regulations (including regulatory guides) of the U. S. Nuclear Regulatory Commission ("NRC"), the Florida Public Service Commission ("PSC"), or any other federal or state agency, or successor agency, that now has or has in the past had authority regarding the Company's Decommissioning Trust, or the funds therein, as amended from time to time; and/or (ii) the Company's possession, management, operation, or use of Company's Decommissioning Trust, excluding that portion of the Decommissioning Trust transferred by the City and covered by the City's indemnification in paragraph 2 above, including all funds contained therein, prior to and after the Closing.

(c) The City will fully cooperate with any regulatory inquiry from the NRC, the PSC, or any other federal or state agency, including any successor agency, that now has, has in the past had, or hereafter may have for two (2) years from the Closing, authority regarding the City's Decommissioning Trust, or the funds therein, with respect to the management of, and activities associated with, the City's Decommissioning Trust that occur prior to Closing, including, but not limited to, providing the Company with assistance in responding to any Public Records requests, Requests For Information, discovery requests, or any other requests or demands for information of any kind in any NRC, PSC, or other federal or state agency investigation, proceeding, or regulatory review, whether formal or informal, and whether civil, criminal, or administrative in nature. The City shall further notify the Company in writing immediately of any regulatory inquiry it receives from the NRC, the PSC, or any other federal or state agency regarding the City's Decommissioning Trust, or the funds therein, or any actual or potential claim for indemnity under this Agreement. The obligations of City set forth in this Section 2(c) shall expire two years after the date of Closing, unless the Company separately agrees to pay all costs of City's cooperation after such expiration.

(d) Should the City seek indemnification pursuant to the terms of this Agreement, it shall notify the Company in writing of any claims for which indemnity is sought, after receiving any information concerning any actual or potential claims that could result in a claim for indemnity by the City under this Agreement. The Company shall fully cooperate in the defense of any such claim, and shall make available to the City all pertinent information under its control relating thereto.

(e) Should the Company seek indemnification pursuant to the terms of this Agreement, it shall notify the City in writing of any claims for which indemnity is sought, after receiving any information concerning any actual or potential claims that could result in a claim for indemnity by the Company under this Agreement. The City agrees that the Company shall be entitled to name the counsel to defend any claims for which it is or may be indemnified under this Agreement, whether or not Company is a party to any arbitration, action, cause of action, proceeding, or regulatory investigation or review related to such claims, and the City shall fully cooperate with the attorneys and agents retained by the Company for such defense, at the sole cost and expense of the City. In the event that the defendants in any action shall include both the Company and the City, and the City shall have concluded to the reasonable satisfaction of the Company that counsel selected by the Company has a conflict of interest because of the availability of different or individual defenses to the City, then, in that case, the City shall have the right to select separate counsel to participate in the defense of such action on its own behalf and at its own expense (but while still paying the cost of defense of the Company), and subject to the Company's right to control the defense of such action. The City shall fully cooperate in the defense of any such claim, and shall make available to the City all pertinent information under its control relating thereto. The City further agrees that the Company shall have the right, at its sole election, to pay, compromise, settle, or defend such action, and the City shall not enter into any settlement or compromise of such action without the prior written consent of the Company.

3. Payment of Claims. The indemnifying party does hereby covenant and agree to promptly pay all items set forth in Section 2 above, upon the indemnified party's demand, and to satisfy all judgments recovered in relation thereto.

4. Applicable Law. This Agreement has been negotiated and signed in the State of Florida. As such, this Agreement, and all matters relating thereto, shall be governed by the laws of the State of Florida without regard to its principles of conflicts of law. The sole and exclusive venue for any action, suit, or proceeding brought under this Agreement shall be Pinellas County, Florida..

5. Modification. This Agreement contains the entire agreement of the parties relating to the subject matter hereof. This Agreement may be modified only by an instrument in writing signed by both parties hereto.

6. Attorneys Fees. The non-prevailing party shall pay the reasonable costs, expenses and attorneys fees incurred by the prevailing party in any formal or informal proceedings to resolve any disputes arising out of or related to the representations, warranties, terms, conditions, promises or covenants contained in this Agreement, whether incurred during the original proceeding or activities, or in any bankruptcy, appellate or other review proceedings.

7. Authorization. The Company and City respectively represent and warrant to each other that this Agreement has been duly authorized, executed, and delivered by each of them, and is valid and enforceable in accordance with its terms, and that compliance by each of them, respectively, with the terms and conditions hereof will not conflict with, result in a breach of, or be adversely affected by any terms and conditions of any agreement or instrument to which either is a party, or by which either may be bound, or any judgment, order, law, statute or regulation to which either is subject.

8. Notices. All notices, consents, waivers, approvals and other communications under this Agreement shall be in writing and shall be sent by nationally recognized overnight courier service, or via U. S. mail, postage prepaid, and addressed as follows:

To the Company: _____

To City: _____

The person to be notified and the address, may be changed by either party by giving written notice as herein provided. All notices shall be deemed given on the date of receipt.

9. Amendment. Neither this Agreement nor any provisions hereof may be waived, modified, or amended except by an instrument in writing signed by the party against which the enforcement of such waiver, modification, or amendment is sought and then only to the extent set forth in such instrument.

10. No Third Party Beneficiaries. This Agreement is for the benefit of the parties hereto and not for the benefit of any other person or entity.

11. Successors and Assigns. Each and all covenants and conditions of this Agreement shall inure to the benefit of, and shall be binding upon, the successors in interest, assigns, and legal representatives of the parties hereto.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement, and shall be deemed to have executed such, on the day and year first above written.

Signed, sealed and delivered
in the presence of:

DUKE ENERGY FLORIDA, INC.

Print Name: _____

By: _____

Name: _____

Title: _____

Print Name: _____

(CORPORATE SEAL)

As to Company

STATE OF FLORIDA)
COUNTY OF PINELLAS)

The foregoing instrument was acknowledged before me this _____ day of _____, 201____, by _____, the _____ President of DUKE ENERGY FLORIDA, INC., on behalf of the corporation.

Personally Known _____ OR Produced Identification _____
Type of Identification Provided _____

SIGNATURE

NAME LEGIBLY PRINTED,
TYPEWRITTEN OR STAMPED

(SEAL)

NOTARY PUBLIC

My Commission Expires:

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement, and shall be deemed to have executed such, on the day and year first above written.

Witnesses:

CITY OF ALACHUA

Print Name: _____

By: _____
As its: _____

Print Name: _____

(CORPORATE SEAL)

As to City

STATE OF FLORIDA)
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 201____, by _____, the _____ of the City of Alachua, on behalf of the City.

Personally Known _____ OR Produced Identification _____
Type of Identification Provided _____

SIGNATURE

NAME LEGIBLY PRINTED,
TYPEWRITTEN OR STAMPED

(SEAL)

NOTARY PUBLIC

My Commission Expires:

CR-3 Settlement

Assignment and Assumption Agreement

This Assignment and Assumption Agreement is made this _____ day of _____, 2014, by and between _____ (“Assignor”), a beneficiary under that certain Trust Agreement (hereinafter “the Trust”) dated July 19, 1990, as amended, between Florida Municipal Power Agency (as agent for Assignor and others) and Sun Bank, National Association, n/k/a SunTrust Bank, and Duke Energy Florida, Inc. (“Assignee”).

1. For value received, Assignor hereby assigns to Assignee all of Assignor’s right, title and interest in the Trust and has directed and hereby directs the Florida Municipal Power Agency to terminate Assignor’s interest in the Trust and to pay over and transfer all of Assignor’s interest therein to Assignee.

2. Accepting the aforesaid Assignment, Assignee hereby assumes all of Assignor’s right, title and interest in the Trust and all of Assignor’s duties and obligations in regard to the Crystal River Unit 3 Nuclear Plant and the decommissioning thereof, less and except the Sellers’ NDT Indemnification Obligations, as defined in the CR-3 Settlement, Release and Acquisition Agreement between Assignor and Assignee, among others, executed effective _____, 2014.

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed on its behalf as of the date first above written.

Witnesses:

—

Print

Name:

By:

Print

Name:

Its:

Assignor

Witnesses:

—

Print

Name:

By:

Print

Name:

Its:

Assignee

Certification of Trust for the
TRUST FUND FOR THE CRYSTAL RIVER UNIT 3 PARTICIPANTS
UNDER TRUST FUND AGREEMENT DATED JULY 19, 1990

This Certification of Trust is signed by the current Trustee of the Trust Fund under Trust Fund Agreement between the Florida Municipal Power Agency, as agent for the City of Alachua, City of Bushnell, City of Gainesville, City of Leesburg, City of Ocala, Kissimmee Utility Authority and Sebring Utilities Commission, as Grantor (hereinafter "Settlor"), and Sun Bank, National Association, as Trustee (hereinafter "Trustee"), dated July 19, 1990, as amended, who declares as follows:

1. The Trust exists, and the trust instrument establishing it was executed on July 19, 1990, as amended by an Amendment thereto dated March 24, 1992, which removed the Sebring Utilities Commission as a Crystal River Unit 3 Participant, and by an Amendment thereto dated December 4, 2001.

2. The Settlor of the Trust is the Florida Municipal Power Agency (as agent for the City of Alachua, City of Bushnell, City of Gainesville, City of Leesburg, City of Ocala and Kissimmee Utility Authority hereinafter collectively referred to as the "Crystal River Unit 3 Participants"), as Grantor, and Sun Bank, National Association, as Trustee.

3. The Trustee of the Trust is SunTrust Bank, a Georgia banking corporation, f/k/a Sun Bank, National Association.

4. Excerpts from the trust agreement that establish the Trust, designate the Trustee and set forth the powers of the Trustee will be provided upon request. The powers of the Trustee include the powers to sell, exchange, convey, transfer, or otherwise dispose of any property held by it, by public or private sale, as necessary for prudent management of the Fund and to make, execute, acknowledge, and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out its powers.

5. The Trust is irrevocable.

6. The Trustee has been advised by the Settlor that each of the Crystal River Unit 3 Participants has assigned all of its right, title and interest in the Trust to Duke Energy Florida, Inc. and the Trustee has received a certificate duly executed by the Secretary of the Settlor attesting to the occurrence of the events giving rise to the necessity for such assignments and attesting that decommissioning is proceeding pursuant to a Nuclear Regulatory Commission approved Plan (the "Plan"), and the funds thus assigned and withdrawn will be expended for activities undertaken pursuant to the Plan.

7. The Trustee has also received from the Settlor written instructions signed on behalf of the Settlor in a manner sufficient to bind the Settlor, to transfer all the Trust funds in which the Crystal River Unit 3 Participants, or any of them, have a right, title or interest to Duke Energy Florida, Inc. in Trust, under its existing decommissioning Trust fund.

8. Title to assets held in the Trust shall be titled as:

SunTrust Bank as Trustee of the Trust Fund under Trust Fund Agreement between the Florida Municipal Power Agency, as agent for the City of Alachua, City of Bushnell, City of Gainesville, City of Leesburg, City of Ocala and Kissimmee Utility Authority, as Grantor, and Sun Bank, National Association, as Trustee, under Agreement dated July 19, 1990, as amended.

9. Any alternative description shall be effective to title assets in the name of the Trust or to designate the Trust as a beneficiary if the description includes the name of at least one initial or successor trustee, any reference indicating that property is being held in a fiduciary capacity, and the date of the Trust.

10. The Trust has not been revoked, modified or amended in any way that would cause the representations in this Certification of Trust to be incorrect.

Witnesses:

SunTrust Bank

- Print Name: _____

By: _____
Its: _____

- Print Name: _____

STATE OF _____)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2014, by _____ (who is personally known to me or who provided _____ as identification) as _____ of SunTrust Bank, a banking corporation organized under the laws of the State of Georgia, on behalf of said Bank.

Notary Public
My commission expires:

EXHIBIT “E”

Allocation of Settlement Payment

<u>Applicable Seller</u>	<u>Applicable Portion of Purchase Price and Allocation</u>	
	<u>Purchased Interest</u>	<u>Settlement Payment</u>
1. City of Alachua	\$23.90	\$606,379.37
2. City of Bushnell	\$11.90	\$371,338.50
3. City of Gainesville	\$431.87	\$9,559,811.47
4. Kissimmee Utility Authority	\$207.18	\$6,997,155.16
5. City of Leesburg	\$252.88	\$7,847,491.15
6. City of New Smyrna Beach and New Smyrna Beach Utilities Commission	\$172.02	\$4,355,287.69
7. City of Ocala	\$408.99	\$12,691,727.25
8. Orlando Utilities Commission	<u>\$491.26</u>	<u>\$12,568,809.41</u>
9. TOTAL	<u>\$2,000.00</u>	<u>\$54,998,000.00</u>

EXHIBIT “F”

Form of Assignment and Assumption Agreement

ASSIGNMENT AND ASSUMPTION AGREEMENT
(Participation Agreement)

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT, dated this _____ day of _____ 20____, by and between _____ (“Assignor”) and Duke Energy Florida, Inc., a Florida corporation (“Assignee”);

WHEREAS, Assignee, certain participants and Assignor have entered into a Participation Agreement dated as of July 31, 1975, as amended (the “Participation Agreement”); and

WHEREAS, pursuant to that certain CR-3 Settlement, Release, and Acquisition Agreement, dated _____, 20____ (“Acquisition Agreement”), Assignor has undertaken to assign its interest, rights and obligations in and to the Participation Agreement to the Assignee, effective as of the date above first written (the “Closing Date”); and it hereby terminates its status as a Participant under the Participation Agreement.

NOW THEREFORE, in consideration of their mutual covenants and intending to be legally bound, the parties hereto agree as follows:

1. Assignment of Participation Agreement. Assignor does hereby assign and transfer to Assignee, and its successors and assigns, Assignor's entire right, title and interest, and, except as provided below, all obligations and liabilities in and to the Participation Agreement. Provided however, Assignor shall remain fully liable for its obligations and liabilities as set forth in the Indemnification and Hold Harmless Agreement being executed by Assignor and Assignee on or about the date hereof (the “Indemnification Agreement”). Capitalized terms not defined in this Agreement shall have the respective meanings set forth in the Acquisition Agreement.

2. Representation and Warranties of Assignor. Assignor, for itself, its successors and assigns, hereby represents and warrants as follows: that it has fulfilled, or taken all action reasonably necessary to enable it to fulfill when due, all of its obligations under the Participation Agreement; it is not in default or breach thereunder; that there is no event or condition existing which, with notice or lapse of time or both, would constitute a breach or default thereunder; that Assignor has received no notice of any dispute, cancellation, termination or any breach or default thereunder; that the Participation Agreement is valid, binding and enforceable in accordance with its terms; that the Participation Agreement is assignable by Assignor to Assignee without the further consent of any third party; and that no rents, royalties, or other income sources to Assignor derived under the Participation Agreement have been prepaid.

3. Acceptance. In consideration of Assignor's assignment and transfer as described in Section 1 above, Assignee does hereby accept assignment of the Assignor's interest in the Participation Agreement, and hereby assumes and agrees to discharge the Assignor's obligations arising out of the Participation Agreement, but only to the extent they: (a) do not include the Assignors' obligations and liabilities under the Indemnification Agreement; and (b) are not the result of Assignor's breach or default under the Indemnification Agreement.

4. Release. Each of Assignor and Assignee (the “Releasing Party”), on behalf of itself, its successors and assigns, hereby completely releases and forever discharges the other

party (the “Released Party” and the Released Party’s past, present and future successors and assigns (such Released Party and its successors and assigns being individually called a “Releasee” and collectively the “Releasees”) from any and all claims, disputes, demands, proceedings, arbitrations, causes of action, rights, damages, obligations, contracts, agreements, debts and liabilities whatsoever, whether known or unknown, suspected or unsuspected, or whether at law or in equity, which the Releasing Party or any of its successors or assigns now has, has ever had or may hereafter have against any of the Releasees arising on account of, or arising out of any matter relating to: (a) CR-3 (as defined in the Acquisition Agreement); (b) the Releasing Party’s interests therein; (c) the Participation Agreement; (d) the Released Party’s covenants, obligations, duties, representations, warranties, or actions under or pursuant to the Participation Agreement; or (e) the construction, operation, maintenance or use of CR-3. Provided however, that notwithstanding the other provisions of the Section 4: (i) Assignor does not hereby release or discharge Releasees with respect to any claims by third parties insofar as Assignor may be, or may have been, but for the execution of this Agreement, entitled to indemnification or contribution from or against any Releasees for any liability arising out of such claims; and (ii) neither party releases the Releasees with respect to any obligations of the Released Party under the Acquisition Agreement, including the Settlement-Related Documents, as defined therein.

Without in any way limiting any of the rights and remedies otherwise available to any Releasee, each party, to the extent not prohibited by Florida law, shall indemnify and hold harmless each Releasee from and against all loss, liability, claim, damage (including, without limitation, incidental and consequential damages) or expense (including, without limitation, costs of investigation and defense and reasonable attorney’s fees and costs) arising directly or indirectly from or in connection with the assertion by or on behalf of the Releasing party, or any of the Releasing Party’s successors or assigns, of any claim or other matter purported to be released pursuant to this release.

5. Savings Clause. The Participation Agreement shall continue in full force and effect as to the Company and any remaining party to the Participation Agreement.

6. No Third Party Beneficiaries. This Agreement shall inure to the benefit of and shall be binding upon the parties hereto and the other Releasees and shall not run to the benefit of any other persons or entities.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives.

Attest:

By: _____
Name: _____
Title: _____

ASSIGNOR:
Seller of _____

By: _____
Name: _____
Title: _____
Date of Signature: _____

ASSIGNEE:

Duke Energy Florida, Inc., a Florida corporation

By: _____
Name: _____
Title: _____
Date of Signature: _____

STATE OF FLORIDA
COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____, 20____, by _____, as _____ of the Seller of _____, on behalf of Seller. He/she is personally known to me or has produced as identification.

NOTARY PUBLIC

[AFFIX NOTARIAL SEAL]

Print Name

Commission No.: _____

STATE OF FLORIDA
COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____, 20____, by _____, as _____ of Duke Energy Florida, a _____ corporation, on behalf of the corporation. He/she is personally known to me or has produced _____ as identification.

NOTARY PUBLIC

[AFFIX NOTARIAL SEAL]

Print Name

Commission No.: _____

EXHIBIT "G"

Copies of Wholesale Customer Contracts

EXHIBIT “H”

Form of Wholesale Customers Mutual General Release

MUTUAL GENERAL RELEASE
(Company and Wholesale Customers)

This Mutual General Release is effective on the Closing Date by and between Duke Energy Florida, Inc. (the “Company”) and the City of Chattahoochee, the City of Gainesville d/b/a Gainesville Regional Utilities, City of Homestead, the City of Mount Dora, the City of Williston, the City of Quincy, the City of New Smyrna Beach and Utilities Commission, City of New Smyrna Beach, the City of Bartow, and the Florida Municipal Power Agency (All-Requirements Power Supply Project), who are or were purchasers of capacity, energy, or both under wholesale power contracts with the Company that included or involves the actual or potential contribution of capacity, energy, or both from the Crystal River Unit 3 nuclear power plant (“CR-3”) (collectively the “Wholesale Customers”).

WHEREAS, the Company and the Wholesale Customers entered into contracts for the sale by the Company and the purchase by the Wholesale Customers of capacity, energy, or both that included or includes the actual or potential contribution of capacity, energy, or both from CR-3 (collectively the “Wholesale Customers Contracts”);

WHEREAS, the Wholesale Customer Contracts are listed in Exhibit “G” to the CR-3 Settlement, Release, and Acquisition Agreement and included and made a part of this Mutual General Release as Attachment 1 to this Mutual General Release (the “Settlement/Acquisition Agreement”);

WHEREAS, all defined terms contained in the Settlement/Acquisition Agreement that are not defined herein are incorporated herein by this reference;

WHEREAS, certain disputes have arisen or may arise by and between the Company and the Wholesale Customers under the Wholesale Customers Contracts concerning the operation and maintenance of, and management of CR-3 by the Company on or before the Closing Date, including but not limited to:

(i) the events, actions, or omissions related to the CR-3 outage that began on October 2, 2009, including but not limited to, the CR-3 steam generator replacement project (“SGR Project”);

(ii) the CR-3 containment building delaminations that occurred during the CR-3 outage that began on October 2, 2009 during the SGR Project and/or the repair activities and repair plans associated with the CR-3 containment building delaminations;

(iii) the rights or obligations in or related to the Wholesale Customer Contracts resulting from or related to the CR-3 outage that began on October 2, 2009, the SGR Project, the CR-3 containment building delaminations, and/or the associated CR-3 delamination repair activities and repair plans;

(iv) the rights or obligations in or related to all potentially applicable CR-3 property and accidental outage policies with Nuclear Electric Insurance Limited (“NEIL”) resulting from or related to the CR-3 outage that began on October 2, 2009, the SGR Project, the

CR-3 containment building delaminations and/or the associated CR-3 delamination repair activities and repair plans;

(v) the decision by the Company to settle all potential claims with NEIL resulting from or related to the CR-3 outage that began on October 2, 2009, the SGR Project, the CR-3 containment building delaminations, and/or the associated CR-3 delamination repair activities and repair plans under all applicable CR-3 property and accidental outage policies with NEIL; and/or

(vi) the decision by the Company to retire and decommission CR-3 (collectively the “Wholesale Customer Disputes”).

WHEREAS, the Company and the Wholesale Customers now desire to and do hereby resolve all issues between them in any way related to or connected with the Wholesale Customer Disputes as set forth below.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises and agreements set forth below, and for other good and valuable consideration provided and received as acknowledged below by the execution of this Mutual General Release by the Company and the Wholesale Customers, the Company and the Wholesale Customers agree as follows:

1. The Wholesale Customers, for themselves and their parents, subsidiaries, affiliates, directors, officers, agents, representatives, attorneys, successors, predecessors in interest, and assigns, do hereby fully and forever release, acquit, waive, discharge, and otherwise extinguish any and all of their rights, claims, and interests, of whatever kind or nature, in contract, in tort, or in law or equity, whether now known or unknown and that have arisen or that may arise in the future, from, in connection with, or relating in any way to the Wholesale Customer Disputes.

2. The Wholesale Customers further, for themselves and their parents, subsidiaries, affiliates, directors, officers, agents, representatives, attorneys, successors, predecessors in interest, and assigns, do hereby fully and forever release, acquit, waive, and discharge, the Company, its parent, subsidiaries, affiliates, directors, officers, agents, employees, representatives, attorneys, insurers, successors, predecessors in interest, and assigns from any and all actions, causes of action, losses, claims, damages, and demands, of whatever kind or nature, in contract, in tort, or in law or equity, whether now known or unknown and that have arisen or that may arise in the future, from, in connection with, or relating in any way to the Wholesale Customer Disputes, any and all claims for attorneys’ fees, costs and expenses relating to the Wholesale Customer Disputes, and any and all claims for fraud in the inducement or any similar claim relating to the Settlement/Acquisition Agreement, the Wholesale Customer Contracts, and/or this Mutual General Release.

3. The Company, for itself and its parent, subsidiaries, affiliates, directors, officers, agents, employees, representatives, attorneys, successors, predecessors in interest, and assigns, hereby fully and forever releases, acquits, waives, and discharges, the Wholesale Customers and their parents, subsidiaries, affiliates, directors, officers, agents, representatives, attorneys, insurers, successors, predecessors in interest, heirs, and assigns, from any and all actions, causes

of action, losses, claims, damages, and demands, of whatever kind or nature, in contract, in tort, or in law or equity, whether now known or unknown and that have arisen or that may arise in the future, from, in connection with, or relating in any way to the Wholesale Customer Disputes, any and all claims for attorneys' fees, costs and expenses relating to the Wholesale Customer Disputes, and any and all claims for fraud in the inducement or any similar claim relating to the Settlement/Acquisition Agreement, the Wholesale Customer Contracts, and/or this Mutual General Release.

4. The Wholesale Customers also for themselves and their parents, subsidiaries, affiliates, directors, officers, agents, representatives, attorneys, insurers, successors, predecessors in interest, heirs, and assigns, do hereby fully and forever release, acquit, waive, and discharge, the Company, its parent, subsidiaries, affiliates, directors, officers, agents, employees, representatives, attorneys, insurers, successors, predecessors in interest, and assigns from any and all actions, causes of action, losses, claims, damages, and demands, of whatever kind or nature, in contract, in tort, or in law or equity, whether now known or unknown and that have arisen or that may arise in the future, from, in connection with, or relating in any way to the allocation, and the amount of, any and all payments made by the Company to the Wholesale Customers in accordance with the Settlement/Acquisition Agreement provided that such payments are made by the Company to the Participants in accordance with the terms of the Settlement/Acquisition Agreement.

5. The Company and the Wholesale Customers have entered into this Mutual General Release solely in order to end the controversies between them, to avoid the risks and costs of arbitration or litigation, to conserve the time that arbitration or litigation would involve, and to obtain a compromise and final settlement of all the controversies between and among them related in any way to the Wholesale Customer Disputes. The Company and the Wholesale Customers agree and acknowledge that the terms of the Mutual General Release are a full and complete, final, and binding compromise of the Wholesale Customer Disputes, including but not limited to, attorneys' fees, costs, and expenses.

6. It is understood that the execution and performance of this Mutual General Release is not to be considered an admission by either the Company or the Wholesale Customers of liability or damages, but is a full settlement and compromise of the Wholesale Customer Disputes.

7. The Company and the Wholesale Customers further represent and warrant that they have not made or suffered to be made any assignment, subrogation, sale, conveyance, or transfer of any right, claim, action, or cause of action released in this Mutual General Release. These representations and warranties and any other representations and warranties contained in this Mutual General Release are conditions of the performance of this Mutual General Release by the Company and the Wholesale Customers, and the Company and the Wholesale Customers have relied on them in entering into this Mutual General Release.

8. The Wholesale Customers further represent and warrant that, either collectively or individually, they will not assist any third party in the third party's prosecution of claims against the Company related to the CR-3 steam generator replacement project or subsequent containment wall delaminations and retirement of CR-3 occurring before the closing referenced in the

Settlement/Acquisition Agreement. Notwithstanding the preceding sentence, no Participant shall be in violation of this Section 8 of this Mutual General Release, or the CR-3 Settlement, Release and Acquisition Agreement, when disclosing information to a third party where such disclosure is necessary to comply with any laws, including but not limited to Chapters 119 and 286, Florida Statutes, (the “Florida Public Records Law”) rules or orders of any court with competent jurisdiction, or when required to respond to any lawful subpoena or public records request.

9. The terms of this Mutual General Release are contractual and not a mere recital, and all agreements and understandings of the Company and the Wholesale Customers with respect to the Wholesale Customer Disputes are expressed and embodied in this Mutual General Release and the Joinder and Consent to the Settlement/Acquisition Agreement. The Company and the Wholesale Customers shall bear their own costs, expenses, and attorneys’ fees incurred in connection with the Wholesale Customer Disputes and the preparation, review, and execution of this Mutual General Release.

10. If either the Company or any of the Wholesale Customers commences an action to enforce or interpret any portion of this Mutual General Release, the prevailing party in such action (including any appeals) shall be paid by the other party the prevailing party’s costs, expense, and reasonable attorneys’ and paralegal fees and costs, to be awarded by the court.

11. This Mutual General Release shall be binding upon and shall inure to the benefit of the Company and the Wholesale Customers and their respective predecessors in interest, successors, representatives, and assigns.

12. The Company and the Wholesale Customers, through the persons executing this Mutual General Release on their behalf, represent and warrant that this Mutual General Release has been duly approved and authorized in accordance with applicable laws, regulations, resolutions, and by-laws so as to bind them, and that neither the Company nor any of the Wholesale Customers shall later attempt to claim that this Mutual General Release was not duly approved and authorized.

13. In entering into this Mutual General Release, the Company and the Wholesale Customers represent that they have been adequately represented in this matter by counsel of their choice, they have consulted legal counsel before executing this Mutual General Release, they have read and understood the terms of this Mutual General Release, and they are executing the Mutual General Release freely and voluntarily and without coercion or threats of any kind.

14. This Mutual General Release shall be construed and governed in accordance with the laws of the State of Florida.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed on its behalf as of the date first above written.

Witnesses:

DUKE ENERGY FLORIDA, INC.

Print Name: _____

By: _____
As its: _____

Print Name: _____

(CORPORATE SEAL)

As to Company

Witnesses:

CITY OF _____

Print Name: _____

By: _____
As its: _____

Print Name: _____

(CORPORATE SEAL)

As to Wholesale Customer

EXHIBIT "I"

Form of Closing Certificate

CLOSING CERTIFICATE
of
[SELLER NAME]

[SELLER NAME], a Florida municipal corporation (“City”), hereby certifies to **DUKE ENERGY FLORIDA, INC.**, a Florida corporation (“Duke”), with respect to that certain CR-3 Settlement, Release and Acquisition Agreement entered into as of _____, 2014 by and between the City and Duke, among others (the “Agreement”), that:

1. All defined terms contained in the Agreement are incorporated herein by this reference.

2. All representations and warranties of City set forth in Section 3 of the Agreement, and the information in all lists, certificates, documents, exhibits and other writings delivered by City to Duke pursuant to the Agreement, are true and correct on and as of the Effective Date of the Agreement, and are true and correct in all material respects on and as of the date of this Closing Certificate.

[Signature Page Follows]

This Closing Certificate of City is dated _____, 201__.

[SELLER NAME]

By: _____

Name:

Title:

CLOSING CERTIFICATE
of
DUKE ENERGY FLORIDA, INC.

DUKE ENERGY FLORIDA, INC., a Florida corporation ("Duke"), hereby certifies to **[SELLER NAME]**, a Florida municipal corporation ("City"), with respect to that certain CR-3 Settlement, Release and Acquisition Agreement entered into as of _____, 2014 by and between Duke and the City, among others (the "Agreement"), that:

1. All defined terms contained in the Agreement are incorporated herein by this reference.

2. All representations and warranties of Duke set forth in Section A of the Agreement, and the information in all lists, certificates, documents, exhibits and other writings delivered by Duke to City pursuant to the Agreement, are true and correct on and as of the Effective Date of the Agreement, and are true and correct in all material respects on and as of the date of this Closing Certificate.

[Signature Page Follows]

This Closing Certificate of City is dated _____, 201__.

DUKE ENERGY FLORIDA, INC.

By: _____
Name:
Title:

EXHIBIT “J”

Form of Opinion of Counsel for Sellers

Date

Gentlemen:

I am General Counsel to _____ (“Seller”) and have acted as counsel to Seller in connection with the execution and delivery of that certain CR-3 Settlement, Release and Acquisition Agreement dated as of _____, 2014 (the “Acquisition Agreement”) between Duke Energy Florida (“Company”) and the Seller.

In so acting, I have examined originals or copies of the Acquisition Agreement and have relied as to factual matters upon the representations and warranties contained in each such document (such reliance does not include the representations contained in Section 3.1, Section 3.2 and Section 3.3 of the Acquisition Agreement). I have also examined originals or copies, certified or otherwise identified to my satisfaction, of all Seller records, documents, agreements and other instruments, certificates, opinions and correspondence with public officials, and certificates of officers and representatives of Seller and made such other investigations as I have deemed necessary or advisable for the purposes of rendering the opinions set forth herein. I have assumed the genuineness of all signatures and the authenticity of all documents submitted to me as originals and the conformity with the originals of all documents submitted to me as copies. This opinion is issued to you pursuant to Section 6.2 of the Acquisition Agreement.

Based upon the foregoing and subject to the further qualifications and limitations set forth below, I am of the opinion-that:

(a) Seller is a municipality of the State of Florida which has the requisite power and authority to execute and deliver the Acquisition Agreement and to perform its obligations thereunder.

(b) The execution, delivery and performance by Seller of the Acquisition Agreement has been duly authorized by all necessary actions on the part of Seller, does not contravene any law, or any government rule, regulation or any order applicable to Seller or its properties, and does not and will not contravene the provisions of, cause the acceleration of any rights under, cause the creation of any lien under, or constitute a default under, any material agreement, resolution or other instrument known to me after due inquiry to which Seller is a party or by which Seller is bound.

(c) All requisite governmental and regulatory approvals and consents required to be obtained by Seller for the execution, delivery and performance by Seller of the Acquisition Agreement have been obtained. The execution, delivery and performance of the Acquisition Agreement does not require Seller to (i) obtain any consent of any creditor, lessor, mortgagee, co-participant, co-owner of the Purchased Interest or other party to any agreement or instrument to which Seller is a party or by which Seller or any of its properties are bound, except as

provided in Section 9.2 of the CR-3 Participation Agreement dated July 31, 1975, or (ii) notify or obtain any permit, authorization or approval of any federal, state or local authority, other than the Seller's governing body.

(d) The Acquisition Agreement has been duly and validly executed and delivered by Seller and constitutes a legal, valid and binding obligation of Seller, enforceable in accordance with its respective terms.

(e) There are no actions, suits or proceedings pending or, to my knowledge, threatened against Seller with respect to the Acquisition Agreement, or any of the transactions thereunder, before any court or administrative body or agency having jurisdiction over Seller with respect to the Acquisition Agreement (including, without limitation, any arbitrations, Worker's Compensation or other administrative proceedings, condemnation proceedings, criminal prosecutions or governmental investigations) or which would have a material adverse effect on the Seller's ability to perform its obligations under the Acquisition Agreement.

(f) The Special Warranty Deed and Bill of Sale and the Assignment and Assumption Agreement dated the date hereof, between Seller, as "Grantor" or "Assignor", and Company, as "Grantee" or "Assignee", as the case may be, are in sufficient form to transfer the title or to assign, the rights, title, and interest each purports to transfer or assign, and, upon execution and delivery of the Special Warranty Deed and Bill of Sale and the Assignment and Assumption Agreement, such title to the portion of the Purchased Interest that constitutes real property, and such title to the portion of Purchased Interest that constitutes personal property, and Seller's entire right, title, and interest in the Participation Agreement shall be effectively transferred to Company as set forth in those documents. All terms used in this letter shall be deemed to have the definitions set forth in the Conveyance Documents except as otherwise specifically set forth herein. The "Conveyance Documents" is meant collectively, the Acquisition Agreement, the Assignment and Assumption Agreement, and the Special Warranty Deed and Bill of Sale.

(g) The Settlement-Related Documents are valid, binding, and enforceable against the Seller.

My opinion that any document is valid, binding, or enforceable in accordance with its terms is qualified as to:

(i) limitations imposed by bankruptcy, insolvency, reorganization, arrangement, moratorium, or other laws relating to or affecting the rights of creditors generally;

(ii) general principles of equity, including, without limitation, the possible unavailability of specific performance or injunctive relief, regardless of whether such enforceability is considered in a proceeding in equity or at law; and

(iii) judicial discretion, and the valid exercise of sovereign police powers of the State of Florida and the constitutional powers of the United States of America.

I do not purport to express any opinion herein concerning any laws other than the laws of the State of Florida and the federal laws of the United States of America, all as in effect on the date hereof.

This opinion speaks as of the date hereof. This opinion is furnished by me at your request for your sole benefit and no other person or entity shall be entitled to rely on this opinion without our express written consent. This opinion is limited to the matters stated herein, and no opinion is implied or may be implied or may be inferred beyond matters expressly stated herein.

Yours truly,

CITY OF _____

By: _____

EXHIBIT "K"

Form of Special Warranty Deed and Bill of Sale

**Property Appraiser's
Parcel ID No.**

SPECIAL WARRANTY DEED AND BILL OF SALE

THIS Indenture, made this ____ day of _____, 20____, between _____ (“Grantor”) and Duke Energy Florida, Inc., a Florida corporation (“Grantee”).

WITNESSETH

WHEREAS, Grantor is the owner of an undivided _____% tenant in common interest in a nuclear generating plant known as Crystal River Unit No. 3 situated on certain lands in Citrus County, Florida, as more fully described herein (hereinafter referred to as "CR-3"); and

WHEREAS, Grantee desires to purchase and acquire, and Grantor desires to sell, convey and transfer Grantor's entire undivided _____% tenant in common interest in CR-3 to the Grantee;

NOW, THEREFORE, Grantor, in consideration of the sum of Ten Dollars (\$10.00); and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, hereby bargains, sells, conveys and transfers to Grantee, and Grantee's successors and assigns forever, Grantor's entire _____% undivided interest as tenant in common, in and to the following described real and personal property:

(a) Real property situated in Citrus County, Florida:

Commence at the Northwest corner of Section 33, Township 17 South, Range 16 East, Citrus County, Florida, said corner having plant coordinates of N 0+34.61 & E 0+36.85, and run S 00° 58' 04" E, along the West boundary of said Section 33, a distance of 1,254.79 feet; thence East a distance of 1,456.95 feet to the Point of Beginning, said point having plant coordinates, S 12+20 & E 15+15; thence South, a distance of 63.98 feet; thence S 45° 41' 57" W, a distance of 201.91 feet; thence West, a distance of 436.50 feet to the Point of Curvature of a curve concave Southeasterly and having a radius of 134.0 feet; thence run 210.49 feet along the arc of said curve, a chord bearing and distance of S 45° 00' 00" W, 189.50 feet to the Point of Tangency; thence South, 757.33 feet; thence East,

484.00 feet; thence North, 137.83 feet; thence East, 66.00 feet to the Point of Curvature of a curve concave Northwesterly and having a radius of 147.43 feet; thence run 149.75 feet along the arc of said curve, a chord bearing and distance of N 60° 54' 14" E, 143.40 feet to the Point of Tangency; thence N 31° 47' 52" E, 87.01 feet to a curve concave Northerly and having a radius of 1183.72 feet; thence run 319.45 feet along the arc of said curve, a chord bearing and distance of N 73° 50' 37" E, 318.48 feet to the Point of Tangency; thence N 67° 31' 02" E 481.14 feet to the Point of Curvature of a curve concave Southerly and having a radius of 676.78 feet; thence run 265.05 feet along the arc of said curve, a chord bearing and distance of N 78° 43' 36" E, 263.36 feet to the Point of Tangency; thence N 89° 53' 49" E, 200 feet; thence N 00° 06' 11" W, 80.00 feet; thence S 89° 53' 49" W, 200 feet to the Point of Curvature of a curve concave Southerly and having a radius of 756.78 feet; thence run 296.31 feet along the arc of said curve, a chord bearing and distance of S 78° 43' 36" W, 294.42 feet to the Point of Tangency; thence S 67° 31' 02" W, 481.14 feet to the Point of Curvature of a curve concave Northerly and having a radius of 1103.72 feet; thence 241.24 feet along the arc of said curve, a chord bearing and distance of S 73° 59' 18" W, 240.76 feet; thence West, 150.57 feet; thence North, 204.70 feet; thence East, 60.00 feet; thence North, 161.00 feet; thence East, 437.55 feet; thence North, 353 feet; thence West, 397 feet to the Point of Beginning. Containing 18.86 acres, more or less.

Together, with all licenses, profits, easements, rights of way, development rights and entitlements, and all other tangible and intangible rights that are appurtenant or associated therewith or thereto, and all buildings, power plants, structures, improvements and all fixtures located thereon.

(b) Structures, equipment and facilities now or hereafter constructed and installed in or on the above described real property, including, but not limited to, the following:

A nuclear steam supply system of the pressurized water type.

A steam turbine-generator with a design nameplate turbine capability of 858.9 MW, and designed to take steam from the nuclear steam supply system.

Containment for the nuclear steam supply system.

All auxiliary equipment and other engineered safeguards associated with the foregoing.

An administration building, machine shop, warehouse, public information facility and other support buildings located adjacent to said units. (This does not include support buildings that are Common or External Facilities.)

A radioactive waste treatment and control system or systems and all associated equipment.

Cooling water system(s).

Generator step-up bank consisting of four transformers rated at 316 MVA each. Standby auxiliary power transformation equipment and related facilities.

CR-3 control and communication facilities and associated buildings or equipment not included in Common or External Facilities.

All other right, title and interest of Grantor in and to CR-3.

(collectively the "Property").

TO HAVE AND TO HOLD THE PROPERTY IN FEE SIMPLE FOREVER.

Grantor covenants that the foregoing real and personal property is free of all encumbrances imposed by or through Grantor; that lawful seisin of and good right to sell, convey and transfer such Property is vested in Grantor; and that Grantor does fully warrant such title to such Property and will defend forever the same against the lawful claims of all persons claiming by or through Grantor.

WHEREFORE, Grantor has caused this instrument to be executed by its duly authorized officers on the day and year first above written.

Signed, sealed and delivered
in the presence of:

CITY OF _____

By: _____

Name: _____

Title: _____

Print Name

Attest: _____

Name: _____

Title: _____

Print Name

(AFFIX CORPORATE SEAL)

STATE OF FLORIDA

COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____
20____, by _____, as the _____ of
the Seller of _____, on behalf of Seller. He/she is personally known to me or
has produced _____ as identification.

NOTARY PUBLIC

Print Name

[AFFIX NOTARIAL SEAL]

Commission No.: _____

EXHIBIT “L”

Form of Opinion of Counsel of Company

Date

Gentlemen:

I am Deputy General Counsel to Duke Energy Florida, Inc. (“Duke”) and in such capacity and together with attorneys in Duke’s Legal Department acting under my supervision, have acted as counsel to Duke in connection with the execution and delivery of that certain CR-3 Settlement, Release and Acquisition Agreement dated as of _____, 2014 (the “Acquisition Agreement”) between Duke and the City of Alachua, City of Bushnell, City of Gainesville, Kissimmee Utility Authority, City of Leesburg, City of New Smyrna Beach and the New Smyrna Beach Utilities Commission, City of Ocala, and the Orlando Utilities Commission (collectively the “Sellers”).

In so acting, I have examined originals or copies of the Acquisition Agreement and have relied as to factual matters upon the representations and warranties contained in that document (such reliance does not include the representations contained in Section 4.1, Section 4.2 and Section 4.3 of the Acquisition Agreement). I or attorneys in Duke’s Legal Department acting under my supervision have also examined originals or copies, certified or otherwise identified to our satisfaction, of all Duke’s corporate records, documents, agreements and other instruments, certificates, opinions and correspondence with public officials, and certificates of officers and representatives of Duke and made such other investigations as I have deemed necessary or advisable for the purposes of rendering the opinions set forth herein. As to all matters of fact covered thereby, I have relied, without independent investigation or verification, thereon. I have assumed the genuineness of all signatures and the authenticity of all documents submitted to me as originals and the conformity with the originals of all documents submitted to me as copies. This opinion is issued to you pursuant to Section 7.2 of the Acquisition Agreement. All defined terms contained in the Agreement are incorporated herein by this reference.

Based upon the foregoing and subject to the further qualifications and limitations set forth below, I am of the opinion that:

(a) Duke is a corporation, incorporated under the laws of the State of Florida, and it has the requisite power and authority to execute and deliver the Acquisition Agreement and to perform its obligations thereunder.

(b) The execution, delivery and performance by Duke of the Acquisition Agreement has been duly authorized by all necessary actions on the part of Duke, does not contravene any law, or any government rule, regulation or any order applicable to Duke or its properties, and does not and will not contravene the provisions of, cause the acceleration of any rights under, cause the creation of any lien under, or constitute a default under, any material agreement, resolution or other instrument known to me after due inquiry to which Duke is a party or by which Duke is bound.

(c) All requisite governmental and regulatory approvals and consents required to be obtained by Duke for the execution, delivery and performance by Duke of the Acquisition Agreement have been obtained. The execution, delivery and performance of the Acquisition Agreement does not require Duke to: (i) obtain any consent of any creditor, lessor, mortgagee, co-participant, co-owner of the Purchased Interests or other party to any agreement or instrument to which Duke is a party or by which Duke or any of its properties are bound, except as provided in Section 9.2 of the CR-3 Participation Agreement dated July 31, 1975, or (ii) notify or obtain any permit, authorization or approval of any federal, state or local authority, other than Duke's governing body.

(d) The Acquisition Agreement has been duly and validly authorized, executed and delivered by Duke and constitutes a legal, valid and binding obligation of Duke, enforceable in accordance with its terms.

(e) There are no actions, suits or proceedings pending or, to my knowledge, threatened against Duke with respect to the Acquisition Agreement, or any of the transactions thereunder, before any court or administrative body or agency having jurisdiction over Duke with respect to the Acquisition Agreement (including, without limitation, any arbitrations, Worker's Compensation or other administrative proceedings, condemnation proceedings, criminal prosecutions or governmental investigations) or which would have a material adverse effect on Duke's ability to perform its obligations under the Acquisition Agreement.

(f) The Settlement-Related Documents that are executed by Duke are valid, binding, and enforceable against Duke.

My opinion that any document is valid, binding, or enforceable in accordance with its terms is qualified as to:

(i) limitations imposed by bankruptcy, insolvency, reorganization, arrangement, moratorium, or other laws relating to or affecting the rights of creditors generally;

(ii) general principles of equity, including, without limitation, the possible unavailability of specific performance or injunctive relief, regardless of whether such enforceability is considered in a proceeding in equity or at law;

(iii) rulings, orders or decrees of the Nuclear Regulatory Commission, the Federal Energy Regulatory Commission, and the Florida Public Service Commission; and

(iv) judicial discretion, and the valid exercise of sovereign police powers of the State of Florida and the constitutional powers of the United States of America.

I do not purport to express any opinion herein concerning any laws other than the laws of the State of Florida and the federal laws of the United States of America, all as in effect on the date hereof.

This opinion speaks as of the date hereof, and I assume no obligation to update or supplement such opinion to reflect any fact or circumstance that may hereafter come to my attention or any changes in law that may hereafter occur or become effective. This opinion is

furnished by me at your request for your sole benefit and no other person or entity shall be entitled to rely on this opinion without my express written consent. This opinion is limited to the matters stated herein, and no opinion is implied or may be implied or may be inferred beyond matters expressly stated herein.

Yours truly,

By: _____

Deputy General Counsel

EXHIBIT “M”
Notice Provisions

SCHEDULE 2.4

Allocation of \$429,560.21

<u>Applicable Seller</u>	<u>Allocation of \$429,560.21 CR-3 Decommission Trust Withdrawal</u>
1. City of Alachua	\$5,132.33
2. City of Bushnell	\$2,556.28
3. City of Gainesville	\$92,858.33
4. City of Kissimmee	\$44,497.70
5. City of Leesburg	\$54,314.33
6. City of New Smyrna Beach and New Smyrna Beach Utilities Commission	\$36,947.45
7. City of Ocala	\$87,842.42
8. City of Orlando and Orlando Utilities Commission	\$105,512.37

SCHEDULE 2.6

Allocation of \$1,311,402.90

<u>Applicable Seller</u>	<u>Refund Amount</u>
1. City of Alachua	\$24,232.86
2. City of Bushnell	\$8,973.66
3. City of Gainesville d/b/a Gainesville Regional Utilities	\$219,706.52
4. City of Kissimmee	\$156,206.51
5. City of Leesburg	\$153,664.85
6. Utilities Commission, City of New Smyrna Beach	\$129,701.82
7. City of Ocala	\$248,521.76
8. Orlando Utilities Commission	\$370,394.92
Total	\$1,311,402.90

SCHEDULE 2.8(b)

Allocation of Wholesale Customer Payments

<u>Wholesale Purchaser</u>	<u>Cash Payment</u>
1. City of Bartow	\$293,864.40
2. City of Chattahoochee	\$515,355.17
3. City of Gainesville d/b/a Gainesville Regional Utilities	\$618,534.33
4. City of Homestead	\$4,034,848.80
5. City of Mt. Dora	\$1,284,526.58
6. Utilities Commission, City of New Smyrna Beach	\$916,219.41
7. City of Quincy	\$105,284.73
8. City of Williston	\$421,562.43
9. Florida Municipal Power Agency (All-Requirements Power Supply Project)	\$209,804.15
Total	\$8,400,000.00