

SECOND AMENDMENT
TO
MASTER AGREEMENT BETWEEN CITY OF GAINESVILLE d/b/a GAINESVILLE
REGIONAL UTILITIES, AND SHANDS TEACHING HOSPITAL AND CLINICS, INC.
FOR THE PROVISION OF ENERGY COMMODITIES THROUGH A CENTRAL
UTILITY PLANT

This Second Amendment is made and entered into as of the ___ day of _____, 2014, by and between Shands Teaching Hospital and Clinics, Inc. (“UF Health”) and the City of Gainesville (“City”) d/b/a Gainesville Regional Utilities (“GRU”), a Florida municipal corporation. UF Health and GRU may be referred to herein individually as “Party” and/or collectively as “Parties”.

WHEREAS, on July 25, 2007, the Parties entered into the Master Agreement between the City of Gainesville d/b/a Gainesville Regional Utilities, and Shands Teaching Hospital and Clinics, Inc. for the Provision of Energy Commodities through a Central Utility Plant (“Master Agreement”) and on December 30, 2009, the Parties entered into the First Amendment to the Master Agreement (“First Amendment”). The Master Agreement and First Amendment are collectively referred to as the “Agreement”; and

WHEREAS, UF Health intends to construct, own, and operate a hospital on the Project Campus with specialty services including cardiovascular and neuromedicine services (“CVNS Hospital”); and

WHEREAS, pursuant to the Agreement, GRU will provide Energy Commodities Services to the CVNS Hospital from GRU’s Central Utility Plant (“CUP”) on the Project Campus; and

WHEREAS, GRU will install equipment at the CUP and infrastructure between the CUP and the CVNS Hospital in order to serve the CVNS Hospital with Energy Commodities Services (ECS);

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the Parties agree to this Second Amendment, which is hereinafter referred to as Exhibit E attached to the Agreement and which provides as follows:

I. CENTRAL UTILITY PLANT EQUIPMENT AND PROVISION OF ENERGY COMMODITIES SERVICES (ECS)

GRU will design, purchase, install, operate, and own the equipment and infrastructure which serves the CVNS Hospital with power, essential power, hot water, chilled water, steam, and medical gases. The manner in which these services are provided to UF Health will be governed by Exhibit B of the Agreement.

II. PROVISION FOR HOT WATER SERVICES

A. Hot Water Equipment and Infrastructure

GRU will design, purchase, install, operate, and own the equipment and infrastructure which serves the CVNS Hospital with hot water services.

B. Service Specifications

- i.** GRU shall supply hot water services to UF Health through GRU's distribution system from its CUP at a pressure and temperature range to be mutually determined by the Parties.
- ii.** The Parties acknowledge that maintaining high differential temperature between the hot water supply and the hot water return is critical to the efficient and economical operation of the hot water services heating system. UF Health shall design and operate the UF Health hot water heat exchanger system in a manner that returns water at the hot water point of return at a change in temperature of at least 20 degrees below the delivered temperature. UF Health shall implement generally accepted industry best practices to achieve high hot water differential temperatures.
- iii.** GRU will maintain the hot water quality and will employ the chemical treatment of the water, as GRU determines adequate for the normal protection of its production and distribution equipment, and in accordance with generally accepted industry best practices, as well as the health and safety of employees and customers. GRU will advise UF Health of the chemical treatment it employs, as well as any changes thereto. UF Health is responsible for ensuring that its equipment is compatible with GRU's system.

C. UF Health Heat Exchanger

UF Health will design, purchase, install, operate, and maintain a heat exchanger to transfer the thermal energy from the GRU-supplied closed-loop hot water system to the UF Health potable water system.

D. Non-Potable Hot Water

The GRU-supplied hot water loop contains water that is non-potable. UF Health will not use GRU-supplied hot water as a source of potable water.

E. Thermal Performance Guarantee

Thermal products sent to the Project Campus including hot water and steam will be delivered with a guaranteed efficiency of 0.78 MMBtu of steam and/or hot

water per MMBtu of fuel. If GRU is unable to meet this efficiency standard, GRU will only recover the costs that GRU would have incurred at the guaranteed efficiency. This guaranteed efficiency is dependent upon UF Health maintaining a heating load of at least 10,000,000 Btu/hour on the Project Campus. This guaranteed efficiency shall replace the Steam Performance Guarantee listed in section IV.E of Attachment 2 to Exhibit B in the Agreement.

III. PROJECT SCHEDULE FOR CVNS HOSPITAL

GRU shall coordinate with UF Health the final commissioning dates of the grid power, chilled water, backup power, steam, and hot water systems within the CUP to support the scheduled CVNS completion date of December 1, 2017.

IV. CAPITAL COSTS, CONTRIBUTION IN AID OF CONSTRUCTION, AND CAPITAL COST RECOVERY

A. Capital Costs

The capital costs associated with the design and construction of all added infrastructure and equipment will be the actual costs incurred for the construction and will be calculated by GRU in the same manner as specified in Attachment 2 to Exhibit B of the Agreement for other capital components of the CUP.

B. Contribution in Aid of Construction (CIAC)

A GRU CIAC of \$750.00 per kilowatt of peak capacity shall be deducted from the UF Health capital cost of the CHP facilities. The peak capacity of the unit shall be the electrical capacity of the natural gas-fired engine, in kilowatts, that GRU installs in conjunction with support of the CVNS Hospital, at the unit's generator terminals, when rated at 75 degrees Fahrenheit and 50% relative humidity.

C. Capital Cost Recovery (CRC)

The actual capital cost for the CUP infrastructure and equipment, after the credit for GRU's CIAC, will be subject to CRC and CDC as defined in Attachment 2 to Exhibit B of the Agreement.

D. Commencement of Charges

Monthly CRC and CDC charges for ECS and hot water services shall commence on the Chilled Water Operation Date, the Steam Operation Date, and the On-site Electric Power Date, respectively. In the event that UF Health is unable or unwilling to accept ECS and/or hot water services, beginning January 1, 2018, GRU may commence charging UF Health for CRC, CD, and Operation and Maintenance Recovery Charges pursuant to Exhibit B of the Agreement.

V. APPLICABILITY OF SECOND AMENDMENT TO FUTURE PHASES

The terms of this Second Amendment shall be applicable to all expansions of existing buildings as well as new buildings constructed on the Project Campus.

VI. TERM

The term of this Second Amendment shall be commensurate with the term of the Agreement.

VII. ENTIRE AGREEMENT

This Second Amendment and the Agreement constitutes the entire agreement between the Parties. In the event of inconsistencies between the terms and conditions contained in the Agreement and the terms and conditions contained herein, the terms and conditions herein shall dictate and control. Except as set forth herein, all provisions of the Master Agreement and First Amendment shall remain unchanged, and in full force and effect.

VIII. OTHER TERMS AND CONDITIONS

All other terms and conditions associated with the CUP and the Project Campus shall be dictated by the terms and conditions set forth in the Agreement.

IN WITNESS WEHREOF, the parties have caused this Second Amendment to be executed on the ____ day of _____, 2014.

SHANDS TEACHING HOSPITAL AND
CLINICS, INC.

CITY OF GAINESVILLE, d/b/a
GAINESVILLE REGIONAL UTILITES

By: _____
Ed Jimenez
Interim Chief Executive Officer

By: _____
Kathy Viehe
Interim General Manager

Approved as to Form and Legality:

By: _____
Shayla McNeill
Utilities Attorney