

OPERATING AND ACCESS AGREEMENT

This OPERATING AND ACCESS AGREEMENT ("Operating Agreement") is made and entered into this _____ day of _____, 20____, by and between THE CITY OF OCALA, FLORIDA, d/b/a OCALA ELECTRIC UTILITY ("OEU") and DUKE ENERGY FLORIDA, LLC, a Florida limited liability company ("DEF") (hereinafter OEU and DEF may be referred to individually as "Party" and collectively as "Parties").

WITNESSETH:

WHEREAS, OEU is a municipal electric utility and a member of Florida Municipal Power Agency, Inc. ("FMPPA"), a wholesale transmission customer of DEF;

WHEREAS, FMPPA previously submitted requests to DEF to enhance the reliability of the transmission system at certain delivery points where DEF delivered power under existing wholesale power arrangements with FMPPA;

WHEREAS, FMPPA proposed that in order to do so, its applicable member would purchase equipment to reconstruct delivery points to add redundancy so that power could be delivered from two DEF directions and DEF would reimburse such members for their equipment and construction costs;

WHEREAS, DEF has agreed to do so with respect to the delivery point at the OEU Ocala Shaw Substation, Marion County, Florida (the "Shaw Substation");

WHEREAS, in furtherance of DEF's purchase of the assets as set forth in the Asset Purchase Agreement entered into by and between OEU and DEF dated _____, 20____ (the "APA"), OEU has granted DEF a Substation Equipment, Transmission Lines and Control House Easement dated _____, 20____, as more fully described in the APA (hereinafter referred to as the "Easement Agreement");

WHEREAS, the Amended Service Agreement for Network Integration Transmission Service and Amended Network Operating Agreement between FMPPA and DEF dated as of September 1, 2024 and designated as DEF Service Agreement No. SA 148 which was made effective as of September 1, 2024 per letter order of the Federal Energy Regulatory Commission (the "Service Agreement") provides terms and conditions under which FMPPA shall operate its facilities and the technical and operational matters associated with the implementation of network integration transmission service for FMPPA; and

WHEREAS, the Parties desire to establish specific control, operating and access procedures and obligations with respect to the operation of the Shaw Substation and DEF's assets located at the Shaw Substation in order to prevent disruption to and to ensure the protection and integrity of DEF's transmission system.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, and in consideration of other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereto agree as follows:

1. Scope of Agreement.

The proposed configuration of 230 kV circuits, connections and the relationship with the Shaw Substation is diagrammed in Attachment A to this Operating Agreement. OEU and DEF agree that DEF's

Ross Prairie to Vanguard 230 kV transmission line will traverse over OEU owned land pursuant to the Easement Agreement and be looped into the Shaw Substation 230 kV bus.

Phase 1

Shaw Substation 230 kV bus on the source side of the 230 kV disconnect switches MOS-X and MOS-Y at the Shaw Substation, as illustrated in Attachment A shall be owned by and be considered as a part of DEF's transmission system such that DEF has the right to utilize and have access to these facilities to transfer power.

As a condition of initial and continuing connection to DEF's transmission system, DEF will require operational control (as defined in Section 1.A. "Operations" below) over switches MOS-X and MOS-Y connected to the 230 kV ring bus, in addition, all future transmission voltage modifications and connections to the 230 kV bus at the Shaw Substation are subject to DEF's prior written approval.

Phase 2

Shaw Substation 230 kV bus on the source side of the 230 kV disconnect switches MOS-X and MOS-Y at the Shaw Substation, as illustrated in Attachment A shall be owned by and be considered as a part of DEF's transmission system such that DEF has the right to utilize and have access to these facilities to transfer power.

As a condition of initial and continuing connection to DEF's transmission system, DEF will require operational control (as defined in Section 1.A. "Operations" below) over switches MOS-X and MOS-Y connected to the 230 kV ring bus, in addition, all future transmission voltage modifications and connections to the 230 kV bus at the Shaw Substation are subject to DEF's prior written approval.

DEF shall have those rights as set forth in the Easement Agreement to construct, remove, reconstruct, operate, and maintain the overhead electric transmission lines, communication systems and related facilities along with all of the rights and privileges reasonably necessary or convenient for the safe and efficient operation and maintenance of said electric transmission lines, communication systems and related facilities, and further including the reasonable right to enter upon adjoining lands of OEU by such route or routes, including private roads and ways then existing thereon, on foot or by conveyance, with materials, supplies, and equipment as may be desirable for the purpose of exercising all rights herein granted.

OEU warrants that tasks, actions and activities to be performed subject to this Operating Agreement shall be performed with that degree of skill, judgment and safety which is customarily exercised in the industry and shall be in strict accordance with all applicable federal, state, and local laws, regulations and such other requirements as may be directed by DEF. Further, OEU shall permit only authorized OEU personnel, approved in advance in writing by DEF, who are properly trained, skilled in, and qualified to perform such tasks, actions and activities to be performed subject to this Operating Agreement.

A. Operations.

DEF shall own, control and operate by remote supervisory control or local manual control, in accordance with prudent and established utility industry practices and procedures, its 230 kV switches 8903 and 8904 and 230 kV breakers 8844, 8845, 8846, 8901, and 8902 as shown on Attachment A Phase 1 and Phase 2, on the lines in and out of the Shaw Substation.

The other 230 kV switches MOS-X and MOS-Y in the Shaw Substation 230 kV ring bus, as shown on Attachment A Phase 1 and Phase 2, shall not be operated by OEU without a written or verbal directive issued by DEF energy control center dispatchers, except if, based on OEU's engineering judgment according to good utility practice, doing so is necessary to protect and safeguard human life from possible injury or death or, in an emergency, to protect a part of the OEU or DEF power system from damage.

DEF will operate and maintain Remote Terminal Units ("RTUs") and communications equipment connected to its system, and OEU shall provide DEF reasonable access to the Shaw Substation for this purpose.

DEF and OEU shall be able to monitor the status of all 69kV, 230kV breakers and MOS-X and MOS-Y at this substation through their own SCADA system.

Following the date hereof, DEF will perform all current regulatory responsibilities and obligations as the North American Electric Reliability Corporation ("NERC") registered transmission operator, as well as any such future regulatory responsibilities and obligations related to [the 230 kV transmission lines from the Shaw Substation to Seminole Electric Cooperative, Inc.'s Silver Springs North Substation and the terminal structures (with accompanying switches) at the Shaw Substation, and that portion of the Shaw 230 kV ring bus up to the receiver end of the bus tap switches for the two 230 – 69 kV autotransformers]. OEU shall only operate such assets upon the written or verbal directive or other operating instructions issued by DEF system operators.

During the interim period following DEF becoming the transmission owner and operator of the Assets as set forth in the APA and prior to DEF's improvements at the Shaw Substation being deemed in service which facilitate DEF's ability to control and manage the Shaw Substation 230 kV ring bus, the following provisions regarding operational control shall apply between DEF and OEU:

- i. DEF owned equipment shall not be operated by OEU without a written or verbal directive issued by DEF energy control center dispatchers, except if, based on OEU's engineering judgment according to good utility practice, doing so is necessary to protect and safeguard human life from possible injury or death or, in an emergency, to protect a part of the OEU or DEF power system from damage; provided, however, that OEU must provide prompt notice to DEF energy control center as soon as safely and reasonably possible after such operation without prior written or verbal directive.
- ii. Following any other unplanned operation by OEU of DEF owned equipment (e.g., relay trips, human error, etc.), OEU must also provide prompt notice to DEF energy control center as soon as safely and reasonably possible after such unplanned operation.
- iii. Prior to any planned operation by OEU of DEF owned equipment, OEU must notify DEF energy control center and request permission to operate such equipment. DEF energy control center shall, in its sole discretion, grant OEU permission to operate such equipment if system conditions allow.

- iv. During the course of operation by OEU of DEF owned equipment, OEU shall permit only authorized OEU personnel who are qualified electrical workers to perform such tasks, actions and activities.

B. Access. OEU personnel shall not perform any activity within the restricted access control house at Shaw Substation containing any DEF equipment. DEF personnel may enter the OEU premises, provided that prior to the time of entry DEF personnel shall contact OEU to notify them of such entry.

C. Maintenance.

It shall be each Party's responsibility to maintain, except as otherwise provided herein, all of the equipment owned by the respective Party feeding or within the Shaw Substation, as shown in Attachment A, in accordance with prudent and established utility industry practices and procedures. Each Party shall closely coordinate such equipment maintenance with the other Party so as to avoid conflicts between the maintenance schedule and the system requirements. DEF dispatchers will issue to OEU normal switching instructions and tags for maintenance activities affecting DEF's transmission system.

At its expense, DEF may remove any existing vegetation around all DEF facilities on the substation property, including cutting back the height of, or otherwise removing, trees under DEF's transmission line, along with the related stump grinding. At its expense, OEU shall perform periodic mowing of all the area around all DEF facilities on the substation property, including DEF's transmission line easement area under the Easement Agreement. Should OEU not comply with this requirement within [thirty (30)] days after formal written notice from DEF, DEF will have the right to unilaterally perform the necessary mowing and bill OEU for said mowing.

OEU covenants and agrees that no trees, buildings, structures, ponds, or obstacles will be located or constructed underneath or near the transmission lines nor shall the ground elevation be altered by more than two (2) feet.

D. Metering. All metering shall remain energized at all times except for emergencies and planned maintenance which is to be coordinated between DEF and OEU. The auxiliary power consumed by all equipment within the Shaw Substation by DEF and OEU shall be provided at the individual company's sole expense.

2. Term. This Operating Agreement shall become effective upon full execution by both Parties and shall continue until and unless terminated in accordance with Section 6, herein.

3. Insurance. Both Parties shall carry insurance in such form to protect the Parties from and against claims, demands, actions, judgments, costs, expenses and liabilities or by reason of any loss, injury, death, or damage which may arise out of or result directly from the use and occupancy of the premises and the operations conducted thereon. Throughout the term of this Operating Agreement, both Parties shall maintain, and shall ensure that its agents, contractors and subcontractors take out and maintain substantially the same insurance with the same limits as required of both Parties, the following insurance:

A. Workers' compensation in compliance with the statutory requirements of the state of operation and employer's liability insurance, with limits of \$1,000,000 each accident/disease/policy limit, covering all employees who perform any obligations under this Operating Agreement.

B. Commercial General Liability Insurance of not less than \$1,000,000 per occurrence/\$2,000,000 in the aggregate for contractual liability, personal injury, bodily injury to or death of persons, and/or loss of use or damage to property, including but not limited to products and completed operations liability, and premises and operations liability.

C. Commercial automobile liability insurance with an available combined single limit of \$1,000,000 each accident for bodily injury and property damage covering all owned, hired and non-owned automobiles, including contractual liability and no fellow employee exclusion.

D. Umbrella/Excess Liability insurance with available limits of at least \$4,000,000 per occurrence and follow form of the underlying Employer's, Commercial General and Auto Liability insurance, and provide at least the same scope of coverages thereunder.

E. Such other insurance as may be necessary to insure the indemnity and to protect Parties from and against any and all insurable claims, demands, suits, actions, causes of action, proceedings, judgments, awards, losses, fees, costs, expenses and liabilities or by reason of any injury, loss or death which may arise out of or result from the use and occupancy of the premises and the operations conducted thereon.

Additional Insureds. The policies required by Sections herein shall include both Parties and its directors, officers, members and employees as additional insureds as their interest may appear under its Agreement (except for workers' compensation and employer liability).

Waiver of Subrogation. Each Party and their insurers providing the required coverage shall waive all rights of subrogation against the opposite Party and its directors, officers, employees and agents.

Certificate of Insurance. Concurrently with the execution of this Operating Agreement, each Party shall furnish the other Party with certificates of insurance as evidence that policies providing the required coverage, conditions and limits are in full force and effect. Upon receipt of notice of cancellation or nonrenewal from its insurer each Party shall use its best efforts to provide not less than thirty (30) days' prior notice of such cancellation or nonrenewal. In the event of any Parties failure to maintain any insurance required herein, the opposite Party shall have the right to cancel this Operating Agreement.

Both Parties compliance with these provisions and the limits of insurance specified herein shall not constitute a limitation of that Party's liability or otherwise affect that Party's indemnification obligations pursuant to this Operating Agreement.

No Limitation on Indemnities. The requirement, provided herein as to type, limits, and coverages to be maintained by Parties is not intended to, and shall not in any manner, limit or quantify the liabilities and obligations assumed by the other Party. The purchase of the insurance required by this section shall not relieve each Party of its liability or obligations under this Operating Agreement or otherwise limit the other Party's liability under this Operating Agreement. The contractual liability coverage shall insure the performance of all obligations assumed hereunder, including specifically, but without limitation, the indemnity provisions in this Operating Agreement.

DEF is self-insured for all insurance coverages and obligations under this Operating Agreement and shall provide a Letter of Self-Insurance to OEU upon execution of this Operating Agreement.

4. Indemnification. Subject to the limitations set forth in Florida Statutes, Section 768.28, each Party ("Indemnifying Party") hereby assumes responsibility for and agrees to indemnify and hold harmless the other Party ("Indemnified Party"), their parent corporation, officers, directors, employees, and agents, from any and all claims, liabilities, obligations, damages, demands, losses, causes of action, costs or expenses of whatsoever kind or nature, including reasonable attorney's fees in all pre-litigation and litigation issues: (i) for injury to or death of any person, and for damage to or destruction of any property resulting from any errors, omissions or any negligent, reckless, fraudulent, willful, wanton, or intentional acts of the Indemnifying Party or any employee, agent, or subcontractor, or anyone directly or indirectly employed by or through them, or anyone for whose acts they may be liable; (ii) for any violation or alleged violation of any applicable federal or state orders, rules or regulations of any government entity or agency by, through or as a result of the Indemnifying Party or any employee, agent, subcontractor or anyone else directly or indirectly employed by or through them, or either of them, or anyone for whose acts they may be liable; (iii) for contamination of or any adverse effects on the environment; and (iv) whether directly or indirectly caused by, or arising out of a breach of this Operating Agreement or any warranties by the Indemnifying Party. The Indemnified Party shall have the right to participate in any defense provided by the Indemnifying Party, including but not limited to the selection of legal counsel.

5. Independent Contractor. OEU shall perform hereunder as an independent contractor. Nothing in this Operating Agreement or the conduct of the Parties pursuant hereto shall be construed or implied to have created or to create between them any relationship of principal and agent, employer and employee, partners, or of joint venturers.

6. Termination. Notwithstanding anything set forth herein, either Party may terminate this Operating Agreement without cause by providing written notice to the other Party at least three (3) year prior to the desired termination date. Upon receipt of such notice, both Parties shall engage in good faith discussions to determine the scope and allocation of termination-related costs and risks. Termination shall be subject to mutual agreement on the terms of disengagement, including restoration obligations and cost-sharing.

In the event the Parties agree to terminate without cause, each Party shall bear its own direct costs and expenses arising from the termination. If restoration of the transmission facilities to their original configuration (as shown in Attachment A at the Shaw Substation) is required, the Parties shall share such costs equitably, based on the proportion of benefit received under this Operating Agreement.

This Operating Agreement may be terminated for cause upon material breach by either Party. In the event of termination for cause, the Party in material breach shall be responsible for all costs and expenses arising and resulting from the termination, including without limitation, all costs and expenses which may be incurred by DEF if DEF elects, in its sole discretion, to fully restore the overall transmission facilities to their original configuration, as shown in Attachment A, at the Shaw Substation prior to the Parties entering into this Operating Agreement.

7. Benefit and Burden. All terms and covenants and conditions herein contained shall be for and shall inure to the benefit of and shall bind the respective Parties hereto and their legal representatives, successors, heirs and assigns, respectively.

8. Entire Agreement. This Operating Agreement, together with all related exhibits and schedules, constitutes the sole and entire agreement of the Parties with respect to the subject matter of this Operating Agreement, and supersedes all prior and contemporaneous understandings, agreements, representations, and warranties, both written and oral, with respect to the subject matter. The Parties

shall not be bound by or be liable for any statement, representation, promise, inducement or understanding of any kind or nature not set forth or provided for herein. No prior course of dealing, usage of trade or course of performance shall be used to supplement or explain any term, condition or instruction used in this Operating Agreement.

9. Amendments; Modifications. Any and all amendments or modifications of the provisions of this Operating Agreement shall be effective only if made in writing and executed by the Parties. No statements or agreements, oral or written, made prior to the date hereof, shall vary or modify the written terms set forth herein and neither Party shall claim any amendment, modification or release from any provision hereof by reason of a course of action or mutual agreement unless such agreement is in writing, signed by both Parties and specifically states it is an amendment to this Operating Agreement.

10. Governing Law. This Operating Agreement and the rights and obligations of the Parties shall be governed by and construed in accordance with the laws of the State of Florida without giving effect to any principles of conflicts of laws where the giving of effect to any such principles would result in the laws of any other state or jurisdiction being applied to this Operating Agreement. Unless otherwise provided by law, any and all litigation between the Parties hereto arising out of this Operating Agreement shall be instituted and maintained without a jury in the Circuit Court in Marion County, Florida. Any cause of action arising by virtue of the laws of the United States shall be instituted and maintained without a jury in the United States District Court of the Middle District of Florida, Ocala Division.

11. Notices. Any notices or other communications required or permitted by this Operating Agreement shall be in writing and shall be delivered by a nationally recognized overnight courier, return receipt requested, or by certified or registered mail, return receipt requested and addressed to:

If to OEU:

The City of Ocala, Florida d/b/a Ocala Electric Utility
1805 NE 30th Ave Bldg. 400,
Ocala, FL 34470
352-351-6641
Attention: Director of Electric Utilities

If to DEF:

Duke Energy Florida, LLC
6565 38th Avenue North
St Petersburg, Florida 33710
Attention: Director of Transmission Planning

All notices shall be effective when received.

12. No Waiver. No failure to exercise and no delay in exercising, on the part of a Party, any right, power or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right, power or remedy. No waiver by either Party with respect to any breach or default of any right or remedy, shall be deemed to constitute a continuing waiver of any other breach or default, or of any other right or remedy, or of any other term, condition or provision of this Operating Agreement, unless such waiver is expressed in writing and signed by the Party against which such waiver is sought to be enforced. Nor shall any usage of trade, course of dealing, practice of performance, or failure to strictly enforce any term, right, obligation or provision of this Operating Agreement by either Party be construed as a continuing

waiver of any provision herein, unless such waiver is expressed in writing and signed by the Party against which such waiver is sought to be enforced. The rights provided herein are cumulative and not exclusive of any rights provided by law or in equity.

13. Severability. In the event any provision, or any part or portion of any provision of this Operating Agreement shall be deemed or defined by any law, regulation, ordinance, or order of any court of any governmental agency, or regulatory body having jurisdiction over either Party, or held or declared by a court of competent jurisdiction to be unlawful, invalid, void or otherwise unenforceable, the rights and obligations of the Parties shall be reduced or abated only to the extent required to remove or cure such illegal or unenforceable portion, so long as the Operating Agreement is not affected in a manner or to the extent which would render it economically, technically, materially, or commercially infeasible to either Party.

14. Survival. Neither termination nor cancellation of this Operating Agreement shall be deemed to relieve the Parties of any obligations hereunder that by their nature survive termination or cancellation including, but not limited to, all warranty, indemnification, and limitation of liability obligations.

15. Captions. The headings used throughout this Operating Agreement are inserted for reference purposes only and are in no way to be construed as a limitation of the scope of the particular sections to which they refer.

16. Counterparts. This Operating Agreement may be executed in one or more original, photocopied or telecopied (including by facsimile or pdf) counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Each Party hereto agrees to be bound by its facsimile or pdf signature.

[Remainder of Page Intentionally Left Blank]

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

**THE CITY OF OCALA, FLORIDA, d/b/a OCALA
ELECTRIC UTILITY**

By: Kristen M. Dreyer, as
City Council President

ATTEST:

By: ANGEL B. JACOBS, as
City Clerk

APPROVED AS TO FORM AND LEGALITY:

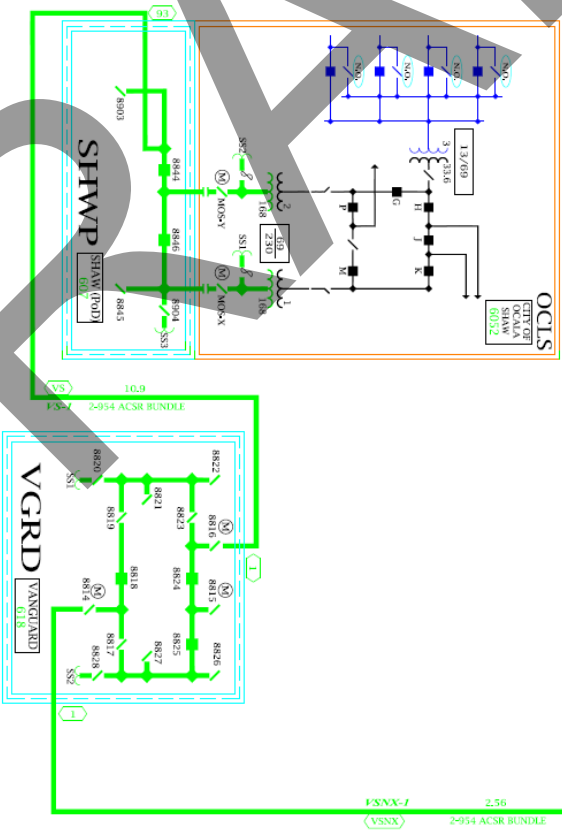
By: WILLIAM E. SEXTON, as
City Attorney

DUKE ENERGY FLORIDA, LLC

By: _____
Name: _____
Title: _____

ATTACHMENT A
ONE LINE DIAGRAM

EXHIBIT "A" - PHASE 1
***This is to serve as a visual aid for the purposes of the
Operating & Access Agreement only! Not for construction use.**



***This is to serve as a visual aid for the purposes of the Operating & Access Agreement only; Not for construction use.**

