

TRUST FUND AGREEMENT

This Agreement entered into as of July 19th, 1990, by and 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 (collectively the "Crystal River Unit 3 Participants"), herein referred to as the "Grantor", and Sun Bank, National Association, herein referred to as the "Trustee".

WHEREAS, the Nuclear Regulatory Commission ("NRC"), an agency of the United States Government, pursuant to the Atomic Energy Act of 1954, as amended, and the Energy Reorganization Act of 1974, has promulgated regulations in Title 10, Chapter I of the Code of Federal Regulations, Part 50 ("10 CFR 50") which are applicable to the Grantor and which require a holder of, or an applicant for, a license issued pursuant to 10 CFR Part 50 to provide assurance that funds will be available when needed for required decommissioning activities; and

WHEREAS, the Grantor has elected to use a trust fund to provide for such financial assurance for the facilities identified herein; and

WHEREAS, the Grantor, acting through its duly authorized officers, has selected the Trustee to be the trustee under this Agreement, and the Trustee is willing to act as Trustee,

NOW, THEREFORE, the Grantor and the Trustee agree as follows:

Section 1. Costs of Decommissioning. This Agreement pertains to the Crystal River Unit 3 Participants' cumulative 4.805% undivided ownership interest (39.6MW) in Crystal River Unit No. 3,

a nuclear unit located in Citrus County, Florida, and owned and operated by Florida Power Corporation (the "Licensed Facility"). The NRC license number of Crystal River Unit No. 3 is DPR-72 and current estimated or certified decommissioning costs as of December 1989, as defined by the NRC, of that unit are \$127,432,164, of which the Crystal River Unit 3 Participants' share is \$ 6,123,116.

Section 2. Establishment of Fund. The Grantor and Trustee hereby establish a trust fund (the "Fund") for the benefit of the NRC (the "Beneficiary"). The Grantor and the Trustee intend that no third party shall have access to the Fund except as provided herein.

Section 3. Payments Constituting the Fund. Payments made to the Trustee for the Fund shall consist of cash, securities, or other assets described in Schedule A, attached hereto, which are initially placed in the Fund and any other property subsequently transferred to the Trustee, together with all earnings and profits thereon, less any payments or distributions made by the Trustee pursuant to this Agreement. The Fund shall be held by the Trustee, IN TRUST, as hereinafter provided. The Trustee shall not be responsible nor shall it undertake any responsibility for the amount of, or adequacy of the Fund, nor shall the Trustee have any duty to collect from the Grantor any payments necessary to discharge any liability of the Grantor established by the NRC.

Section 4. Payment for Required Activities Specified in the Plan. The Trustee shall make payments from the Fund to the Grantor upon presentation to the Trustee of the following:

- a. A certificate duly executed by the Secretary of the Grantor attesting to the occurrence of the events giving rise to the necessity for the payments, in the form set forth in the attached Specimen Certificate, and
- b. A certificate duly executed by the Secretary of the Grantor attesting to the following conditions:
 - (1) decommissioning is proceeding pursuant to an NRC-approved plan (the "Plan"); and
 - (2) the funds withdrawn will be expended for activities undertaken pursuant to the Plan.

The Trustee shall make payments from the Fund to the Grantor solely upon presentation of the certificates described above and shall have no duty to verify that the events or conditions described in such certificates have occurred or that such events or conditions give rise to the necessity for the payments.

In the event of the Grantor's default or inability to direct decommissioning activities as determined by the NRC, the Trustee shall make payments from the Fund as the NRC shall direct, in writing, to provide for the payment of the costs of required decommissioning activities covered by this Agreement. The Trustee shall reimburse the Grantor or other persons, as specified in writing by the NRC, from moneys on deposit in the Fund, for expenditures for required decommissioning activities in such amounts as the NRC shall direct in writing. In addition, the

Trustee shall refund to the Grantor such amounts as the NRC specifies in writing and, upon refund, such amounts shall no longer constitute part of the Fund as defined herein.

Section 5. Trust Management. The Trustee shall invest and reinvest the principal and income of the Fund and keep the Fund invested as a single fund, and shall not be required to distinguish between principal and income, in accordance with instructions from the Grantor and which the Grantor may communicate in writing to the Trustee from time to time, subject, however, to the provisions of this section. The Trustee shall discharge its duties with respect to the Fund solely in the interest of the Grantor and the Beneficiary and with the care, skill, prudence, and diligence under the circumstances then prevailing which persons of prudence, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of a like character and with like aims, except that:

- a. securities or other obligations of the Grantor, or any other owner or operator of the Licensed Facility, or any of their affiliates as defined in the Investment Company Act of 1940, as amended (15 U.S.C. 80A-2(a)), shall not be acquired or held, unless they are securities or other obligations of the Federal or state government;
- b. the Trustee is authorized to invest moneys on deposit in the Fund in time or demand deposits of the Trustee, to the extent insured by an agency of the Federal government; and

- c. for a reasonable time, not to exceed 30 days, the Trustee is authorized to hold uninvested cash, awaiting investment or distribution, without liability for the payment of interest thereon.

- Section 6. Commingling and Investment. The Trustee is expressly authorized in its discretion to transfer from time to time any or all of the assets of the Fund to any common, commingled, or collective trust fund created by the Trustee in which the Fund is eligible to participate, subject to all of the provisions hereof and thereof, to be commingled with the assets of other trusts participating therein.

Section 7. Express Powers of Trustee. Without, in any way, limiting the powers and discretion conferred upon the Trustee by the other provisions of this Agreement or by law, the Trustee is expressly authorized and empowered to:

- a. 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;
- b. 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 the powers granted herein;
- c. register any securities held in the Fund in its own name, or in the name of a nominee, and to hold any security in bearer form or in book entry, or to combine certificates representing such securities with

certificates of the same issue held by the Trustee in other fiduciary capacities; to reinvest interest payments and funds from matured and redeemed instruments; to file proper forms concerning securities held in the Fund in a timely fashion with the appropriate government agencies, or to deposit or arrange for the deposit of such securities in a qualified central depository even though, when so deposited, such securities may be merged and held in bulk in the name of the nominee or such depository with other securities deposited therein by another person; or to deposit or arrange for the deposit of any securities issued by the U.S. Government, or any agency or instrumentality thereof, with a Federal Reserve Bank; but the books and records of the Trustee shall at all times show that all such securities are part of the Fund; and

- d. deposit any moneys on deposit in the Fund in interest-bearing accounts maintained or savings certificates issued by the Trustee, in its separate corporate capacity, or in any other banking institution affiliated with the Trustee, to the extent insured by an agency of the Federal government.

Section 8. Taxes and Expenses. All taxes of any kind that may be assessed or levied against or in respect of the Fund and all brokerage commissions incurred by the Fund shall be paid from the

Fund. All other expenses incurred by the Trustee in connection with the administration of the Trust, including fees for legal services rendered to the Trustee, the compensation of the Trustee, and all other proper charges and disbursements of the Trustee to the extent not paid directly by the Grantor, shall be paid from the Fund and shall be a first charge against the Fund. If at any time the Fund is insufficient to pay such fees and expenses, then the Crystal River Unit 3 Participants shall be liable for the payment of such fees and expenses.

Section 9. Annual Valuation. After payment has been made into the Fund, the Trustee shall annually, at least 30 days prior to the anniversary date of receipt of payment into the Trust Fund, furnish to the Grantor and to the Beneficiary a statement confirming the value of the Trust. Any securities in the Fund shall be valued at market value as of no more than 60 days before the anniversary date of the establishment of the Fund.

Section 10. Advice of Counsel. The Trustee may from time to time consult with counsel, who may also be counsel to the Grantor, with respect to any question arising as to the construction of this Agreement or any action to be taken hereunder. The Trustee shall be fully protected, to the extent permitted by law, in acting on the written advice of counsel.

Section 11. Trustee Compensation. The Trustee shall be entitled to reasonable compensation for its services as agreed upon in writing from time to time with the Grantor.

Section 12. Successor Trustee. The Trustee may resign upon 90 days notice to the NRC, and the Grantor may replace the Trustee upon 90 days notice to the NRC and the Trustee, but such resignation or replacement shall not be effective until the Grantor has appointed a successor Trustee and this successor accepts the appointment. The successor Trustee shall have the same powers and duties as those conferred upon the Trustee hereunder. Upon the successor Trustee's acceptance of the appointment, the Trustee shall assign, transfer, and pay over to the successor Trustee the funds and properties then constituting the Fund. If for any reason the Grantor cannot or does not act in the event of the resignation of the Trustee, the Trustee may apply to a court of competent jurisdiction for the appointment of a successor Trustee or for instructions.

In any event, the successor Trustee shall specify the date on which it assumes administration of the Trust in a writing sent to the Grantor, the NRC, and the Trustee by certified mail, return receipt requested at least 10 days before it assumes such administration. Any expenses incurred by the Trustee or successor Trustee as a result of any of the acts contemplated by this section shall be paid as provided in Section 9.

Section 13. Instructions to the Trustee. All orders, requests, and instructions by the Grantor to the Trustee shall be confirmed in writing, signed by the signatory to this Agreement or such other persons as the Grantor may designate in writing. The Trustee shall be fully protected in acting without inquiry in

accordance with the Grantor's orders, requests, and instructions. Any orders, requests, or instructions by the NRC to the Trustee shall be in writing and shall be signed by the NRC, or its designee, and the Trustee shall act and shall be fully protected in acting in accordance with such orders, requests, and instructions. The Trustee shall promptly provide copies of all such orders, requests and instructions received for the NRC or the designee to Grantor. The Trustee shall have the right to assume, in the absence of written notice to the contrary, that no event constituting a change or a termination of the authority of any person to act on behalf of the Grantor or the Beneficiary hereunder has occurred. The Trustee shall have no duty to act in the absence of such orders, requests, and instructions from the Grantor and/or the Beneficiary except as provided for herein.

Section 14. Amendment of Agreement. This Agreement may be amended by an instrument in writing executed by the Grantor and the Trustee, or by the Trustee and the Beneficiary if the Grantor ceases to exist.

Section 15. Irrevocability and Termination. Subject to the right of the parties to amend this Agreement as provided in Section 14, the Trust created hereunder shall be irrevocable and shall continue until terminated at the written agreement of the Grantor, the Trustee, and the Beneficiary, or by the Trustee and the Beneficiary if the Grantor ceases to exist. Upon termination of

the Trust, all remaining Trust property, less final Trust administration expenses, shall be delivered to the Grantor or its successor.

Section 16. Immunity and Indemnification. The Trustee shall not incur personal liability of any nature in connection with any act or omission, made in good faith, in the administration of this Trust, or in carrying out any directions by the Grantor or the Beneficiary issued in accordance with this Agreement. The Trustee shall be indemnified and saved harmless by the Crystal River Unit 3 Participants or from the Trust Fund, or both, from and against any personal liability to which the Trustee may be subjected by reason of any act or omission made in good faith in its official capacity, including all expenses reasonably incurred in its defense in the event the Grantor fails to provide such defense.

Section 17. Interpleader or Declaratory Judgment. If the parties to this Agreement shall be in disagreement about the interpretation of the Agreement, or about their rights and obligations, or the propriety of any action contemplated by the Trustee hereunder, either party may, in its sole discretion, file a declaratory judgment action or the Trustee may file an action in interpleader to resolve the said disagreement. Unless the bringing of such declaratory judgment or interpleader action is occasioned by the misconduct, bad faith or negligence of the Trustee, the Trustee shall be indemnified for all costs, including reasonable attorneys' fees, in connection with the aforesaid actions, and shall be fully protected in suspending all or a part

of its activities under this Agreement until a final judgment in the interpleader action or declaratory judgment action is received.

Section 18. Governing Law. This Agreement shall be administered, construed, and enforced according to the laws of the State of Florida. Any action to which the Trustee is a party shall be brought in trial courts located in Orange County, Florida, and any objection as to the jurisdiction of or venue in such courts that either party hereto would otherwise have is hereby waived.

Section 19. Interpretation and Severability. As used in this Agreement, words in the singular include the plural and words in the plural include the singular.

The description headings for each section of this Agreement shall not affect the interpretation or the legal efficacy of this Agreement. If any part of this agreement is held invalid by a court of competent jurisdiction, it shall not affect the remaining provisions which will remain valid and enforceable.

Section 20. No Waiver. Failure to enforce any provision of this Agreement shall not operate as a waiver of any such provision nor of any other provisions hereof.

IN WITNESS WHEREOF the parties have caused this Agreement to be executed by the respective officers duly authorized and the corporate seals to be hereunto affixed and attested as of the date first written above.

Florida Municipal Power Agency

By Arthur J. Hays

Title General Manager

Sun Bank, National Association

By Laura N. Dawkins

Title Corporate Trust Officer

SPECIMEN CERTIFICATE OF EVENTS

[Insert name and address of trustee]

Attention: Trust Division

Gentlemen:

In accordance with the terms of the Agreement you dated _____, I, _____, Secretary/Treasurer of the Florida Municipal Power Agency, hereby certify that the following events have occurred:

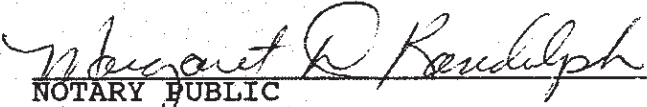
1. Florida Power Corporation is required to commence the decommissioning of the Crystal River Unit 3, a nuclear unit, located in Citrus County, Florida, of which the Crystal River Unit 3 Participants' have an undivided _____% ownership interest (hereinafter called the decommissioning).
2. The plans and procedures for the commencement and conduct of the decommissioning have been approved by the United States Nuclear Regulatory Commission, or its successor, on _____ (copy of approval attached).
3. The Executive Committee of the Florida Municipal Power Agency has adopted the attached resolution authorizing the commencement of the decommissioning.

Secretary/Treasurer

Date

State of Florida
County of Orange


On the 19 day of July, 1990, before me personally came Calvin R. Henze, and he did depose and say: that he is the General Manager of Florida Municipal Power Agency, the legal entity described in and which executed the attached instrument; that he knows the seal of said entity; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Executive Committee of said legal entity, and that he signed his name thereto by like order.


NOTARY PUBLIC
State of Florida at Large
My Commission Expires:

NOTARY PUBLIC, STATE OF FLORIDA AT LARGE
MY COMMISSION EXPIRES FEBRUARY 18, 1993

State of Florida
County of Orange

On the 19 day of July, 1990, before me personally came Laura N. Dawkins, to me known, who being by me duly sworn, did depose and say: that she is the Corporate Trust Officer of Sun Bank, National Association, described in and which executed the attached instrument; that she knows the seal of said association; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the association and that she signed her name thereto by like order.


NOTARY PUBLIC
State of Florida at Large
My Commission Expires:

NOTARY PUBLIC, STATE OF FLORIDA AT LARGE
MY COMMISSION EXPIRES FEBRUARY 18, 1993

RESOLUTION NO. 90 - E4

A RESOLUTION OF THE EXECUTIVE COMMITTEE OF THE FLORIDA MUNICIPAL POWER AGENCY (I) PROVIDING FOR THE EXECUTION AND DELIVERY OF THE CRYSTAL RIVER 3 TRUST FUND AGREEMENT AND THE CRYSTAL RIVER DECOMMISSIONING AGREEMENT; (II) DESIGNATING AUTHORIZED OFFICERS; (III) AUTHORIZING FURTHER ACTIONS; AND (IV) PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE EXECUTIVE COMMITTEE OF THE FLORIDA MUNICIPAL POWER AGENCY:

SECTION 1. AUTHORITY TO EXECUTE AND DELIVER. The Crystal River 3 Trust Fund Agreement ("Trust Agreement") between the Florida Municipal Power Agency, as Agent for certain municipalities and Sun Bank, National Association, as Trustee and the Crystal River 3 Decommissioning Agreement ("Decommissioning Agreement") are hereby approved and the Authorized Officers of the Florida Municipal Power Agency ("FMPA") are hereby authorized to execute and deliver the Trust Agreement and the Decommissioning Agreement.


SECTION 2. DESIGNATION OF AUTHORIZED OFFICERS OF FMPA. The Chairman, Vice Chairman, Secretary-Treasurer, Assistant Secretary-Treasurer, General Manager and the Controller of FMPA are each hereby designated as Authorized Officers of FMPA for the purpose of executing and delivering the Trust Agreement and the Decommissioning Agreement and taking any other actions authorized by this Resolution.

SECTION 3. FURTHER ACTIONS. Each Authorized Officer of FMPA is hereby authorized and empowered to take all such further actions as may be necessary or desireable in carrying out the terms and provisions of the Trust Agreement, the Decommissioning Agreement and this Resolution.

SECTION 4. EFFECTIVE DATE. This Resolution shall take effect immediately upon its adoption.

APPROVED AND ADOPTED by the Executive Committee of Florida Municipal Power Agency on the 26th day of June 1990.

Attest:


Secretary


Chairman

 **COPY**

AMENDMENT TO TRUST FUND AGREEMENT

This Amendment to Trust Fund Agreement is entered into as of 3-24, 1992, by and 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 (collectively, the "Crystal River Unit 3 Participants"), herein referred to as the "Grantor", and Sun Bank, National Association, herein referred to as the "Trustee".

WHEREAS, the Grantor and the Trustee entered into a Trust Fund Agreement (the "Agreement") on July 19, 1990, by which the Grantor and Trustee stated their respective agreements in connection to the Crystal River Unit 3 Participants' undivided ownership interest in Crystal River Unit No. 3, as described therein;

WHEREAS, the Sebring Utilities Commission ("SUC"), one of the Crystal River Unit 3 Participants, has now contracted to sell its 0.4473% undivided ownership interest in the Crystal River Unit 3 Nuclear Plant to Florida Power Corporation ("FPC"); and

WHEREAS, the Grantor and the Trustee therefore wish to amend the Agreement as authorized by Section 14 of the Agreement and as described herein;

NOW, THEREFORE, the Grantor and the Trustee agree as follows:

Section 1. Crystal River Unit 3 Participants. The Sebring Utilities Commission is no longer included in the definition of Crystal River Unit 3 Participants under the Agreement.

Section 2. Amendment and Restatement of Section 1 of the Trust Fund Agreement. Section 1 of the Trust Fund Agreement executed on July 19, 1990 is amended and restated as follows:

Section 1. Costs of Decommissioning. This Agreement pertains to the Crystal River Unit 3 Participants' cumulative 4.3577% undivided ownership interest (35.9 MW) in Crystal River Unit No. 3, a nuclear unit located in Citrus County, Florida, and owned and operated by Florida Power Corporation (the "Licensed Facility"). The NRC license number of Crystal River Unit No. 3 is DPR-72 and current estimated or certified decommissioning costs as of December 1989, as defined by the NRC, of that unit are \$127,432,164, of which the Crystal River Unit 3 Participants' share is \$12,173,213.

Section 3. Effective Date. This Amendment to Trust Fund Agreement shall be effective upon receipt by Grantor and Trustee of notice of approval by NRC.

Section 4. Validity and Enforceability of Agreement. The Trust Fund Agreement entered into on July 19, 1990, by and between the Grantor and the Trustee, except as modified by this Amendment to Trust Fund Agreement, shall remain valid and in full force and effect.

IN WITNESS WHEREOF the parties have caused this Amendment to Trust Fund Agreement to be executed by the respective officers duly authorized and the corporate seals to be hereunto affixed and attested as of the date first written above.

FLORIDA MUNICIPAL POWER AGENCY

By Frederick A. Short
Title
CONTROLLER

SUN BANK, NATIONAL ASSOCIATION

By Kathryn A. Doherty
Title CTO

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2001 AMENDMENT TO TRUST FUND AGREEMENT

THIS AMENDMENT is entered into this 4th day of December, 2001, by and between the Florida Municipal Power Agency (FMPA), as an agent for the City of Alachua, the City of Bushnell, the City of Gainesville, the City of Leesburg, the City of Ocala, and the Kissimmee Utility Authority (collectively, the Crystal River Unit 3 Participants), herein referred to as the "Grantor," and Sun Trust Bank (the "Trustee"), a banking corporation organized under the laws of the State of Georgia, formally known as Sun Bank, National Association (Sun Bank).

RECITALS

WHEREAS, the Grantor and the Trustee entered into a Trust Fund Agreement (the "Agreement") on July 19, 1990; and

WHEREAS, in the Agreement the Grantor and the Trustee stated their respective agreements in connection with the Crystal River Unit 3 Participants' undivided ownership interest in Crystal River No. 3 as described in the Agreement; and

WHEREAS, the Grantor and the Trustee therefore wish to amend the Agreement as authorized by Section Fourteen (14) and as described in this Amendment.

NOW THEREFORE, in consideration of the foregoing and the mutual covenants contained in this Amendment, the Grantor and the Trustee agree as follows:

1. **INCORPORATION OF RECITALS.** The Recitals stated above are true and correct and by this reference are made a material part of this Amendment.

2. AMENDMENT AND RESTATEMENT OF SECTION NINE OF THE AGREEMENT. Section

Nine (9) of the Agreement is amended and restated as follows:

Section 9. Annual Valuation. After payment has been made to the Fund, the Trustee shall annually, at least thirty (30) days prior to the anniversary date of receipt of the payment into the Trust Fund, furnish to the Grantor a statement confirming the value of the Trust. Any securities in the Fund shall be valued at market value as of no more than sixty (60) days before the anniversary date of the establishment of the Fund.

3. EFFECTIVE DATE. This Amendment to the Agreement shall be effective after execution by the Grantor and the Trustee.

4. VALIDITY AND ENFORCEABILITY OF THE AGREEMENT. This Amendment is in accordance with Section Fourteen (14) of the Agreement. The Trust Fund Agreement entered into by and between the Grantor and the Trustee on July 19, 1990, except as modified in accordance with Section Fourteen (14) of the Agreement, shall remain valid and in full force and effect.

5. AUTHORIZATION. The execution of this Amendment has been duly authorized by the Grantor and the Trustee, both the Grantor and the Trustee have complied with all requirements of law, and both the Grantor and the Trustee have full power and authority to comply with the terms and provisions of this Amendment.

6. HEADINGS FOR CONVENIENCE ONLY. The descriptive headings in this Amendment are for convenience only and shall neither control nor affect the meaning or construction of any of the provisions of this Amendment.

7. COUNTERPARTS. This Amendment may be executed in any number of counterparts, each of which when executed and delivered shall be an original. However, all such counterparts together shall constitute, but one and the same Amendment.

IN WITNESS WHEREOF, the Parties have caused this Amendment to the Agreement to be executed by the respective officers duly authorized and the corporate seals to be hereunto affixed and attested as of the date first written above.

WITNESS:

FLORIDA MUNICIPAL POWER AGENCY

Dana L. Schult
(Signature of Witness)

By: Mary O'Sullivan
Its: DIRECTOR OF FINANCE/CFO

Dana L. Schult
(Print Name of Witness)

[Seal]

SUN TRUST BANK, as Trustee

Kathleen M. LeCureux
(Signature of Witness)

By:

[Signature]
Authorized Signatory

KATHLEEN M. LeCureux
(Print Name of Witness)

