118 Dup
2 Single.
17.90

Florida Power Corporation
Docket No. 970096-EQ

EXHIBITS TO THE TESTIMONY OF ROBERT D. DOLAN

EXHIBIT NO. ___ (RDD-6)

THE TIGER BAY PURCHASE AGREEMENT
THE NATURAL GAS TRANSPORTATION CONTRACTS
THE STEAM SALES AND LEASE AGREEMENTS

ACK ____
AFA ____
APP ____
CAF ____
CMU ____
CTR ____
EAG ____
LEG ____
LIN ____
OPC ____
RCH ____
SEC ____
WAS ____
OTH ____

PURCHASE AGREEMENT

TABLE OF CONTENTS

"Agreement" means this Purchase Agreement.

"Allocation" has the meaning specified in Section 2.03.

"Appeal Period" has the meaning specified in Section 8.01(e).

"Assets" means the Plant, the Assigned Contracts, the Permits, to the extent assignable, and the Books and Records.

"Assigned Contracts" means the Material Assigned Contracts and the Other Assigned Contracts.

"Assignments" means, collectively, the forms of the (a) Assignment and Assumption attached as Exhibit A, (b) Leasehold Assignment and Substitution attached as Exhibit B and (c) Bill of Sale attached hereto as Exhibit C.

"Banks" has the meaning specified in Section 6.01(g).

"Best Efforts" means a party's best efforts in accordance with reasonable commercial practice and without the incurrence of unreasonable expense.

"Board Approval" has the meaning specified in Section 6.02(g).

"Books and Records" means the books, records, plans, specifications and drawings of Tiger Bay related to or required for the operation and maintenance of the Plant.

"Business Day" means any day other than a Saturday, a Sunday or a day on which banks in Houston, Texas, New York, New York, or St. Petersburg, Florida are authorized or required by law to be closed.

"Closing" has the meaning specified in Article III.

"Closing Date" has the meaning specified in Article III.

"Confidentiality Agreement" has the meaning specified in Section 5.02(c).

"Credit Agreement" has the meaning specified in Section 6.01(g).

"Credit Support Obligations" means any letters of credit, guarantees and security deposits created by or for the benefit of Tiger Bay with respect to any of the Assigned Contracts.

"Delivered Additional Inventory" has the meaning specified in Section 2.02(a)(ii).

PURCHASE AGREEMENT

Dated as of January 30 1997

among

TIGER BAY LIMITED PARTNERSHIP,

FPC ACQUISITION L.L.C.

and

FLORIDA POWER CORPORATION

PURCHASE AGREEMENT

TABLE OF CONTENTS

SCHEDULES

"Agreement" means this Purchase Agreement.

"Allocation" has the meaning specified in Section 2.03.

"Appeal Period" has the meaning specified in Section 8.01(e).

"Assets" means the Plant, the Assigned Contracts, the Permits, to the extent assignable, and the Books and Records.

"Assigned Contracts" means the Material Assigned Contracts and the Other Assigned Contracts.

"Assignments" means, collectively, the forms of the (a) Assignment and Assumption attached as Exhibit A, (b) Leasehold Assignment and Substitution attached as Exhibit B and (c) Bill of Sale attached hereto as Exhibit C.

"Banks" has the meaning specified in Section 6.01(g).

"Best Efforts" means a party's best efforts in accordance with reasonable commercial practice and without the incurrence of unreasonable expense.

"Board Approval" has the meaning specified in Section 6.02(g).

"Books and Records" means the books, records, plans, specifications and drawings of Tiger Bay related to or required for the operation and maintenance of the Plant.

"Business Day" means any day other than a Saturday, a Sunday or a day on which banks in Houston, Texas, New York, New York, or St. Petersburg, Florida are authorized or required by law to be closed.

"Closing" has the meaning specified in Article III.

"Closing Date" has the meaning specified in Article III.

"Confidentiality Agreement" has the meaning specified in Section 5.02(c).

"Credit Agreement" has the meaning specified in Section 6.01(g).

"Credit Support Obligations" means any letters of credit, guarantees and security deposits created by or for the benefit of Tiger Bay with respect to any of the Assigned Contracts.

"Delivered Additional Inventory" has the meaning specified in Section 2.02(a)(ii).

PURCHASE AGREEMENT

PURCHASE AGREEMENT (this "Agreement") dated as of the 20th day of January, 1997 among TIGER BAY LIMITED PARTNERSHIP ("Tiger Bay"), FPC ACQUISITION L.L.C. ("FPC") and FLORIDA POWER CORPORATION ("Guarantor").

RECITALS:

WHEREAS, Tiger Bay is the owner of a nominally rated 220 megawatt cogeneration power plant located in Polk County, Florida and certain other assets related thereto; and

WHEREAS, Tiger Bay wishes to sell certain of its assets, and FPC wishes to purchase said assets, on the terms herein set forth;

NOW, THEREFORE, in consideration of the mutual promises made herein, and subject to the conditions hereinafter set forth, the parties agree as follows:

ARTICLE I
DEFINITIONS

SECTION 1.01 Definitions. The terms set forth below shall have the meanings ascribed to them in this Article I or in the part of this Agreement referred to below:

"Accounts Payable" has the meaning specified in Section 2.02(b)(ii).

"Accounts Receivable" has the meaning specified in Section 2.02(b)(ii).

"Additional Assets" has the meaning specified in Section 2.02(a)(ii).

"Additional Assets Charge" has the meaning specified in Section 2.02(a)(ii).

"Additional Inventory Contracts" has the meaning specified in Section 2.02(a)(ii).

"Affiliate" means, with respect to any entity, any other entity controlling, controlled by or under common control with such entity. As used in this definition, the term "control", including the correlative terms "controlling", "controlled by" and "under common control with" shall mean the possession, direct or indirect, of the power to direct or cause the direction of the management or policies of an entity, whether through ownership of voting securities, by contract or otherwise.

"Engineering Opinion" has the meaning specified in Section 8.01(d)(ii).

"Environmental Claim" means and includes any investigation, notice of violation, demand, allegation, action, suit, injunction, judgment, order, consent decree, penalty, fine, lien, proceeding, or claim (whether administrative, judicial or private in nature) arising: (A) pursuant to, or in connection with, an actual or alleged violation of any Environmental Requirement; (B) in connection with any Hazardous Substance or actual or alleged activity associated with any Hazardous Substance; (C) from any abatement, removal, remedial, corrective, or other response action in connection with any Hazardous Substance, Environmental Requirement, or other order or directive of any Governmental Entity or regulatory entity; or (D) from any actual or alleged damage, injury, threat, or harm to health, safety, welfare, natural resources, or the environment.

"Environmental Requirement" means any applicable local, regional, state or federal statute, rule, regulation, order, decree, judgment, code, permit, by-law, variance, license or ordinance pertaining to: (A) occupational health; (B) the conservation management, or use of natural resources and wildlife; (C) the protection or use of surface water and ground water; (D) the management, manufacture, possession, presence, use, generation, transportation, treatment, storage, disposal, release, threatened release, abatement, removal, remediation, or handling of, or exposure to, any Hazardous Substance; (E) pollution (including any release, direct or indirect, to air, land, surface water and ground water); or (F) land use, zoning or land development; and includes, without limitation, the following federal statutes (and their implementing regulations and the analogous state, regional and local statutes and regulations): the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. § 9601 et seq.; the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976, as amended by the Hazardous and Solid Waste Amendments of 1984, 42 U.S.C. s 6901 et seq.; the Federal Water Pollution Control Act of 1972, as amended by the Clean Water Act of 1977, as amended, 33 U.S.C. § 1251 et seq.; The Toxic Substances Control Act of 1976, as amended, 15 U.S.C. § 2601 et seq.; the Emergency Planning and Community Right-to-Know Act of 1986, 42 U.S.C. § 1100 et seq.; the Clean Air Act of 1966, as amended by the Clean Air Act Amendments of 1990, 42 U.S.C. § 7401, et seq.; the Occupational Safety and Health Act of 1970, as amended, 29 U.S.C. § 651 et seq.; and the Safe Drinking Water Act of 1974, as amended, 42 U.S.C. § 300(f) et seq., and Chapters 373, 376 and 403, Florida Statutes.

"FERC" means the Federal Energy Regulatory Commission.

"FGT" means Florida Gas Transmission Company.

"FPSC" means the Florida Public Service Commission.

"Gas Sales Contract" means, collectively, (i) the Gas Sales and Purchase Contract dated September 22, 1993 between Tiger Bay and Vastar Gas Marketing, Inc. and (ii) the Parent Guaranty dated September 22, 1993 issued by Atlantic Richfield Company as supplemented by the letter agreement dated December 30, 1993 between Tiger Bay and Vastar Gas Marketing, Inc., each as amended through the date hereof.

"Gas Transportation Agreements" means (i) the Firm Transportation Service Agreement (Rate Schedule FTS-1) dated December 30, 1993 between Tiger Bay and FGT and (ii) the Firm Transportation Service Agreement (Rate Schedule FTS-2) dated December 30, 1993 between Tiger Bay and FGT, each as amended through the date hereof.

"Governmental Approval" means any permit, license, variance, certificate, consent, letter, clearance, closure, exemption, authorization, decision or action or approval of any federal, state, regional or local governmental authority with jurisdiction over any Environmental Requirement.

"Governmental Entity" means any court, governmental department, commission, council, board, agency or other instrumentality of the United States of America or any state, county, municipality or local government.

"Hazardous Substance" means any substance, chemical, compound, product, solid, gas, liquid, waste, by-product, pollutant, contaminant, or material which is defined, listed, designated or regulated as hazardous or toxic under any Environmental Requirement.

"HSR Act" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

"Lease" means the Lease Agreement dated June 15, 1993 between Tiger Bay and USAC, as amended through the date hereof.

"Legal Requirement" means any applicable law, statute, decree, judgment, rule, regulation, code, ordinance, permit, bylaw, variance, order, or license of a Governmental Entity, but does not include any Environmental Requirement.

"Lien" means any lien, charge, mortgage, pledge, encumbrance, hypothecation, conditional sales contract, or security interest.

"Material Adverse Effect" means a material adverse effect on the financial condition of Tiger Bay or the operation of the Plant, as the case may be.

"Material Assigned Contracts" means the PPAs, the O&M Agreement, the Gas Sales Contract, the Gas Transportation Agreements, the Steam Sale Agreement, and the Lease.

"Notices" has the meaning specified in Section 9.05.

"O&M Agreement" means that certain Operation and Maintenance Agreement, dated as of July 15, 1993, between Tiger Bay and Destec Operating Company, as amended through the date hereof.

"Other Assigned Contracts" means the contracts listed on Schedule 1.01(a).

"Partnership Agreement" means the Second Amended and Restated Agreement of Limited Partnership of Tiger Bay dated as of December 30, 1993.

"Permits" means the governmental licenses, authorizations, permits and approvals, including any Governmental Approvals, listed on Schedule 1.01(b).

"Permitted Encumbrances" means (i) any encumbrances created under or pursuant to the Assigned Contracts, (ii) the encumbrances and other title exceptions listed on or referenced in title policy no. 10 0057 10 001396 dated December 30, 1993 issued by Chicago Title Insurance Company (including attachments thereto), (iii) liens and security interests securing indebtedness incurred pursuant to the Credit Agreement and (iv) all other encumbrances on and exceptions that do not in the aggregate substantially impair the use of the Assets as they are currently being used, including restrictive protective covenants, ad valorem taxes and assessments that are not yet due and payable, mineral and royalty reservations, easements, zoning ordinances and regulations, and mechanics' and materialmen's liens for repairs or alterations in the ordinary course.

"Plant" means all of Tiger Bay's personal property, fixtures, leasehold improvements and equipment (exclusive of the Delivered Additional Inventory) (i) located on the Plant Site as of the Closing Date, including, without limitation: (A) the General Electric 7-FA combustion turbine, the Deltak heat recovery steam generator and the General Electric steam turbine, (B) spare parts, (C) the equipment owned by Tiger Bay connecting the Plant to FPC's transmission lines, and (D) all operations, maintenance, environmental and safety manuals and other written procedures relating to the Plant, and (ii) any of the aforementioned in (A) through (D) that is normally located on the Plant Site but is located off the Plant Site as of the Closing Date.

"Plant Site" means the property described on Schedule 1.01(c).

"PPAs" means (i) the three Contracts for the Purchase of Firm Energy and Capacity from a Qualifying Facility each dated November 30, 1988 between General Peat Resources L.P., whose interest was assigned to Tiger Bay, and Guarantor, (ii) the Negotiated Contract for the Purchase of Firm Capacity and Energy from a Qualifying Facility dated as of March 28, 1991 between EcoPeat Avon Park, whose interest was assigned to Tiger Bay, and Guarantor and (iii) the Standard Offer Contract for Purchase of Firm Energy and

Capacity from a Qualifying Facility dated July 1989 between Timber Energy Resources Inc., whose interest was assigned to Tiger Bay, and Guarantor, (iv) any interconnection agreements entered into between Tiger Bay and Guarantor with respect to any of the foregoing, (v) Sections 3 and 4 of the Lease Termination Agreement dated February 22, 1993 among Tiger Bay, Guarantor and EcoPeat Avon Park and (vi) all letters, agreements, documents or instruments which supplement, modify, clarify, waive or amend any of the foregoing.

"*Purchase Price*" has the meaning specified in Section 2.02(a)(ii).

"*Purchase Price Adjustment*" has the meaning specified in Section 2.02(b)(ii).

"*Remedial Actions*" means those actions consistent with remedial actions recommended by a Governmental Entity.

"*Scheduled Outage*" has the meaning specified in Section 8.01(d)(i).

"*Steam Sale Agreement*" means the Steam Sale Agreement dated as of June 15, 1993 between Tiger Bay and USAC, as amended through the date hereof.

"*USAC*" means U. S. Agri-Chemicals Corporation.

SECTION 1.02 Terminology. All article, section, subsection, schedule and exhibit references used in this Agreement are to this Agreement unless otherwise specified. All schedules and exhibits attached to this Agreement constitute a part of this Agreement and are incorporated herein. Unless the context of this Agreement clearly requires otherwise, (i) the singular shall include the plural and the plural shall include the singular wherever and as often as may be appropriate, (ii) the words "includes" or "including" shall mean "including, without limitation", and (iii) the words "hereof", "herein", "hereunder" and similar terms in this Agreement shall refer to this Agreement as a whole and not any particular section or article in which such words appear.

ARTICLE II
PURCHASE AND SALE

SECTION 2.01 Purchase and Sale of Assets. Upon the terms and subject to the conditions of this Agreement, including the terms of the Assignments, at the Closing, (a) Tiger Bay will sell, assign, convey, transfer and deliver to FPC, the Assets and the Additional Assets (as hereinafter defined), and (b) FPC shall purchase the Assets and the Additional Assets, shall assume all of Tiger Bay's obligations with respect to the Assets and the Additional Assets, and shall indemnify Tiger Bay, its partners, officers, employees, directors and agents, from and against any and all liabilities arising after the Closing out of, related to, or in connection with FPC's ownership or operation of the Assets and the Additional Assets, and shall use its Best Efforts to cause the other

parties to the Assigned Contracts to release Tiger Bay from any liability thereunder effective as of the Closing.

SECTION 2.02 Purchase Price and Adjustment.

(a) *Purchase Price.*

(i) The consideration (the "Purchase Price") to be paid by FPC for the Assets and the Additional Assets shall be the sum of $445,000,000.00 and the Additional Assets Charge (as hereinafter defined). Upon the terms and subject to the conditions of this Agreement, at the Closing, Tiger Bay and FPC will execute and deliver the Assignment and Substitution and the Bill of Sale, and Tiger Bay, FPC and Guarantor will execute and deliver the Assignment and Assumption whereby (i) Tiger Bay assigns the Assets and the Additional Assets to FPC, against payment therefor by FPC to Tiger Bay of the Purchase Price, in immediately available funds by wire transfer to one or more bank accounts designated by Tiger Bay, and (ii) FPC assumes the obligations of Tiger Bay with respect to the Assets and the Additional Assets, and FPC and Guarantor provide the indemnities set forth in Section 2.01(a).

(ii) "Additional Assets Charge" means an amount equal to the sum of all amounts, if any, paid by Tiger Bay to General Electric Company, Inc. pursuant to the Additional Inventory Contracts as of the Closing Date. "Additional Inventory Contracts" means the purchase order(s) issued by Tiger Bay or Destec Energy, Inc. to General Electric Company, Inc. for the spare parts and equipment required to perform the hot gas repair of the gas turbine at the Plant scheduled to be performed during March and April 1998. Tiger Bay shall provide to FPC a copy of each Additional Inventory Contract upon issuance. "Delivered Additional Inventory" means all spare parts and equipment referred to in the second sentence of this Section 2.02(a)(ii), if any, that are delivered to the Plant Site pursuant to the Additional Inventory Contracts on or before the Closing Date. "Additional Assets" means the Additional Inventory Contracts and the Delivered Additional Inventory.

(b) *Purchase Price Adjustment.*

(i) On the Closing Date, FPC or Tiger Bay, as appropriate, shall pay to the other party in immediately available funds by wire transfer to one or more bank accounts designated by the payee, an amount (the "Purchase Price Adjustment") calculated in accordance with this Section 2.02(b). The Purchase Price Adjustment shall equal the Accounts Receivable less the Accounts Payable, as such terms are hereinafter defined. If the Purchase Price Adjustment is positive, FPC shall pay such amount to Tiger Bay, and if the Purchase Price Adjustment is negative, Tiger Bay shall pay such amount to FPC, which may be accomplished by a setoff against the Purchase Price.

(ii) "Accounts Receivable" means all amounts owed to Tiger Bay under the Material Assigned Contracts as of midnight on the day before the Closing Date including amounts accrued but not yet due and payable to Tiger Bay thereunder. "Accounts Payable" means (A) all amounts owing by Tiger Bay under the Material Assigned Contracts including amounts accrued but not yet due and payable and (B) an amount equal to Tiger Bay's pro rata share of the ad valorem taxes with respect to the Plant payable in 1997 prorated based on the number of days in 1997 the Plant is owned by Tiger Bay and based on the 1996 tax assessment. To determine Accounts Receivable which are accrued but not yet due and payable, Tiger Bay and FPC will agree upon a good faith estimate of such amounts including a reading of any applicable meters as of midnight on the day prior to the Closing Date.

SECTION 2.03 Allocation of Purchase Price. Tiger Bay and FPC shall use the allocation of $445,000,000.00 of the Purchase Price among the Assets shown on Schedule 2.03 for purposes of all relevant filings and other information provided by each to the Internal Revenue Service.

ARTICLE III
CLOSING DATE

The consummation of the transactions envisioned hereby (the "Closing") shall be held at a location to be mutually agreed by the parties, at 10:00 A.M., local time, on the fifth Business Day after the last condition contained in Sections 6.01(c), 6.01(h), 6.02(c), 6.02(g), 6.02(h) and 6.02(j) is satisfied or waived, or at such other time and date as may be mutually agreed to in writing by the parties. The date on which the Closing actually occurs is referred to herein as the Closing Date.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES

SECTION 4.01 Representations and Warranties of Tiger Bay. Tiger Bay hereby represents and warrants to FPC as follows:

(a) *Organization and Good Standing.* Tiger Bay is a limited partnership duly formed and validly existing under the laws of the State of Delaware and is in good standing under the laws of the State of Florida and the State of Texas. Tiger Bay is not qualified to do business as a foreign limited partnership in any other jurisdiction. Neither the character of the properties now owned or leased by Tiger Bay nor the nature of the business now conducted by it requires it to be so qualified, except where the failure to be so qualified would not be material to Tiger Bay.

(b) *Partnership Authority; Authorization of Agreement; Enforceability of the Agreement.* Tiger Bay has all requisite power and authority to enter into and perform this

Agreement. The execution, delivery and performance of this Agreement and the other documents and instruments to be delivered by Tiger Bay pursuant hereto, and the transactions contemplated hereby and thereby, have been duly authorized by Tiger Bay, subject to the conditions set forth in Sections 6.02(g) and (k). This Agreement has been, and each such other document or instrument will be, duly executed and delivered by Tiger Bay and constitutes, or upon such execution and delivery shall constitute, legal, valid and binding obligations of Tiger Bay, enforceable against Tiger Bay in accordance with its respective terms, subject, however, to applicable bankruptcy, reorganization, moratorium or similar laws affecting creditors' rights generally and except as the enforceability thereof may be limited by general principles of equity (regardless of whether considered in a proceeding in equity or at law).

(c) *No Violation.* Except as set forth on Schedule 4.01(c) hereto, the execution and delivery hereof by Tiger Bay does not, and the performance and compliance with the terms and conditions hereof by it and the consummation of the transactions contemplated hereby by Tiger Bay will not:

(i) violate or conflict with any provision of its certificate of limited partnership or the Partnership Agreement;

(ii) violate or conflict with any Legal Requirement binding upon it, which violation would materially and adversely affect Tiger Bay's ability to perform its obligations under this Agreement or FPC's operation of the Plant after Closing; or

(iii) violate or result in a default under (whether with notice or the lapse of time or both), or accelerate or permit the acceleration of the performance required by, or require any consent, authorization or approval or trigger any preferential right of purchase under (A) any mortgage, indenture, loan or credit agreement or any other material agreement or instrument evidencing indebtedness for money borrowed, or any financing lease to which it is a party or by which it is bound or to which any of its properties is subject or (B) any other material lease, contract, agreement or instrument to which it is a party or by which it is bound or to which its properties is subject, which violation would materially and adversely affect Tiger Bay's ability to perform its obligations under this Agreement.

(d) *No Default; Legal Requirements.*

(i) Tiger Bay is not in material breach or violation of, or in material default under, and no condition exists that with notice or lapse of time or both would constitute such a default under, (A) any mortgage, indenture, loan or credit agreement, evidence of indebtedness or other material instrument evidencing or securing borrowed money, or any material financing lease to which Tiger Bay is a party or its property is bound, (B) any judgment, order or injunction of any court or governmental agency or (C) any other material agreement, contract, lease, license or other instrument.

(ii) Tiger Bay is in compliance in all respects with all Legal Requirements applicable to the Assets, except where the failure to so comply does not have a Material Adverse Effect. Neither this Section 4.01(d)(ii) nor any other representation in this Section 4.01 (other than Section 4.01(h)) is intended to, and none of them shall, cover environmental matters, which are the subject of Section 4.01(h).

(e) *Approvals and Consents.* Except as set forth on Schedule 4.01(e), no material filing, consent, authorization or approval under any Legal Requirement binding upon Tiger Bay is required to be made or obtained by Tiger Bay in order to execute or deliver this Agreement or to consummate the transactions contemplated by this Agreement. Except as set forth in Sections 6.02 (g) and (k) and on Schedule 4.01(e), no consent or approval of any third party which is not a Governmental Entity is required for the execution and delivery of this Agreement by Tiger Bay or for the performance by Tiger Bay of its obligations hereunder. Except as set forth on Schedule 4.01(e), all of the Governmental Approvals necessary to permit Tiger Bay to lawfully conduct and operate its business in the manner it is currently conducted and to permit Tiger Bay to own and operate the Assets in the manner it currently owns and operates such Assets have been obtained and are in full force and effect except where the failure to obtain any such Governmental Approval or to maintain the effectiveness of such Governmental Approval does not have a Material Adverse Effect.

(f) *Litigation.* There are no suits, judicial or administrative actions or proceedings pending or, to Tiger Bay's knowledge, threatened that (i) challenge the validity or enforceability of this Agreement, or (ii) seek to restrain or prevent any action to be taken by Tiger Bay pursuant to this Agreement, or (iii) would have a material and adverse effect on Tiger Bay's ability to perform its obligations under this Agreement.

(g) *Liens.* Tiger Bay owns, leases or otherwise has the right to use the Assets free and clear of all Liens, except for Permitted Encumbrances and options or rights that (i) in the aggregate would not reasonably be expected to materially interfere with the use or operation of such assets as they are currently being used or operated or (ii) materially impair the value of such assets taken as a whole.

(h) *Environmental Matters.*

(i) Except as set forth in Schedule 4.01(h), Tiger Bay is in compliance with all Environmental Requirements.

(ii) Except as set forth in Schedule 4.01(h), Tiger Bay has obtained or applied for and is in compliance with all Governmental Approvals required by any Environmental Requirement. Any Governmental Approvals that are not final as of the date hereof are listed on Schedule 4.01(h), and Tiger Bay shall act to have all pending Governmental Approvals rendered final in the ordinary course of its business and according to Tiger Bay's own business plan. Except as set forth in Schedule 4.01(h), all Governmental

Approvals currently required for operation of the Plant and for Tiger Bay's use of the Plant Site are in full force and effect and no administrative or judicial appeal of any Governmental Approval is pending. Any Governmental Approvals that are not final as of the Closing Date shall be identified on a revised and updated Schedule 4.01(h).

(iii) Except as set forth in Schedule 4.01(h):

(A) Tiger Bay has not caused any unremediated release, threatened release, or disposal of any Hazardous Substance at the Plant Site in contravention of any Environmental Requirement.

(B) Tiger Bay has not manufactured, used, generated, stored, treated, transported, disposed of, released, or otherwise managed any Hazardous Substance except pursuant to and in accordance with any Environmental Requirement.

(C) Tiger Bay: (a) has no knowledge that any condition exists that would give rise to any liability on its part for response or corrective action, natural resources damage, or any other harm or activity pursuant to any Environmental Requirement at the Plant Site, nor has Tiger Bay engaged in any activity which would give rise to such liability or harm; (b) is not subject to, has no notice or knowledge of, or is not required to give any notice of any Environmental Claim involving Tiger Bay or the Plant Site; (c) is subject to no condition or occurrence at the Plant Site which could form the basis of an Environmental Claim against Tiger Bay; and (d) has not received any written or oral request for information under, or any Environmental Claim by any Governmental Entity arising out of, any Environmental Requirement.

(D) Neither Tiger Bay, the Plant, nor the Plant Site is subject to, and Tiger Bay has no knowledge of, any imminent restriction on the ownership, occupancy, use or transferability of the Plant Site in connection with any (a) Environmental Requirement, or (b) release, threatened release, or disposal of any Hazardous Substance;

(i) *Brokerage or Finders Fees.* Tiger Bay has not used a broker or finder in connection with this Agreement, and there are no claims for brokerage commissions, finders' fees or similar compensation in connection with the transactions contemplated hereby based on any arrangement or agreement by or on behalf of Tiger Bay.

(j) *Assigned Contracts.* Except as set forth on Schedule 4.01(j), each Material Assigned Contract is in full force and effect and is valid and enforceable against Tiger Bay in accordance with its terms. Except as set forth in Schedule 4.01(j), (i) Tiger Bay is in compliance with all applicable material terms and requirements of each Material Assigned Contract and has not

received any written notice that it is currently in violation of any applicable term or requirement of any Material Assigned Contract, and (ii) Tiger Bay is in compliance with all applicable material terms and requirements of each Other Assigned Contract and has not received any written notice that it is currently in violation of any applicable material term or requirement of any Other Assigned Contract, which violation has a Material Adverse Effect.

(k) *Condition and Sufficiency of Assets.* The buildings, plants, structures and equipment of Tiger Bay which are part of the Plant (except the combustion turbine) are in good operating condition adequate for the uses to which they are being put, normal wear and tear excepted.

(l) *Book and Records.* The Books and Records have been maintained in all material respects in accordance with sound business practice.

(m) *State and Local Taxes.* Tiger Bay has timely filed, and as of the Closing Date will have timely filed, all state, county and local property, sales, use, and other tax returns relating to its overall business required to be filed on or prior to the Closing Date, taking into account any extensions of the filing deadlines which have been validly granted, and such returns are and will be true and correct in all material respects. Tiger Bay has paid, or by the Closing Date will have paid, all material state, county, and local property, sales, use, and all other taxes and assessments (including penalties and interest in respect thereof, if any) that have become or are due with respect to its overall business or the purchased assets regarding any period ended on or prior to the Closing Date, whether shown on such returns or not. Schedule 4.01(m) describes all pending property, sales, use or other tax disputes relating to or arising out of Tiger Bay's overall business or affecting any of the purchased assets, including the nature and amount of the controversy, the respective positions of the parties as to any material amounts claimed to be due thereunder and the current status thereof.

SECTION 4.02 Representations and Warranties of FPC and Guarantor. FPC or Guarantor, as the case may be, hereby represent and warrant to Tiger Bay as follows:

(a) *Organization and Good Standing.* FPC is a limited liability company duly organized, validly existing and of active status under the laws of the State of Florida. Guarantor is a duly organized, validly existing corporation in good standing under the laws of the State of Florida. Each of FPC and Guarantor has the necessary power and authority to carry on its respective business as now being conducted.

(b) *Authority of FPC and Guarantor; Enforceability of the Agreement.* Each of FPC and Guarantor has all requisite power and authority to enter into and perform this Agreement. The execution, delivery and performance of this Agreement and the other documents and instruments to be delivered by FPC, or by FPC and Guarantor, as the case may be, pursuant hereto, and the transactions contemplated hereby and thereby, have been duly authorized by FPC, or by FPC and Guarantor, as the case may be. This Agreement has been, and each such document or instrument will be, duly executed and delivered by FPC, or by FPC and Guarantor, as the case may be, and

constitutes, or upon such execution and delivery will constitute, legal, valid and binding obligations of FPC, or of FPC and Guarantor, as the case may be, enforceable against FPC, or against FPC and Guarantor, as the case may be, in accordance with its respective terms, subject to applicable bankruptcy, reorganization, moratorium or similar laws affecting creditors' rights generally and except as the enforceability thereof may be limited by general principles of equity (regardless of whether considered in a proceeding in equity or at law).

(c) *No Violations.* The execution and delivery of this Agreement by FPC and Guarantor does not and, the consummation of the transactions contemplated hereby will not:

(i) violate or conflict with any of the provisions of the certificate of formation or limited liability company agreement of FPC, or the certificate of incorporation or bylaws of Guarantor,

(ii) violate or conflict with any Legal Requirement binding upon either, which violation would materially and adversely affect FPC's or Guarantor's ability to perform their respective obligations under this Agreement; or

(iii) violate or result in a default under (whether with notice or the lapse of time or both) or accelerate or permit the acceleration of the performance required by, or require any consent, authorization or approval under (A) any mortgage, indenture, loan or credit agreement or any other material agreement or instrument evidencing indebtedness for money borrowed, or any financing lease to which either is a party or by which either is bound or to which any of their properties is subject or (B) any other material lease, contract, agreement or instrument to which either is a party or by which either is bound or to which any of their properties is subject, which violation would materially and adversely affect FPC's or Guarantor's ability to perform their respective obligations under this Agreement.

(d) *Approvals and Consents.* No material filing, consent, authorization or approval under any Legal Requirement binding upon FPC or Guarantor is required to be made or obtained by FPC or Guarantor in order to execute or deliver this Agreement or to consummate the transactions contemplated by this Agreement by it, except the filings with the FERC and the FPSC described in Sections 6.01(c) and 6.02(c) and the filings required under the HSR Act. No consent or approval of any third party which is not a Governmental Entity is required for the execution and delivery of this Agreement by FPC or Guarantor or for the performance by FPC or Guarantor of their respective obligations hereunder.

(e) *Litigation.* There are no suits, judicial or administrative actions or proceedings pending or, to the knowledge of FPC or Guarantor, threatened that (i) challenge the validity or enforceability of this Agreement, or (ii) seek to restrain or prevent any action to be taken by FPC or Guarantor pursuant to this Agreement, or (iii) would have a material adverse effect on FPC's or Guarantor's ability to perform their respective obligations under this Agreement.

(f) *Brokerage or Finders Fees.* Neither FPC nor its Affiliates have used a broker or finder in connection with this Agreement, and there are no claims for brokerage commissions, finders' fees or similar compensation in connection with the transactions contemplated hereby based on any arrangement or agreement by or on behalf of FPC or its Affiliates.

(g) *Due Diligence.* FPC is generally familiar with the Plant and has conducted limited due diligence with respect to the Assets and is aware that there have been technical problems with the Plant's combustion turbine.

ARTICLE V
ADDITIONAL AGREEMENTS AND COVENANTS; GUARANTY

SECTION 5.01 Covenants of Tiger Bay. Tiger Bay covenants and agrees with FPC as follows:

(a) *Certain Changes.* Except as may be permitted hereunder or as otherwise contemplated in this Agreement and except as set forth on Schedule 5.01(a), from the date hereof through the Closing Date, without first obtaining the written consent of FPC, which consent shall not be unreasonably withheld, Tiger Bay will not:

(i) make any material change in the conduct of its business or operations;

(ii) merge into or with or consolidate with any other entity or acquire all or substantially all of the business or assets of any corporation, person or entity;

(iii) (A) mortgage, pledge or subject the Assets to any Lien, except for Permitted Encumbrances, or (B) sell, transfer or terminate any Asset, or amend any of the Assigned Contracts or the Permits, except in the ordinary course of business;

(iv) take any action or enter into any commitment with respect to or in contemplation of any liquidation, dissolution, recapitalization, reorganization or other winding up of its business or operation except as a result of this Agreement; or

(v) consent to the entry of any decree or order by a Governmental Entity which would have a material adverse effect on (A) its ability to perform hereunder or (B) the operation of the Plant.

(b) *Operation of Business.* From the date hereof until the Closing Date, except as permitted hereunder or contemplated hereby or as consented to in writing by FPC, (i) Tiger Bay shall carry on its business in the usual and ordinary course and (ii) use its Best Efforts to preserve and maintain the Assets in all material respects in as good a condition as of the date hereof, normal wear and tear excepted, and to enforce the O&M Agreement against Destec Operating Company.

Notwithstanding any provision of Section 5.01 to the contrary, Tiger Bay shall have the right to release and terminate any and all Credit Support Obligations and any agreements related to the Credit Agreement.

(c) *Access.* Tiger Bay will afford to FPC and its authorized representatives, at FPC's sole expense, risk and cost, reasonable access from the date hereof through the Closing Date, during normal business hours, to its personnel, properties, books and records relating to the Assets and will furnish to FPC such additional financial and operating data and other information relating to the Assets as FPC may reasonably request, to the extent that such access and disclosure would not violate the terms of any agreement to which Tiger Bay is bound or any Legal Requirement; provided, however, that the confidentiality of any data or information so acquired shall be maintained by FPC and its representatives in accordance with Section 5.02(c); and further provided that all requests for access shall be directed to Destec Management Services Inc., or such other persons as Tiger Bay may designate from time to time. Tiger Bay will provide or otherwise make available to FPC any and all audits, investigations, reports, records, data, site assessments or any other documents in its possession concerning Hazardous Substances, compliance with any Environmental Requirement or any other environmental subject.

(d) *Antitrust Notification; FERC and FPSC Filings.* Tiger Bay or its Affiliate will, as promptly as practicable (and, in any event, within 30 days after the execution hereof) (i) file with the Federal Trade Commission and the Department of Justice the notification and report form required to be filed by it for the transactions contemplated hereby (and shall request early termination of the waiting period) and any supplemental information which may be reasonably requested in connection therewith pursuant to the HSR Act, and (ii) cooperate with FPC and Guarantor in the filing of any applications to the FERC and the FPSC for any approvals required in connection with the transactions envisioned by this Agreement.

(e) *Public Announcements.* Subject to applicable securities law or stock exchange requirements, at all times until the Closing Date, Tiger Bay shall promptly advise and obtain the approval (which may not be withheld unreasonably) of FPC before issuing or permitting any of its Affiliates to issue, any press release or other announcement with respect to this Agreement or the transactions contemplated hereby, provided that no further approval shall be required for press releases or other announcements which are substantially similar to previously approved releases or announcements provided a copy of such release or announcement is furnished promptly to FPC.

(f) *Transaction Costs.* Tiger Bay shall bear and pay all of the costs, fees and expenses incurred by or on its behalf in connection with the transactions contemplated by this Agreement, including any brokerage commissions, finders' fee or similar compensation in connection with the transactions contemplated hereby based on any arrangement or agreement by or on behalf of Tiger Bay.

(g) *Best Efforts.* Assuming that all of the conditions to Tiger Bay's obligations to close under this Agreement have been satisfied, Tiger Bay will use its Best Efforts to obtain the satisfaction of the conditions to Closing set forth in Section 6.01.

(h) *Permits.* Tiger Bay shall cooperate with FPC, including, without limitation, by executing all necessary forms, applications, or notices, in (i) the transfer and assignment to FPC of the Permits, to the extent assignable, on or immediately after the Closing Date, and (ii) obtaining any modification, revision or reissuance of a Permit which is not transferable or assignable to FPC on or immediately after the Closing Date. FPC shall bear all out-of-pocket costs and expenses in connection with any such transfer, assignment, modification, revision or reissuance.

(i) *Sales and Use Taxes.* Within fifteen days following the Closing Date, Tiger Bay shall file a final Florida sales and use tax return, if required, and pay any and all outstanding sales and use tax (including penalties and interest in respect thereof, if any). Following the Closing Date, Tiger Bay will furnish FPC with a certificate from the Florida Department of Revenue stating that no taxes, interest, or penalty are due.

SECTION 5.02 Covenants of FPC and Guarantor. FPC or Guarantor, as the case may be, covenant and agree with Tiger Bay as follows:

(a) *Antitrust Notification and Other Governmental Filings.* FPC or its Affiliate will as promptly as practicable (and, in any event, within 30 days after the execution hereof) file with the Federal Trade Commission and the Department of Justice the notification and report form required for the transactions contemplated hereby (and request early termination of the waiting period) and any supplemental information which may be reasonably requested in connection therewith pursuant to the HSR Act. FPC, or FPC and Guarantor, will as promptly as practicable make any filings with the FERC and the FPSC required to be filed by them to consummate the transactions contemplated hereby and will diligently seek the actions required of the FERC and FPSC to permit the consummation of the transactions contemplated hereby.

(b) *Public Announcements.* Subject to applicable securities law or stock exchange requirements, at all times until the Closing Date, FPC and Guarantor shall promptly advise, and obtain the approval (which may not be withheld unreasonably) of, Tiger Bay before issuing, or permitting any of FPC's or Guarantor's directors, officers, employees or agents, or any of FPC's or Guarantor's Affiliates to issue, any press release or other announcement with respect to this Agreement or the transactions contemplated hereby, provided that no further approval shall be required for press releases or other announcements which are substantially similar to previously approved releases or announcements provided a copy of such release or announcement is furnished promptly to Tiger Bay.

(c) *Confidential Information.* In the event that this Agreement is terminated or, if not terminated, until the Closing Date, the confidentiality of any data or information received by FPC or Guarantor regarding the business and assets of Tiger Bay and its Affiliates shall be

maintained by FPC, Guarantor and their representatives under the same terms as contained in, and in accordance with, the Confidentiality Agreement dated July 10, 1996 executed by Guarantor and Tiger Bay (the "Confidentiality Agreement").

(d) *Transaction Costs and Taxes.* FPC shall bear and pay all of the costs, fees and expenses incurred by or on behalf of FPC in connection with the transactions contemplated by this Agreement, including the filing fees under the HSR Act or required to be paid to the FPSC or the FERC and any brokerage commissions, finders' fee or similar compensation in connection with the transactions contemplated hereby based on any arrangement or agreement by or on behalf of FPC or its Affiliates. In addition, FPC shall pay any sales, use or other transfer taxes or filing fees resulting from the execution, delivery and performance of this Agreement.

(e) *Best Efforts.* Assuming that all of the conditions to FPC's obligations to close under this Agreement have been satisfied, FPC will use its Best Efforts to obtain the satisfaction of the conditions to Closing set forth in Section 6.02.

(f) *Plant Operations Staff.* Upon termination of the O&M Agreement, FPC or Guarantor shall endeavor to employ the existing full-time Plant operations staff.

(g) *Permits; Credit Support Obligations.* FPC shall have the primary responsibility for preparing all necessary forms, applications, or notices to request the transfer or assignment to FPC of any Permit, to the extent assignable, and shall use its Best Efforts to cause the Permits to be transferred to it on the Closing Date. In addition, on or before the Closing Date, FPC and Guarantor shall take whatever action is necessary to cause the release and termination of the Credit Support Obligations, including, without limitation, providing substitute credit supports acceptable to the other parties to the Assigned Contracts.

SECTION 5.03 Guaranty. Guarantor hereby unconditionally and irrevocably guarantees to Tiger Bay (i) the accuracy of the representations and warranties of FPC contained in this Agreement and any agreement, document or instrument executed by FPC in connection with this Agreement, and (ii) the due and timely performance by FPC of all of FPC's obligations under this Agreement and any agreement, document or instrument executed by FPC in connection with this Agreement.

ARTICLE VI
CONDITIONS TO CLOSING

SECTION 6.01 FPC's Obligation to Close. FPC's obligation to close under this Agreement is subject to the fulfillment, on or before the Closing Date, of each of the following conditions (except to the extent that FPC shall have hereafter agreed in writing to waive one or more of such conditions):

(a) *Compliance with Agreement.* Tiger Bay shall have performed and complied in all material respects with all covenants required by this Agreement to be performed or complied with by it on or prior to the Closing.

(b) *Representations and Warranties.* The representations and warranties of Tiger Bay contained in this Agreement shall be true and correct in all material respects on and as of the Closing Date.

(c) *Governmental Filings and Orders.* With respect to the filings contemplated by Sections 5.01(d) and 5.02(a), (i) the waiting period under the HSR Act shall have expired, (ii) the FPSC shall have issued a final, non-appealable order approving the transactions envisioned by this Agreement in form and substance satisfactory to FPC and Guarantor; provided, however, that any such FPSC order that provides for approval of the transfer by FPC to Guarantor, following the Closing, of the Assets and the Additional Assets and for cost recovery by Guarantor of the Purchase Price over a period not to exceed five years shall be satisfactory to FPC and Guarantor, and (iii) the FERC shall have issued an order approving the transfer by Tiger Bay to FPC of any of the Assets and the Additional Assets over which it has jurisdiction and the transfer by FPC to Guarantor of any of the Assets or the Additional Assets over which it has jurisdiction.

(d) *Litigation.* There shall not be pending any litigation or proceeding (filed by a person or entity other than FPC, Guarantor or their Affiliates) to restrain or prohibit the transactions contemplated by this Agreement or to obtain material damages or other material relief in connection with the consummation of such transactions.

(e) *Assignments.* Tiger Bay shall have executed and delivered to FPC, or to FPC and Guarantor, as the case may be, the Assignments. Tiger Bay shall have executed and delivered to FPC all forms, applications and notices prepared by FPC to request the transfer or assignment to FPC of any Governmental Approval.

(f) *Certificate.* Tiger Bay shall have delivered to FPC a certificate, dated the Closing Date, executed on its behalf by its duly authorized representative to the effect that the conditions in Sections 6.01(a) and (b) are satisfied insofar as they relate to Tiger Bay.

(g) *Indebtedness.* Tiger Bay shall have delivered to FPC evidence that the indebtedness of Tiger Bay to The Fuji Bank and Trust Company and the other banks (collectively, the "Banks") under that certain Credit Agreement dated December 31, 1993 among the Banks and Tiger Bay, as amended, (the "Credit Agreement") shall be repaid out of the proceeds of the Purchase Price, and that any Permitted Encumbrances securing Tiger Bay's obligations under the Credit Agreement shall be released.

(h) *Consents.* Any consents of third parties required in connection with the Assignments shall have been obtained.

(i) *Amendment to O&M Agreement.* The O&M Agreement shall have been amended effective as of the Closing Date to enable either party thereunder to terminate the O&M Agreement effective at any time after nine months after the Closing Date upon 90 days prior written notice to the other party.

(j) *Opinion of Counsel.* FPC shall have received the opinions of Tiger Bay's counsel dated as of the Closing Date substantially in the forms attached hereto as Exhibits D and E.

SECTION 6.02 Tiger Bay's Obligation to Close. The obligation of Tiger Bay to close under this Agreement is subject to the fulfillment on the Closing Date of each of the following conditions (except to the extent that Tiger Bay shall have hereafter agreed in writing to waive one or more of such conditions, provided, however, that the conditions set forth in Sections 6.02(g) and 6.02(j) cannot be waived without the written consent of Polk County CoGen, Inc.):

(a) *Compliance with Agreement.* FPC and Guarantor shall have performed and complied with all covenants to be performed or complied with by each on or prior to the Closing.

(b) *Representations and Warranties.* The representations and warranties of FPC and Guarantor contained in this Agreement shall be true and correct in all material respects on and as of the Closing Date.

(c) *Governmental Filings and Orders.* With respect to the filings contemplated by Sections 5.01(d) and 5.02(a), (i) the waiting period under the HSR Act shall have expired, (ii) the FPSC shall have issued a final, non-appealable order approving the transactions envisioned by this Agreement in form and substance satisfactory to FPC and Guarantor; provided, however, that any such FPSC order that provides for approval of the transfer by FPC to Guarantor, following the Closing, of the Assets and the Additional Assets and for cost recovery by Guarantor of the Purchase Price over a period not to exceed 5 years shall be satisfactory to FPC and Guarantor, and (iii) the FERC shall have issued an order approving the transfer by Tiger Bay to FPC of any of the Assets or the Additional Assets over which it has jurisdiction and the transfer by FPC to Guarantor of any of the Assets or the Additional Assets over which it has jurisdiction.

(d) *Litigation.* There shall not be pending any litigation or proceeding (filed by a person or entity other than Tiger Bay or its Affiliates) to restrain or prohibit the transactions contemplated by this Agreement or to obtain material damages or other material relief in connection with the consummation of such transactions.

(e) *Payment of Purchase Price.* Tiger Bay shall have received the payment of the Purchase Price pursuant to Section 2.02.

(f) *Certificate.* FPC and Guarantor shall have delivered to Tiger Bay a certificate, dated the Closing Date, executed on behalf of each by its president or a vice president, to the effect that (i) the conditions of Sections 6.02(a) and (b) have been satisfied insofar as they relate to FPC

and Guarantor and (ii) FPC has had such access to the Assets and the Additional Assets, the records of Tiger Bay and such of Tiger Bay's officers, directors and agents as it desired in order to enable it to perform all the due diligence that it desired to perform in order to enable it to evaluate the risks and merits of the transactions contemplated hereby.

(g) *Board Approval.* On or before January 21, 1997, or such later date as may be mutually agreed to by FPC, Tiger Bay and Destec Energy, Inc., the Board of Directors of Destec Energy, Inc. shall have duly approved the consummation of the transactions contemplated by this Agreement (the "Board Approval").

(h) *Consents and Releases.* Any consents required from third parties in connection with the Assignments shall have been obtained and Tiger Bay shall have obtained releases, in form and substance satisfactory to Tiger Bay, of the Assigned Contracts and the Credit Support Obligations and Tiger Bay shall have received all funds in accounts identified on Schedule 6.02(i).

(i) *Opinion of Counsel.* Tiger Bay shall have received an opinion of FPC's and Guarantor's counsel dated as of the Closing Date substantially in the form of Exhibit F.

(j) *Closing of Destec Sale.* The closing of the sale of Destec Energy, Inc. shall have been consummated.

ARTICLE VII
LIMITATIONS

SECTION 7.01 Representations and Warranties. (a) The representations and warranties of Tiger Bay contained in this Agreement or in any document or instrument executed in connection herewith shall not survive the Closing.

(b) EXCEPT AS EXPRESSLY SET OUT HEREIN, TIGER BAY MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND WHATSOEVER, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OR REPRESENTATION WITH RESPECT TO MERCHANTABILITY OR FITNESS FOR ANY PURPOSE.

SECTION 7.02 Remedies. (a) The sole remedy of any party for any breach by another party of any representation or warranty made by such party herein is to terminate the Agreement pursuant to and in accordance with Article VIII.

(b) Nothing herein shall restrict any party from pursuing any rights or remedies available to it at law or in equity in the event of a breach by another party of any covenant or obligation hereunder (exclusive of Article VII); provided, however, that no party shall be liable to

any other party for any consequential, incidental, special, or indirect damages (including lost profits) or punitive damages, whether based on statute, contract, tort or otherwise.

ARTICLE VIII
TERMINATION RIGHTS

SECTION 8.01 Termination. This Agreement may be terminated at any time prior to the Closing Date as follows, and in no other manner:

(a) by mutual consent of FPC, Guarantor, and Tiger Bay;

(b) after January 21, 1997, or such later date for obtaining Board Approval as has been mutually agreed to by FPC, Tiger Bay and Destec Energy, Inc., by written notice from any party to the others, if the Board Approval has not been obtained prior to the giving of such notice;

(c) prior to February 1, 1997, by written notice from FPC to Tiger Bay that FPC's due diligence with respect to the Assets (except with respect to the Plant gas turbine compressor) has been completed and the results were unsatisfactory to it, and FPC is therefore terminating this Agreement;

(d) on or prior to April 30, 1997, by written notice from FPC to Tiger Bay that:

(i) FPC's investigation of the Plant gas turbine compressor conducted during the period of the outage of the Plant scheduled to begin on March 15, 1997 (the "Scheduled Outage") has been completed; provided, however, that if FPC requests that Tiger Bay open the compressor casing in connection with such investigation, Tiger Bay shall do so and (A) FPC shall reimburse Tiger Bay for all costs and expenses incurred by Tiger Bay to open and close the compressor casing within twenty days after receipt of Tiger Bay's invoice therefor, and (B) for purposes of the capacity factor calculations pursuant to the PPAs, Guarantor shall exclude all the hours, if any, by which the Scheduled Outage was extended due to the opening and closing of the compressor casing at FPC's request; and

(ii) in the written opinion of FPC's professional engineer performing or supervising such investigation rendered in good faith (the "Engineering Opinion"), based on General Electric approved repair criteria and performance versus aging data, such investigation has revealed that the mechanical integrity of the compressor is compromised and/or that a material loss of performance has resulted or will result in excess of that which is to be expected from normal aging, unless Tiger Bay within ten days after receipt of such notice and the Engineering Opinion shall have either (i) offered in writing to repair or replace such compressor at no additional cost to FPC, or (ii) shall have given FPC written notice that Tiger Bay disputes the conclusion(s) reached in such Engineering Opinion. In the event that Tiger Bay disputes the Engineering Opinion and such dispute is not resolved by good faith

negotiations between FPC and Tiger Bay within thirty days after FPC's receipt of written notice of such dispute, termination hereunder shall become effective at the end of such thirty-day period.

(e) by notice from Tiger Bay to FPC, if the Closing Date shall not have occurred on or before July 1, 1997 (or such later date as may have been agreed upon in writing by the parties); provided, however, that if (i) by July 1, 1997 the FPSC has issued an order approving the transactions contemplated by this Agreement satisfactory to FPC and Guarantor in accordance with Sections 6.01(c)(ii) and 6.02(c)(ii) and no party has filed an appeal therefrom, but the time period(s) for filing any such appeal (the "Appeal Period") shall not have expired, and (ii) all conditions in Section 6.02 except Section 6.02(c)(ii) have been fulfilled or waived in accordance therewith, then Tiger Bay may exercise its right to terminate this Agreement pursuant to this Section 8.01(e) only if an appeal of such FPSC order is filed during the Appeal Period.

(f) by any party by notice to the others, if a final non-appealable judgment has been entered against such party or any of its Affiliates restraining, prohibiting or declaring illegal the transactions contemplated hereby; or

(g) by a non-defaulting party giving written notice to a defaulting party provided that the non-defaulting party shall have previously given the defaulting party written notice specifying the nature of the default and thirty days have passed since such notice was given and the default has not been cured or waived. A party shall be in default under this Agreement, and thereby a defaulting party, in the event that (i) any representation or warranty made by such party in this Agreement shall prove to be false or misleading in any material respect, (ii) such party fails to perform any covenant set forth in this Agreement, or (iii) such party fails to timely perform or satisfy any material obligation set forth in this Agreement to be performed or satisfied by it.

(h) by written notice from any party to the others, if the FPSC issues an order denying approval of the transaction envisioned by this Agreement, or if the FPSC fails to issue an order in accordance with Sections 6.01(c)(ii) and 6.02(c)(ii) on or before July 1, 1997; provided, however, that if by July 1, 1997 the FPSC has issued an order approving the transactions contemplated by this Agreement satisfactory to FPC and Guarantor in accordance with Sections 6.01 (c)(ii) and 6.02(c)(ii) and no party has filed an appeal therefrom, but the Appeal Period shall not have expired, then a party may exercise its right to terminate this Agreement pursuant to this Section 8.01(h) only if an appeal of such FPSC order is filed during such Appeal Period.

SECTION 8.02 Limitation on Right to Terminate; Effect of Termination. A party shall not be allowed to exercise any right of termination pursuant to Section 8.01 if the event giving rise to the termination right shall be due to the failure of such party or its Affiliate to perform or observe in any material respect any of the covenants set forth herein to be performed or observed by such party or its Affiliate; provided that Sections 4.01(i), 4.02(f), 5.01(f), 5.02(c), 5.02(d), 5.03, 8.01(d)(i), 8.02 and 9.09 shall survive any such termination.

ARTICLE IX
GENERAL

SECTION 9.01 Exclusive Agreement; Schedules. This Agreement and the attached schedules and exhibits and the agreements and documents to be executed pursuant hereto set forth the entire agreement and understanding of the parties in respect of the transactions contemplated hereby and supersede all prior agreements, arrangements and undertakings (oral or written) relating to the subject matter hereof. The disclosures in the Schedules hereto are to be taken as relating to the representations and warranties of Tiger Bay as a whole. The inclusion of information in the Schedules hereto shall not be construed as an admission that such information is material. In addition, matters reflected in the Schedules are not necessarily limited to matters required by this Agreement to be reflected on such Schedules. Such additional matters are set forth for information purposes only and do not necessarily include other matters of a similar nature. No representation, promise, inducement or statement of intention has been made by any party which is not embodied in or superseded by this Agreement or the Confidentiality Agreement or in the agreements and documents to be executed pursuant hereto, and no party shall be bound by or liable for any alleged representation, promise, inducement or statement of intention not so set forth.

SECTION 9.02 Assignment. This Agreement and the rights and obligations hereunder shall not be assigned by any party hereto without the prior written consent of the other parties, except that any party may assign an interest in all of its rights hereunder to any Affiliate after the Closing; provided that no assignment shall relieve the assigning party of any of its warranties, representations, or obligations contained herein.

SECTION 9.03 Amendments. This Agreement may be amended, modified, superseded or cancelled, and any of the terms, covenants, representations, warranties or conditions hereof may be waived, only by a written instrument executed by the parties, or, in the case of a waiver, by or on behalf of the party waiving compliance. The failure of any party at any time or times to require performance of any provisions hereof shall in no manner affect the right at a later time to enforce the same. No waiver by any party of any condition, or of any breach of any term, covenant, representation or warranty contained in this Agreement, in any one or more instances, shall be deemed to be or construed as a further or continuing waiver of any such condition or breach or a waiver of any other condition or of any breach of any other term, covenant, representation or warranty. Notwithstanding the foregoing, in the event that the Closing occurs, any condition not theretofore fulfilled will be deemed waived.

SECTION 9.04 Further Assurances. The parties agrees to execute such further instruments or documents as any party may from time to time reasonably request in order to confirm or carry out the transactions contemplated in this Agreement; provided that no such instrument or document shall expand a party's liability beyond that contemplated in this Agreement.

SECTION 9.05 Notices. All notices, requests, demands and other communications (collectively, "Notices") required or permitted to be given hereunder shall be in writing and

delivered personally, or by facsimile transmission or mailed first class, postage prepaid, registered or certified mail, as follows:

If to Tiger Bay, to:

Tiger Bay Limited Partnership
2500 CityWest Blvd.
Suite 150
Houston, Texas 77042
Attention: Chuck Cook, Central Florida DGE, Inc.
Facsimile No: (713) 735-4169

If to FPC, to:

FPC Acquisition L.L.C.
3201 34th Street South
St. Petersburg, Florida 33733
Attention: Robert Dolan
Facsimile No. (813) 866-4922

If to Guarantor, to:

Florida Power Corporation
3201 34th Street South
St. Petersburg, Florida 33733
Attention: Robert Dolan
Facsimile No. (813) 866-4922

All Notices shall be effective upon receipt. Any party may change its Notice address by giving written Notice to the other in the manner specified above.

SECTION 9.06 Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF FLORIDA WITHOUT REGARD TO CONFLICT OF LAW PRINCIPLES.

SECTION 9.07 Severability. In the event any of the provisions hereof are held to be invalid or unenforceable under any Legal Requirement, the remaining provisions hereof shall not be affected thereby. In such event, the parties hereto agree and consent that such provisions and this Agreement shall be modified and reformed so as to effect the original intent of the parties as closely as possible with respect to those provisions which were held to be invalid or unenforceable.

SECTION 9.08 Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute but one agreement.

SECTION 9.09 Expenses. Except as expressly provided in this Agreement, whether or not the transactions contemplated hereby are consummated, each party shall pay its own expenses incident to the preparation of the Agreement and for consummating the transaction.

SECTION 9.10 Condition to Tiger Bay's Obligations. Except with respect to the second sentence of this Section 9.10, Tiger Bay's obligations hereunder shall be conditioned upon its receipt from the Banks of their consent(s) to the execution of this Agreement. Tiger Bay shall use its Best Efforts to obtain such consent(s) as soon as practicable.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized as of the date first above written.

TIGER BAY LIMITED PARTNERSHIP

By: Central Florida DGE, Inc.,
its general partner

By: _____
Name: _____
Title: _____

FPC ACQUISITION L.L.C.

By: _____
Name: Joseph H. Richardson
Title: President
For: Florida Power Corporation,
its sole member

FLORIDA POWER CORPORATION

By: _____
Name: Joseph H. Richardson
Title: President

FLORICA POWER CORP.
LEGAL DEPT.
APPROVED
Date 1/26/99
By M.W.

SECTION 9.08 Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute but one agreement.

SECTION 9.09 Expenses. Except as expressly provided in this Agreement, whether or not the transactions contemplated hereby are consummated, each party shall pay its own expenses incident to the preparation of the Agreement and for consummating the transaction.

SECTION 9.10 Condition to Tiger Bay's Obligations. Except with respect to the second sentence of this Section 9.10, Tiger Bay's obligations hereunder shall be conditioned upon its receipt from the Banks of their consent(s) to the execution of this Agreement. Tiger Bay shall use its Best Efforts to obtain such consent(s) as soon as practicable.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized as of the date first above written.

TIGER BAY LIMITED PARTNERSHIP

By: Central Florida DGE, Inc.,
its general partner

By: C C Cook
Name: Charles C. Cook
Title: Vice President

FPC ACQUISITION L.L.C.

By: _____
Name: _____
Title: _____

FLORIDA POWER CORPORATION

By: _____
Name: _____
Title: _____

SCHEDULE 1.01(a)

LIST OF OTHER ASSIGNED CONTRACTS

1. Purchase Order No. 12530001, issued by Destec Engineering, Inc. to General Electric Company, Inc., dated March 10, 1993, and Change Orders 1 through 8 thereto.

2. Purchase Order No. 12530013, issued by Destec Engineering, Inc. to General Electric Company, Inc., dated March 17, 1993, and Change Orders 1 through 7 thereto.

3. Additional Inventory Contracts (as defined herein).

SCHEDULE 1.01(b)

PERMITS

	Permit	Date of Issuance
1.	USEPA - Storm Water NOI, Construction (No. FLR00B155)	09/09/93
2.	DOE - Fuel Use Act (Cert. No. 123)	08/16/93
3.	FAA - Stack Notice (Study No. 92-ASO-2363-OE)	02/25/93
4.	FEMA - Polston Engineering	12/03/92
5.	USACOE - Wetlands Delineation Determination	03/31/93
6.	FDER/PSD Permit (AC53-21-4903/PSD-FL-190) - Construction	05/17/93
7.	FDER Industrial Waste Water and Storm Water Permit (IC53-221795 and RC53-221796) - Construction	05/04/95
8.	FDER Air Permit for ZLD (AC53-230744) - Construction	06/29/93
9.	FDER - Wetlands Exemption, Interoffice Memorandum	05/12/93
10.	Florida - Notice of Commencement	09/03/93
11.	FDEP - Storage Tank Registration (I.D. - 53/9300713)	01/07/97
12.	Florida - Division of Historical Resources	01/04/93
13.	Florida - Division of Historical Resources	02/01/93
14.	Florida - Division of Historical Resources (For FPC Substation)	06/15/93
15.	SWFWMD - Individual Water Use Permit (2010840.00)	02/24/93
16.	Polk County - Commercial Site Plan Approval (133.92)	11/23/92
17.	Polk County - Non Certified Electric Power Generating Site Approval (SA-92-01) and Polk County - Conditional Use Permit (CUP-92-17)	11/17/92

18.	Polk County - Construction Permit (93080960)	08/13/93
19.	Polk County/HRS - Septic Tank Permit (57037)	11/06/92
20.	Polk County - Solid Waste Disposal	06/25/93
21.	Polk County - Certificate of Concurrency Determination	11/23/93
22.	Polk County - Temporary Sign Permit (Construction)	10/05/93
23.	Polk County - Driveway Approval (1521.92)	11/23/92
24.	USEPA - NPDES Notice of Termination (Construction)	03/28/95
25.	SWFWMD - Well Construction Permit	03/31/94
26.	Polk County HRS - Drinking Water Well System - Construction Permit	04/08/94
27.	USEPA - NPDES General Permit for Storm Water (Operational) Discharges (Notice of Intent)	02/15/95
28.	USEPA - Update SPCC Plan for Oil Containment	02/22/95
29.	FDEP - GT/HRSG Initial Compliance Form	02/13/95
30.	FDEP - GT/HRSG Certification (Continuous Emissions Monitor Test)	10/19/94
31.	FDEP - GT/HRSG Custom Fuel Plan	12/02/95
32.	FDEP - Initial GT/HRSG, ZLD Compliance Source Test	10/19/94
33.	FDEP - ZLD Operating Permit (A053-261950)	01/25/95
34.	FDEP - Wastewater to USAC (or "no action" letter)	04/08/94
35.	FDEP - Best Management Practices Plan for Waste Water Permit	02/22/95
36.	FDEP - Industrial Waste and Storm Water Operating Permit "No Action Letter" - FDEP 12/27/95	12/27/95
37.	FDEP - EPA Hazardous Waste Generator	07/20/94
38.	Polk County - Certificate of Occupancy	10/20/95

39.	Polk County - Waste Water to USAC (or "no action" letter)	09/20/95
40.	Polk County - Permanent Sign Permit	12/02/95
41.	USEPA - Update Storm Water Prevention Plan	12/29/95

PART B - DEFERRED APPROVALS/STUDIES/LETTERS

42.	FDEP - Title V Operating Permit	Application Submitted 6/13/96

SCHEDULE 1.01(c)

PLANT SITE DESCRIPTION

A PARCEL OF LAND LYING AND BEING IN SECTION 31, TOWNSHIP 31 SOUTH, RANGE 25 EAST, IN POLK COUNTY, FLORIDA, BEING DESCRIBED AS FOLLOWS:

COMMENCE ON THE WEST BOUNDARY LINE OF SECTION 31, TOWNSHIP 31 SOUTH, RANGE 25 EAST, AT A POINT 5.96 FEET SOUTH OF THE NORTHWEST CORNER OF SAID SECTION 31 (SOUTHWEST CORNER OF SECTION 30, TOWNSHIP 31 SOUTH, RANGE 25 EAST), DESIGNATED AS STATION 592+38.20, BEING A POINT ON THE SURVEY LINE OF THE SURVEY FOR STATE ROAD S-630 (NOW COUNTY ROAD 630); RUN THENCE ALONG SAID SURVEY LINE NORTH 89°57'23" EAST A DISTANCE OF 565.69 FEET; THENCE CONTINUE ALONG SAID SURVEY LINE SOUTH 89°48'22" EAST A DISTANCE OF 2296.11 FEET; RUN THENCE SOUTH 00°11'38" WEST A DISTANCE OF 40.00 FEET TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY LINE OF SR S-630 (NOW CR 630) AND THE POINT OF BEGINNING; RUN THENCE SOUTH 00°11'38" WEST ALONG THE SOUTHERLY RIGHT-OF-WAY OF SAID SR S-630 A DISTANCE OF 10.00 FEET; RUN THENCE SOUTH 89°48'22" EAST ALONG THE SOUTHERLY RIGHT-OF-WAY OF SAID SR S-630 A DISTANCE OF 149.44 FEET; RUN
THENCE SOUTH 24°54'47" EAST A DISTANCE OF 43.91 FEET; RUN
THENCE SOUTH 21°47'04" EAST A DISTANCE OF 50.00 FEET; RUN
THENCE SOUTH 20°04'17" EAST A DISTANCE OF 50.00 FEET; RUN
THENCE SOUTH 17°32'15" EAST A DISTANCE OF 50.00 FEET; RUN
THENCE SOUTH 14°05'12" EAST A DISTANCE OF 50.00 FEET; RUN
THENCE SOUTH 12°09'16" EAST A DISTANCE OF 50.00 FEET; RUN
THENCE SOUTH 10°07'22" EAST A DISTANCE OF 50.00 FEET; RUN
THENCE SOUTH 05°16'27" EAST A DISTANCE OF 50.00 FEET; RUN
THENCE SOUTH 04°01'56" EAST A DISTANCE OF 50.00 FEET; RUN
THENCE SOUTH 00°14'38" EAST A DISTANCE OF 483.22 FEET; RUN
THENCE SOUTH 89°48'22" EAST A DISTANCE OF 451.59 FEET; RUN
THENCE SOUTH 00°00'27" EAST A DISTANCE OF 143.15 FEET; RUN
THENCE SOUTH 44°39'20" EAST A DISTANCE OF 53.75 FEET; RUN
THENCE SOUTH 89°36'34" EAST A DISTANCE OF 98.18 FEET; RUN
THENCE SOUTH 00°14'38" EAST, ALONG A LINE FIVE FEET EASTERLY OF THE CENTERLINE OF A PIPELINE EASEMENT AS DESCRIBED IN OR BOOK 1609, PAGE 79 OF THE PUBLIC RECORDS OF POLK COUNTY, FLORIDA, A DISTANCE OF 737.49 FEET, TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY OF SAID SR S-630, RUN THENCE SOUTH 89°48'22" EAST ALONG THE SOUTHERLY RIGHT-OF-WAY OF SAID SR S-630 A DISTANCE OF 56.24 FEET TO THE POINT OF BEGINNING.
CONTAINING 295,380.39 SQUARE FEET OR 6.77 ACRES MORE OR LESS.

SCHEDULE 2.03

ALLOCATION OF $445,000,000.00 OF THE PURCHASE PRICE
AMONG
CERTAIN ASSETS OF TIGER BAY LIMITED PARTNERSHIP

Asset	Allocation ($)
Plant and Equipment (includes the Permits, easements, and the Lease)	$158,000,000.00
Power Purchase Agreements GPR Power Purchase Agreements Timber Power Purchase Agreement Ecopeat/Avon Power Purchase Agreement	$281,600,000.00
Electrical Interconnect	$2,500,000.00
Gas Interconnect	$2,900,000.00
Total:	$445,000,000.00

SCHEDULE 4.01(c)

VIOLATIONS

None.

SCHEDULE 4.01(e)

CONSENTS AND APPROVALS

1. The consent(s) of the Banks to the execution of this Agreement is required.

2. The consents of various third parties to the assignments of the Assigned Contracts to FPC are required.

3. The consent, authorization and/or approval of various Governmental Entities are required for the assignment of the Permits to FPC.

SCHEDULE 4.01(h)

ENVIRONMENTAL MATTERS

1. Tiger Bay Limited Partnership's application for a Title V Operating Permit was submitted on June 13, 1996 to the State of Florida Department of Environmental Protection ("DEP") in accordance with DEP rules and regulations. The application is currently being reviewed and processed in accordance with such rules and regulations. As of the date of the Purchase Agreement, the Title V Operating Permit may not be issued and/or may be subject to appeal.

2. Tiger Bay Limited Partnership's "Industrial Waste Water and Storm Water Permit" (No. IC53-271795 and RC53-221796) expires on February 28, 1997. In accordance with applicable laws, rules and regulations, Tiger Bay has requested a de minimis exemption to operate the waste water treatment facility and storm water collection system. As of the date of the Purchase Agreement, said exemption may not be issued and/or may be subject to appeal.

SCHEDULE 4.01(j)

EFFECTIVENESS AND ENFORCEABILITY OF, AND COMPLIANCE WITH, ASSIGNED CONTRACTS

1. See the letter dated April 18, 1996 from Vastar Gas to Tiger Bay re: Vastar Gas' February 28, 1996 request to change Primary Delivery Points per Section 4.02 of the Gas Sales Contract.

SCHEDULE 4.01(m)

TAX DISPUTES

None.

SCHEDULE 5.01(a)

CHANGES

1. Pursuant to Article IV of the Gas Sales Contract, Tiger Bay may be required to agree to the amendment of Exhibit A thereto to reflect the addition, deletion or modification of the Delivery Points listed on such Exhibit A.

SCHEDULE 6.02(i)

FUNDS TO BE RELEASED

1. All funds held in all Accounts (as such term is defined in Section 7.1(a) of the Credit Agreement) with The Fuji Bank and Trust Company.

2. All funds held in all accounts in the name of, or for the benefit of, Tiger Bay or any Affiliate thereof, including, without limitation, escrow accounts, security deposits, letters of credit and other credit support obligations, and the Operational Security Guarantee as defined in the Negotiated Contract for the Purchase of Firm Capacity and Energy from a Qualifying Facility dated as of March 28, 1991 between EcoPeat Avon Park, whose interest was assigned to Tiger Bay, and Florida Power Corporation.

EXHIBIT A

ASSIGNMENT AND ASSUMPTION

This ASSIGNMENT AND ASSUMPTION dated as of the _____ day of _____, 1997, among TIGER BAY LIMITED PARTNERSHIP ("Assignor"), FPC ACQUISITION L.L.C. ("Assignee") and FLORIDA POWER CORPORATION ("Guarantor").

RECITALS:

WHEREAS, Assignor, Assignee and Guarantor are parties to the Purchase Agreement ("Purchase Agreement") dated as of January _____, 1997; and

WHEREAS, the execution of this Assignment and Assumption is a condition to the closing under the Purchase Agreement (the "Closing").

NOW, THEREFORE, in consideration of the mutual agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties do hereby agree as follows:

1. Assignment. Assignor hereby transfers and assigns to Assignee all of Assignor's right, title and interest in and to the following:

(a) The contracts listed on Schedule 1 hereto (the "Contracts"); and

(b) The governmental authorizations and permits listed on Schedule 2 hereto, to the extent assignable (the "Permits").

2. Assumption of Liabilities; Indemnification. In connection with, and as partial consideration for, the transfer of the Contracts and Permits, Assignee hereby (i) assumes and agrees to pay, perform, discharge and satisfy when due, any and all obligations and liabilities of Assignor under or arising out of, related to or in connection with the Contracts and the Permits, whether now existing or hereafter arising, and (ii) agrees to indemnify, defend and hold harmless Assignor, its partners, officers, employees, directors and agents (the "Indemnified Parties") from and against any and all loss, cost, damage, liability, claim or expense (including, without limitation, reasonable attorneys' fees and expenses) suffered or incurred by the Indemnified Parties (A) arising out of, related to, or in connection with the Contracts and the Permits after the date hereof and (B) arising out of, related to, or in connection with any breach by Assignee of the representation and warranty contained in Section 4.02(f) of the Purchase Agreement, whether now existing or hereafter arising.

3. Survival of Covenants. The covenants made by Assignor in Sections 2.03, 5.01(f) and 5.01(i), by Assignee in Sections 2.03, 5.02(d), 5.02(f) and 8.01(d)(i), and by Guarantor in Sections 5.02(f), 5.03 and 8.01(d)(i) of the Purchase Agreement shall survive the Closing.

4. Further Assurances. At the request of any party hereto and without any additional consideration, a party shall execute and deliver such further agreements, documents or instruments, and perform such further acts, as may be reasonably requested of it in order to give effect to the provisions of this Assignment and Assumption.

5. Disclaimer of Warranties. **THIS AGREEMENT IS MADE WITHOUT RECOURSE AND ON AN "AS IS, WHERE IS" BASIS AND ASSIGNOR EXPRESSLY DISCLAIMS ALL WARRANTIES AND REPRESENTATIONS OF ANY KIND WHATSOEVER WHETHER EXPRESS OR IMPLIED.**

6. Applicable Law. This Agreement and the rights and obligations of the parties hereunder shall be governed by and construed in accordance with the laws of the State of Florida, without giving effect to the conflict of law principles thereof.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

TIGER BAY LIMITED PARTNERSHIP

By: Central Florida DGE, Inc.,
its general partner

By: _____
Name: _____
Title: _____

FPC ACQUISITION L.L.C.

By: _____
Name: _____
Title: _____

FLORIDA POWER CORPORATION

By: _____
Name: _____
Title: _____

SCHEDULE 1

1. Contract for the Purchase of Firm Energy and Capacity from a Qualifying Facility (Unit 1) dated November 30, 1988 between General Peat Resources L.P., whose interest was assigned to Assignor, and Florida Power Corporation, as amended, clarified and supplemented through the date hereof.

2. Contract for the Purchase of Firm Energy and Capacity from a Qualifying Facility (Unit 2) dated November 30, 1988 between General Peat Resources L.P., whose interest was assigned to Assignor, and Florida Power Corporation, as amended, clarified and supplemented through the date hereof.

3. Contract for the Purchase of Firm Energy and Capacity from a Qualifying Facility (Unit 3) dated November 30, 1988 between General Peat Resources L.P., whose interest was assigned to Assignor, and Florida Power Corporation, as amended, clarified and supplemented through the date hereof.

4. Negotiated Contract for the Purchase of Firm Capacity and Energy from a Qualifying Facility dated as of March 28, 1991 between EcoPeat Avon Park, whose interest was assigned to Assignor, and Florida Power Corporation, as amended, clarified and supplemented through the date hereof.

5. Standard Offer Contract for Purchase of Firm Energy and Capacity from a Qualifying Facility dated July 1989 between Timber Energy Resources Inc., whose interest was assigned to Assignor, and Florida Power Corporation, as amended, clarified and supplemented through the date hereof.

6. Any interconnection agreements entered into between Tiger Bay and Florida Power Corporation with respect to any of the foregoing, as amended through the date hereof.

7. Sections 3 and 4 of the Lease Termination Agreement dated February 22, 1993 among Florida Power Corporation, Tiger Bay and EcoPeat Avon Park, as amended through the date hereof.

8. Operation and Maintenance Agreement dated as of April 25, 1995 between Florida Power Corporation and Assignor, as amended through the date hereof.

9. Operation and Maintenance Agreement dated as of July 15, 1993 between Assignor and Destec Operating Company, as amended through the date hereof.

10. Gas Sales and Purchase Contract dated September 22, 1993 between Assignor and Vastar Gas Marketing, Inc., as amended through the date hereof.

11. Parent Guaranty dated September 22, 1993 issued by Atlantic Richfield Company as supplemented by letter agreement dated December 30, 1993 between Assignor and Vastar Gas Marketing, Inc., as amended through the date hereof.

12. Firm Transportation Service Agreement (Rate Schedule FTS-1) dated December 30, 1993 between Assignor and Florida Gas Transmission Company, as amended through the date hereof.

13. Firm Transportation Service Agreement (Rate Schedule FTS-2) dated December 30, 1993 between Assignor and Florida Gas Transmission Company, as amended through the date hereof.

14. Steam Sale Agreement dated as of June 15, 1993 between Assignor and US Agri-Chemicals Corporation, as amended through the date hereof.

15. Purchase Order No. 12530001, issued by Destec Engineering, Inc. to General Electric Company, Inc., dated March 10, 1993, and Change Orders 1 through 8 thereto.

16. Purchase Order No. 12530013, issued by Destec Engineering, Inc. to General Electric Company, Inc., dated March 17, 1993, and Change Orders 1 through 7 thereto.

17. Additional Inventory Contracts (as defined in the Purchase Agreement).

SCHEDULE 2

PERMITS

	Permits	Date of Issuance
1.	USEPA - Storm Water NOI, Construction (No. FLR00B155)	09/09/93
2.	DOE - Fuel Use Act (Cert. No. 123)	08/16/93
3.	FAA - Stack Notice (Study No. 92-ASO-2363-OE)	02/25/93
4.	FEMA - Polston Engineering	12/03/92
5.	USACOE - Wetlands Delineation Determination	03/31/93
6.	FDER/PSD Permit (AC53-21-4903/PSD-FL-190) - Construction	05/17/93
7.	FDER Industrial Waste Water and Storm Water Permit (IC53-221795 and RC53-221796) - Construction	05/04/95
8.	FDER Air Permit for ZLD (AC53-230744) - Construction	06/29/93
9.	FDER - Wetlands Exemption, Interoffice Memorandum	05/12/93
10.	Florida - Notice of Commencement	09/03/93
11.	FDEP - Storage Tank Registration (I.D. - 53/9300713)	01/07/97
12.	Florida - Division of Historical Resources	01/04/93
13.	Florida - Division of Historical Resources	02/01/93
14.	Florida - Division of Historical Resources (For FPC Substation)	06/15/93
15.	SWFWMD - Individual Water Use Permit (2010840.00)	02/24/93
16.	Polk County - Commercial Site Plan Approval (133.92)	11/23/92
17.	Polk County - Non Certified Electric Power Generating Site Approval (SA-92-01) and Polk County - Conditional Use Permit (CUP-92-17)	11/17/92
18.	Polk County - Construction Permit (93080960)	08/13/93

19.	Polk County/HRS - Septic Tank Permit (57037)	11/06/92
20.	Polk County - Solid Waste Disposal	06/25/93
21.	Polk County - Certificate of Concurrency Determination	11/23/93
22.	Polk County - Temporary Sign Permit (Construction)	10/05/93
23	Polk County - Driveway Approval (1521.92)	11/23/92
24.	USEPA - NPDES Notice of Termination (Construction)	03/28/95
25.	SWFWMD - Well Construction Permit	03/31/94
26.	Polk County HRS - Drinking Water Well System - Construction Permit	04/08/94
27.	USEPA - NPDES General Permit for Storm Water (Operational) Discharges (Notice of Intent).	02/15/95
28.	USEPA - Update SPCC Plan for Oil Containment	02/22/95
29.	FDEP - GT/HRSG Initial Compliance Form	02/13/95
30	FDEP - GT/HRSG Certification (Continuous Emissions Monitor Test)	10/19/94
31.	FDEP - GT/HRSG Custom Fuel Plan	12/02/95
32.	FDEP - Initial GT/HRSG, ZLD Compliance Source Test	10/19/94
33.	FDEP - ZLD Operating Permit (A053-261950)	01/25/95
34.	FDEP - Wastewater to USAC (or "no action" letter)	04/08/94
35.	FDEP - Best Management Practices Plan for Waste Water Permit	02/22/95
36.	FDEP - Industrial Waste and Storm Water Operating Permit "No Action Letter" - FDEP	12/27/95
37.	FDEP - EPA Hazardous Waste Generator	07/20/94
38.	Polk County - Certificate of Occupancy	10/20/95

39.	**Polk County - Waste Water to USAC (or "no action" letter)**	09/20/95
40.	**Polk County - Permanent Sign Permit**	12/02/95
41.	**USEPA - Update Storm Water Prevention Plan**	12/29/95

PART B - DEFERRED APPROVALS/STUDIES/LETTERS

42.	**FDEP - Title V Operating Permit**	**Application Submitted 6/13/96**

EXHIBIT B

ASSIGNMENT AND SUBSTITUTION

For a valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Tiger Bay Limited Partnership ("Assignor") hereby transfers, assigns and conveys, effective as of _____, 1997, to FPC Acquisition L.L.C. ("Assignee") all of its right, title and interest in the following described lease:

> Lease Agreement dated June 15, 1993 between Tiger Bay Limited Partnership and U.S. Agri-Chemicals Corporation, as amended through the date hereof.

To have and to hold said lease unto said Assignee, its successors and assigns forever, subject to the terms and provisions of said lease.

This Assignment is made without warranty of title, express or implied.

Assignee is hereby substituted for Assignor as the Lessee under the aforesaid lease and assumes and agrees to perform all of the obligations and liabilities of Assignor under the aforesaid Lease. In connection with, and as partial consideration for, the transfer, assignment and conveyance by Assignor to Assignee of all of Assignor's right, title and interest in the aforesaid lease, Assignee agrees to indemnify, defend and hold harmless Assignor, its partners, officers, employees, directors and agents (the "Indemnified Parties"), from and against any and all loss, cost, damage, liability, claim or expense (including, without limitation, reasonable attorneys' fees and expenses) suffered or incurred by the Indemnified Parties arising out of, related to, or in connection with the aforesaid lease or the leased premises described therein after the date hereof.

This Assignment shall be binding upon and inure to the benefit of the parties hereto, their respective successors and assigns.

IN WITNESS WHEREOF, this Assignment is executed this _____ day of _____, 1997.

ASSIGNOR:

TIGER BAY LIMITED PARTNERSHIP

By: Central Florida DGE, Inc.,
its general partner

By:_____
Name:_____
Title:_____

ASSIGNEE:

FPC ACQUISITION L.L.C.

By: _____
Name:_____
Title:_____

THE STATE OF _____ §
§
COUNTY OF _____ §

This instrument was acknowledged before me on _____, 1997, by _____, as _____ of FPC Acquisition L.L.C., on behalf of said limited liability company.

_____
Notary Public in and for the State of Texas

THE STATE OF _____ §
§
COUNTY OF _____ §

This instrument was acknowledged before me on _____, 1997, by the _____, of Central Florida DGE, Inc., the general partner of Tiger Bay Limited Partnership.

_____
Notary Public in and for the State of Texas

BILL OF SALE

TIGER BAY LIMITED PARTNERSHIP ("Seller"), for good and valuable consideration paid to Seller by FPC ACQUISITION L.L.C. "(Buyer"), the receipt and sufficiency of which are hereby acknowledged, has ASSIGNED, SOLD, CONVEYED and DELIVERED, and does hereby ASSIGN, SELL, CONVEY and DELIVER unto Buyer, its legal representatives, heirs, successors and assigns, all of Seller's right, title and interest, if any, in and to the following:

> All of the improvements, fixtures, equipment, machinery and other personal property (collectively, "Personal Property") placed or installed on the real property ("Real Property") situated in Polk County, Florida, as more particularly described on Exhibit "A" which is attached hereto and is fully incorporated by reference herein.

This Bill of Sale is made and accepted subject to all liens, easements, restrictions, covenants and other matters affecting the Real Property.

BUYER TAKES THE PERSONAL PROPERTY "AS IS" AND WITH "ALL FAULTS". SELLER HAS NOT MADE AND DOES NOT MAKE ANY REPRESENTATIONS AS TO THE PHYSICAL CONDITION, OPERATION OR ANY OTHER MATTER AFFECTING OR RELATED TO THE PERSONAL PROPERTY AND THIS BILL OF SALE, AND BUYER HEREBY EXPRESSLY ACKNOWLEDGES THAT NO SUCH REPRESENTATIONS HAVE BEEN MADE. SELLER EXPRESSLY DISCLAIMS AND BUYER ACKNOWLEDGES AND ACCEPTS THAT SELLER HAS DISCLAIMED TO THE MAXIMUM EXTENT PERMITTED BY LAW, ANY AND ALL REPRESENTATIONS, WARRANTIES OR GUARANTIES OF ANY KIND, ORAL OR WRITTEN, EXPRESS OR IMPLIED, CONCERNING THE PROPERTY, INCLUDING, WITHOUT LIMITATION, (i) THE VALUE, CONDITION, MERCHANTABILITY, MARKETABILITY, PROFITABILITY, SUITABILITY OR FITNESS FOR A PARTICULAR USE OR PURPOSE OF THE PROPERTY, (ii) THE MANNER OR QUALITY OF THE CONSTRUCTION OF MATERIALS, IF ANY, INCORPORATED INTO ANY OF THE PROPERTY, AND (iii) THE MANNER, QUALITY, STATE OF REPAIR OR LACK OF REPAIR OF THE PROPERTY.

In connection with, and as partial consideration for, the assignment, sale, conveyance and delivery by Seller to Buyer of all of Seller's right, title and interest, if any, in and to the Personal Property, Buyer agrees to indemnify, defend and hold harmless Seller, its partners, officers, employees, directors and agents (the "Indemnified Parties") from and against any and all loss, cost, damage, liability, claim or expense (including, without limitation, reasonable attorneys' fees and expenses) suffered or incurred by the Indemnified Parties arising out of, related to, or in connection with the Personal Property and the Real Property after the date hereof.

This Bill of Sale shall be construed and interpreted in accordance with the laws of the State of Florida.

EFFECTIVE as of the _____ day of _____, 1997___.

SELLER:

TIGER BAY LIMITED PARTNERSHIP

By: Central Florida DGE, Inc.,
its general partner

By: _____
Name: _____
Title: _____

BUYER:

FPC ACQUISITION L.L.C.

By: _____
Name: _____
Title: _____

EXHIBIT "A"

PLANT SITE DESCRIPTION

A PARCEL OF LAND LYING AND BEING IN SECTION 31, TOWNSHIP 31 SOUTH, RANGE 25 EAST, IN POLK COUNTY, FLORIDA, BEING DESCRIBED AS FOLLOWS:

COMMENCE ON THE WEST BOUNDARY LINE OF SECTION 31, TOWNSHIP 31 SOUTH, RANGE 25 EAST, AT A POINT 5.96 FEET SOUTH OF THE NORTHWEST CORNER OF SAID SECTION 31 (SOUTHWEST CORNER OF SECTION 30, TOWNSHIP 31 SOUTH, RANGE 25 EAST), DESIGNATED AS STATION 592+38.20, BEING A POINT ON THE SURVEY LINE OF THE SURVEY FOR STATE ROAD S-630 (NOW COUNTY ROAD 630); RUN THENCE ALONG SAID SURVEY LINE NORTH 89°57'23" EAST A DISTANCE OF 565.69 FEET; THENCE CONTINUE ALONG SAID SURVEY LINE SOUTH 89°48'22" EAST A DISTANCE OF 2296.11 FEET; RUN THENCE SOUTH 00°11'38" WEST A DISTANCE OF 40.00 FEET TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY LINE OF SR S-630 (NOW CR 630) AND THE POINT OF BEGINNING; RUN THENCE SOUTH 00°11'38" WEST ALONG THE SOUTHERLY RIGHT-OF-WAY OF SAID SR S-630 A DISTANCE OF 10.00 FEET; RUN THENCE SOUTH 89°48'22" EAST ALONG THE SOUTHERLY RIGHT-OF-WAY OF SAID SR S-630 A DISTANCE OF 149.44 FEET; RUN
THENCE SOUTH 24°54'47" EAST A DISTANCE OF 43.91 FEET; RUN
THENCE SOUTH 21°47'04" EAST A DISTANCE OF 50.00 FEET; RUN
THENCE SOUTH 20°04'17" EAST A DISTANCE OF 50.00 FEET; RUN
THENCE SOUTH 17°32'15" EAST A DISTANCE OF 50.00 FEET; RUN
THENCE SOUTH 14°05'12" EAST A DISTANCE OF 50.00 FEET; RUN
THENCE SOUTH 12°09'16" EAST A DISTANCE OF 50.00 FEET; RUN
THENCE SOUTH 10°07'22" EAST A DISTANCE OF 50.00 FEET; RUN
THENCE SOUTH 05°16'27" EAST A DISTANCE OF 50.00 FEET; RUN
THENCE SOUTH 04°01'56" EAST A DISTANCE OF 50.00 FEET; RUN
THENCE SOUTH 00°14'38" EAST A DISTANCE OF 483.22 FEET; RUN
THENCE SOUTH 89°48'22" EAST A DISTANCE OF 451.59 FEET; RUN
THENCE SOUTH 00°00'27" EAST A DISTANCE OF 143.15 FEET; RUN
THENCE SOUTH 44°39'20" EAST A DISTANCE OF 53.75 FEET; RUN
THENCE SOUTH 89°36'34" EAST A DISTANCE OF 98.18 FEET; RUN
THENCE SOUTH 00°14'38" EAST, ALONG A LINE FIVE FEET EASTERLY OF THE CENTERLINE OF A PIPELINE EASEMENT AS DESCRIBED IN OR BOOK 1609, PAGE 79 OF THE PUBLIC RECORDS OF POLK COUNTY, FLORIDA, A DISTANCE OF 737.49 FEET, TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY OF SAID SR S-630, RUN THENCE SOUTH 89°48'22" EAST ALONG THE SOUTHERLY RIGHT-OF-WAY OF SAID SR S-630 A DISTANCE OF 56.24 FEET TO THE POINT OF BEGINNING.
CONTAINING 295,380.39 SQUARE FEET OR 6.77 ACRES MORE OR LESS.

EXHIBIT D

FORM OF OPINION OF COUNSEL TO TIGER BAY LIMITED PARTNERSHIP

_____, 1997

FPC Acquisition L.L.C.
Florida Power Corporation
3201 Thirty-fourth Street South
St. Petersburg, FL 33704

Gentlemen:

We have acted as special counsel to Tiger Bay Limited Partnership, a Delaware limited partnership ("Tiger Bay"), in connection with the transaction contemplated by the Purchase Agreement dated as of January ___, 1997, among Tiger Bay, FPC Acquisition L.L.C. ("NEWCO") and Florida Power Corporation ("FPC"). Capitalized terms not otherwise defined in this letter shall have the meanings specified in the Purchase Agreement.

In giving this opinion we have examined an executed counterpart of the Purchase Agreement. We have further examined and relied, without independent verification, upon the accuracy of original, certified, photographic or telecopied copies of such partnership records, certificates and other documents as we have deemed necessary or appropriate to enable us to render the opinions expressed in this letter. In all such examinations, we have assumed: (i) the genuineness of all such signatures (other than those of Tiger Bay); (ii) the conformity to the original document of all copies submitted to us as certified, conformed, photographic or telecopied copies; and (iii) as to certificates and telegraphic and telephonic confirmations given by public officials, that the same have been properly given and are accurate as of the date hereof.

As to questions of fact material to our opinion, we have relied upon the accuracy of statements, representations and warranties of Tiger Bay made in the Purchase Agreement and certificates and other documents delivered in connection with the transaction contemplated by the Purchase Agreement. Although we have made no independent investigation or inquiry with respect to such factual matters, nothing has come to our attention which would cause us to believe that our reliance on the foregoing is inappropriate.

We have further assumed: that FPC and NEWCO have all requisite corporate power and authority and have taken all necessary action to duly authorize FPC and NEWCO to enter into the Purchase Agreement and to perform their obligations thereunder and under the documents and instruments executed and delivered in connection therewith by FPC and NEWCO; that the Purchase Agreement

and any document, instrument or certificate delivered by FPC and NEWCO in accordance therewith are the legal, valid and binding obligations of FPC and NEWCO and are enforceable against FPC and NEWCO in accordance with their respective terms; and that FPC and NEWCO were, as of the time the parties executed the Purchase Agreement, and are currently, in good standing in Florida.

Based on the foregoing, and subject to the specified assumptions, qualifications and reliances described in this letter, it is our opinion that:

1. Tiger Bay is a limited partnership validly existing and in good standing under the laws of the State of Delaware, and has all of the necessary partnership power and authority to conduct its business as presently conducted.

2. All partnership proceedings required to be taken by or on the part of Tiger Bay to authorize it to execute and deliver the Purchase Agreement and to consummate the transaction contemplated thereby have been duly and properly taken.

3. The Purchase Agreement has been duly and validly authorized, executed and delivered by Tiger Bay.

4. Neither the execution and delivery of the Purchase Agreement by Tiger Bay nor the consummation of the transaction contemplated thereby (i) conflict with Tiger Bay's certificate of limited partnership or the Partnership Agreement, or (ii) conflict in any respect with or result in a breach of or default under, or give rise to any right of acceleration or termination under or result in the creation or imposition of any lien, charge or encumbrance upon the Assets pursuant to, or require the consent of any other party (which has not been obtained) to, any note, bond, mortgage, indenture or agreement which is listed on Schedule 1 hereto, copies of which have been furnished to us by Tiger Bay, nor does the consummation of the transaction contemplated thereby and compliance by Tiger Bay with the provisions thereof violate any material order, writ, injunction, decree, statute, rule or regulation applicable to Tiger Bay or any of the Assets which was identified to us on a certificate delivered to us by Tiger Bay and which is attached hereto as Schedule 2.

5. Except for the requirements of the HSR Act, no consent, approval or authorization of, or declaration, filing or registration with, any Governmental Entity is required in connection with the execution, delivery and performance of the Purchase Agreement by Tiger Bay or the consummation by Tiger Bay of the transaction contemplated thereby.

6. To our knowledge, based on a certificate delivered to us by Tiger Bay and attached hereto as Schedule 2 and without any independent investigation, there is no litigation, proceeding, or investigation, pending or overtly threatened, against or involving Tiger Bay, which is reasonably likely to have a material adverse effect on Tiger Bay or that questions or challenges the validity of the Purchase Agreement or any action taken or to be taken by Tiger Bay pursuant to the Purchase Agreement or in connection with the transaction contemplated thereby.

We express no opinion as to matters which may be governed by the substantive laws of any state other than the Delaware Revised Uniform Limited Partnership Act or the laws of the United States of America.

This opinion is furnished by us at your request and for your sole benefit, and no other person or entity shall be entitled to rely on this opinion without our express prior written consent. This opinion shall not be published or reproduced in any manner or distributed or circulated to any person or entity without our express written consent, except that you may give copies of his letter: (i) to your independent auditors and attorneys; (ii) to any state or federal authority having regulatory jurisdiction over you; (iii) pursuant to order or legal process of any court or governmental agency; and (iv) in connection with any legal activities to which you are a party arising out of the transaction which is the subject of the Purchase Agreement. Our opinion is limited to the matters stated in this letter, and no opinion is implied or may be inferred beyond the matters expressly stated in this letter.

The opinions expressed herein are based upon laws as of the date hereof and are subject to any amendment, repeal or other modification of the applicable laws or judicial decisions hereafter enacted or rendered. Our rendering of the opinions expressed herein does not require and shall not be construed to constitute a continuing obligation on our part to update our opinions or notify or otherwise inform you of the amendment, repeal or other modification of the applicable laws or judicial decisions that served as the basis for our opinions or laws or judicial decisions hereafter enacted or rendered which affect our opinions.

EXHIBIT E

FORM OF OPINION OF FLORIDA COUNSEL TO TIGER BAY LIMITED PARTNERSHIP

_____, 1997

FPC Acquisition L.L.C..
Florida Power Corporation
3201 Thirty-fourth Street South
St. Petersburg, FL 33704

Gentlemen:

We have acted as special counsel to Tiger Bay Limited Partnership, a Delaware limited partnership ("Tiger Bay"), in connection with the transaction contemplated by the Purchase Agreement dated as of January ___, 1997, among Tiger Bay, FPC Acquisition L.L.C. ("NEWCO") and Florida Power Corporation ("FPC"). Capitalized terms not otherwise defined in this letter shall have the meanings specified in the Purchase Agreement.

In giving this opinion we have examined executed counterparts of the Purchase Agreement, Assignment and Assumption, Assignment and Substitution, and Bill of Sale. We have further examined and relied, without independent verification, upon the accuracy of original, certified, photographic or telecopied copies of such partnership records, certificates and other documents as we have deemed necessary or appropriate to enable us to render the opinions expressed in this letter. In all such examinations, we have assumed: (i) the genuineness of all such signatures (other than those of Tiger Bay); (ii) the conformity to the original document of all copies submitted to us as certified, conformed, photographic or telecopied copies; and (iii) as to certificates and telegraphic and telephonic confirmations given by public officials, that the same have been properly given and are accurate as of the date hereof.

As to questions of fact material to our opinion, we have relied upon the accuracy of statements, representations and warranties of Tiger Bay made in the Purchase Agreement and certificates and other documents delivered in connection with the transaction contemplated by the Purchase Agreement. Although we have made no independent investigation or inquiry with respect to such factual matters, nothing has come to our attention which would cause us to believe that our reliance on the foregoing is inappropriate.

We have further assumed: that FPC and NEWCO have all requisite corporate power and authority and have taken all necessary action to duly authorize FPC and NEWCO to enter into the Purchase Agreement and to perform their obligations thereunder and under the documents and instruments

executed and delivered in connection therewith by FPC and NEWCO; that the Purchase Agreement and any document, instrument or certificate delivered by FPC and NEWCO in accordance therewith are the legal, valid and binding obligations of FPC and NEWCO and are enforceable against FPC and NEWCO in accordance with their respective terms; and that FPC and NEWCO were, as of the time the parties executed the Purchase Agreement, and are currently, in good standing in Florida.

Based on the foregoing, and subject to the specified assumptions, qualifications and reliances described in this letter, it is our opinion that:

1. Tiger Bay is a foreign limited partnership validly existing and in good standing under the laws of the State of Florida, and has all of the necessary partnership power and authority to conduct its business as presently conducted.

2. Each of the Purchase Agreement, Assignment and Assumption, Assignment and Substitution, and Bill of Sale constitutes a legal, valid and binding obligation of Tiger Bay, enforceable against Tiger Bay in accordance with its terms, except as such enforceability may be limited by (i) general principles of equity (regardless of whether enforceability is considered in a proceeding at law or in equity); and (ii) applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally.

3. No consent, approval or authorization of, or declaration, filing or registration with, any Governmental Entity is required in connection with the execution, delivery and performance of the Purchase Agreement by Tiger Bay or the consummation by Tiger Bay of the transaction contemplated thereby.

We express no opinion as to matters which may be governed by the substantive laws of any state other than Florida.

This opinion is furnished by us at your request and for your sole benefit, and no other person or entity shall be entitled to rely on this opinion without our express prior written consent. This opinion shall not be published or reproduced in any manner or distributed or circulated to any person or entity without our express written consent, except that you may give copies of this letter: (i) to your independent auditors and attorneys; (ii) to any state or federal authority having regulatory jurisdiction over you; (iii) pursuant to order or legal process of any court or governmental agency; and (iv) in connection with any legal activities to which you are a party arising out of the transaction which is the subject of the Purchase Agreement. Our opinion is limited to the matters stated in this letter, and no opinion is implied or may be inferred beyond the matters expressly stated in this letter.

The opinions expressed herein are based upon laws as of the date hereof and are subject to any amendment, repeal or other modification of the applicable laws or judicial decisions hereafter enacted or rendered. Our rendering of the opinions expressed herein does not require and shall not be construed to constitute a continuing obligation on our part to update our opinions or notify or otherwise inform you of the amendment, repeal or other modification of the applicable laws or

judicial decisions that served as the basis for our opinions or laws or judicial decisions hereafter enacted or rendered which affect our opinions.

EXHIBIT F

FORM OF OPINION OF COUNSEL TO FPC ACQUISITION L.L.C. AND FLORIDA POWER CORPORATION

_____, 1997

Tiger Bay Limited Partnership
2500 CityWest Blvd.
Suite 150
Houston, TX 77042

Gentlemen:

We have acted as special counsel to FPC Acquisition L.L.C., a Delaware limited liability company ("NEWCO"), and Florida Power Corporation, a Florida corporation ("FPC"), in connection with the transaction contemplated by the Purchase Agreement dated as of January ___, 1997, among Tiger Bay Limited Partnership ("Tiger Bay"), NEWCO and FPC. Capitalized terms not otherwise defined in this letter shall have the meanings specified in the Purchase Agreement.

In giving this opinion we have examined executed counterparts of the Purchase Agreement, Assignment and Assumption, Assignment and Substitution, and Bill of Sale. We have further examined and relied, without independent verification, upon the accuracy of original, certified, photographic or telecopied copies of such corporate records, certificates and other documents as we have deemed necessary or appropriate to enable us to render the opinions expressed in this letter. In all such examinations, we have assumed: (i) the genuineness of all such signatures (other than those of NEWCO and FPC); (ii) the conformity to the original document of all copies submitted to us as certified, conformed, photographic or telecopied copies; and (iii) as to certificates and telegraphic and telephonic confirmations given by public officials, that the same have been properly given and are accurate as of the date hereof.

As to questions of fact material to our opinion, we have relied upon the accuracy of statements, representations and warranties of NEWCO and FPC made in the Purchase Agreement and certificates and other documents delivered in connection with the transaction contemplated by the Purchase Agreement. Although we have made no independent investigation or inquiry with respect to such factual matters, nothing has come to our attention which would cause us to believe that our reliance on the foregoing is inappropriate.

We have further assumed: that Tiger Bay has all requisite partnership power and authority and has taken all necessary action to duly authorize Tiger Bay to enter into the Purchase Agreement and to

perform its obligations thereunder and under the documents and instruments executed and delivered in connection therewith by Tiger Bay; that the Purchase Agreement and any document, instrument or certificate delivered by Tiger Bay in accordance therewith are the legal, valid and binding obligations of Tiger Bay and are enforceable against Tiger Bay in accordance with their respective terms; and that Tiger Bay was, as of the time the parties executed the Purchase Agreement, and is currently, in good standing in Florida.

Based on the foregoing, and subject to the specified assumptions, qualifications and reliances described in this letter, it is our opinion that:

1. FPC is a corporation duly organized, validly existing and of active status under the laws of the State of Florida. NEWCO is a limited liability company duly organized, validly existing and of active status under the laws of the State of Delaware. Each of FPC and NEWCO has all of the necessary power and authority to conduct its business as presently conducted.

2. All proceedings required to be taken by or on behalf of (i) FPC and NEWCO to authorize them to execute and deliver the Purchase Agreement and the Assignment and Assumption and to consummate the transaction contemplated thereby, and (ii) NEWCO to authorize it to execute and deliver the Assignment and Substitution and Bill of Sale and to consummate the transaction contemplated thereby, have been duly and properly taken.

3. Each of the Purchase Agreement, Assignment and Assumption, Assignment and Substitution, and Bill of Sale has been duly and validly authorized, executed and delivered by NEWCO and constitutes a legal, valid and binding obligation of NEWCO, enforceable against NEWCO in accordance with its terms, except as such enforceability may be limited by (i) general principles of equity (regardless of whether enforceability is considered in a proceeding at law or in equity); and (ii) applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally.

4. Each of the Purchase Agreement and the Assignment and Assumption has been duly and validly authorized, executed and delivered by FPC and constitutes a legal, valid and binding obligation of FPC, enforceable against FPC in accordance with its terms, except as such enforceability may be limited by (i) general principles of equity (regardless of whether enforceability is considered in a proceeding at law or in equity); and (ii) applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally.

5. Except for the requirements of the HSR Act and the authorizations by the FERC and the FPSC described in Sections 6.01(c) and 6.02(c) of the Purchase Agreement,, no consent, approval or authorization of, or declaration, filing or registration with, any Governmental Entity is required in connection with the execution, delivery and performance of the Purchase Agreement by FPC and NEWCO or the consummation by FPC and NEWCO of the transaction contemplated thereby.

6. Neither the execution and delivery of the Purchase Agreement by FPC or NEWCO nor the consummation of the transaction contemplated thereby (i) conflict with FPC's certificate of incorporation or its bylaws, or with NEWCO's certificate of formation or its limited liability company agreement or (ii) conflict in any respect with or result in a breach of or default under, or give rise to any right of acceleration or termination under or result in the creation or imposition of any lien, charge or encumbrance upon any of their properties pursuant to, or require the consent of any other party (which has not been obtained) to, any note, bond, mortgage, indenture or agreement to which either is a party or by which either is bound or to which any of their properties is subject, nor does the consummation of the transaction contemplated thereby and compliance by FPC and NEWCO with the provisions thereof violate any material order, writ, injunction, decree, statute, rule or regulation applicable to FPC or NEWCO or any of their properties.

7. There is no litigation, proceeding, or investigation, pending or overtly threatened, against or involving FPC or NEWCO which is reasonably likely to have a material adverse effect on FPC or NEWCO or that questions or challenges the validity of the Purchase Agreement or any action taken or to be taken by FPC or NEWCO pursuant to the Purchase Agreement or in connection with the transaction contemplated thereby.

We express no opinion as to matters which may be governed by the substantive laws of any jurisdiction other than the state of Florida or the federal laws of the United States of America.

This opinion is furnished by us at your request and for your sole benefit, and no other person or entity shall be entitled to rely on this opinion without our express prior written consent. This opinion shall not be published or reproduced in any manner or distributed or circulated to any person or entity without our express written consent, except that you may give copies of this letter: (i) to your independent auditors and attorneys; (ii) to any state or federal authority having regulatory jurisdiction over you; (iii) pursuant to order or legal process of any court or governmental agency; and (iv) in connection with any legal activities to which you are a party arising out of the transaction which is the subject of the Purchase Agreement. Our opinion is limited to the matters stated in this letter, and no opinion is implied or may be inferred beyond the matters expressly stated in this letter. We have no duty to update our opinion in light of changes in the law or circumstances that may come to our attention after the Closing.

The opinions expressed herein are based upon laws as of the date hereof and are subject to any amendment, repeal or other modification of the applicable laws or judicial decisions hereafter enacted or rendered. Our rendering of the opinions expressed herein does not require and shall not be construed to constitute a continuing obligation on our part to update our opinions or notify or otherwise inform you of the amendment, repeal or other modification of the applicable laws or judicial decisions that served as the basis for our opinions or laws or judicial decisions hereafter enacted or rendered which affect our opinions.

(100%) of the MDTQ, and all rights, obligations, and interests under the FTS-1 Agreement from Thermo and TSGS to Shipper; and,

WHEREAS, Shipper desires to assume all obligations under the FTS-1 Agreement which will accrue from and after the effective date of this Agreement; and,

WHEREAS, for administrative and clarification purposes, this Agreement restates, in its entirety, all of the terms and conditions of firm transportation service to be provided by Transporter to Shipper under Rate Schedule FTS-1, including the Primary Receipt and Primary Delivery Points set forth on all effective Exhibits A and B, and will upon execution by both parties hereunder, supersede the FTS-1 Agreement for all purposes.

NOW THEREFORE, in consideration of the premises and of the mutual covenants and agreements herein contained, the sufficiency of which is hereby acknowledged, Transporter and Shipper agree as follows:

ARTICLE I
Quantity

1.1 The Maximum Daily Transportation Quantity ("MDTQ") is set forth on a seasonal basis by Division if applicable, on Exhibit B attached hereto.

1.2 Transporter agrees to receive the aggregate of the quantities of natural gas that Shipper tenders for transportation at the Receipt Points, up to the maximum daily quantity specified for each receipt point as set out on Exhibit A, and to transport and make available for delivery to Shipper at each Delivery Point specified on Exhibit B, up to the amount tendered by Shipper less

Firm Transportation Service Agreement
Rate Schedule FTS-1

THIS AGREEMENT, dated as of this 30th day of December, 1993, is by and between Florida Gas Transmission Company, a Delaware corporation ("Transporter"), and Tiger Bay Limited Partnership, a Delaware partnership (successor-in-interest to Thermo Central Florida Corporation) ("Shipper"),

W I T N E S S E T H :

WHEREAS, Thermo Central Florida Corporation ("Thermo") and Transporter entered into a Firm Transportation Service Agreement dated October 1, 1993, for service under Rate Schedule FTS-1 of Transporter's F.E.R.C. Gas Tariff ("FTS-1 Agreement"); and,

WHEREAS, Florida Cogen Gas Services, Inc. ("Cogen") and Thermo entered into a Stock Purchase Agreement dated May 27, 1993, in which Cogen acquired all of the stock of Thermo effective October 4, 1993; and, on October 7, 1993, Cogen filed a Certificate of Amendment with the Delaware Secretary of State's Office to effect a name change from Thermo to Tiger Bay Gas Services, Inc. ("TBGS"); and,

WHEREAS, Cogen and Shipper entered into a Stock Purchase Agreement dated December 30, 1993, in which Cogen sold all of its stock in TBGS to Shipper; and on such date, Shipper filed a Certificate of Dissolution with the Delaware Secretary of State's Office to dissolve TBGS; and,

WHEREAS, in connection with the foregoing, Transporter has been asked to consent to an assignment of one-hundred percent

right to rollover this Agreement for subsequent 10-year term(s) subject to the applicable provisions of Transporter's F.E.R.C. Gas Tariff, General Terms and Conditions regarding the 10-Year Rollover Option.

ARTICLE V
Primary Receipt and Delivery Point(s)

The Primary Receipt and Delivery Point(s) are set forth in Exhibit A and Exhibit B, respectively. Shipper may request changes to its Primary Receipt and Delivery Point(s). Transporter may make such changes in accordance with the terms of Rate Schedule FTS-1 and the applicable General Terms and Conditions of its Tariff.

ARTICLE VI
Notices

All notices, payments and communications with respect to this Agreement shall be in writing and sent to the addresses stated below or at any other address designated in writing by the party:

ADMINISTRATIVE MATTERS

Transporter: Florida Gas Transmission Company
P. O. Box 1188
1400 Smith Street
Houston, Texas 77251-1188
Attention: Contract Management Department
Phone No.: (713) 853-7532
Fax No.: (713) 853-6756

Transporter's Fuel, if applicable; provided, however, that Transporter is not required to accept for transportation and make available for delivery more than the MDTQ on any day.

ARTICLE II
No Notice Transportation Service

To the extent Shipper has subscribed for No Notice Transportation Service under Rate Schedule NNTS, the level of No Notice Transportation Service subscribed for is set forth in the NNTS Addendum to this Agreement. Transporter will provide No Notice Transportation Service in accordance with the terms and conditions of Rate Schedule NNTS and within Shipper's MDTQ under this Agreement.

ARTICLE III
Payment

3.1 Shipper shall pay Transporter for all service rendered hereunder the rates established under Transporter's Rate Schedule FTS-1, as revised from time to time.

3.2 Pursuant to Section 15 of Transporter's F.E.R.C. Gas Tariff, General Terms and Conditions, Transporter shall have the right to terminate this Agreement in the event Shipper fails to pay Transporter for service provided hereunder.

ARTICLE IV
Term of Agreement

The primary term of this Agreement will commence upon execution by both parties, and shall expire on January 1, 2012. Upon expiration of the primary term, Shipper has the unilateral

alter its system operation to deliver gas at the Delivery Point(s).

ARTICLE IX
Miscellaneous

9.1 This Agreement shall bind and benefit the successors and assigns of the respective parties hereto; provided, however, neither party shall assign this Agreement or any of its rights or obligations hereunder without first obtaining the written consent of the other party.

9.2 No waiver by either party of any one or more defaults by the other in the performance of any provisions of this Agreement shall operate or be construed as a waiver of any future defaults of a like or different character.

9.3 This Agreement contains Exhibits A and B which are incorporated fully herein.

9.4 THIS AGREEMENT SHALL BE GOVERNED BY AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS NOTWITHSTANDING ANY CONFLICT OF LAW RULES WHICH MAY REQUIRE THE APPLICATION OF ANOTHER JURISDICTION.

9.5 This Agreement is subject to the provisions of Rate Schedule FTS-1 and the applicable provisions of Transporter's F.E.R.C. Gas Tariff, General Terms and Conditions, as may be revised from time to time.

9.6 et seq. [Reserved for future use]

Shipper: Tiger Bay Limited Partnership
c/o Destec Energy, Inc.
P. O. Box 4411
Houston, Texas 77210-4411
Attention: Manager, Fuel Supply
Fax: (713) 735-4069

PAYMENT BY WIRE TRANSFER

Transporter: Florida Gas Transmission Company
NationsBank ABA No. 053000196
Account No. 001658806
Charlotte, North Carolina

ARTICLE VII
Regulatory Authorizations and Approvals

Transporter's obligation to provide service is conditioned upon receipt and acceptance of any necessary regulatory authorization to provide service to Shipper in accordance with the terms of this Agreement, Rate Schedule FTS-1, and the General Terms and Conditions of Transporter's F.E.R.C. Gas Tariff. Shipper agrees to reimburse Transporter for all reporting and/or filing fees incurred by Transporter in providing service under this Agreement.

ARTICLE VIII
Pressure

8.1 The quantities of gas delivered or caused to be delivered by Shipper shall be delivered at a pressure sufficient to enter Transporter's system, but in no event shall such gas be delivered at a pressure exceeding the maximum authorized operating pressure or such other pressure as Transporter permits at the Receipt Point(s).

8.2 Transporter has no obligation to provide compression or

Exhibit A
to
Firm Transportation Service Agreement (FTS-1)
Between
Florida Gas Transmission Company
and
Tiger Bay Limited Partnership
Dated
December 30, 1993

Description of Point(s) of Receipt	POI	Maximum Daily Quantities* (MMBtu) Oct	Nov-March	April	May-Sept
PRODUCTION ZONE 1		-0-	-0-	-0-	-0-
ZONE 1 TOTAL - C.S. #7 EUNICE	25306	-0-	-0-	-0-	-0-
PRODUCTION ZONE 2		-0-	-0-	-0-	-0-
ZONE 2 TOTAL - C.S. #8 ZACHARY	25412	-0-	-0-	-0-	-0-
PRODUCTION ZONE 3		-0-	-0-	-0-	-0-
ZONE 3 TOTAL - C.S. #11 MOUNT VERNON	25309	-0-	-0-	-0-	-0-
TOTAL MDQ:		-0-	-0-	-0-	-0-

This Exhibit A shall be superseded in its entirety by First Revised Exhibit A attached hereto on August 1, 1994.

Shipper to provide fuel pursuant to Fuel Reimbursement Charge Adjustment provisions of Transporter's F.E.R.C. Gas Tariff, General Terms and Conditions.

* Exclusive of Transporter's fuel

Date of this Exhibit A: December 30, 1993

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by their duly authorized officers effective as of the date first written above.

TRANSPORTER	SHIPPER
FLORIDA GAS TRANSMISSION COMPANY	TIGER BAY LIMITED PARTNERSHIP By Central Florida DGE, Inc. its General Partner
By: _____	By: _____
Title Vice President - Marketing	Title President

Exhibit B
To
Firm Transportation Service Agreement (FTS-1)
Between
Florida Gas Transmission Company
and
Tiger Bay Limited Partnership
Dated
December 30, 1993

Description of Point(s) of Delivery	POI	Maximum Daily Quantities (MMBtu) Oct	Nov-March	April	May-Sept
1. City Gas Company of Florida - Palm Bay Malabar Florida		-0-	-0-	-0-	-0-
TOTAL MDTQ:		-0-	-0-	-0-	-0-

This Exhibit B shall be superseded in its entirety by First Revised Exhibit B attached hereto on the expiration date of the Letter Agreement between Transporter and Shipper dated April 28, 1992, regarding capacity temporarily relinquished by Shipper to third parties.

Date of this Exhibit B: December 30, 1993

First Revised Exhibit A
to
Firm Transportation Service Agreement (FTS-1)
Between
Florida Gas Transmission Company
and
Tiger Bay Limited Partnership
Dated
December 30, 1993

Description of Point(s) of Receipt	POI	Maximum Daily Quantities* (MMBtu) Oct	Nov-March	April	May-Sept
PRODUCTION ZONE 1					
SNG/NNG MOPS Refugio	611	3,841	3,841	3,841	3,841
ZONE 1 TOTAL - C.S. #7 EUNICE	25306	3,841	3,841	3,841	3,841
PRODUCTION ZONE 2					
LRC Kaplan Ccw Island	16509	5,382	3,259	3,448	4,922
ZONE 2 TOTAL - C.S. #8 ZACHARY	25412	5,382	3,259	3,448	4,922
PRODUCTION ZONE 3					
Transco St. Helena	10114	1,380	3,503	3,314	1,840
ZONE 3 TOTAL - C.S. #11 MOUNT VERNON	25309	1,380	3,503	3,314	1,840
TOTAL MDQ:		10,603	10,603	10,603	10,603

This First Revised Exhibit A shall supersede Exhibit A in its entirety on August 1, 1994.

Shipper to provide fuel pursuant to Fuel Reimbursement Charge Adjustment provisions of Transporter's F.E.R.C. Gas Tariff, General Terms and Conditions.

* Exclusive of Transporter's fuel

Date of this First Revised Exhibit A: December 30, 1993

FIRM TRANSPORTATION SERVICE AGREEMENT
RATE SCHEDULE FTS-2

THIS AGREEMENT, dated as of into this 30th day of December, 1993, is by and between Florida Gas Transmission Company, a Delaware corporation ("Transporter"), and Tiger Bay Limited Partnership, a Delaware limited partnership (successor-in-interest to Destec Energy, Inc.) ("Shipper").

W I T N E S S E T H :

WHEREAS, Transporter and Destec Energy, Inc. ("Destec") entered into a Firm Transportation Service Agreement dated February 21, 1992, for service under Rate Schedule FTS-2 of Transporter's F.E.R.C. Gas Tariff ("FTS-2 Agreement"); and,

WHEREAS, Shipper has advised Transporter of its plans to develop, construct, own, and operate a cogeneration powerplant located in Polk County, Florida ("Project") to supply power to Florida Power Corporation ("FPC") pursuant to certain long-term power sales agreements between Shipper and FPC; and,

WHEREAS, Destec is an owner of a fifty percent (50%) interest in the Project and entered into the FTS-2 Agreement to ensure that the Project would have firm gas transportation capacity for its long-term gas supply needs; and,

WHEREAS, in connection with the foregoing, Destec desires to assign and transfer a portion of its MDTQ, and all rights, obligations, and interest associated with such, under the FTS-2 Agreement to Shipper; and,

First Revised Exhibit B
To
Firm Transportation Service Agreement (FTS-1)
Between
Florida Gas Transmission Company
and
Tiger Bay Limited Partnership
Dated
December 30, 1993

Description of Point(s) of Delivery	POI	Maximum Daily Quantities (MMBtu) Oct	Nov-March	April	May-Sept
1. City Gas Company of Florida - Palm Bay Malabar Florida		10,603	10,603	10,603	10,603
TOTAL MDTQ:		10,603	10,603	10,603	10,603

This First Revised Exhibit B shall supersede Exhibit B in its entirety on August 1, 1994.

Date of this First Revised Exhibit B: December 30, 1993

hereof or in compliance with any final FERC order affecting such rate schedule.

1.3 The term "FERC" or "Commission" shall mean the Federal Energy Regulatory Commission or any successor regulatory agency or body, including the Congress, which has authority to regulate the rates and services of Transporter.

ARTICLE II
Quantity

2.1 The Maximum Daily Transportation Quantity ("MDTQ") shall be set forth in Exhibit B attached hereto. The applicable MDTQ shall be the largest daily quantity of gas Shipper may tender for transportation in the aggregate to all Receipt Point(s), exclusive of Transporter's Fuel, and receive at all Delivery Point(s) as specified on Exhibits A and B hereto on any day.

2.2 Shipper may tender natural gas for transportation to Transporter on any day, up to the MDTQ plus Transporter's Fuel. Transporter agrees to receive the aggregate of the quantities of natural gas that Shipper tenders for transportation at the Receipt Point(s), up to the maximum daily quantity specified for each such Point on Exhibit A hereto, and to transport and deliver to Shipper at each Delivery Point specified on Exhibit B, up to the maximum daily quantity specified for each point on Exhibit B, the amount tendered by Shipper less Transporter's Fuel, (as provided in Rate Schedule FTS-2), provided, however, that Transporter shall never be required to transport and deliver on any day more than the MDTQ.

WHEREAS, Shipper desires to assume all obligations of Destec associated with the assigned MDTQ, which will accrue from and after the effective date of this Agreement; and,

WHEREAS, for administrative and clarification purposes, this Agreement restates, in its entirety, all of the terms and conditions of firm transportation service to be provided by Transporter to Shipper under Rate Schedule FTS-2 and will upon execution by both parties hereunder, supersede the FTS-2 Agreement with respect to the assigned MDTQ.

NOW THEREFORE, in consideration of the premises and of the mutual covenants and agreements herein contained, the sufficiency of which is hereby acknowledged, Transporter and Shipper do covenant and agree as follows:

ARTICLE I
Definitions

In addition to the definitions incorporated herein through Transporter's Rate Schedule FTS-2, the following terms when used herein shall have the meanings set forth below:

1.1 The term "Gas" shall mean pipeline quality natural gas which complies with the quality provisions set forth in the General Terms and Conditions of Transporter's effective FERC Gas Tariff, Volume No. 1, and includes gas well gas, casinghead gas and residue gas remaining after processing thereof.

1.2 The term "Rate Schedule FTS-2" shall mean Transporter's Rate Schedule FTS-2 as filed with the FERC as changed and adjusted from time to time by Transporter in accordance with Section 3.3

eighth year of service ("Base Rate Cap") and (b) thirty percent (30%) of the Base Rate Cap escalated (but not decreased) through use of the GDP Implicit Price Deflator (or any substitute index that the parties mutually agree to in writing) determined by multiplying thirty percent (30%) of the Base Rate Cap by a fraction, the numerator of which is the GDP Implicit Price Deflator for the last calendar quarter immediately preceding the Anniversary Date and the denominator of which is the GDP Implicit Price Deflator for the calendar quarter immediately preceding the first month of the eighth year of service. The Initial Base Rate Cap and all Final Rate Caps to be calculated hereunder are stated in nominal dollars and are 100 percent load factor rates, exclusive of all applicable surcharges and fuel. The Initial Base Rate Cap assumes the levelized rate methodology which Transporter filed for approval in the Offer of Settlement and Stipulation and Agreement of the parties in Docket No. CP92-182, et al., on August 25, 1992 ("Settlement"). The Initial Base Rate Cap and any subsequent Rate Cap used in the calculation of a Final Rate Cap hereunder shall be adjusted for the impact of changes in State and Federal income tax rates by adding or subtracting from the applicable Rate Cap the difference between the applicable Commission approved rate and such rate as adjusted to include changes in State and/or Federal income tax rates utilizing the cost of service underlying such rate. In the event

ARTICLE III
Rate Schedule

3.1 During the first twenty (20) years of service under this Agreement, Shipper shall pay Transporter the lower of (1) the rates established under Transporter's Rate Schedule FTS-2, as filed with and approved by the FERC and as said Rate Schedule may hereafter be legally amended or superseded, or (2) the Final Rate Cap as determined below:

(i) For the first two years of service, the Rate Cap shall be $0.80 per MMBtu.

(ii) Commencing on the third year of service and extending for a period of one year, the Rate Cap shall be $0.82 per MMBtu.

(iii) Commencing on the fourth year of service and extending for a period of one year, the Rate Cap shall be $0.84 per MMBtu.

(iv) Commencing on the fifth year of service and extending to the end of the eighth year of service, the Rate Cap shall be $0.86 per MMBtu.

(v) Commencing on the ninth year of service and extending to the end of the twentieth year of service, the Rate Cap shall be calculated as follows:

On each Anniversary ("Anniversary Date"), the Final Rate Cap to be effective for the subsequent twelve-month period shall be determined as the sum of (a) seventy percent (70%) of the Rate Cap which was effective for the

the $23.5 million currently allocated to the Phase III cost-of-service.

Shipper agrees that it shall not avail itself of any other Rate Cap that may be made available to it by the Commission.

3.2 This Agreement in all respects shall be and remain subject to the provisions of Rate Schedule FTS-2 and the applicable provisions of the General Terms and Conditions of Transporter on file with the FERC (as same may hereafter be legally amended or superseded), all of which are made a part hereof by this reference.

3.3. Subject to the Rate Caps set forth in Section 3.1 hereof, Transporter shall have the unilateral right to file with the appropriate regulatory authority and make changes authorized by such authority in (a) the rates and charges applicable to its Rate Schedule FTS-2, (b) Rate Schedule FTS-2 pursuant to which this service is rendered; provided, however, that the firm character of service shall not be subject to change hereunder, or (c) any provisions of the General Terms and Conditions applicable to Rate Schedule FTS-2. Transporter agrees that Shipper may protest or contest the aforementioned filings, or seek authorization from duly constituted regulatory authorities for such adjustment of Transporter's existing FERC Gas Tariff as may be found necessary in order to assure that the provisions in (a), (b), or (c) above are just and reasonable.

of changes in State and/or Federal income tax rates prior to the effectiveness of initial FTS-2 rates, the Rate Cap adjustment shall be determined by adding or subtracting the difference between the initial rates and the initial rates as recalculated to include the State and Federal income tax rates as included in the April 15, 1992 filing in Docket No. CP92-182-001.

Rate Cap adjustments shall be implemented on the date of effectiveness of tariff sheets filed by Transporter incorporating changes in State and/or Federal income tax rates.

The Initial Base Rate Cap is based on $23.5 million of pipeline rehabilitation costs allocated to the existing cost-of-service. In the event more than $23.5 million of rehabilitation costs are allocated to the existing cost-of-service, then the Initial Base Rate Cap and any subsequent Rate Cap used in the calculation of a Final Rate Cap shall be adjusted downward by $.0006 per every $1 million (or portion thereof) allocated to the existing cost-of-service over and above the $23.5 million. In the event less than $23.5 million of rehabilitation costs are allocated to the existing cost-of-service, then the Initial Base Rate Cap and any subsequent Rate Cap used in the calculation of a Final Rate Cap shall be adjusted upward by $.0006 per every $1 million (or portion thereof) less than

ARTICLE VI
Notices

All notices, payments and communications with respect to this Agreement shall be in writing and sent to the addresses stated below or at any other such address as may hereafter be designated in writing:

ADMINISTRATIVE MATTERS

Transporter: Florida Gas Transmission Company
P. O. Box 1188
Houston, Texas 77251-1188
Attention: Marketing Administration Department
Fax No. (713) 853-7656

Shipper: Tiger Bay Limited Partnership
c/o Destec Energy, Inc.
P. O. Box 4411
Houston, Texas 77210-4411
Attention: Manager, Fuel Supply
Fax: (713) 735-4069

PAYMENT BY WIRE TRANSFER

Transporter: Florida Gas Transmission Company
NationsBank ABA No. 053000196
Account No. 001658806
Charlotte, North Carolina

ARTICLE VII
New Facilities

Subsequent to commencement of service under this Agreement, Transporter, upon Shipper's written request, at its reasonable discretion, may agree to construct or acquire new facilities, or expand existing facilities in order to perform service under this Agreement. For purposes of this Agreement and Rate Schedule FTS-2, an expanded facility shall be deemed to be a new facility. If in Transporter's reasonable judgment it is necessary to construct or

ARTICLE IV
Term of Agreement

4.1 This Agreement shall become effective upon the in-service date of the Phase III Facilities, which shall be deemed to be the first day of the month following the date on which Transporter gives notice to the Commission that the Phase III Facilities, as defined in Article X of this Agreement, are in-service, and shall continue in effect for a primary term of twenty (20) years.

4.2 Termination for Non-Payment. In the event Shipper fails to pay for service provided pursuant to this Agreement, Transporter, in addition to any other rights it may have, shall also have the right to suspend or terminate service as permitted by the applicable provision of the General Terms and Conditions to Transporter's FERC Gas Tariff.

ARTICLE V
Receipt and Delivery Point(s)
and Maximum Daily Quantities

5.1 The Receipt Point(s) and maximum daily quantity for each point for all gas delivered by Shipper into Transporter's pipeline system under this Agreement shall be at the Receipt Point(s) as set forth in Exhibit A.

5.2 The Delivery Point(s) and maximum daily quantity for each point for all gas delivered by Transporter to Shipper, or for the account of Shipper, under this Agreement shall be at the Delivery Point(s) as set forth in Exhibit B.

ARTICLE VIII
Regulatory Authorizations and Approvals

Transporter's obligation to provide service is conditioned upon receipt and acceptance of any necessary regulatory authorization that is acceptable in form and substance to Transporter to provide firm transportation service to Shipper in accordance with the terms of Rate Schedule FTS-2, or any successor thereto which is substantially similar in form and content, and this Agreement. Shipper agrees to reimburse Transporter for all reporting and/or filing fees incurred by Transporter in providing service under this Agreement.

ARTICLE IX
Pressure

9.1 The quantities of gas delivered or caused to be delivered by Shipper to Transporter hereunder shall be delivered into Transporter's pipeline system at a pressure sufficient to enter Transporter's system, but in no event shall such gas be delivered at a pressure exceeding the maximum authorized operating pressure or such other pressure as Transporter permits at the Receipt Point(s).

9.2 Transporter shall have no obligation to provide compression and/or alter its system operations to effectuate deliveries at the Delivery Point(s).

ARTICLE X
Other Provisions

10.1 Prior to Transporter's execution of this Agreement, Shipper must demonstrate creditworthiness satisfactory to

acquire new facilities, or to expand existing facilities, in order to accommodate a change in service requested by Shipper and to enable Transporter to receive or deliver Shipper's MDTQ at the Receipt and Delivery Point(s) as they may be amended from time to time, and Transporter agrees as provided herein to construct, acquire, or expand such facilities, then Transporter shall notify Shipper of the additional cost required. Upon Shipper's written agreement, such facilities shall be construed, acquired or expanded subject to the receipt and acceptance by Transporter of any necessary authorizations, permits and approvals. Shipper agrees to reimburse Transporter, promptly upon receipt of Transporter's invoices, for all costs and expenses incurred under this Article VII by Transporter for any pipeline and related facilities, including but not limited to the cost of any tap, electronic measurement equipment or data communications equipment for new meters, and appurtenant equipment and materials, and overhead expenses. To the extent such reimbursement qualifies as a contribution in aid of construction under the Tax Reform Act of 1986, P.L. 99-514 (1986), Shipper also shall reimburse Transporter for the income taxes incurred by Transporter as a direct result of such contribution in aid of construction by Shipper, as calculated pursuant to the Commission's order in Transwestern Pipeline Company, 45 FERC ¶ 61,116 (1988). Transporter shall have title to and the exclusive right to operate and maintain all such facilities.

Facilities in any proceeding before the Commission during the term of this Agreement.

(c) The receipt by Transporter of all necessary right-of-way easements or permits in form and substance acceptable to Transporter;

(d) Transporter obtaining financing to construct the Phase III Facilities that is satisfactory to Transporter, in Transporter's sole opinion. Shipper agrees to provide reasonable cooperation in Transporter's effort to obtain financing;

(e) Transporter agrees to make all reasonable efforts to obtain the necessary authorizations, financing service commitments and all other approvals necessary to effectuate service under this Agreement. Shipper agrees to exercise good faith in the performance of this Agreement by supporting Transporter's efforts to obtain all necessary authorizations, financing and other approvals necessary to effectuate service under this Agreement. By executing this Agreement, Shipper agrees to the resolution on non-environmental issues in the Phase III proceeding as set forth in the August 25, 1992 Offer of Settlement filed in Docket No. CP92-182, et al.

(f) As provided in the Construction and Reimbursement Agreement between Shipper and Transporter dated July 8, 1993, Shipper is obligated to reimburse Transporter for

Transporter. In the event Shipper fails to establish creditworthiness, Transporter shall not execute this Agreement and this Agreement shall not become effective.

10.2 Service pursuant to this Agreement is expressly subject to the following conditions:

(a) Receipt and acceptance by Transporter of all approvals required to construct the Phase III facilities described in Transporter's certificate application at the FERC to effectuate the proposed service hereunder (the "Phase III Facilities") including all necessary authorizations from federal, state, local, and/or municipal agencies or other governmental authorities, with the exception of all necessary authorizations from the FERC pursuant to the Natural Gas Act or Natural Gas Policy Act permitting Transporter to construct, own and operate the Phase III Facilities, which authorizations Transporter hereby agrees and acknowledges that it has received and accepted such authorizations from the FERC. All such approvals shall be in form and substance satisfactory to Transporter, and shall be final before the respective governmental authority and no longer subject to appeal or rehearing; provided, however, that Transporter may waive the condition that such authority be final and/or no longer subject to appeal or rehearing.

(b) Shipper agrees to support a levelized rate methodology and straight fixed variable rate design for the Phase III

obligations hereunder without first obtaining the written consent of the other party which shall not be unreasonably withheld, and any other regulatory authorizations deemed necessary by Transporter.

11.2 No waiver by either party of any one or more defaults by the other in the performance of any provisions of this Agreement shall operate or be construed as a waiver of any future defaults of a like or different character.

11.3 This Agreement contains Exhibits A and B which are incorporated fully herein.

11.4 This Agreement shall not be binding upon Transporter until executed by Transporter.

the construction of facilities described as taps, meters, receipt and delivery point upgrades, construction of supply and delivery laterals not included in the description of the Phase III Facilities and any other construction necessary to receive gas into, and deliver gas from, Transporter's Phase III Facilities. To the extent such reimbursement qualifies as a contribution in aid of construction under the Tax Reform Act of 1986, P.L. 99-514 (1986), Shipper also shall reimburse Transporter for the income taxes incurred by Transporter as a direct result of such contribution in aid of construction by Shipper, as calculated pursuant to the Commission's order in Transwestern Pipeline Company, 45 FERC ¶ 61,116,(1988). Transporter shall have title to and the exclusive right to operate and maintain all such facilities.

In the event the conditions set forth in this Article X are not satisfied, this Agreement shall be deemed null and void upon written notice by Transporter to Shipper.

ARTICLE XI
Miscellaneous

11.1 This Agreement shall bind and benefit the successors and assigns of the respective parties hereto; provided, however, neither party shall assign this Agreement or any of its rights or

EXHIBIT A
TO
FIRM TRANSPORTATION SERVICE AGREEMENT (FTS-2)
BETWEEN
FLORIDA GAS TRANSMISSION COMPANY
AND
TIGER BAY LIMITED PARTNERSHIP
DATED
December 30, 1993

Point(s) of Receipt*

Description of Point of Receipt	POI	Maximum Daily Quantity (MMBtu)* November-April	May-October
PRODUCTION ZONE 1			
SNG/NNG MOPS Refugio	611	6,790	6,790
ZONE 1 TOTAL - C.S. #7	**EUNICE 25306**	**6,790**	**6,790**
PRODUCTION ZONE 2			
Sabine Kaplan	23062	4,710	4,710
NGPL Vermillion	57391	4,500	4,500
ZONE 2 TOTAL - C.S. #8	**ZACHARY 25412**	**9,210**	**9,210**
PRODUCTION ZONE 3			
SNG Franklinton**	10095	6,400	6,400
ZONE 3 TOTAL - C.S. #11	MOUNT VERNON 25309	6,400	6,400
TOTAL MDQ		**22,400**	**22,400**

* Exclusive of Transporter's fuel. Shipper to provide fuel pursuant to Fuel Reimbursement Charge Adjustment provisions of Transporter's F.E.R.C. Gas Tariff, General Terms and Conditions.

** This First Revised Exhibit A reflects the allocated level of receipt point capacity on Southern Natural Gas Company, but does not reflect specific receipt points on Southern's system. At such time as Southern completes

11.5 THIS AGREEMENT SHALL BE GOVERNED BY AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS NOTWITHSTANDING ANY CONFLICT OF LAW RULES WHICH MAY REQUIRE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by their duly authorized officers effective as of the date first written above.

ATTEST:

FLORIDA GAS TRANSMISSION COMPANY

By:_____

By: Peter E Wurdeman

Title: Vice President - Marketing #1

ATTEST:

TIGER BAY LIMITED PARTNERSHIP
By Central Florida DGE, Inc. its General Partner

By:_____

By: R.A Rogers

Title: President

EXHIBIT B

TO

FIRM TRANSPORTATION SERVICE AGREEMENT (FTS-2)

BETWEEN

FLORIDA GAS TRANSMISSION COMPANY

AND

TIGER BAY LIMITED PARTNERSHIP

DATED

December 30, 1993

Point(s) of Delivery		Maximum Daily Quantity (MMBtu)	
Description of Point of Delivery	POI	November-April	May-October
Section 31 Township 31 South Range 25 East Polk County, Florida		22,400	22,400
Maximum Daily Transportation Quantity:		22,400	22,400

Date of this Exhibit B: December 30, 1993

its allocation of receipt point capacity, this Exhibit will be revised to include the specific Southern receipt points.

Date of this Exhibit A: December 30, 1993

force and effect; or (ii) result in a breach of or constitute a default under any provision of the certificate of incorporation or by-laws of the Company, or any agreement relating to the management or affairs of the Company or any indenture or loan or credit agreement or any other material agreement, lease or instrument to which the Company is a party, or by which the Company or its properties or assets may be bound; or (iii) result in, or require, the creation or imposition of any mortgage, deed of trust, pledge, lien, security interest or other charge or encumbrance of any nature (other than as may be contemplated by this Agreement, the Assigned Agreements or the Security Agreement) upon or with respect to any of the properties or assets of the Company now owned or hereafter acquired. In addition, to the best knowledge of the Company, the execution, delivery, and subject to obtaining certain approvals from the FERC and other governmental and state agencies as necessary, performance by the Company of the Assigned Agreements do not and will not violate any law, rule, regulation, order, writ, judgement, injunction, decree, determination or award.

(c) Each of this Agreement and the Assigned Agreements has been duly executed and delivered by the Company, and, subject to requisite governmental approvals, certain precedent conditions contained therein, and the Company's FERC Gas Tariff filed with the Federal Energy Regulatory Commission (the "Company's FERC Gas Tariff") as it may be amended from time to time, is in full force and effect and constitutes the legal, valid, and binding obligation of the Company enforceable against the Company in accordance with its terms, except as the enforceability thereof may be limited by the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and by general principles of equity.

(d) Except for approvals which may be required by governmental and other legal authorities, including but not limited to the FERC, no suits or proceedings at law or in equity or by or before any governmental or regulatory authority or agency, are pending against the Company or any of its properties, rights or assets which, if adversely determined, individually or in the aggregate, could reasonably be expected to have a material and adverse effect on its ability to perform its obligations hereunder or under any of the Assigned Agreements.

(e) The Company is not in default of any material covenant or obligation under any of the Assigned Agreements. To the best knowledge of the Company, the Borrower is not in default under any material covenant or obligation under any of the Assigned Agreements and no such default has occurred prior to the date hereof.

CONSENT AND AGREEMENT

The undersigned, FLORIDA GAS TRANSMISSION COMPANY, a corporation organized and existing under the laws of the State of Delaware (the "Company"), TIGER BAY LIMITED PARTNERSHIP, a limited Partnership organized and existing under the laws of the State of Delaware (the "Borrower"), and THE FUJI BANK AND TRUST COMPANY, as collateral agent (in such capacity, together with its successors, the "Collateral Agent") hereby agree as follows:

1. Preliminary Statement. Pursuant to the Security Agreement, the Borrower has granted to the Collateral Agent for the benefit of the Secured Parties a lien on and security interest in, inter alia, the Assigned Agreements. It is a condition precedent to the obligations of the banks under the Credit Agreement that the Company shall have executed and delivered this Agreement.

2. Definitions. Each capitalized term used in this Agreement and not otherwise defined herein shall have the definition assigned to such term (whether by reference to another agreement or otherwise) as specified in Exhibit A hereto. Unless otherwise stated, references herein to any Person shall include its permitted successors and assigns.

3. Representations and Warranties. The Company hereby represents and warrants that:

(a) The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. The Company is in good standing in Florida and all other jurisdictions where necessary in light of the business it conducts or the properties it owns and the transactions contemplated by each of the Assigned Agreements. The Company has the full power, authority and legal right to conduct its business as it is presently conducted, and to execute, deliver and, subject to obtaining certain approvals from the Federal Energy Regulatory Commission (the "FERC") and other governmental and state agencies as necessary, perform its obligations under this Agreement, and each of the Assigned Agreements.

(b) The execution, delivery and, subject to obtaining certain approvals from the FERC and other governmental and state agencies as necessary, performance by the Company of this Agreement and each of the Assigned Agreements have been duly authorized by all necessary corporate action, and do not and will not (i) require any consent or approval of the board of directors of the Company or any shareholders of the Company or of any other Person which has not been obtained and each such consent and approval that has been obtained is in full

the same rights as the Borrower shall have under and pursuant to each of the Assigned Agreements and the Company's FERC Gas Tariff or any applicable law, regulation or order, including without limitation, any right to receive notice, to cure any default or breach thereunder, and to participate before governmental or regulatory agencies.

(f) The Company shall deliver to the Collateral Agent at the address set forth on the signature pages hereof, or at such other address as the Collateral Agent may designate in writing from time to time to the Company, concurrently with the delivery thereof to the Borrower, a copy of each material notice, request, or demand given by the Company pursuant to any of the Assigned Agreements; provided, however, that the Company shall not be required to deliver copies of notices regarding nominations and confirmations of transportation service, and of any other routine monthly or daily activities.

(g) If the Collateral Agent shall notify the Company that the Collateral Agent has elected to exercise its rights under the Security Documents to foreclose upon the Project and, subject to any necessary approvals from the FERC, to have itself substituted for the Borrower under the Assigned Agreements, then the Collateral Agent shall be substituted for the Borrower under the Assigned Agreements and, in such event, the Company shall continue to perform its obligations under the Assigned Agreements provided that the Collateral Agent (i) pays the Company all Amounts Due; and (ii) assumes all of the obligations of the Borrower under such Assigned Agreements.

(h) If the Collateral Agent shall notify the Company that the Collateral Agent has elected to exercise its rights under the Security Documents to foreclose upon the Project and, subject to any necessary approvals from the FERC, to assign its rights and interests and the rights and interests of the Borrower under any of the Assigned Agreements to any purchaser or transferee of the Project (other than the Collateral Agent pursuant to Subsection 4(g) above), the Company will not oppose such assignment and shall provide to such purchaser or transferee the same rights as the Borrower shall have under and pursuant to each of the Assigned Agreements and the Company's FERC Gas Tariff or any applicable law, regulation, or order so long as gas being consumed at the Project is transported by the Company under such Assigned Agreement and such purchaser or transferee (i) pays the Company all Amounts Due; (ii) assumes all of the obligations of the Borrower under such Assigned Agreement; and (iii) either (x) satisfies the creditworthiness requirements of the Company's FERC Gas Tariff and has a ratio of total debt to total capitalization not in excess of 85%, or (y) has posted a letter of credit in the same form as attached hereto as Exhibit B and in an amount acceptable to the Company up to a maximum of 36 months of estimated monthly billings under the Assigned Agreements.

(f) Each of the financial statements of the Company for the fiscal year and quarter most recently ended as of the date hereof has been heretofore furnished to the Collateral Agent, and each of such financial statements is complete and correct in all material respects and fairly presents the financial condition of the Company as of said dates, in conformity with generally accepted accounting principles applied on a consistent basis. Since the date of such annual financial statement, there has been no material adverse change in the business, operations, properties, assets, or financial condition of the Company.

(g) As of the execution date of this Agreement by the Company, the Company has no knowledge of existing counterclaims, offsets, or defenses against the Borrower.

4. Agreement of Company. The Company hereby acknowledges that:

(a) The Company has received a copy of the Security Agreement.

(b) Subject to the applicable provisions of this Agreement, the Company consents to the assignment by the Borrower to the Collateral Agent pursuant to the Security Documents of all of the Borrower's right, title, and interest in the Assigned Agreements as collateral security for the Secured Obligations.

(c) The Company acknowledges that upon the occurrence of an Event of Default (as defined in the Credit Agreement) by the Borrower under the Credit Agreement, the Collateral Agent and/or a Designee shall be entitled to exercise any and all rights of the Borrower under each of the Assigned Agreements and the Company's FERC Gas Tariff in accordance with their terms. In such event, provided that the Company has been paid all Amounts Due (i) the Company shall not oppose the exercise of such rights by the Collateral Agent or a Designee and, (ii) the Company shall continue to perform its obligations under the Assigned Agreements. The Borrower agrees that the Company is authorized to act in accordance with the Collateral Agent's or such Designee's exercise of the Borrower's rights in accordance with this Section 4(c) and shall release and hold the Company harmless from all liability in connection therewith.

(d) The Company will not agree with the Borrower to enter into a bilateral amendment to, or termination of, any of the Assigned Agreements unless required by any governmental or state agency, without the prior written consent of the Collateral Agent, which consent shall not be unreasonably withheld or delayed.

(e) The Company shall provide to the Collateral Agent

said Exhibit D which date shall be the fifteenth (15th) anniversary of the Conversion Date.

n) The Company agrees that, subject to applicable law or regulation and receipt of any necessary FERC authorizations, it will change the primary point of delivery for the FTS-1 Agreement to the interconnection with the Borrower's facility located in Section 31, Township 31 South, Range 25 East, Polk County, Florida upon (i) the assignment by Destec Energy, Inc. ("Destec") of all of Destec's rights and obligations under the Destec FTS-2 Agreement to a party which the Company determines to be creditworthy and (ii) a change of the primary delivery point to a point which is acceptable to the Company. Within thirty (30) days of a request by Destec for the Company's approval of a proposed assignment of the Destec FTS-2 Agreement, the Company shall notify Destec, the Borrower and the Collateral Agent in writing as to whether such proposed assignment meets the foregoing criteria. For purposes of the foregoing, "Destec FTS-2 Agreement" means that certain Firm Transportation Service Agreement under Rate Schedule FTS-2, dated December 30, 1993 between the Company and Destec.

5. Agreement of Collateral Agent and Borrower. The Collateral Agent and the Borrower agree as follows:

(a) The Collateral Agent will not exercise any of its rights under the Security Documents in connection with any of the Assigned Agreements if the exercise thereof would cause a violation on the part of the Collateral Agent of any law, rule, regulation, order, writ, judgment, injunction, decree, determination, award, or certificate of public convenience and necessity, now or in the future.

(b) The Collateral Agent will not assign the Assigned Agreements to a third party if such Assignment would cause a violation of any law, rule, regulation, order, writ, judgment, injunction, decree, determination, award or certificate of public convenience and necessity, now or in the future.

(c) In the event that the Collateral Agent notifies the Company that it has succeeded to the Borrower's interest under any of the Assigned Agreements, whether by foreclosure or otherwise, the Collateral Agent shall, subject to the limitation on liability set forth in subsection 4(i) above, assume liability for all of the Borrower's obligations under such Assigned Agreements including the payment of all Amounts Due.

(d) (I) For each month during the term of the Credit Agreement, the Borrower hereby authorizes the Collateral Agent to make payment directly to the Company from the Project Control Account of all Fixed Charges for such month. The

(i) In the event that the Collateral Agent or any purchaser, transferee, grantee, or assignee of the interests of the Collateral Agent in the Project assumes the liabilities, rights, or obligations under any of the Assigned Agreements, liability in respect of any and all obligations of any such party under such Assigned Agreements shall be limited solely to such party's interest in the Project (and no officer, director, employee, shareholder, or agent thereof shall have any liability with respect thereto).

(j) In the event of a default by the Borrower for failure to make a payment when due under any Assigned Agreement, the Company may deliver to the Borrower and the Collateral Agent a written notice of failure to pay under any Assigned Agreement, specifying therein that one business day later the Company shall draw upon the Security for such payment. It is expressly agreed that the Company's draw on the Security for such payment shall not be considered as satisfaction of the Borrower's obligation to make payments under the Assigned Agreements, unless the Security is reinstated in its original amount within fifteen days after such draw by the Company.

(k) The Company will not exercise any right it may have to suspend service or terminate any Assigned Agreement until it first gives written notice of such default to the Collateral Agent and affords the Collateral Agent a total period of eighty (80) days, inclusive of any other period allowed under Transporter's FERC Gas Tariff, applicable law, regulation or order to cure any default or breach, from receipt of such notice to cure such default or breach; provided that for purposes of this Section 4(k), a notice by the Company of its intent to draw on the Security under Section 4(j) hereof shall constitute such notice hereunder.

(l) The Company acknowledges and agrees that the provisions of Section 1 of that certain Business Agreement dated as of December 30, 1993 between the Borrower and the Company shall not be applicable to the exercise by the Collateral Agent of its rights (i) to have itself substituted for the Borrower under the Assigned Agreements or (ii) to assign its rights and interests and the rights and interests of the Borrower under any of the Assigned Agreements to any purchaser or transferee of the Project as set forth in subsections 4(g) and (h) above, respectively.

m) The Company agrees that, within 30 days of receipt from the Borrower of a notice to the Company that the Conversion Date (as defined in the Credit Agreement) has occurred, the Company shall send to the bank that has issued any letter of credit for the benefit of the Company in the form of Exhibit B hereto a notice in the form of Exhibit D to said letter of credit specifying that in no event should any such letter of credit be extended beyond the date set forth in

Coverage Ratios) that the Debt Service Coverage Ratio will fall below 1.00 to 1.00 for any month during the immediately following six months, then the Collateral Agent's obligation to pay the Fixed Charges directly to the Company from the Project Control Account shall be suspended; provided further that, following any suspension of payments pursuant to Section 5(d) hereunder by the Collateral Agent, the Project's Debt Service Coverage Ratios shall be projected by the Borrower each month thereafter, and upon (x) the Event of Default being cured or the Secured Parties having elected not to exercise their rights under the Security Documents, and (y) the projected Debt Service Coverage Ratios for each of the immediately following six months exceeding or equalling 1.00 to 1.00, then the Collateral Agent's obligation to make payments directly to the Company from the Project Control Account shall be reinstated immediately; provided still further that the Collateral Agent's obligation to make payments directly to the Company from the Project Control Account shall be terminated upon the acceleration of the Borrower's loan under the Credit Agreement. When the Collateral Agent and/or the Secured Parties request a projection of future Debt Service Coverage Ratios, then the Borrower shall provide copies of such projection to the Collateral Agent and the Company within five business days of its completion.

(e) The Borrower agrees to not amend the Credit Agreement in a manner which negatively affects the priority of payments to the Company as set forth in Section 5(d) above.

6. Arrangements Regarding Payments.

(a) The Borrower hereby authorizes the Company to pay, and the Company hereby agrees to pay, all payments to be made by the Company to the Borrower under any of the Assigned Agreements in lawful money of the United States of America, directly to the Collateral Agent, for deposit into the Project Control Account, at the location set forth pursuant to Section 7 hereof. The Borrower hereby releases and agrees to hold the Company harmless from all liability for making payments to the Collateral Agent in accordance with the requirements of this Section.

(b) All payments to be made by the Collateral Agent to the Company pursuant to this Agreement shall be made in lawful money of the United States of America, directly to the Company, for deposit into the Company's account as follows:

Florida Gas Transmission Company
NationsBank ABA No. 053000196
Account No. 001658806
Charlotte, North Carolina

Borrower hereby releases and agrees to hold the Collateral Agent harmless from all liability for making such payments to the Company in accordance with the requirements of Section 4(d) of this Agreement.

(II) Within sixty (60) days following the date of this Agreement, and sixty (60) days prior to the date that any adjustment to the Company's Fixed Charges under either of the Assigned Agreements becomes effective, the Company shall deliver to each of the Collateral Agent and the Borrower a statement showing the applicable monthly Fixed Charges due for each month and the date that any such adjustment in the Fixed Charges becomes effective. Subject to the provisions hereof, the Collateral Agent shall pay directly to the Company each month during the term of the Credit Agreement an amount from the Project Control Account equal to the lesser of the Fixed Charges for such month or the amount received under the Capacity Sales Agreements during the previous month; provided, however, that on and after the commencement of payments under this Section 5(d) by the Collateral Agent, the Borrower shall have the right to review and approve any statement provided by the Company notifying the Collateral Agent of an adjustment to the previously effective Fixed Charges; provided further that if the Borrower disputes in good faith such adjustment to the monthly Fixed Charges by providing notice of such dispute (including the nature and details of such dispute) to the Company and the Collateral Agent at least forty (40) days prior to the effective date of such adjusted Fixed Charges, then only the amount of the monthly Fixed Charges in effect immediately prior to such disputed adjustment shall be paid by the Collateral Agent from the Project Control Account; provided, still further that if the Borrower does not object to such adjustment at least forty (40) days prior to the effective date of such adjusted Fixed Charge, then such adjusted Fixed Charges shall be deemed undisputed and shall be paid by the Collateral Agent from the Project Control Account in accordance with the statement from the Company. Upon the Collateral Agent's receipt of joint notice from the Borrower and the Company that the dispute between the Borrower and the Company as to such adjusted Fixed Charges then due and owing under the Assigned Agreements has been resolved, the Collateral Agent shall then commence paying from the Project Control Account on a prospective basis from the date of such resolution such amounts as are set forth in the joint notice from the Borrower and the Company. Nothing in this Section 5(d)(II) shall be construed to relieve the Borrower of its obligations under the Assigned Agreements.

(III) During any month in which (i) an Event of Default occurs under the Credit Agreement, and (ii) either (x) the Secured Parties accelerate the Borrower's loan under the Credit Agreement or (y) the Borrower reasonably projects (based upon a request by the Collateral Agent and/or the Secured Parties for a projection of future Debt Service

(i) if to FGT, to:

Florida Gas Transmission Company
P.O. Box 1188
Houston, Texas 77251-1188
Attention: Marketing Administration Department
Telefax: (713) 853-6756

or (ii) if to Tiger Bay, to:

Tiger Bay Limited Partnership
c/o Central Florida DGE, Inc.
2500 City West Boulevard
Suite 1700
Houston, Texas 77210-1411
Attention: Business Manager
Telefax: (713) 735-4169

or (iii) if to the Collateral Agent, to:

The Fuji Bank And Trust Company
Two World Trade Center
New York, NY 10048
Attention: Jenny Cheng
Telephone: (212) 898-2543

The above addresses may be changed from time to time by written notice from the party changing its address to the other party(s) hereto.

7. Miscellaneous.

(a) This Agreement and the obligations specified herein shall terminate and be of no further force and effect on the date on which the Company receives notice in writing from the Collateral Agent that all of the Secured Obligations have been paid or performed in full, the Commitments and each Letter of Credit issued under the Credit Agreement have been terminated, and the security interests, pledge and other liens of the Security Documents have been extinguished. The Borrower shall give the Company 90 days prior written notice of the termination of this Agreement.

(b) No amendment or waiver of any provision of this Agreement nor consent to any departure by any party herefrom shall in any event be effective unless the same shall be in writing and signed by each of the other parties hereto and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which it was given.

(c) THE RIGHTS, OBLIGATIONS, AND REMEDIES OF THE PARTIES AS SPECIFIED IN THIS AGREEMENT SHALL BE INTERPRETED AND GOVERNED IN ALL RESPECTS BY THE LAWS OF THE STATE OF NEW YORK.

(d) If any provision or provisions of this Agreement is determined by statute, regulation, rule, or decision of a governmental body possessing jurisdiction to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired.

(e) The headings used in this Agreement are for convenience only and will not affect the construction of any of the terms of this Agreement.

(f) Except for the Secured Parties, which are intended beneficiaries hereof, there are no third party beneficiaries to this Agreement, whether express, implied, or intended.

(g) This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument, and any of the parties hereto may execute this Agreement by signing any such counterpart; provided, however, this Agreement shall not be enforceable unless and until fully executed by all Parties set forth below.

(h) All notices, requests, demand and other communications hereunder shall be in writing and (i) personally delivered, (ii) transmitted by postage prepaid registered mail, (iii) transmitted by overnight courier, or (iv) transmitted by telecopy addressed as follows:

EXHIBIT "A"
TO THE
CONSENT AND AGREEMENT
BY AND AMONG
FLORIDA GAS TRANSMISSION COMPANY,
THE FUJI BANK AND TRUST COMPANY
AND
TIGER BAY LIMITED PARTNERSHIP

"Administrative Agent" shall mean The Fuji Bank Limited, in its capacity as administrative agent for the Banks under the Credit Agreement, together with its successors and assigns in such capacity.

"Agreement" shall mean this Agreement dated as of December 30, 1993, among the Company, the Borrower and the Collateral Agent.

"Amounts Due" shall mean all amounts due and owing to the Company under the Assigned Agreements.

"Assigned Agreements" shall mean, collectively, each of the following (as each such agreement is amended, supplemented or modified and in effect from time to time):

1. Firm Transportation Service Agreement Rate Schedule FTS-2, dated as of December 30, 1993, by and between the Company and the Borrower; and

2. Firm Transportation Service Agreement Rate Schedule FTS-1, dated as of December 30, 1993, by and between the Company and the Borrower.

"Banks" shall mean the banks or financial institutions that are or may from time to time become party to the Credit Agreement.

"Capacity Sales Agreements" shall mean the four contracts to supply electric power from the Borrower's Project to Florida Power Corporation ("FPC"), namely (i) Contract for the Purchase Of Firm Energy And Capacity From A Qualifying Facility - Unit 1, dated November 30, 1988, (ii) Contract for the Purchase Of Firm Energy And Capacity From A Qualifying Facility - Unit 2, dated November 30, 1988, (iii) Contract for the Purchase Of Firm Energy And Capacity From A Qualifying Facility - Unit 3, dated November 30, 1988, (iv) Negotiated Contract For The Purchase Of Firm Capacity And Energy From A Qualifying Facility, dated March 21, 1991, and (v) any other contracts providing for the purchase of power generated by the Project.

"Collateral Agency Agreement" shall mean the Collateral Agency Agreement, dated as of December 30, 1993, among the Borrower, the Collateral Agent, and each person signing the Adopting Instrument referred to therein.

IN WITNESS WHEREOF, the undersigned by its officer duly authorized has caused this Consent and Agreement to be duly executed and delivered as of this 30th day of December, 1993.

FLORIDA GAS TRANSMISSION COMPANY

BY: _____
TITLE: Vice President - Marketing
NAME: Peter E. Weidler

AGREED TO AND ACCEPTED THIS 30TH DAY OF DECEMBER, 1993

THE FUJI BANK AND TRUST COMPANY, as Collateral Agent

BY: _____
NAME: Andrew H. Sabbyer
TITLE: Vice President

AGREED TO AND ACCEPTED THIS 30TH DAY OF DECEMBER, 1993

TIGER BAY LIMITED PARTNERSHIP
By Central Florida DGE, Inc.,
its General Partner

BY: _____
NAME: K.D. Rogers
TITLE: President

"**Commitments**" shall mean, as to each Bank, the obligation of the Bank to make loans under and on the terms and conditions of the Credit Agreement.

"**Credit Agreement**" shall mean the Credit Agreement dated as of December 30, 1993, as amended, modified, or supplemented from time to time, among the Borrower, the Banks and the Administrative Agent.

"**Debt Service Coverage Ratio**" shall mean, for any month, the ratio of (i) the total revenues of the Project for such month less the sum of all operating and maintenance expenses and all non-contingent liabilities paid or accrued under contracts with third parties during such month to (ii) the Borrower's mandatory debt service payment obligation under the Credit Agreement. For purposes of this Agreement, the monthly projection of the Borrower's Debt Service Coverage Ratios shall be calculated for each month by utilizing the Borrower's projected monthly revenues, the projected monthly operating and maintenance expenses, and a derived monthly debt service payment equal to one-sixth of the Borrower's semi-annual debt service payment under the Credit Agreement, plus accrued interest.

"**Designee**" shall mean any person designated in writing by the Collateral Agent as its designee for purposes of exercising any and all rights of the Borrower under the Assigned Agreements.

"**Fixed Charges**" shall mean the charges that are fixed under the Company's FERC Gas Tariff for each month during the term of the Assigned Agreements and which charges do not vary with utilization of capacity under the Assigned Agreements during such month.

"**Mortgage**" shall mean the Mortgage dated as of December 30, 1993, by the Borrower in favor of the Collateral Agent for the benefit of the Secured Parties, as amended, supplemented, or modified, and in effect from time to time.

"**Pledge Agreements**" shall mean, collectively, the EIF Pledge Agreement, dated as of December 30, 1993, by The EIF Tiger Bay Investment, L.P., in favor of the Collateral Agent, the General Peat Pledge Agreement, dated as of December 30, 1993, by General Peat Resources, L.P., in favor of the Collateral Agent, the Polk County Pledge Agreement, dated as of December 30, 1993, by Polk County CoGen, Inc., in favor of the Collateral Agent, and the General Partner Pledge Agreement, dated as of December 30, 1993, by Central Florida DGE, Inc., in favor of the Collateral Agent.

"**Project**" shall mean the gas-fired independent power generating facility located near Fort Meade, Florida, and all associated facilities (including, without limitation, all associated electrical, gas and water interconnection facilities), all real property, gas pipelines and SCR equipment that is designed to burn gas as fuel (with the capability to burn Number 2 fuel oil as well) and generate a nominal net electrical output of 212

megawatts.

"**Project Control Account**" shall mean the account entitled "Project Control Account" (Bank: The Fuji Bank And Trust Company, ABA #: 0260-0890-5, Account Name: Trust Checking, Account #: 001-990012, Reference: For Further Credit to Tiger Bay Project Control Account # 31013-01/8.7, Telephone Confirmation: Jenny Cheng at (212) 898-2543) maintained by the Borrower with the Collateral Agent at its offices located at Two World Trade Center, New York, NY 10048.

"**Secured Obligations**" shall mean all of the obligations of the Borrower under the Credit Agreement.

"**Secured Parties**" shall mean the Administrative Agent, the Collateral Agent, the Banks and each party to an interest rate protection agreement.

"**Security**" shall mean any letter of credit posted to satisfy the creditworthiness requirements of the Company regarding any Assigned Agreement or any resulting escrow account created when the Company draws upon any letter of credit in full (due to such letter of credit not being extended before 15 days prior to its stated expiry date) and places such amounts in an escrow account as security for the Borrower's performance under the Assigned Agreements.

"**Security Agreement**" shall mean that certain Assignment and Security Agreement dated as of December 30, 1993, made by the Borrower in favor of the Collateral Agent for the benefit of the Secured Parties, as amended, supplemented, or modified, and in effect from time to time.

"**Security Documents**" shall mean the Security Agreement, the Pledge Agreements, the Collateral Agency Agreement and the Mortgage, which represent and reflect the entire security interest of the Collateral Agent for the benefit of the Secured Parties.

6-11-93 version

LEASE AGREEMENT

DATED AND EFFECTIVE AS OF June 15, 1993

BETWEEN

U. S. AGRI-CHEMICALS CORPORATION

(As "Lessor")

AND

CENTRAL FLORIDA POWER, L.P.

(As "Lessee")

LEASE AGREEMENT

TABLE OF CONTENTS

IV. One Time Requirements

§ 3.04 ESTABLISH COMMUNICATION SYSTEM, at least 60 days prior to the commencement of Commercial Operations. Cogenerator and Customer agree to meet and define procedures for the coordination of emergency response.

§ 4.01 NOTICE OF START-UP TESTING, at least 10 days in advance.

§ 4.02 NOTICE OF COMMENCEMENT OF COMMERCIAL OPERATIONS, promptly in writing after commencement.

§ 7.06 NOTICE OF COMMENCEMENT OF STEAM TAKES, reasonable advance notice.

Requirements of USAC:

I. Monthly Requirements

§ 9.02 PAYMENT, within 20 days following receipt of invoice.

II. Quarterly Requirements

§ 5.02(a) PROVIDE STEAM ESTIMATES, to Cogenerator, with a quarterly forecast of anticipated steam requirements for the remainder if the calendar year.

III. One Time Requirements

§ 7.06 NOTICE OF READINESS FOR STEAM TAKES AND RETURNS, at least 180 days prior to Commercial Operations.

The Partnership will install, maintain, operate and own all the measurement and metering equipment necessary for the delivery of steam to USAC and the return of Return Water to the Project.

Eighteen months after the Agreement terminates, for any reason, the Partnership may remove and sell all or part of the Project and the evaporative equipment.

The Partnership will be responsible for the Project's compliance with all environmental requirements. USAC will be responsible for complying with all environmental requirements arising out of (i) the operation of its fertilizer plant, (ii) any Return Water that does not conform with specific quality specifications, and (iii) its own use of the steam from the Project. The Partnership may deliver blowdown water to USAC, and will pay USAC as specified in the Agreement.

Requirements of TBLP:

I. **Monthly Requirements**

§ 5.01(d) NOTICE AND RUNNING TOTAL OF FAILURE TO TAKE MINIMUM STEAM, at least monthly.

§ 5.02(b) NOTICE OF TIMES OF MAINTENANCE, at least 10 days prior to end of month, must provide estimates of times of maintenance for next month.

§ 9.01 BILLING, on or before tenth day of each month.

§ 5.02(b) ESTIMATE OF SCHEDULED MAINTENANCE FOR NEXT MONTH, at least 10 days prior to the end of the current month.

II. **Annual Requirements**

§ 5.01(c) ESTIMATED MINIMUM STEAM TAKE REQUIREMENT, on or before January 2 of each year.

§ 5.02(b) ESTIMATE OF SCHEDULED MAINTENANCE FOR NEXT YEAR, at least 2 months prior to expected date of Commercial Operations and thereafter on December 1 of each year.

III. **Other Periodic Requirements**

§ 3.05 NOTICE OF MALFUNCTION, immediately after learning of any malfunction in operation having an adverse affect on ability to perform.

If an applicable cure period for an event of default has expired, the non-defaulting party may terminate the Agreement and avail itself of any remedies at law or in equity. Notwithstanding the foregoing, USAC's right to terminate is subject to Lender's rights to cure any default on behalf of the Partnership, to assume the agreement from the Partnership, to operate the Project or to foreclose.

Force Majeure

If either party becomes unable, by reason of Force Majeure, to perform its obligations under the Agreement, such obligations shall be suspended for the period necessary to remedy such event of Force Majeure.

Force Majeure is defined in the Agreement to include any acts of God or the public enemy, strikes, lockouts or other industrial disturbances or labor difficulties, wars, blockades, insurrections, riots, arrests and restraints of rules and people, laws, acts, orders, proclamations, decrees, regulations, ordinances or instructions of government or other public authorities, judgment or decree of a court of competent jurisdiction, delay or failure of carriers or contractors, inability to obtain transportation equipment, operating materials, plant equipment or materials required for maintenance or repairs, curtailment or suspension of operations to remedy or avoid an actual or alleged violation or violations of federal, state, or local environmental, health or safety standards as may be in effect from time to time during the contract period, environmental constraints lawfully imposed by federal, state or local governmental bodies, explosions, fires, floods, drought, earthquakes, storms, lightning, wind, other adverse weather condition, perils of the sea, accident or breakdown of equipment, facilities or machinery or similar occurrences, and any other contingency or delay or failure or cause of any nature beyond the reasonable control of either party, whether or not the kind hereinabove specified and whether or not any such contingency is presently occurring or occurs in the future.

Indemnification

Under the Agreement, the Partnership has indemnified each of USAC, Fort Meade Chemicals Products and Ridgewood against any claim, loss, liability, cost, expense, damage, fine or penalty arising out of its negligence or willful misconduct with respect to (i) its performance under the Agreement, or (ii) construction of the Project. Likewise, USAC has indemnified the Partnership for such losses occurring from its own negligence. Any loss due to environmental contamination will be subject to the environmental indemnity provisions in the Site Lease Agreement.

Miscellaneous

In addition to the Right of Operation, the Partnership will have the right, as of January 1, 1998 and continuing through the Primary Term, to purchase certain evaporative equipment from the Fort Meade Chemical Products plant at a matching price offered by an unaffiliated third party buyer.

Sale and Purchase of Steam

Base Steam. During each year of the term of the Steam Sale Agreement, USAC will purchase the greater of 40,000 lb/hr of 35 psig saturated steam or the PURPA Minimum Steam Take Requirement. 40,000 lb/hr is the contract minimum and is approximately 120% of the PURPA Minimum Steam Take Requirement.

Additional Steam. USAC may purchase up to 35,000 lb/hr. of additional steam upon request, provided that there is no annual steam take deficiency that would prevent the Project from meeting the PURPA Minimum Steam Take Requirement.

PURPA Minimum Steam Take Requirement. On or before January 2 of each calendar year, the Partnership will notify USAC of its estimated PURPA Minimum Steam Take Requirement for such year.

Sales to Third Parties. If the Partnership is in compliance with its steam sale obligations to USAC, it may make such sales of additional steam to third parties without obtaining USAC's approval.

Steam Usage. USAC will use the steam, first, for the Primary Steam Use and, second, for the Evaporative Steam Use, or for any other purpose agreed upon by the parties and acceptable for the maintenance of the Project's QF status under PURPA.

Failure to Take Steam

If during the term of the Agreement it becomes evident that USAC will be unable to take the PURPA Minimum Steam Take Requirement for any calendar year, the Partnership may, at its option, (i) require USAC to utilize the Evaporative Steam Use, and/or (ii) sell that portion of the steam not taken by USAC to other thermal users. So long as the Project continues to meet the PURPA Minimum Steam Take Requirement, no Steam Take Deficiency will have occurred.

If during any calendar year USAC fails to take the PURPA Minimum Steam Take Requirement, which event results in a Steam Take Deficiency, the Partnership's options are as follows: (i) exercise its right to operate the evaporative equipment in connection with the Evaporative Steam Use (which use by the Partnership has been neither approved nor disapproved by the FERC); or (ii) if USAC delays or prohibits the Partnership from exercising the Right of Operation, the Partnership may pursue any rights or remedies available to it at law or in equity, subject to a maximum dollar amount (the "Cap"). The Cap is defined as follows: (i) beginning upon the commencement of commercial operations and continuing throughout the first year the Cap will be $600,000; and (ii) upon the first anniversary of such commencement, and upon each subsequent anniversary thereafter, the existing Cap on such date will be multiplied by 110%, plus $600,000. In no circumstances will the Cap exceed $10 million. The Partnership has obtained a FERC certification that the Primary Steam Use and the Evaporative Steam Use qualify the Project as a qualifying cogeneration facility under PURPA. The Partnership's

recourse for USAC's failure to take the PURPA Minimum Steam Take Requirement is limited to USAC's interest in the Fort Meade Chemical Products plant.

Price of Base Steam and Additional Steam

Base Steam Price. For all Base Steam, USAC shall pay the Partnership $1.50 per thousand pounds of 35 psig saturated steam.

Additional Steam Price. For Additional Steam taken by USAC in any month under the Steam Sale Agreement, USAC shall pay the Partnership a payment equal to the following formula, which is based on the Partnership's actual cost of fuel:

PS = Price of Additional Steam, in $/klb of 35 psig steam at saturated conditions;

klb = 1000 pounds of steam;

D = a steam price discount factor, which is 40% for a quantity of steam sales between 40,000 lbs/hr and 60,000 lbs/hr, inclusive, and which is 50% for a quantity of steam sales between 60,001 lbs/hr and 75,000 lbs/hr, inclusive;

FP = Fuel Price (based upon the previous month's actual delivered price paid by the Partnership), in $/Million Btu;

▲Enthalpy = Difference between heat content of Steam and heat content of Return Water, in Million Btu/Klb; and

0.85 = Assumed boiler efficiency of 85%

Waste Water Discharge Fee

The wastewater discharge fee is $280,000 per year in accordance with the terms of the Agreement.

Events of Default and Termination

Under the Agreement, the events of default are (i) non-payment of any obligation for a period of twenty days, (ii) material breach of any term in the Agreement, (iii) material misrepresentation and reliance thereon by the other party, or (iv) bankruptcy. The non-defaulting party will give the defaulting party notice of the default and a cure period of (i) ten days for a non-payment event of default, and (ii) sixty days for any other event of default, which period may be reasonably extended if good faith efforts to cure have commenced.

DESTEC ENGINEERING

2500 CityWest Blvd., Suite 150
Houston, TX 77042
713-735-4200

P. O. Box 4411
Houston, TX 77210-4411
FAX 713-735-4307

EXHIBIT C

STEAM SALE AGREEMENT

WATER TREATMENT PROCESS DATA SHEET

PROJECT: Tiger Bay

LOCATION: Ft. Meade, FL

IDENTIFICATION OF ANALYSIS TABULATED BELOW

A. Cooling Tower Blowdown	D.
B.	E.
C.	F.

	CONSTITUENT	UNIT	A	B	C	D	E	F
1	Calcium	ppm as Ca	606.4					
2	Magnesium	ppm as Mg	195.6					
3	Sodium	ppm as Na	168.0					
4	Potassium	ppm as K						
5								
6								
7	Bicarbonate	ppm as HCO3	58.5					
8	Carbonate	ppm as CO3	0.6					
9	Hydroxyl	ppm as OH						
10	Sulfate	ppm as SO4	2776.2					
11	Chloride	ppm as Cl	168.0					
12	Nitrate	ppm as NO3	1.2					
13	Phosphate	ppm as PO4	10.0					
14	Fluoride	ppm as F	3.6					
15								
16								
17	Total Hardness	ppm as CaCO3	2818.0					
18	M Alkalinity	ppm as CaCO3	71.3					
19	P Alkalinity	ppm as CaCO3	0.0					
20	Carbon Dioxide (Free)	ppm as CO2	10.3					
21	pH		7.2					
22	Silica (Total)	ppm as SiO2						
23	Silica (Reactive)	ppm as SiO2	180.0					
24	Iron	ppm as Fe	1.2					
25	Suspended Solics	ppm						
26	Total Dissolved Solics	ppm						
27	Conductivity @ 20 C	μmhos/cm						
28	Turbidity	NTU						
29	Color	CU						
30	Total Organic Carbon	ppm as C						
31	Barium	ppm as Ba						
32	Strontium	ppm as Sr						
33	Copper	ppm as Cu	1.2					
34	Zinc	ppm as Zn	1.2					
35								
36								
37	Chemicals	LBS / 1000 GAL	$ / 1000 GAL					
38								
39								
40								
41								
42								

REV NO	APP BY	DATE
0	MLW	04/14/93

Notes:

PROJECT NO. 1253.08

DRAWING NUMBER

SHEET 1 OF 1

STEAM SALES AGREEMENT

Effective Date:	June 15, 1993
Parties:	Between Central Florida Power, L.P. ("Cogenerator") and U. S. Agri-Chemicals Corporation ("Customer")
Term:	The term shall extend from June 15, 1993 through December 31, 2025, unless sooner terminated as provided in the Agreement.
Cross - Ref Documents:	Consent and Agreement, dated as of 12/30/93, among Tiger Bay Limited Partnership, U. S. Agri-Chemicals Corporation and the Fuji Bank and Trust Co.
Comments:	The Agreement provides for the sale of steam from the Project to USAC for use at its plant located in Fort Meade, Florida. USAC and Ridgewood Chemical Corporation are the general partners of Fort Meade Chemical Products, which operates a phosphoric acid manufacturing facility located near Fort Meade, Florida.

Key Provisions:

Commencement of Commercial Operations

Upon notice from the Partnership, USAC will be prepared to take steam from the Project and deliver the condensate to the Project 180 days prior to commencement of commercial operations. Commercial operations is defined in the Agreement to be the later of (i) the day the Project is certified by the Contractor and accepted by the Partnership as commercially operable, and (ii) the day the Project commences generating and delivering electric energy and steam. Upon ten days' notice prior to start-up testing, USAC will accept steam produced by the Project in the amounts necessary to establish commercial operations. USAC will not owe the Partnership any monies for steam delivered prior to commercial operations.

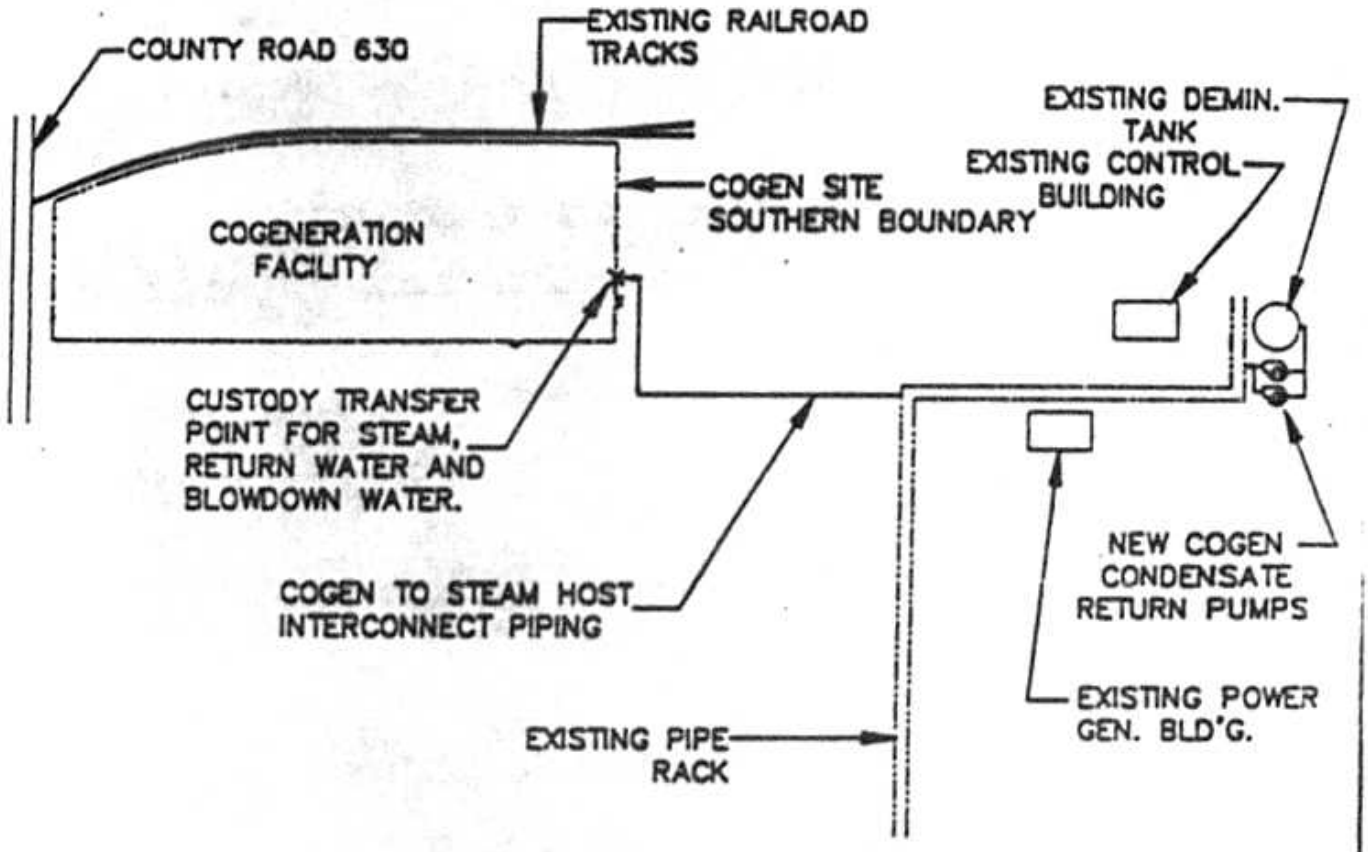
Steam Use

USAC's primary steam use will be as a source of process heat in its fertilizer manufacturing operations. USAC's secondary steam use will be to evaporate excess runoff water that is collected in a containment pond, where such evaporation is necessary to comply with USAC's environmental obligations.

NO.	DATE	REVISIONS	BY	APPV.	NO.	DATE	REVISIONS	BY	APP

EXHIBIT A

STEAM SALE AGREEMENT



NOTE:
1. NOT A SCALE DRAWING. ALL DIMENSIONS ARE APPROX.

TIGER BAY COGEN FACILITY SITE PLAN	PROJECT NO.: 1253	DESTEC	
	CLIENT: CENTRAL FLORIDA POWER, L.P.		
SCALE:	DWN.: CHK.: APPV.: DATE: DWG. NO.: REV.:		

EXHIBIT B
TO STEAM SALE AGREEMENT
Description of Steam/Return Water Quality Specifications

RETURN WATER QUALITY SPECIFICATION

Parameter	Minimum	Maximum	Units
Conductivity	2.0	10.0	umhos
Silica	0.02	0.15	SiO2, ppm
pH	5.0	8.0	Standard

PROCESS STEAM QUALITY SPECIFICATION

	Extraction Steam	Desuper.H2O	Steam to Host
Pressure, psig			35
Temperature	•		Saturated
TDS, ppm (wt)	0.050	0.007	0.046
SiO2, ppm (wt)	0.010	0.005	0.010

IN WITNESS WHEREOF, the parties have executed multiple originals of this Agreement on the dates set forth below, to be effective as of the Effective Date.

U. S. AGRI-CHEMICALS CORPORATION
a Florida corporation

By: _____
Malcolm S. Scott
President and Chief Operating Officer
Date: 6-16-93

CENTRAL FLORIDA POWER, L.P.
A Delaware Limited Partnership

By: CENTRAL FLORIDA DGE, INC.
A Delaware corporation
Its General Partner

By: R.O. Rogers XE
Name: R. O. Rogers
Title: President
Date: 6/21/93

20.14 Non-Recourse Obligations-Cogenerator. Notwithstanding anything to the contrary herein, the obligations of Cogenerator under this Agreement, and any certificate, notice, instrument or document delivered pursuant hereto, are special obligations of Cogenerator and do not constitute a debt or obligation of (and no recourse shall be with respect thereto to) any partner of Cogenerator (each, a "Partner"), or any affiliate of Cogenerator or a Partner (each, an "Affiliate"), or any shareholder, partner, officer, director or employee of Cogenerator, any Partner or any Affiliate; no action shall be brought against any Partner or any Affiliate or any shareholder, partner, officer, director or employee of any thereof; and no judgment for any deficiency upon the obligations hereunder shall be obtainable by Customer against any Partner or any Affiliate or any shareholder, partner, officer, director or employee of any thereof.

20.15 Non-Recourse Obligations-Customer. Notwithstanding anything to the contrary herein, the obligations of Customer under this Agreement, and any certificate, notice, instrument or document delivered pursuant hereto, are special obligations of Customer and do not constitute a debt or obligation of (and no recourse shall be with respect thereto to) any partner of Customer (each, a "Partner"), or any affiliate of Customer or a Partner (each, an "Affiliate"), or any shareholder, partner, officer, director or employee of Customer, any Partner or any Affiliate; no action shall be brought against any Partner or any Affiliate or any shareholder, partner, officer, director or employee of any thereof; and no judgment for any deficiency upon the obligations hereunder shall be obtainable by Cogenerator against (1) any Partner or any Affiliate or any shareholder, partner, officer, director or employee of any thereof; or (2) any property of Customer other than its interest in FMCP, the Host Plant, and the lands underlying the Host Plant.

replaced in its entirety, and the Letter Agreement will then be immediately terminated as of the Effective Date. This Agreement represents the entire agreement of the parties with respect to the subject-matter addressed herein.

20.02 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state of Florida, except its choice of law rules if such rules would apply the laws of another jurisdiction.

20.03 Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity and enforceability of any other provision, and each provision of this Agreement shall be enforced to the maximum extent permitted by applicable law.

20.04 Cumulative Remedies. The remedies provided herein are cumulative, not exclusive of any remedies provided by law or in equity, and may be pursued separately, successively, or concurrently.

20.05 Captions. The captions, headings and table of contents are for convenience only and do not and shall not be deemed to affect, limit, amplify, or modify the terms and provisions hereof.

20.06 Amendments. No amendment or modification of the terms of this Agreement shall be binding on either party hereto unless reduced to writing and signed by both parties. In the event that any Lender or prospective Lender reasonably requires an amendment to this Agreement as a condition to the financing of the Cogen Facility, Customer and Cogenerator will immediately negotiate in good faith the terms of such amendments, all at Cogenerator's expense; provided, however, that Customer need not execute any such amendment which deprives Customer of a material economic benefit under this Agreement.

20.07 Counterparts. This Agreement may be executed in any number of counterparts, and each executed counterpart shall have the same force and effect as an original instrument.

20.08 Number and Gender; References. Pronouns, of whatsoever gender, shall include natural persons, corporations, and associations of every kind and character. Whenever the words "hereof," "hereunder," "herein," or words of similar import are used in this Agreement, they shall refer to this Agreement in its entirety rather than to a particular section or

provision unless the context specifically indicates to the contrary.

20.09 No Third Party Benefitted. Except to the extent the terms herein expressly benefit a Lender or FMCP, the terms of this Agreement are for the sole benefit of Cogenerator and Customer and not for any third party whatsoever.

20.10 Further Assurances. If any party hereto reasonably determines or is reasonably advised that any further instruments or any other things are necessary or desirable to carry out the terms of the Agreement, including without limitation any documents necessary for Cogenerator to obtain a Credit Agreement, the other party shall execute and deliver all such instruments and assurances and do all things reasonably necessary and proper to carry out the terms of this Agreement, all at Cogenerator's expense. Such documents may include, without limitation: financial statements; evidence of corporate existence; evidence of incumbency of persons executing this Agreement; an opinion of Customer's counsel, which shall be qualified to give an opinion on the laws of the jurisdiction governing this Agreement, confirming (a) the accuracy of the representations set forth in Section 2.01, and (b) the enforceability of this Agreement, and addressing such other matters as may be requested by any Lender or prospective Lender. Any review of such financial statements will be performed upon Customer's premises under the provisions of a non-disclosure agreement between Customer and Cogenerator and its representatives.

20.11 Mutual Negotiation. The parties acknowledge that each of them has materially participated in the negotiation and preparation of this Agreement, and, accordingly, in the event of an ambiguity in the provisions hereof, no rule of construction which interprets the Agreement against the drafter will be utilized.

20.12 Non-Waiver. None of the provisions of this Agreement shall be considered waived by either party except when such waiver is given in writing. The failure of either party to insist in any instance on strict performance of any of the provisions of this Agreement shall not be construed as a waiver of any such provision or the relinquishment of any rights hereunder in the future.

20.13 No Cross Default. A breach or default of this Agreement by either party hereto will not be deemed to be a breach or default of the Site Lease Agreement.

Notwithstanding the foregoing, however, if Cogenerator's assignment is not to an affiliate or to a Lender, such assignment cannot occur until (i) the assignee agrees in writing to assume the obligations of Cogenerator hereunder, from and after the effective date of such assignment, and (ii) Customer gives its written consent to such assignment, which consent will not be unreasonably withheld or delayed.

b. Lenders. The parties hereto further agree that Cogenerator may assign, mortgage, hypothecate, pledge, or otherwise encumber all or any portion of its interest under this Agreement in favor of any Lender or bank, trust company, savings and loan association, mortgage company, insurance company, pension fund, real estate investment trust, or other lender or lending institution providing debt, equity, lease, and/or bond financing or financial services, or credit support or other credit enhancement, for the Cogen Facility (and any such institution may assign this Agreement to any subsequent assignee in connection with the sale, transfer, or exchange of its rights in this Agreement or for purposes of operating the Cogen Facility pursuant to such assignment upon and after the exercise of its rights and enforcement of its remedies under the deed of trust or other security instrument creating a lien in its favor, at law, in equity, or otherwise). The parties agree to prepare and execute, at Cogenerator's expense, such documents as may be reasonably requested by any such person to evidence and acknowledge such consent and effectiveness of any such assignment, mortgage, hypothecation, pledge or other encumbrance, including, but not limited to, consents to such assignment, opinions of counsel as to the effectiveness of such assignment, and any amendment or modification of this Agreement.

c. Customer. Upon providing prior written notice to Cogenerator, if the assignment is incident to a merger, consolidation, or purchase of Customer, Customer may assign its entire interest in this Agreement to any credit-worthy person or business entity that, as part of such succession, shall assume all the obligations of Customer under this Agreement. Customer may otherwise assign its interest in this Agreement to any person, but only upon obtaining the express prior written consent of Cogenerator, which consent will not be unreasonably withheld or delayed; provided, that Customer's obligations hereunder as to the period commencing after the time such assignment is made (or the effective date

of such assignment, whichever is later) will be released by Cogenerator, and Cogenerator shall be deemed to consent to such assignment, when and if: (a) the assignee agrees in writing to comply with the assigning partner's obligations under this Agreement; and (b) Cogenerator consents in writing to such release, which consent also will not be unreasonably withheld or delayed. After any such assignment by Customer, regardless of the identity of the assignee, Customer will continue to be responsible for the performance of any and all obligations under this Agreement which have arisen prior to the time such assignment is made, or the effective date thereof, whichever is later.

19.03 Assignor's and Assignee's Obligations. Except as otherwise specified in Section 19.02, in the event an assignment occurs in accordance with the provisions of Section 19.02 (a) or (b), the assigning party's obligations hereunder as to the period commencing after the time such assignment is made (or the effective date of such assignment, whichever is later) will be released by the non-assigning party. After any such assignment, however, regardless of the identity of the assignee, the assigning party will continue to be responsible for the performance of any and all of its obligations under this Agreement which have arisen prior to the time such assignment is made (or the effective date thereof, whichever is later), and the assignee will become responsible for any and all such obligations which arise subsequent to such time.

19.04 Identity of Destec Project Entity. The parties agree that Cogenerator is the same entity that is described as the "Destec Project Entity" in the Letter Agreement.

ARTICLE XX: MISCELLANEOUS

20.01 Entire Agreement; Superseded Sections of Letter Agreement.

This Agreement, together with the Site Lease Agreement, the Cogeneration Facility Development Agreement, and the Ridgewood Letter, supersedes and completely supplants the Letter Agreement and any and all prior oral discussions, negotiations, and agreements the parties hereto may have had with respect to any matters relating to the subject matter of this Agreement. In addition, upon the full execution of (1) this Agreement, (2) the Site Lease Agreement, (3) the Ridgewood Letter and (4) the Cogeneration Facility Development Agreement, then the Letter Agreement will be superseded and

contractors, or subcontractors at or within the Host Plant, or (c) a material breach of any of the representations, warranties or covenants made under Section 2.02, (i) unless such Loss is based upon environmental contamination, which Claim or Loss shall be subject to the environmental indemnity provisions of the Site Lease Agreement, or (ii) except to the extent such Loss is caused by the negligence or willful misconduct of Customer, its employees, agents or contractors.

17.02 Customer's Indemnity. Customer agrees to and shall defend, indemnify, and hold harmless, Cogenerator and Ridgewood (but only with respect to parts (b) and (c) below, as to Ridgewood), and their partners, and their and their partners' directors, officers, employees, agents, contractors, insurers, and Lenders, and any transferee of the Cogen Facility, from and against any and all Losses for or resulting from bodily injury, sickness, disease, or death and for damage to or destruction of business or property in any way, directly or indirectly, arising out of, resulting from or relating to (a) the construction or operation of or upon the Host Plant by Customer or the employees, agents, contractors, or subcontractors of Customer, or (b) the activities of Customer or its employees, agents, contractors, or subcontractors at or upon the Cogen Facility Site, or (c) a material breach of any of the representations, warranties or covenants made under Section 2.01, (i) unless such Loss is based upon environmental contamination, which Loss shall be subject to the environmental indemnity provisions of the Site Lease Agreement, or (ii) except to the extent such Loss is caused by the negligence or willful misconduct of Cogenerator, its employees, agents or contractors.

17.03 Limitation Upon Indemnifications. Notwithstanding the foregoing, however, neither party hereto will be obligated under Sections 17.01 and 17.02 hereof to pay any amount, with respect to any particular Loss, that is in excess of $50,000,000.

ARTICLE XVIII: NOTICES

18.01 Except as otherwise specifically provided for in this Agreement, all notices, statements, demands, or other communications required or permitted to be given hereunder shall be in writing and shall be hand delivered, sent by telefacsimile (with confirmed receipt), or forwarded by courier (such as Federal Express) or by first class United States mail, postage prepaid, to the following addresses:

If to Cogenerator:

Central Florida Power, L.P.
c/o Destec Energy, Inc.
2500 CityWest Blvd., Suite 150
Houston, TX 77042

Attention: Business Manager

If to Customer:

U. S. Agri-Chemicals Corporation
3225 State Road 630 West
Ft. Meade, FL 33841-9799

Attention: President

or to such other person or address as the above addressees may specify in a notice duly given as provided herein. All notices given in the foregoing manner shall be deemed received on the following dates: when delivered, as to hand deliveries; the same day, as to facsimiles sent with receipt confirmed; the next day after being sent, as to overnight deliveries by courier; or three (3) days after being sent, as to deliveries by regular U. S. mail.

ARTICLE XIX: ASSIGNABILITY

19.01 General Prohibition on Assignment Without Consent.

Except as herein expressly provided to the contrary, no party hereto may assign any of its rights and/or obligations under this Agreement without the prior express written consent of the other party which consent shall not be unreasonably withheld or delayed.

19.02 Absolute Right of Assignment.

a. Cogenerator. Notwithstanding the foregoing, however, the parties agree that Cogenerator, without the consent of the other party, may assign this Agreement to (i) any subsidiary or affiliate of Destec Energy, Inc. or of any partner of Cogenerator, or (ii) if the assignment is incident to a merger, consolidation, or purchase of Cogenerator, any credit-worthy person or business entity that, as part of such succession, shall assume all the obligations of Cogenerator under this Agreement.

15.01 (d) occur, the non-defaulting party, by at least ten (10) days' written notice to the defaulting party and, if the defaulting party is Cogenerator, to Cogenerator's Lender, may, in addition to any other rights and remedies available under this Agreement, in law, or in equity, terminate this Agreement. Notwithstanding any other provision of this Agreement, however, if the defaulting party is Cogenerator, Customer's right to terminate is subject in all respects to the following rights, if any, of Cogenerator's Lender under the Credit Agreement and related financing documents and mortgages:

1. The right to cure a default by Cogenerator, as set forth herein;

2. The right of assignment to a Lender, as set forth herein;

3. The right of a Lender to take over the operation of the Cogen Facility, under the provisions of the Credit Agreement and related financing documents and mortgages; and

4. The Lender's right to foreclose and otherwise exercise its security interest in connection with the Cogen Facility.

15.04 Termination for Government Taking. Cogenerator may terminate this Agreement if the Cogen Facility is taken by exercise of the right to eminent domain or its equivalent by any person or entity unless Customer demonstrates to Cogenerator that Cogenerator's rights to operate the Cogen Facility and its ability to perform its commitments under this Agreement are not materially impaired.

ARTICLE XVI: FORCE MAJEURE

16.01 If either party becomes unable, by reason of Force Majeure, to perform its obligations under this Agreement, either wholly or in part, the party so failing shall give written notice and full particulars of such cause or causes to the other party as soon as possible after the occurrence of any such cause; and such obligations shall be suspended during the continuance of such hindrance, which, however, shall be remedied with all possible dispatch; and the obligations, terms and conditions of this Agreement shall be extended for such period as may be necessary for the purpose of making good any suspension so caused.

16.02 The term "Force Majeure" herein will mean: Acts of God or the public enemy; strikes, lockouts or other industrial disturbances or labor difficulties; wars; blockades; insurrections; riots, arrests and restraints of rules and people; laws, acts, orders, proclamations, decrees, regulations, ordinances or instructions of Government or other public authorities; judgment or decree of a court of competent jurisdiction; delay or failure of carriers or contractors; inability to obtain transportation equipment, operating materials, plant equipment or materials required for maintenance or repairs; curtailment or suspension of operations to remedy or avoid an actual or alleged violation or violations of Federal, State, or local environmental, health or safety standards as may be in effect from time to time during the contract period; environmental constraints lawfully imposed by federal, state or local governmental bodies; explosions; fires; floods; drought; earthquakes; storms; lightning; wind; other adverse weather condition; perils of the sea; accident to or breakdown of equipment, facilities or machinery or similar occurrences; and any other contingency or delay or failure or cause of any nature beyond the reasonable control of either party, whether or not of the kind hereinabove specified and whether or not any such contingency is presently occurring or occurs in the future.

16.03 In no event will any default under or breach of this Agreement, caused by the refusal or inability to pay money due hereunder, or by changes in economic conditions, be excused as an event of Force Majeure.

16.04 The settlement of all strikes, lockouts or other industrial disturbances or labor difficulties shall be at the discretion of the party experiencing such difficulty.

ARTICLE XVII: INDEMNIFICATION

17.01 Cogenerator's Indemnity. Cogenerator agrees to and shall defend, indemnify, and hold harmless Customer and FMCP and their partners, directors, officers, employees, contractors, lenders, agents, and insurers from and against any and all Losses for or resulting from bodily injury, sickness, disease, or death and for damage to or destruction of business or property in any way directly or indirectly arising out of, resulting from or relating to (a) the construction or operation of the Cogen Facility pursuant to this Agreement by Cogenerator or the employees, agents, contractors, or subcontractors of Cogenerator, or (b) the activities of Cogenerator or its employees, agents,

regulations with respect to all liquids and gases and other wastes or products emanating from and arising out of the operation of the Cogen Facility.

14.02 Customer's Obligations. As between Cogenerator and the Customer, Customer will be responsible for compliance with all applicable federal, state and local laws, rules and regulations with respect to: (i) its facilities and operations at the Host Plant, including matters relating to Return Water before its redelivery to Cogenerator; and (ii) Return Water which does not conform to the quality specifications set forth in Exhibit B attached hereto; and (iii) the use of Steam after delivery to Customer.

ARTICLE XV: EVENTS OF DEFAULT AND TERMINATION

15.01 Events of Default. Each of the following, if not remedied in accordance with the provisions of this Article, shall constitute an Event of Default hereunder:

a. Non-payment. Cogenerator or Customer defaults in any valid payment obligation to the other of any payment required hereunder, for a period of twenty (20) days or more;

b. Material Breach. Either party hereto fails in any material respect to comply with, observe, or perform, or defaults in any material respect in the performance of, the other terms and conditions of this Agreement, and such failure materially and adversely affects the ability of the parties hereto to deliver or accept Steam and/or Return Water;

c. Material Misrepresentation. Any representation or warranty made by either party in this Agreement proves to be false and misleading when made in respects material to performance of this Agreement, and the party who reasonably relied upon such representation or warranty is thereby caused to suffer significant economic loss;

d. Bankruptcy. An involuntary case under a chapter of the Bankruptcy Reform Act of 1978, as amended or succeeded, shall be commenced, or any other proceeding shall be instituted by either party hereto without the approval or consent of the other, seeking reorganization, dissolution, winding-up, liquidation, the appointment of a trustee, receiver, liquidator, custodian or the like of all or any substantial part of such party's assets, or

other like relief, and such party shall fail to contest such proceeding in good faith or such proceeding shall continue unstayed for any period of thirty (30) consecutive days.

15.02 Notice and Cure.

a. Parties. Except to the extent more limited rights are specifically provided elsewhere in this Agreement, which limited rights provisions shall supersede the terms of this Section, if a default occurs or is claimed to have occurred, the non-defaulting party may give the defaulting party (and, if the defaulting party is Cogenerator, Cogenerator's Lender) written notice of such default. Any such notice shall describe the Event of Default, and will give (i) ten (10) days after receipt of such notice to cure the default if the default is claimed for non-payment under Section 15.01 (a) hereof, provided that if there is a good-faith dispute concerning the validity or amount of any payment, the defaulting party shall be required to pay the non-defaulting party within the period specified above only the undisputed portion thereof; or (ii) sixty (60) days after receipt of such notice to cure the default if the default is claimed under Section 15.01 (b) hereof, unless the default cannot be cured in such sixty (60) day period through the exercise of reasonable diligence, in which case the defaulting party shall have a reasonable additional period of time in which to cure such default, provided that the defaulting party commences within such sixty (60) day period immediate and substantial good faith efforts to effect such cure and at all times thereafter proceeds diligently to complete such cure; or (iii) no further opportunity to cure if the default is claimed under Section 15.01 (c) or (d) above.

b. Lenders. Any default by Cogenerator may be cured by a Lender. Customer shall accept any conforming cure of a default tendered by any Lender on behalf of Cogenerator. Cogenerator shall notify Customer of the address to which all correspondence and notices are to be provided to Lender in connection with this Agreement.

15.03 Termination for Default. Except where more limited rights are provided elsewhere in this Agreement, which limited rights provisions shall supersede the terms of this Section, if, after the giving of notice and the expiration of any applicable cure period, an Event of Default remains uncured, or if the Events of Default specified in Section 15.01 (c) or

shall be borne by the party requesting the test unless the percentage of error is greater than two percent (2.0%), in which case the cost shall be borne by the party owning the instrumentation. The records, magnetic tapes, and computer print-outs from the metering and check instrumentation shall remain the property of its owner, but upon request each shall submit to the other copies of its records, magnetic tapes, and computer print-outs, together with calculations therefrom, for inspection and verification, subject to return within thirty (30) days after receipt thereof, provided that the owner of such records, magnetic tapes, and computer print-outs shall not be required to retain same more than twenty-four (24) months from the date same was originally made, unless relevant to a dispute between the parties hereto of which the party has notice. If, at any time, either Cogenerator or the Customer observes a variation between the metering instruments and the check instruments, such party will promptly notify the other of such variation and both parties will then cooperate to secure an immediate verification on the accuracy of such instruments. Except as otherwise provided in this Section, all costs pertaining to the metering and check instruments shall be at the expense of the party owning and maintaining such instruments.

11.02 Metering Inaccuracies. If, upon any test, the percentage of inaccuracy of any of the above instruments is found to be less than plus or minus two percent (2.0%) at the design calibration point of such instrument, previous records of such instrument shall be considered accurate in computing deliveries hereunder, but such instrument shall be adjusted at once to record correctly. If, upon any test, the percentage of error is found to be in excess of two percent (2.0%) at the design calibration point, the instrument shall be adjusted at once to record correctly and the previous record shall be corrected by the difference between the percentage of error and two percent (2.0%) back to the date the inaccuracy occurred, but in no event beyond a date which is twelve (12) months prior to the date of test. If such date is not ascertainable, the previous record shall be corrected back one-half (1/2) of the time elapsed since the date of the last test, but in no event beyond a date which is twelve (12) months prior to the date of test.

11.03 Secondary Sources of Determination. If, for any reason, a party's metering instrumentation is out of service so that the quantities of Steam delivered to the Customer or Return Water delivered to Cogenerator cannot be ascertained or computed, the quantities of Steam or Return Water delivered during the period such instrumentation is out of service shall

be estimated on the basis of the best data available, starting in order with:

a. Customer's check instruments, if installed, calibrated, and accurately registering;

b. by correcting the error if the percentage of error is ascertainable by calibration, tests, or mathematical calculation after the instrumentation is returned to service; or

c. by estimating the quantities of Steam or Return Water delivered during the periods under similar conditions when the metering instrumentation was accurately operating.

ARTICLE XII: DECOMMISSIONING OF THE FACILITY

12.01 Entitlement to Decommission. Cogenerator shall be entitled at any time within eighteen (18) months after the expiration or termination of this Agreement to disassemble and remove all or part of the Cogen Facility and Evaporative Equipment, and to use or sell all or part of the same for another use or for scrap or salvage value.

12.02 Cleanup Obligations. Cogenerator's cleanup obligations relating to the Cogen Facility Site and Heat Exchanger Site are set forth in the Site Lease Agreement, wherein Customer and FMCP are the beneficiaries of certain obligations of Cogenerator and/or its affiliates.

ARTICLE XIII: TAX MATTERS

13.01 Tax Responsibility. As between Cogenerator and Customer, Cogenerator shall be solely responsible for any sales, use, property, income, or other taxes relating to the Cogen Facility or its components or appurtenances, and Customer shall be solely responsible for any sales, use, property, income, or other taxes relating to the Host Plant or its components or appurtenances.

ARTICLE XIV: ENVIRONMENTAL COMPLIANCE

14.01 Cogenerator's Obligations. As between Cogenerator and Customer, Cogenerator will be responsible for compliance with all applicable federal, state and local laws, rules and

Customer in accordance with this Agreement through and as of the last day of the preceding month. Each invoice shall be accompanied by sufficient information to enable Customer to determine the accuracy of the invoice. In the event Cogenerator is unable to determine any variable component in the pricing provisions for any month in respect of which the Customer is invoiced for Base Steam or Additional Steam, then Cogenerator shall use in its invoice a reasonable estimate of such variable, with overbillings and underbillings, if any, to be corrected thereafter as promptly as practicable. Adjustments for discrepancies in billing, identified through meter verifications and other means identified in Article XI hereof, which would result in reimbursement of billed amounts to Customer, will be reimbursed to Customer within twenty (20) days' notice to Cogenerator from Customer that such amount is due, but in no event will an adjustment be made for discrepancies over twelve (12) months old.

9.02 Method of Payment. Customer shall pay to Cogenerator the payment amount set forth on each invoice, within twenty (20) days following the date such invoice is received. All payments required hereunder from the Customer to Cogenerator shall be made in such manner as is mutually acceptable to the parties hereto.

9.03 Late Payments. In the event that any invoice presented to either party pursuant to the terms of this Agreement is not paid when due, then interest on all such amounts properly invoiced, but not paid when due, shall accrue from the due date until the date payment is received at the rate per annum equal to the lesser of: (i) the sum of the prime rate, as reported in the first Wall Street Journal published in the month such payment became due, plus two percent (2.0%); or (ii) the applicable maximum lawful nonusurious rate of interest. Notwithstanding the foregoing, either party shall have the right to withhold the disputed amount of any invoice in good faith, when there is a bona fide question or dispute as to the propriety of any charges invoiced, or sufficient information was not received to enable the invoiced party to determine the accuracy of all or part of the invoice. The amount of any disputed payment shall bear interest at the rate specified in this Section (except for any portion of such disputed amount which is determined not to be due). Payment of any invoice shall not prejudice the right of either party to question the propriety of any charges thereon; provided, however, that neither party hereto may for the first time question an invoice after the expiration of two (2) years or more from the date of receipt of such invoice.

9.04 Independent Audits. Either party shall have the right, at its own expense, from time to time, to have a nationally recognized accounting firm of its choice examine and audit the other party's records for the sole purpose of verifying the calculations (if any) of the payments due under this Agreement. Such records shall be retained by both parties for a minimum period of two (2) years after the date of their generation.

ARTICLE X: TERM

10.01 Unless sooner terminated as provided herein, the term of this Agreement (the "Primary Term") shall extend from the Effective Date through December 31, 2025. If the parties so agree, and enter into an appropriate amendment, this Agreement may be further extended beyond the Primary Term.

ARTICLE XI: MEASUREMENT AND TESTING

11.01 Metering, Testing, and Records. Cogenerator shall own, install, maintain, and operate proper instrumentation for the determination of the quantity of Steam and Return Water delivered to and from Customer at the Steam Delivery Point and Return Water Delivery Point. Each party hereto shall have access to the other's metering instrumentation and check instruments at reasonable hours upon reasonable prior notice, but the reading, calibrating, and adjusting hereof shall be done only by the party owning such instrumentation. Provided it is operated and maintained in a manner that does not interfere with the performance of Cogenerator or its metering instrumentation hereunder, Customer may install its own instruments ("check instruments") for maintaining information on the Steam and Return Water being delivered to it, but, except as otherwise provided in this Agreement, the determination of the quantities of Steam and Return Water delivered to and from Customer shall be made by Cogenerator's metering instrumentation. Cogenerator and Customer shall verify or have verified for it the accuracy of its metering or check instrumentation on a regular basis at mutually agreeable times and shall give the other party sufficient advance notice of any test of metering instrumentation so that the other party may witness the test if it desires; however, if no representative of the other party is present at the time specified, then the test may proceed as scheduled. At any time, either party may request that the other party test its metering or check instrumentation, whereupon the other party promptly shall schedule such a test. The cost of such test

Cogenerator to commence operation of its zero liquid discharge facility (the "ZLD"), then the Blowdown Payment will be reduced to zero for the period commencing with such commencement of operation of the ZLD and ending upon the end of the twenty-fifth (25th) day of Customer's subsequent continuous takes of Blowdown Water.

iii. If Customer has given Cogenerator at least thirty (30) days prior written notice: (1) of a temporary shutdown of the Host Plant for maintenance; and (2) that Customer will not be taking Blowdown Water during such shutdown, then the Blowdown Payment will resume (a) upon the twenty-fifth (25th) day after the commencement of such temporary shutdown, if Customer is at that time taking the full tendered quantity of Blowdown Water; or (b) upon the commencement of Customer's takes of the full tendered quantity of Blowdown Water, if such temporary shutdown continues for more than twenty-five (25) days.

iv. The Blewdown Payment will be prorated, by days, in accordance with the foregoing provisions.

In all other cases, neither Cogenerator nor Customer will owe any amount to the other, with respect to Blowdown Water delivered by Cogenerator to Customer.

c. Customer may refuse Cogenerator's delivery of any Blowdown Water which does not meet the quality specifications set forth on Exhibit C attached hereto.

d. Title to, possession and risk of loss of, and full responsibility for, the Blowdown Water shall pass from Cogenerator to Customer at the Blowdown Water Delivery Point. Cogenerator and Customer agree that the Blowdown Water will not be returned to Cogenerator.

e. There will be no liability of either Customer or Cogenerator, in the event either party fails to deliver, or to take and receive, Blowdown Water.

f. The other terms and conditions in this Agreement will apply to the provision of Blowdown Water, except

where more specific terms and conditions are stated in this Section 7.08.

ARTICLE VIII: PRICE FOR BASE STEAM AND ADDITIONAL STEAM

8.01 Base Steam Price. For all Base Steam (including any Steam taken to satisfy a Steam Take Deficiency) taken by Customer in any month under this Agreement, Customer shall pay Cogenerator, in U.S. dollars, a payment (the "Base Steam Payment") equal to $1.50 per thousand pounds of 35 psig saturated steam.

8.02 Additional Steam Price. For all Additional Steam taken by Customer in any month under this Agreement, Customer shall pay Cogenerator, in U.S. dollars, a payment (the "Additional Steam Payment") equal to a price determined by the following formula:

$$PS = D \times FP \times \Delta Enthalpy \div 0.85, \text{ where}$$

PS = Price of Additional Steam, in $/Klb of 35 psig steam at saturated conditions;

Klb = 1000 pounds of Steam;

D = a Steam price discount factor, which is 0.40 for a quantity of Steam sales between 40,000 lbs/hr and 60,000 lbs/hr, inclusive, and which is 0.50 for a quantity of Steam sales between 60,001 lbs/hr and 75,000 lbs/hr, inclusive.

FP = Fuel Price (based upon the previous month's actual delivered price paid by Cogenerator), in $/Million Btu;

ΔEnthalpy = Difference between heat content of Steam and heat content of Return Water, in Million Btu/Klb; and

0.85 = Assumed boiler efficiency of 85%.

ARTICLE IX: BILLING AND PAYMENT

9.01 Billing. Cogenerator shall invoice Customer on or before the tenth day of each month for all amounts payable by

practicable. Customer's takes of Steam at the Steam Delivery Point will be deemed as Customer's acceptance of such Steam.

7.05 Return Water. Customer, at no expense to Cogenerator, shall deliver all Return Water to Cogenerator at the Return Water Delivery Point, in a quantity equal to 100% of the quantity (measured in pounds) of the Steam delivered to Customer by Cogenerator at the Steam Delivery Point, plus 20 gpm (approximately 10,000 lbs/hr), with all such Return Water meeting the quality specifications set forth in Exhibit B. If Customer delivers Return Water not meeting the quality specifications set forth in Exhibit B attached hereto, Cogenerator's sole and exclusive remedy is the right to refuse delivery thereof until Customer demonstrates to Cogenerator's reasonable satisfaction that the Return Water meets such specifications. Customer will exert diligent efforts to bring any non-conforming Return Water back into compliance with the quality specifications as soon as practicable. Cogenerator's takes of Return Water at the Return Water Delivery Point will be deemed as Customer's acceptance of such Return Water.

7.06 Commencement of Steam Takes. Customer will be prepared to commence takes of Steam and to redeliver Return Water, on or before one hundred and eighty (180) days prior to the commencement of Commercial Operations, provided Cogenerator shall have given Customer reasonable advance notice thereof, and Customer will notify Cogenerator in writing when it is prepared to commence such takes and returns.

7.07 Residual Heat. Cogenerator agrees to make available to Customer residual heat remaining in the stack flue gas downstream of Cogenerator's heat recovery equipment after the Cogen Facility's generation of Power and its provision to Customer and others of Steam; provided: (i) that the provision of such residual heat would be made only to the extent that it is available, is unneeded by Cogenerator, and does not interfere with Cogenerator's operations; and (ii) Customer would be responsible for constructing and operating, at its risk and expense, the equipment necessary to capture and use such residual heat (subject to Cogenerator's reasonable approval); and (iii) the parties would take such action (if any) that may be necessary for Cogenerator to claim the provision of such residual heat as part of the basis for its qualifying cogeneration facility status under PURPA; provided, however, that the foregoing provision of residual heat by Cogenerator would not reduce the quantity of Steam which Cogenerator may tender under the other provisions of this Agreement.

7.08 Cooling Tower Blowdown Water. Cogenerator agrees to provide to Customer, at Customer's request, cooling tower blowdown water ("Blowdown Water") produced at the Cogen Facility, under the following terms and conditions:

a. At Customer's sole option, it may request Cogenerator to deliver Blowdown Water to Customer, at a delivery point (the "Blowdown Water Delivery Point") shown on Exhibit A attached hereto and, subject to obtaining any necessary regulatory approvals, Cogenerator will deliver such Blowdown Water to Customer, in such quantities as Customer may request and Cogenerator may have available. Except in the event of an emergency, Customer will give Cogenerator at least thirty (30) days prior written notice of the dates and times which Customer desires to receive or cease receiving Blowdown Water.

b. Cogenerator may refuse to deliver Blowdown Water to Customer, if the quantity requested by Customer, in Cogenerator's sole opinion, is insufficient to warrant such delivery (considering Cogenerator's operation of its zero liquid discharge facility). Cogenerator anticipates that in normal operation, it will deliver 133 gpm of Blowdown Water, but in no event will it deliver more than 184 gpm. If Customer takes all the Blowdown Water which Cogenerator tenders, Cogenerator will pay Customer $280,000 per year (the "Blowdown Payment"), in twelve (12) equal monthly payments of $23,333, subject to the following limitations:

i. Cogenerator will provide, own and maintain, at its expense, surge tankage (the "Tank") sufficient to store five (5) days' production (calculated on the basis of reasonably anticipated production volumes) of Blowdown Water. Such surge tankage will be located on land adjacent to the Leased Premises (as that term is defined in the Lease Agreement) and leased to Cogenerator by Customer under the terms of the Lease Agreement. Cogenerator will make reasonable efforts to keep the Tank empty, so as to accommodate Customer's inability, for short periods, to take Blowdown Water.

ii. If Customer does not take Blowdown Water tendered by Cogenerator, and if the Tank is full, and if Customer's failure to take causes

Customer (and, if applicable, a substitute steam host introduced as set forth above) will likely fail to take and use, for either the Primary Steam Use or the Evaporative Steam Use, the PURPA Minimum Steam Take Requirement; and (b) the Cogen Facility therefore will likely fail to maintain its status as a qualifying cogeneration facility under PURPA, and as a direct result thereof, Cogenerator is likely to suffer either a termination of any of its Power Purchase Agreements, or material monetary expenses or damages.

(d) Cogenerator and Customer, at Cogenerator's expense, agree to prepare such documents and perform such acts as are reasonably necessary in connection with creating, establishing the priority of, and giving notice of, the foregoing Right of Operation.

(e) As an additional part of the Right of Operation, Customer hereby grants to Cogenerator the following right of first refusal, which will become effective on January 1, 1998 and continue throughout the Primary Term. Notwithstanding the foregoing, however, this right of first refusal cannot be utilized by Cogenerator unless and until Customer ceases operations at the Host Plant for more than six (6) consecutive months. Under this right of first refusal, Cogenerator would have the right to match the offer, made by any entity unaffiliated with Customer, to purchase Customer's boiler feed water, treatment and evaporative equipment at the Host Plant, together with any pipelines and appurtenances necessary or useful to Cogenerator in maintaining its qualifying facility status under PURPA (such equipment and appurtenances being called the "First Refusal Equipment" herein). Cogenerator and Customer will agree upon a listing of all such equipment, and Customer agrees to obtain from the offeror an equitably severed price for the First Refusal Equipment, exclusive of the offered price for any other equipment or property, and to provide such price and a reasonable opportunity for review and exercise to Cogenerator. Cogenerator would keep Customer whole as to the price offered for the entire Host Plant, as follows: If Cogenerator's purchase and severance of the First Refusal Equipment would cause the offeror to reduce its offer for the remainder of the Host Plant by an amount more than the severed price for the First Refusal Equipment, Cogenerator would have to pay Customer a higher amount for the First Refusal Equipment sufficient to cause Customer to receive, in the aggregate, the entire amount offered for the entire Host Plant; provided, that Customer must disclose to Cogenerator any such increase in the price of the First Refusal Equipment, and allow Cogenerator to elect whether to exercise the right

of first refusal, before Cogenerator can be bound to an exercise of its right of first refusal.

(f) Although the Right of Operation may be referenced in the Site Lease Agreement, this Agreement will control in the event of any conflict between the two agreements, as to the interpretation of the Right of Operation.

ARTICLE VII: STEAM AND RETURN WATER DELIVERY; PROCESS CONDENSATE; WASTE HEAT

7.01 Points of Delivery and Redelivery. All Steam delivered by Cogenerator to Customer pursuant to this Agreement shall be delivered at the Steam Delivery Point, and shall be returned to Cogenerator as Return Water at the Return Water Delivery Point.

7.02 Maintenance of Customer's Facilities. At all times during the term hereof, Customer shall maintain and operate the Host Plant, its equipment, systems, and facilities in such a manner that: (i) they are appropriate for and do not interfere with the interconnections with, and the proper operation and reliable performance of, the Cogen Facility; (ii) a proper interface is maintained between such equipment, systems, and facilities of the Host Plant and the Cogen Facility at the Steam Delivery Point and the Return Water Delivery Point; and (iii) Steam can be delivered to the Customer, and Return Water can be delivered to Cogenerator, in accordance with the other terms of this Agreement.

7.03 Title. Title to, risk of loss for, and full responsibility for all Steam sold to the Customer, except Steam not conforming to the quality specifications set out in Exhibit B hereto (unless Customer has accepted the same with knowledge of such nonconformity), shall pass from Cogenerator to Customer at the Steam Delivery Point, and shall pass back from Customer to Cogenerator at the Return Water Delivery Point.

7.04 Nonconforming Steam. If Cogenerator delivers Steam not meeting the quality specifications set forth in Exhibit B attached hereto, the Customer's sole and exclusive remedy is its right to refuse further delivery thereof until Cogenerator demonstrates to Customer's reasonable satisfaction that the Steam meets such specifications. Cogenerator will exert diligent efforts to bring any non-conforming Steam back into compliance with the quality specifications as soon as

(b) A precondition to Cogenerator's pursuit of the rights and remedies under this Section 6.03 shall be its obtaining FERC certification that the Primary Steam Use and the Evaporative Steam Use (as to Steam taken by Customer) qualify the Cogen Facility as a qualifying cogeneration facility under PURPA.

6.04 Notwithstanding the foregoing, if PURPA or the general body of law is amended so as to no longer require the provision by Cogenerator of Steam or thermal energy as a prerequisite to the Cogen Facility's obtaining or maintaining qualifying facility status under PURPA, Cogenerator will exert its best reasonable efforts to delete, from the Power Purchase Agreements any requirement that the Cogen Facility provide Steam or thermal energy as a condition to the continuation of such Power Purchase Agreements, and in the event that such deletion occurs and within the applicable statutory period for filing complaints there is not any challenge by the power purchaser or any third person, regarding the deletion, then the obligations of Customer expressed in this Article VI will also be deleted prospectively, and the parties will release each other accordingly, and Cogenerator will continue to provide Steam under the terms and provisions provided in the remaining provisions of this Agreement, so long as Customer is not in breach of its obligations under the remaining provisions of this Agreement.

6.05 Customer agrees, at no cost to itself, to assist Cogenerator from time to time in providing comfort to the Lenders that Customer will satisfy the PURPA Minimum Steam Take Requirement.

6.06 Evaporative Pipeline Easement. In the Site Lease Agreement, Customer grants to Cogenerator the "Evaporative Pipeline Easement", which supersedes and replaces the "Lease Option" referenced in the Letter Agreement. The Evaporative Pipeline Easement gives Cogenerator the right to install and operate the Evaporative Equipment, both on the Heat Exchanger Site and on rights of way extending between and/or along the Cogen Facility, the Heat Exchanger Site, and FMCP's pondwater pipeline system. Cogenerator agrees in the Site Lease Agreement not to make use of the Evaporative Pipeline Easement unless certain preconditions, as specified therein, are fulfilled. As to the Evaporative Pipeline Easement, the Site Lease Agreement will control in the event of any conflict between the provisions of this Agreement and of the Site Lease Agreement.

6.07 Right of Operation.

(a) In addition to the foregoing remedies, Customer hereby grants to Cogenerator the following contract right of exclusive operation (the "Right of Operation"). The Right of Operation will terminate, and be of no further force or effect, upon the earliest to occur of the following events: (1) the Commercial Operation of the Cogen Facility has not commenced on or before January 1, 1996; or (2) Cogenerator abandons, for a period of at least eighteen (18) consecutive months, the further development or operation of the Cogen Facility (provided, however, that during an event of force majeure declared by Cogenerator, no abandonment will be deemed to occur so long as Cogenerator is working diligently to remove such event of force majeure), or gives Customer written notice of its abandonment of the Cogen Facility or of its development thereof; or (3) the obligations of Customer under Article VI are deleted through the operation of Section 6.04. Further, the Right of Operation is in addition to, and may be exercised by Cogenerator in connection with the Evaporative Pipeline Easement.

(b) The foregoing Right of Operation gives Cogenerator the exclusive right, but not the obligation, to operate the Evaporative Equipment in connection with the Evaporative Steam Use. In connection with such right, Customer releases and waives any right it has or any other person except Cogenerator has to operate the Evaporative Equipment or to make the Evaporative Steam Use or any other similar use. Subject to FMCP's access to the excess runoff water associated with the Evaporative Steam Use, which access shall not be allowed to conflict with Cogenerator's right of access to such excess runoff water, Customer guarantees to Cogenerator the right of exclusive access to the excess runoff water associated with the Evaporative Steam Use (which Evaporative Steam Use is, by definition, limited to that quantity of heat necessary for the Cogen Facility to maintain its qualifying facility status under PURPA), and Customer will not take any action or inaction that interferes with the Right of Operation, and will assist Cogenerator in enjoying such right, at Cogenerator's expense, and will cooperate in good faith to obtain or cause to be obtained any required consent, from any persons holding secured interests in any property relating to the Right of Operation. Customer will not be in default hereunder, however, if these required consents are not obtained.

(c) Notwithstanding the foregoing, Cogenerator cannot exercise the foregoing Right of Operation unless and until such time as it makes a reasonable determination that: (a)

ARTICLE VI: FAILURE TO TAKE STEAM

6.01 If any review or forecast, made in accordance with Section 5.02(a) herein, of Customer's Steam takes indicates that Customer, for any reason, including, with respect to Sections 6.01, 6.02, and 6.03 hereof (except as otherwise provided therein), events of force majeure, will not or may not be able to satisfy the PURPA Minimum Steam Take Requirement in any calendar year, then, in addition to any other courses of action to which Cogenerator may be entitled hereunder, Cogenerator will have the right to demand adequate assurances from Customer that the PURPA Minimum Steam Take Requirement will be satisfied by the end of such calendar year. Customer will give such assurances, if possible, and will take all reasonable actions necessary to remedy any such Steam Take Deficiencies, including, without limitation, providing an acceptable substitute thermal use for the Steam.

6.02 If (1) Cogenerator is not satisfied with Customer's assurances (as such assurances are described above), which satisfaction will not be unreasonably withheld, and if (2) Customer's failure to satisfy the PURPA Minimum Steam Take Requirement will in all probability cause Cogenerator to fail to maintain its status as a qualifying cogeneration facility under PURPA, Cogenerator may, at its option: (a) direct Customer to utilize the Evaporative Steam Use (if such use is not presently being made); and/or (b) direct that part of the Steam not taken by Customer to thermal uses by a person(s) other than Customer. If, and only if, and only for so long as, Cogenerator:

(a) pursuant to the preceding sentence, directs all or part of the Steam to a person(s) other than Customer, which persons in fact take and use such Steam; and

(b) also reduces the quantity of Steam tendered and made available to Customer, to a level below the PURPA Minimum Steam Take Requirement; and

(c) meets the PURPA Minimum Steam Take Requirement, then

(1) no Steam Take Deficiency, as defined above, shall be deemed to have occurred; and (2) Customer will be released from all or a portion of its Steam purchase obligations, as follows: The release shall be in proportion to, but expressly limited to, the ratio obtained by dividing (a) the annual average quantity of Steam tendered to and taken by such other person(s); by (b) the PURPA Minimum Steam Take Requirement.

6.03 (a) If in any calendar year, Customer (and/or, if applicable, a substitute steam host utilized as set forth in Section 6.02 above) fails to take and use the PURPA Minimum Steam Take Requirement, thereby causing a Steam Take Deficiency to occur, then, as its sole remedies (in addition to those specified in this Section 6.03), Cogenerator may utilize the Evaporative Pipeline Easement (as referenced below and as described in the Site Lease Agreement) and/or may exercise the Right of Operation (as described in Section 6.07 herein). If Customer denies, refuses or significantly delays Cogenerator's exercise or use of the Evaporative Pipeline Easement or the Right of Operation (unless such denial, refusal or significant delay is required to comply with, or is the result of, applicable law or regulation or is caused by some other event of force majeure), then upon the submission to Customer by Cogenerator of (1) documentation of such denial, refusal or significant delay; (2) proof that Cogenerator has incurred or will incur any present or reasonably foreseeable material monetary expenses or damages as a result of such Steam Take Deficiency; and (3) a demand to be permitted to exercise or use the Evaporative Pipeline Easement or the Right of Operation, which demand is not honored within fifteen (15) days thereafter, Cogenerator may pursue any rights or remedies available to it at law for damages or in equity for specific performance, subject to the following limitations:

(i) Such rights or remedies available to Cogenerator in equity for specific performance are not limited by this Section 6.03. Such rights or remedies available to Cogenerator at law for damages as against Customer, however, are subject to a maximum dollar amount (the "Cap"), calculated as follows: Beginning upon the commencement of commercial operations of the Cogen Facility, and continuing throughout the first year thereafter, the Cap will be $600,000. Upon the first anniversary of such commencement, and upon each subsequent anniversary thereafter, the existing Cap will be multiplied by one hundred and ten percent (110%), and to the product will be added the amount of $600,000. (For example, upon the first anniversary, the $600,000 Cap will be multiplied by 110%, and to the product ($660,000) will be added $600,000, creating a new Cap of $1,260,000; on the second anniversary, the new Cap would be $1,260,000 times 110%, plus $600,000, for a new Cap of $1,986,000). In no circumstances, however, will the Cap become greater than $10,000,000, nor will Cogenerator's total damage recoveries under this Section 6.03, over the life of the Cogen Facility, exceed $10,000,000.

delivered during start-up testing, until Commercial Operations have commenced.

4.02 Notice. Promptly after the commencement of Commercial Operations, Cogenerator will notify Customer in writing of the date of commencement of Commercial Operations.

ARTICLE V: SALE AND PURCHASE OF STEAM

5.01 Steam Sale and Purchase Obligation.

a. Base Steam. Beginning on the first day of Commercial Operations, and continuing throughout the term of this Agreement, Cogenerator may tender to Customer and Customer shall purchase and take from Cogenerator, if tendered, the Base Steam Quantity, at the Steam Delivery Point (subject to the allowable fluctuations in takes of Steam, as set forth below). Cogenerator is not obligated to tender any quantity of Base Steam to Customer on any particular day, although in each year Cogenerator will tender at least the Base Steam Quantity, calculated on an annual basis (and prorated for partial years).

b. Additional Steam. Beginning on the first day of Commercial Operations, and continuing throughout the term of this Agreement, if Customer requests Additional Steam and Cogenerator is at that time supplying the full quantity of Base Steam to Customer, and there is no Steam Take Deficiency (as defined below), then Cogenerator will sell such Additional Steam to Customer.

c. PURPA Minimum Steam Take Requirement. On or before January 2 of each year, Cogenerator will notify Customer, in writing, of its estimated current PURPA Minimum Steam Take Requirement for such year.

d. Fluctuations in Steam Takes. All rates for delivery and takes of Steam in this Agreement are annual average hourly rates, except where expressly stated otherwise. Provided that Customer takes, and uses for the Primary Steam Use or the Evaporative Steam Use, in every calendar year, the PURPA Minimum Steam Take Requirement, there will be no penalty or other consequence to Customer if Steam takes by Customer are reduced to zero for short periods of time; provided, however, that if Customer fails, for whatever reason (including without limitation the failure by Cogenerator to deliver, and events of force majeure) to take the PURPA Minimum Steam Take

Requirement, Cogenerator will calculate (subject to Customer's review) and will notify Customer of, in writing and at least monthly, a running total of that deficiency and any other such deficiencies in the same calendar year (together, the "Steam Take Deficiency"). All takes of Steam by Customer from Cogenerator, above the Base Steam Quantity, will first be credited to, and shall reduce, any outstanding Steam Take Deficiency, and only such Steam takes as remain thereafter shall be deemed as takes of Additional Steam.

5.02 Steam Estimates.

a. Customer and Cogenerator will perform quarterly reviews of the steam takes by Customer to-date, and Customer will provide Cogenerator with a quarterly forecast of its anticipated steam requirements for the remainder of the calendar year.

b. Effects of Maintenance. At least two (2) months prior to the expected date for commencement of Commercial Operations and thereafter on December 1 of each year during which this Agreement is in effect, Cogenerator shall provide Customer its best written estimate of the times when scheduled major maintenance will be performed on the Cogen Facility during the next calendar year. In addition, Cogenerator shall provide the Customer, at least ten (10) days prior to the end of the current month, its best written estimate of the times when maintenance will be performed on the Cogen Facility during the next month. Cogenerator shall be entitled to make changes to both estimates as needed upon the giving of as much advance notice to Customer as practicable.

5.03 Sales to Third Parties. If Cogenerator is in compliance with its obligations under Section 5.01, Cogenerator may make sales of steam to third persons without obtaining Customer's approval.

5.04 Steam Usage Limitations. The Steam taken from Cogenerator by Customer will be used by Customer, first, for the Primary Steam Use and, second, for the Evaporative Steam Use, or for any other purpose agreed upon by the parties and acceptable for the maintenance of qualifying cogeneration facility status under PURPA.

f. That this Agreement constitutes a legal, valid, and binding obligation against it, enforceable in accordance with its terms except to the extent that enforcement may be limited by applicable bankruptcy, insolvency, reorganization, or other similar laws affecting creditors' rights generally and by principles of equity;

g. That it has provided Customer with all records heretofore requested by Customer and, to the best of Cogenerator's knowledge, all the information therein is true and accurate in all material respects except as otherwise noted; and

h. That it has or will obtain, prior to commencement of Commercial Operations, all permits, licenses, releases, rights, and approvals necessary for it to fulfill its obligations and duties under this Agreement in all material respects.

ARTICLE III: CONSTRUCTION, OPERATION AND MAINTENANCE OF THE COGEN FACILITY

3.01 Operation and Maintenance. Cogenerator, or an entity selected by Cogenerator, shall operate and maintain the Cogen Facility in good working order for the duration of this Agreement, in such a manner that: (i) it is appropriate for and does not interfere with the interconnections with, and the proper operation and reliable performance of, the Host Plant; (ii) a proper interface is maintained between the Host Plant and the Cogen Facility at the Steam Delivery Point and the Return Water Delivery Point; and (iii) Steam can be delivered to the Customer, and Return Water can be delivered to Cogenerator, in accordance with the other terms of this Agreement.

3.02 Steam/Condensate Distribution System. Customer will own the piping, pumps and related equipment (the "Steam/Condensate Distribution System"), on the Customer's side of the Steam Delivery Point and Return Water Delivery Point, that are required for the distribution of Steam to and throughout the Host Plant and of Return Water to the Return Water Delivery Point. Shortly after execution of this Agreement, the parties hereto agree to establish specifications to their joint satisfaction for the portion of the Steam/Condensate Distribution System requiring construction or modification. The Construction Contract will provide for the construction, by the Construction Contractor, of the Steam/Condensate

Distribution System, according to the agreed specifications. After the construction of the Steam/Condensate Distribution System, Cogenerator will transfer title to the same to Customer. Customer will maintain the Steam/Condensate Distribution System on the Customer's side of the Steam Delivery Point and Return Water Delivery Point, and Cogenerator will reimburse Customer for its actual costs of performing such maintenance.

3.03 Facility Ownership. Cogenerator shall own the Cogen Facility. The parties acknowledge and agree that the Cogen Facility shall retain its character as personal property to the maximum extent permitted by applicable law, and shall remain the sole and exclusive property of Cogenerator, regardless of the manner of construction or installation thereof.

3.04 Communications. At least sixty (60) days prior to the commencement of Commercial Operations, Cogenerator and the Customer shall establish a comprehensive, mutually satisfactory system of communication to be followed by the parties during operation of the Cogen Facility. Cogenerator and Customer agree to meet and define procedures for the coordination of emergency response. Customer's obligations under this section shall be performed at Cogenerator's sole expense.

3.05 Material Malfunctions at Cogen Facility. Cogenerator shall notify Customer immediately after learning of any malfunction in the operation of the Cogen Facility, having a material adverse affect on its or Customer's ability to perform hereunder. Likewise, Customer shall notify Cogenerator immediately after learning of any malfunction in the operation of the Host Plant, including the Steam/Condensate Distribution System, having a material adverse effect on its or Cogenerator's ability to perform hereunder.

ARTICLE IV: COMMENCEMENT OF COMMERCIAL OPERATIONS

4.01 Testing. Cogenerator or Construction Contractor will notify Customer at least ten (10) days in advance of the date upon which it intends to conduct start-up testing to enable Cogenerator to establish Commercial Operations. Customer will accept Steam produced by the Cogen Facility during such testing in the amounts necessary in establishing Commercial Operations, and Customer will not owe Cogenerator for Steam

e. That the execution, delivery, and performance of this Agreement will not (i) result in a breach of, or constitute a default under, any agreement, lease, or instrument to which Customer is a party or by which it or its properties may be bound or affected, or (ii) violate any applicable law, rule, regulation, statute, ordinance, writ, order, or determination of an arbitrator or a court or other governmental authority;

f. That at the time Customer executes this Agreement, no litigation, investigation, or other legal, administrative, or arbitration proceeding is pending or, to the best of its knowledge, threatened against Customer, its partner, or any of its or their properties or revenues, existing or future, which if adversely determined could have a material adverse effect on Customer's ability to perform hereunder;

g. That this Agreement constitutes a legal, valid, and binding obligation against it, enforceable in accordance with its terms except to the extent that enforcement may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting creditors' rights generally and by principles of equity;

h. That Customer has provided Cogenerator with all records heretofore requested by Cogenerator and, to the best of Customer's knowledge, the information therein is true and accurate in all material respects except as otherwise noted;

i. That as of the Effective Date neither Customer (nor, to the best of its knowledge, Ridgewood) has entered into (and after the Effective Date, without Cogenerator's prior written consent, neither Customer nor FMCP will enter into) any contracts or agreements with third persons or entities regarding the provision, sale, purchase or production of thermal energy or steam to or for the Host Plant;

j. That as of the Effective Date Customer has all permits, licenses, releases, rights, and approvals necessary for it to fulfill its obligations and duties under this Agreement in all material respects;

k. That Customer is not aware of any actual or alleged legal, operational or other impediment to Cogenerator's exercise of the Right of Operation, nor to the utilization of Steam for the Evaporative Steam Use;

l. That the Ridgewood Letter, together with all legal rights and interests otherwise available to Customer, provides Customer with all legal authority and rights necessary for Customer to perform its obligations under this Agreement.

2.02 Cogenerator represents, warrants, and/or covenants:

a. That it is duly organized, validly existing, and in good standing under the laws of the state of Delaware, and has full power and authority to enter into this Agreement and perform its obligations hereunder;

b. That the execution, delivery, and performance of this Agreement have been duly authorized by Cogenerator and are in accordance with its organizational instruments, and that this Agreement has been duly executed and delivered by an authorized representative of Cogenerator;

c. That it will have clear indefeasible title to all Steam when delivered to Customer hereunder;

d. That the execution, delivery, and performance of this Agreement will not (i) result in a breach of, or constitute a default under, any agreement, lease, or instrument to which it is a party or by which it or its properties may be bound or affected, or (ii) violate any applicable law, rule, regulation, statute, ordinance, writ, order, or determination of an arbitrator or a court or other governmental authority;

e. That at the time Cogenerator executes this Agreement, no litigation, investigation, or other legal, administrative, or arbitration proceeding is pending or, to the best of its knowledge, threatened against it or any of its properties or revenues, existing or future, which if adversely determined could have a material adverse effect on its ability to perform hereunder;

1.29 "Power Purchase Agreements" means those three (3) certain Contracts for the Purchase of Firm Energy and Capacity From a Qualifying Facility, all dated November 30, 1988, by and between Florida Power Corporation and General Peat Resources, L.P., each of which has been assigned to Cogenerator. "Power Purchase Agreements" in addition includes any other agreements for the sale of power from the Cogen Facility unless Cogenerator notifies Customer in writing that a particular agreement for the sale of power from the Cogen Facility is not to be considered a "Power Purchase Agreement."

1.30 "Primary Steam Use" means Customer's use of Steam as a source of process heat in its fertilizer manufacturing operations at the Host Plant.

1.31 "Primary Term" shall have the meaning given to such term in Section 10.01 herein.

1.32 "PURPA Minimum Steam Take Requirement" shall mean that minimum annual quantity of steam necessary to qualify the Cogen Facility as a qualifying cogeneration facility under the Public Utility Regulatory Policies Act of 1978 ("PURPA"), which quantity is presently estimated to be an annual average of 35,000 to 60,000 lb/hr of approximately 35 psig saturated steam, taken over a full year.

1.33 "Return Water" means the sum of: (a) process condensate or demineralized makeup water that is equivalent to the mass flow rate of Steam taken by Customer from Cogenerator at the Steam Delivery Point, and is required to be returned from Customer to Cogenerator at the Return Water Delivery Point; and (b) twenty gallons per minute (20 gpm) of demineralized makeup water.

1.34 "Return Water Delivery Point" means the place of delivery of Return Water from Customer to Cogenerator, at the southern-most boundary of the Cogen Facility Site, all as more particularly described and shown on Exhibit A attached hereto.

1.35 "Site Lease Agreement" means that certain Lease Agreement between Customer, as Lessor, and Cogenerator, as Lessee, providing for (a) the lease from Customer to Cogenerator of the Cogen Facility Site, and (b) the grant of the Evaporative Pipeline Easement for the use of the Heat Exchanger Site and rights of way extending thereto and therefrom, and (c) Cogenerator's option to purchase the Second Site, and its right(s) of first refusal relating thereto.

1.36 "Steam" means steam, tendered by Cogenerator to Customer at the Steam Delivery Point, and containing at least 1174 Btu per pound, and in compliance with the quality specifications set forth on Exhibit B hereunder.

1.37 "Steam Delivery Point" means the place of delivery of Steam by Cogenerator to Customer, at the southern-most boundary of the Cogen Facility Site, all as more particularly described and shown on Exhibit A attached hereto.

1.38 "Steam/Condensate Distribution System" shall have the meaning given to such term in Section 3.02 hereof.

1.39 "Steam Payment" means the payment due to Cogenerator from Customer, for deliveries of Base Steam and, if applicable, Additional Steam hereunder; the Steam Payment is sometimes separated herein into a "Base Steam Payment" and an "Additional Steam Payment."

1.40 "Steam Take Deficiency" shall have the meaning given to such term in Section 5.01(d).

ARTICLE II: REPRESENTATIONS, WARRANTIES AND COVENANTS

2.01 Customer represents, warrants, and/or covenants:

a. That it is duly organized, validly existing, and in good standing under the laws of Florida, and that Customer has all requisite power, authority, and franchises to enter into this Agreement and perform its obligations hereunder;

b. That the execution, delivery, and performance of this Agreement have been duly authorized by Customer and are in accordance with its organizational instruments, and that this Agreement has been duly executed and delivered by an authorized representative of Customer;

c. That Customer has sufficient right, title, and interest in the Host Plant to be able to perform its obligations under this Agreement, including, without limitation, its obligations to purchase and receive Steam in accordance with the terms hereof;

d. That Customer will have clear and indefeasible title to all Return Water when redelivered to Cogenerator pursuant to this Agreement;

1.12 "Commercial Operations" shall be deemed to commence at 7:00 a.m., Fort Meade, Florida, time on the later to occur of:

(a) the day the Cogen Facility is certified by Construction Contractor and accepted by Cogenerator as being commercially operable pursuant to the Construction Contract; and

(b) the day the Cogen Facility begins generating and delivering Power and Steam,

and shall continue throughout the term of this Agreement.

1.13 "Construction Contract" means the engineering, procurement and construction agreement entered into between Cogenerator and Construction Contractor.

1.14 "Construction Contractor" means Destec Engineering, Inc., or any other entity selected by Cogenerator to construct the Cogen Facility.

1.15 "Credit Agreement" means an agreement or agreements between Cogenerator and the Lender, to be executed contemporaneously with or subsequent to this Agreement, setting forth the terms and conditions for a "Construction Loan" and/or a "Term Loan" to provide financing for the construction and permanent financing of the Cogen Facility, and shall include any substitute for such agreement should Cogenerator obtain financing from an alternative Lender.

1.16 "Customer" means U. S. Agri-Chemicals Corporation, a Florida corporation, and its successors and assigns.

1.17 The term "day" means a period of consecutive hours beginning at 12:00:00 midnight, Fort Meade, Florida time, and ending at the next immediately following 12:00:00 midnight, Fort Meade, Florida time.

1.18 "Effective Date" shall have the meaning given to such term in the preamble hereof.

1.19 "Evaporative Equipment" means the heat exchanger(s) and/or associated piping, appurtenances, foundations and equipment that Cogenerator may place upon, to and from, and between the Heat Exchanger Site, the Cogen Facility, and FMCP's pondwater pipeline system, in order for Cogenerator to utilize for itself the Evaporative Steam Use.

1.20 "Evaporative Steam Use" means Customer's (or, under certain circumstances, Cogenerator's) use of Steam to evaporate excess runoff water, which is leached out of Customer's gypsum pile and collected in a containment pond, where such evaporation is necessary from time to time to comply with FMCP's and Customer's environmental obligations, all subject to the conditions as more particularly described hereinafter.

1.21 "Event of Default" shall have the meaning given to such term in Article XV herein.

1.22 "Force Majeure" shall have the meaning given to such term in Article XVI hereof.

1.23 "Heat Exchanger Site" means the tract of land, located within the Evaporative Pipeline Easement, and located within or adjacent to the Host Plant, upon which Cogenerator would place a portion of the Evaporative Equipment, if it elected to do so under the provisions of this Agreement and of the Site Lease Agreement.

1.24 "Host Plant" means that certain facility, located near Ft. Meade, Florida and more specifically depicted on Exhibit A attached hereto, at which FMCP is engaged in the manufacture of phosphoric acid, and within or near which facility the Cogen Facility Site is located.

1.25 "Lender" means any lender(s) providing construction financing, permanent financing or other financing for the Cogen Facility, under the Credit Agreement or any other agreement, and such lender's participating lenders, and its and their successors and assigns.

1.26 "Loss" means any claim, loss, liability, cost, expense (including court costs, reasonable attorneys' fees, and other expenses of litigation), judgment, damage (including, unless specifically excluded, punitive, multiple or exemplary damages), fine, or penalty.

1.27 "Month" means the period beginning at 12:00:00 midnight, Fort Meade, Florida time, on the first day of a calendar month, and ending at 12:00:00 midnight, Fort Meade, Florida time, on the last day of such calendar month.

1.28 "Power" means electrical energy generated by the Cogen Facility.

Agreement") dated and effective as of October 16, 1992, which Letter Agreement contains certain provisions concerning the sale by Cogenerator to Customer of specified quantities of steam, which provisions are included in this Agreement; and

WHEREAS, Cogenerator is the party identified in the Letter Agreement as the "Destec Project Entity;" and

WHEREAS, in a letter agreement dated as of June 4, 1993, by and among Destec, Cogenerator, Customer, Ridgewood and FMCP (the "Ridgewood Letter"), Ridgewood has assigned, to Customer, all its obligations and right, title and interest in and to the Letter Agreement, and relating to the Cogen Facility, and has been released from all liabilities and obligations thereunder; and

WHEREAS, Customer and Cogenerator are executing, contemporaneously with the execution of this Agreement, that certain Lease Agreement relating to the Cogen Facility (as hereinafter defined), and that certain Cogeneration Facility Development Agreement, both of which contain or address certain other provisions of the Letter Agreement; and

WHEREAS, the parties hereto intend that this Agreement, together with the Lease Agreement, the Ridgewood Letter, and the Cogeneration Facility Development Agreement, will supersede and replace the Letter Agreement in its entirety.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by both parties, the parties hereby agree as follows:

ARTICLE I: Definitions

The following definitions apply to this Agreement:

1.01 "Additional Steam" means Steam requested by Customer, and tendered to Customer by Cogenerator at the Steam Delivery Point, over and above the Base Steam Quantity, subject to the following volume limitation: in no event shall the quantity of Additional Steam be such that the sum of the quantities of Base Steam and Additional Steam exceed a maximum instantaneous steam rate of 75,000 lb/hr of approximately 35 psig saturated steam.

1.02 "Additional Steam Quantity" means the quantity of Additional Steam requested by Customer and tendered by Cogenerator.

1.03 "Additional Steam Price" means the price of Additional Steam, as set forth hereinafter.

1.04 "Agreement" means this Steam Sale Agreement, including all exhibits and amendments hereto that may be made from time to time.

1.05 "Base Steam" means Steam that Customer is required to take and pay for, if tendered by Cogenerator, and use for the Primary Steam Use (and, if necessary for Customer's purchase of the entire Base Steam Quantity) for the Evaporative Steam Use.

1.06 "Base Steam Quantity" means the quantity of Base Steam that is the greater of: (a) an annual average of 40,000 lb/hr of 35 psig saturated steam; and (b) the PURPA Minimum Steam Take Requirement.

1.07 "Base Steam Price" means the price due for Base Steam tendered by Cogenerator and purchased by Customer.

1.08 "Btu" means British Thermal Unit.

1.09 "Cogen Facility" means the Cogenerator's cogeneration facility to be constructed and operated at or near the Cogen Facility Site by or for Cogenerator, including, without limitation, the heat recovery boiler, turbine(s), generator(s), the Evaporative Equipment, and all appurtenant systems, structures, and equipment, and easements and all other rights in real property (whether by fee, leasehold, permit, license or otherwise) associated with the use thereof, up to the respective points of interconnection with the facilities of Customer and Florida Power Corporation ("FPC"). The Cogen Facility will generate and deliver electric power to FPC and/or other electric utilities and/or other third persons, and also will produce Steam and deliver the same to Customer, through the process called cogeneration, using natural gas or No. 2 fuel oil as fuel.

1.10 "Cogen Facility Site" means the tract of land described and depicted on Exhibit A hereto, wherein will be located the Cogen Facility.

1.11 "Cogenerator" means Central Florida Power, L.P., a Delaware limited partnership, and its successors and assigns.

EXHIBITS

A Description of Cogen Facility Site and Host Plant Site

B Steam/Return Water Quality Specifications

C Blowdown Water Quality Specifications

STEAM SALE AGREEMENT

This **STEAM SALE AGREEMENT** ("Agreement") is effective as of the 15th day of June, 1993 (the "Effective Date"), and is entered into by and between: **CENTRAL FLORIDA POWER, L.P.**, a Delaware limited partnership with its principal place of business in Houston, Texas ("Cogenerator") and **U. S. Agri-Chemicals Corporation**, a Florida corporation with its principal place of business in Ft. Meade, Florida ("Customer").

Cogenerator and Customer are sometimes called "the parties" herein.

W I T N E S S E T H:

WHEREAS, Customer owns, through a Florida general partnership known as Fort Meade Chemical Products ("FMCP"), the partners of which are Customer and Ridgewood Chemical Corporation, a Delaware corporation with its principal offices in Stamford, Connecticut ("Ridgewood"), an interest in that certain fertilizer manufacturing facility located in Polk County, Florida and known as the Fort Meade Plant (the "Host Plant"), at which Host Plant Customer desires to obtain, use and consume thermal energy, in the form of steam, as a source of heat for certain below-described uses; and

WHEREAS, Customer owns the land underlying the Host Plant; and

WHEREAS, Cogenerator and Customer desire for Cogenerator to build, or have built for it, on certain land leased and/or purchased by Cogenerator from Customer within or near the Host Plant, a facility located upon one or more tracts, which facility will generate electrical power and such steam; and

WHEREAS, it is the desire of Cogenerator to sell to the Customer, and of the Customer to buy from Cogenerator, certain quantities of steam produced from such facility, on the terms and conditions set forth herein; and

WHEREAS, Customer, FMCP, and Destec Energy, Inc. ("Destec"), a Delaware corporation with its principal offices in Houston, Texas (being the parent company of Polk County CoGen, Inc., a Delaware corporation, which in turn is one of several shareowners of Central Florida DGE, Inc., a Delaware corporation which is the general partner of Cogenerator) have entered into that certain letter agreement (the "Letter

6-11-93 version

STEAM SALE AGREEMENT

Dated as of June 15, 1993

Between

CENTRAL FLORIDA POWER, L.P.

("Cogenerator")

and

U. S. AGRI-CHEMICALS CORPORATION

("Customer")

Legal Division

TABLE OF CONTENTS

LEASE AGREEMENT

This Lease Agreement ("Agreement") is dated and effective as of the 15th day of June, 1993 (the "Effective Date"), and is entered into by and between U. S. AGRI-CHEMICALS CORPORATION, a Florida corporation with its principal place of business in Ft. Meade, Florida ("Lessor"), and CENTRAL FLORIDA POWER, L.P., a Delaware limited partnership with its principal place of business in Houston, Texas ("Lessee"). Lessor and Lessee are sometimes called "the parties" herein.

W I T N E S S E T H:

WHEREAS, (1) Fort Meade Chemical Products, a Florida general partnership with its principal place of business in Ft. Meade, Florida, ("FMCP"), the general partners of which are Lessor and Ridgewood Chemical Corporation, a Delaware corporation with its principal place of business in Stamford, Connecticut ("Ridgewood"); and

(2) Lessor; and

(3) Destec Energy, Inc. ("Destec"), a Delaware corporation with its principal offices in Houston, Texas (being the parent company of Polk County CoGen, Inc., a Delaware corporation, which in turn is one of several shareowners of Central Florida DGE, Inc., a Delaware corporation which is the general partner of Lessee)

have entered into that certain letter agreement (the "Letter Agreement") entered into and effective as of October 16, 1992, which Letter Agreement contains, inter alia, certain provisions concerning: (a) the lease by Lessor to Lessee of certain real property owned by Lessor; and (b) the grant of an option (the "Option"), from Lessor to Lessee, to purchase the "Second Site" (as defined therein); and (c) the grant of an option to lease the "Heat Exchanger Site" (which the parties have subsequently agreed will be converted into the grant of the "Evaporative Pipeline Easement"); all of which provisions are included or addressed in this Agreement; and

WHEREAS, in a letter agreement dated as of June 4, 1993, by and among Destec, Lessee, Lessor, Ridgewood and FMCP (the "Ridgewood Letter"), Ridgewood has assigned, to Lessor, all

EXHIBITS

subsurface of said parcel (the "Leased Premises"), and Lessee hereby leases the Leased Premises from Lessor; provided, that said Leased Premises also include all rights, rights of way and easements, necessary for Lessee's construction, maintenance and operation of the Cogen Facility, across the surface and subsurface of lands owned by Lessor (or in which Lessor has rights of use), but expressly limited to those rights and rights of way set forth in Exhibit B attached hereto. The foregoing grant of lease is called "the Lease" herein.

1.02 Lessee may use the Leased Premises for the construction, operation, maintenance, alteration and removal of the Cogen Facility, for the storage of equipment, fuels, materials, records and inventory relating thereto, for a control room and office facility for its personnel and visitors, for all necessary purposes relating to the foregoing, and for any other lawful purpose relating to the Cogen Facility, including without limitation the drilling and operation of water wells upon the Leased Premises.

1.03 As soon as practicable after the execution of this Agreement, Lessor and Lessee agree to execute and record in the land records of Polk County, Florida, the Memorandum of Lease, of Option, and of Grant of Easement, substantially in the form attached hereto as Exhibit D.

ARTICLE II: TERM AND TERMINATION

2.01 Unless sooner terminated as provided herein, the term of this Agreement (the "Primary Term") shall extend from the Effective Date through December 31, 2025.

2.02 Notwithstanding the foregoing, Lessee, with the consent of Lessor, which consent will be subject to mutually agreeable terms at such time, may extend the term of this Agreement and the applicability of each of the provisions hereof, up to five (5) times, for extension periods ("Renewal Terms") of five (5) years each. Lessee will give written notice to Lessor of Lessee's request for each such extension, at least one hundred and eighty (180) days prior to the end of the then-current term of the Lease, and Lessor will respond to Lessee's request no later than one hundred and fifty (150) days prior to the end of the then-current term of the Lease. The Primary Term and any Renewal Terms are together called "the Term" herein.

2.03 Lessee, in its sole discretion, may terminate this Agreement at any time prior to January 1, 1996, upon providing

its obligations and its right, title and interest in and to the Letter Agreement, and relating to the Cogen Facility, and has been released from all obligations and liabilities thereunder; and

WHEREAS, Lessor and Lessee are executing, contemporaneously with the execution of this Agreement, that certain Steam Sale Agreement relating to the Cogen Facility, and that certain Cogeneration Facility Development Agreement, both of which contain or address certain other provisions of the Letter Agreement; and

WHEREAS, the parties hereto intend that this Agreement, together with the Ridgewood Letter, the Steam Sale Agreement and the Cogeneration Facility Development Agreement, will supersede and replace the Letter Agreement in its entirety; and

WHEREAS, Lessee desires to construct a cogeneration facility (the "Cogen Facility") for the cogeneration of electrical power and steam, upon certain lands owned by Lessor in Polk County, Florida, adjacent to which lands FMCP maintains fertilizer manufacturing facilities (the "Host Plant"); and

WHEREAS, Lessor desires to enter into this Agreement, specifying the terms and conditions upon which Lessee may (a) have and utilize the Leased Premises and the Evaporative Pipeline Easement, and (b) have and exercise the Option; and

WHEREAS, Lessor and Lessee desire to set forth certain other rights and obligations with regard to the Cogen Facility.

NOW, THEREFORE, in consideration of the parties' respective covenants and obligations set forth hereinafter, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties, Lessor and Lessee hereby agree as follows:

ARTICLE I: GRANT OF LEASE

1.01 Subject to all the terms and conditions set forth hereinafter, Lessor, being the owner of fee title in and to that certain parcel of land, measuring approximately 6.23 acres, situated in the County of Polk, State of Florida, being more particularly described in Exhibit A attached hereto and made a part hereof, hereby leases to Lessee the surface and

Lessee's share of such actual real property taxes. The Initial Rental will continue to be due throughout the Term.

3.02 Beginning with the first of the month following the month in which occurs the commencement of commercial operations of the Cogen Facility, additional rental with respect to the Lease (the "Additional Rental") will be due and payable by Lessee to Lessor on the first of each month, throughout the balance of the Term. The amount of each monthly payment of Additional Rental will be $43,800; provided, however, that the Additional Rental will be adjusted annually, as follows: The Additional Rental is based upon 180 Megawatts of annually averaged instantaneous electrical output (the "Average Output") from the Cogen Facility. If the Average Output for a year is greater than 180 MW, the sum of such year's payments of Additional Rentals (such sum being $525,600) will be increased by multiplying $525,600 by a fraction, the numerator of which is the Average Output (in MW) for such year, and the denominator of which is 180 MW; and provided, further, that in the event the Average Output is less than 180 MW, the $525,600 amount will not be reduced. The foregoing adjustment to the Additional Rental will be accomplished by a "true-up" which will be performed as soon after the end of a year as is practicable.

3.03 Notwithstanding the foregoing, however, in the event of a Steam Take Deficiency (as that term is defined in the Steam Sale Agreement), the Additional Rental for each year of the entire remainder of the Term (prorated for partial years) will be reduced to one dollar ($1.00) per year (and Lessee will continue to owe the Initial Rental).

ARTICLE IV: LOCATION AND CONSTRUCTION OF THE COGEN FACILITY

4.01 The Cogen Facility shall be located on the Leased Premises and the Evaporative Equipment (as defined in the Steam Sale Agreement) shall be located within the Evaporative Pipeline Easement (if applicable), and, if applicable, effluent facilities that are a part of the Cogen Facility shall be located upon the Second Site. Lessee will determine and notify Lessor of the exact location and configuration of the Cogen Facility and the various components thereof.

4.02 Upon the execution of this Agreement, Lessee, its Construction Contractor (as hereinafter defined), Lessee's actual and prospective lenders, and their contractors, agents, representatives, and employees shall have the right to enter

at least ninety (90) days' prior written notice of such termination to Lessor. Upon such termination, Lessee shall not have any obligation to Lessor, except for (a) Lessee's site restoration obligations set forth herein, insofar as the same are applicable; and (b) Lessee's obligations under the Steam Sale Agreement and the Cogeneration Facility Development Agreement, insofar as the same are applicable.

a. Within eighteen (18) months after the termination of this Agreement, Lessee will dismantle and remove the Cogen Facility, and will clean up and remove all trash (if any) on the Leased Premises, and the Evaporative Pipeline Easement (as defined in Section 22.01), (such two parcels being together called "the Property" herein), which trash is attributable to Lessee's physical operations on the Property, to the satisfaction of Lessor and all state or federal authorities with jurisdiction; provided, however, that, upon the prior written approval of Lessee, in Lessee's sole discretion, Lessor may waive Lessee's obligation to dismantle and remove.

2.04 Upon the termination of this Lease, Lessee shall peaceably and quietly surrender possession of the Property to Lessor, subject to Lessee's right to remove any or all of the Cogen Facility at its own expense. If Lessee has not removed any portion of the Cogen Facility (and has not been obstructed from performing such removal) within eighteen (18) months after the termination of this Lease, Lessee will be deemed to have relinquished any interest in and to the remaining portions of the Cogen Facility upon the Property, and Lessor, at its option, may remove, sell or use such remaining portions of the Cogen Facility.

ARTICLE III. RENTAL PAYMENTS

3.01 The initial rental due with respect to the Lease of the Leased Premises (the "Initial Rental") will be due and payable, annually, by Lessee to Lessor on or before the fifteenth of November of each year. The amount of the Initial Rental for each year will be the previous year's real property taxes lawfully due with respect only to the Leased Premises (prorated for partial months, and commencing upon the Effective Date); provided, however, that if different information is obtained concerning the actual real property taxes for any year(s) on and after the Effective Date, the parties will adjust the amounts paid hereunder to reflect

Construction Contractor's opinion are necessary to the proper engineering, design, and construction of the Cogen Facility. Lessee, until the expiration of this Agreement, shall have the right to build and make such changes, additions, deletions, and improvements to the Cogen Facility or the engineering and design of the Cogen Facility as are reasonably necessary in Lessee's opinion for the proper operation, maintenance, repair, or construction thereof. In addition, Lessee agrees, during its construction of the Cogen Facility, to relocate, at Lessee's sole expense, the existing "FSA Transfer Line" to a location and in a manner acceptable to Lessor, to Lessee, and to Aluminum Company of America.

4.04 Lessee shall obtain and maintain, at its own expense, all permits, licenses, easements, rights-of-way, releases, and other approvals (collectively, the "Required Construction Permits") required or desired by Lessee to construct the Cogen Facility. Lessor shall provide full cooperation to Lessee, to assist in the procurement of the Required Construction Permits, at Lessee's expense.

4.05 The parties hereto, through their respective Authorized Representatives (as hereinafter defined) or such other persons designated in writing, shall establish a mutually agreeable system of communications to remain in effect during construction of the Facility.

4.06 Lessee shall own the entirety of the Cogen Facility, subject to any secured claims of lenders and/or suppliers as Lessee may grant in its sole discretion. The parties acknowledge and agree that the Cogen Facility shall retain its character as personal property to the maximum extent permitted by applicable law and (except for the application of the termination and relinquishment provisions set forth above) shall remain the sole and exclusive property of Lessee, regardless of the manner of construction or installation thereof. Lessee shall be free to add to, remove and/or alter any portion of the Cogen Facilities, during the Term.

4.07 Lessor shall not unreasonably interfere with or impair the use of easements and other rights, appurtenant to the Leased Premises, granted by Lessor to Lessee, during construction and throughout the term of this Agreement.

Lessor's Host Plant, as reasonably necessary to conduct all activities reasonably contemplated by this Agreement, including, without limitation, laydown of construction equipment and other items to be used in the construction of the Facility within the "Construction Laydown Area" described in Exhibit B hereto. While conducting such activities within Lessor's Host Plant, Lessee shall observe all of the Lessor's standard safety rules and procedures that have been communicated in writing to Lessee. Upon receipt of a written request therefor from Lessee, and to the extent possible, Lessor, for the consideration of $10.00, shall execute such documents and enter into such agreements with Lessee as are necessary to grant such licenses, easements, rights, rights of way, and/or rights of ingress or egress, as may be required to provide for supplemental or alternative means or methods of interconnection with the Lessor, any electric utility purchasing electricity from the Cogen Facility or any other purchaser of steam or electricity, or any supplier of fuel, water or other utility, but only to the extent Lessee reasonably requires the same to build, own, operate, finance, or maintain the Cogen Facility, and only to the extent the same are expressly specified in Exhibit B attached hereto. The location of any such easement, right of way, and right of ingress and egress, and the terms of any license or right granted pursuant to this Section shall be determined, in good faith, by mutual agreement of Lessee and Lessor, giving due regard to the present and future use and value of Lessor's real property as it is affected by such easement, right of way, right of ingress or egress, license, or right.

4.03 Lessee shall have the Cogen Facility engineered, designed, and constructed for it by Destec Engineering, Inc., or any other entity selected by Lessee to construct the Cogen Facility (the "Construction Contractor") pursuant to an Engineering, Procurement and Construction Contract (the "EPC Contract") entered into by and between Lessee and the Construction Contractor. Lessor agrees generally to cooperate with Lessee and Construction Contractor in all aspects of the engineering, design, and construction process, at Lessee's expense. Lessee shall make the final connections at the points of interconnection between the Cogen Facility and the Host Plant. Upon request, Lessor shall provide Lessee and/or Construction Contractor, at Lessee's expense, such now- or future-existing surveys, design drawings, and engineering specifications with respect to the Leased Premises and the Host Plant, including, without limitation, above and below surface level improvements, electrical and piping systems, water, sanitary, and storm sewers, and other structural, mechanical, and electrical systems, that in Lessee's or

Lessor and Lessee will coordinate the use of the railroad tracks so as to minimize, to the extent practicable, any detrimental effect upon Lessee of the foregoing provision.

5.07 Noise. Both parties acknowledge the contents of the Tiger Bay Cogeneration Facility Noise Survey, dated August, 1992, and prepared by KBN Engineering and Applied Sciences, Inc. (the "Noise Survey"). Lessee agrees that, on and after the date on which the Cogen Facility commences commercial operations, the sound emitted from the Cogen Facility, when measured within FMCP's office building, with the windows and doors closed, together with such other background noise (the "Pre-existing Noise") existing as of the date of the Noise Survey, will not exceed 55 dBA Leq (24) (as those terms are defined in the Noise Survey) (the "Noise Level Limitation"). In the event Lessor's sound detection instruments indicate that the Noise Level Limitation is exceeded, Lessee, upon receipt of written notice from Lessor, shall immediately (provided that "immediately" shall mean no longer than seventy-two (72) hours), commence diligent efforts, at its expense, to lower the sound emissions from the Cogen Facility such that the Noise Level Limitation is not exceeded. By using sound detection instruments calibrated and operated at the direction and expense of Lessee (which calibration and testing may be observed by Lessor), Lessee may confirm that the Noise Level Limitation is exceeded, and upon such confirmation (or upon Lessee's waiver of a confirmation), the sound emissions shall be deemed a "Noise Default;" provided, however, that such confirmation shall not delay Lessee's commencement of diligent efforts to cure, although if Lessee and Lessor confirm that the Noise Level Limitation is not exceeded, Lessee may cease its efforts to cure. As long as Lessee is working diligently to effect the cure, Lessee will not be in breach of this Agreement. If Lessee cannot effect a cure after ten (10) working days, Lessee will provide, at Lessee's sole expense, temporary office space for the workers customarily located within Lessor's existing office near the Host Plant; the temporary office space would be located in the vicinity of Lessor's existing office and would be kept available by Lessee until the Noise Default is cured. In no event, however, will a Noise Default be deemed to exist if the Noise Level Limitation is exceeded on account of an increase in sound emissions from sources of the Pre-existing Noise, or from any other sources other than the Cogen Facility.

a. Notwithstanding the foregoing, in the event Lessor's sound detection instruments indicate, at any time on and after the date on which the Cogen Facility commences commercial operations, that the sound emitted from the

ARTICLE V: OPERATION AND MAINTENANCE OF THE COGEN FACILITY

5.01 A person or entity selected by Lessee shall operate and maintain the Cogen Facility in good working order for the duration of this Agreement.

5.02 Lessee shall obtain and maintain, at its own expense, all permits, licenses, easements, rights of way, releases, and other approvals (collectively, the "Required Operations Permits") required by Lessee to operate and maintain the Facility. The Lessor shall provide full cooperation to Lessee to assist in the procurement and maintenance of the Required Operations Permits, all at Lessee's sole expense.

5.03 At least thirty (30) days prior to the commencement of commercial operations, Lessee and the Lessor shall establish a comprehensive, mutually satisfactory system of communication to be followed by the parties during operation of the Cogen Facility. Lessee and Lessor agree to meet and define procedures for the coordination of emergency response.

5.04 Lessor acknowledges its obligations under various easement agreements entered into with Lessee to ensure that the Cogen Facility remains accessible to Lessee at all times.

5.05 Lessee shall notify Lessor immediately after learning of any malfunction in the operation of the Cogen Facility, if the malfunction has a material adverse affect on either party's ability to perform hereunder. Likewise, Lessor shall notify Lessee immediately after learning of any malfunction in the operation of the Host Plant, including Lessor's facilities interconnected with the Cogen Facility, having a material adverse effect on its or Lessee's ability to perform hereunder.

5.06 Access. Lessor will provide to Lessee rights of ingress and egress to and from the Leased Premises (and the Evaporative Pipeline Easement, after notification by Lessee to Lessor of Lessee's intention to utilize the Evaporative Pipeline Easement), and to and from the Second Site (if applicable), including without limitation a right of access between the northern boundary of the Leased Premises and Highway 630, and between the eastern border of the Leased Premises and the adjacent railroad tracks. Lessee may utilize such railroad tracks for the loading and unloading by rail of equipment, machinery and materials pertaining to the construction, operation, maintenance and demolition of the Cogen Facility; provided, however, that Lessee may not interfere with Lessor's or FMCP's use of such railroad tracks.

(b) Due Authorization and Execution:

That the execution, delivery, and performance of this Agreement have been duly authorized by Lessor and are in accordance with its organizational instruments, and that this Agreement has been duly executed and delivered by authorized representatives of Lessor;

(c) Sufficient Rights:

That it has sufficient right, title, and interest in the Property to be able to perform its obligations under this Agreement;

(d) Warranty of Title:

That it will have and maintain good and marketable title to the Leased Premises, the Second Site (until such time, if any, as Lessee exercises the Option), and the Evaporative Pipeline Easement, free and clear of all liens, claims and encumbrances, except those specifically listed on Exhibit C attached hereto and made a part hereof (which Exhibit may be amended prior to Lessee's closing of construction financing), and that Lessor is legally entitled to enter into this Agreement and Lessor's obligations expressed herein, and to permit Lessee's use of the Property for the purposes herein stated;

(e) No Default:

That the execution, delivery, and performance of this Agreement will not (i) result in a breach of, or constitute a default under, any agreement, lease, or instrument to which it is a party or by which it or its properties may be bound or affected, or (ii) violate any applicable law, rule, regulation, statute, ordinance, writ, order, or determination of an arbitrator or a court or other governmental authority;

(f) No Litigation or Violations:

That, as of the date of execution hereof, no litigation, investigation, or other legal, administrative, or arbitration proceeding is pending or, to the best of its knowledge, threatened against it or the Host Plant, existing or future, nor are there any violations of laws, rules, zoning or other regulations, codes or governmental requirements relating to the Property, which if adversely

Cogen Facility, when measured within FMCP's office building, with the windows and doors closed, together with such Pre-existing Noise existing as of the date of the Noise Survey, is in excess of 85 dBA over a consecutive eight-hour period (the "Upper Noise Level"), Lessee, upon receipt of written notice from Lessor, shall, immediately after Lessee's receipt of written notice from Lessor, commence best efforts, at its expense, to lower the sound emissions from the Cogen Facility such that the Upper Noise Level is not exceeded. By using sound detection instruments calibrated and operated at the direction and expense of Lessee (which calibration and testing may be observed by Lessor), Lessee may confirm that the Upper Noise Level is exceeded, and upon such confirmation (or upon Lessee's waiver of a confirmation), the sound emissions shall be deemed a Noise Default; provided, however, that such confirmation shall not delay Lessee's commencement of best efforts to cure, although if Lessee and Lessor confirm that the Upper Noise Level is not exceeded, Lessee may cease its efforts to cure under this subsection (a). As long as Lessee is working with best efforts to effect a cure of an excess of the Upper Noise Level, Lessee will not be in breach of this Agreement. If, however, Lessee does not reduce the sound emissions from the Cogen Facility to a level below the Upper Noise Level, within eight (8) hours after receipt of the foregoing written notice, Lessee will cease operation of the Cogen Facility until it can demonstrate compliance with the Upper Noise Level. In no event, however, will a Noise Default be deemed to exist if the Noise Level Limitation is exceeded on account of an increase in sound emissions from sources of the Pre-existing Noise, or from any other sources other than the Cogen Facility.

ARTICLE VI: REPRESENTATIONS, WARRANTIES AND COVENANTS

6.01 Lessor represents, warrants, and/or covenants:

(a) Duly Organized; Good Standing; Requisite Power:

That it is duly organized, validly existing, and in good standing under the laws of the state of Florida, and has all requisite power, authority, and franchises, corporate or otherwise, to enter into this Agreement and perform its obligations hereunder;

receipt and review of which is hereby acknowledged by Lessor), neither Lessor nor its contractors or invitees have stored, spilled, dumped or maintained, either in, on or under the Property or the Second Site any hazardous waste, toxic substance or hazardous or toxic materials or supplies. Lessor represents that Lessor has provided to Lessee a copy of the "U.S. Agri-Chemicals Corporation (USAC) Environmental Conditions Report for Calendar 1992," which report was prepared by Imperial Testing Laboratories, and that, to the best of Lessor's knowledge, such report is accurate;

(m) Ridgewood Letter:

That the Ridgewood Letter, together with all legal rights and interests otherwise available to Lessor, provides Lessor with all necessary legal authority and right to perform its obligations under this Agreement.

6.02 Lessee represents, warrants, and/or covenants:

(a) Duly Organized; Good Standing; Requisite Power:

That it is duly organized, validly existing, and in good standing under the laws of the state of Delaware, and has full power and authority to enter into this Agreement and perform its obligations hereunder;

(b) Due Authorization and Execution:

That the execution, delivery, and performance of this Agreement have been duly authorized by Lessee and are in accordance with its organizational instruments, and that this Agreement has been duly executed and delivered by an authorized representative of Lessee;

(c) No Default:

That the execution, delivery, and performance of this Agreement will not (i) result in a breach of, or constitute a default under, any agreement, lease, or instrument to which it is a party or by which it or its properties may be bound or affected, or (ii) violate any applicable law, rule, regulation, statute, ordinance, writ, order, or determination of an arbitrator or a court or other governmental authority;

determined or enforced could have a material adverse effect on Lessor's ability to perform hereunder;

(g) Binding Agreement:

That this Agreement constitutes a legal, valid, and binding obligation against it, enforceable in accordance with its terms except to the extent that enforcement may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting creditors' rights generally and by principles of equity;

(h) Records:

That it has provided Lessee with all records heretofore requested by Lessee and the information therein is true and accurate in all material respects except as otherwise noted;

(i) Quiet Enjoyment:

That, for so long as Lessee is not in default under this Lease, Lessor shall warrant and agree that for the entire Term, Lessee shall quietly and peaceably possess and enjoy the Leased Premises, the Evaporative Pipeline Easement, and (if applicable) the Second Site;

(j) Permits:

That, as of the date of execution hereof, it has all permits, licenses, releases, rights, and approvals necessary for it to fulfill its obligations and duties under this Agreement;

(k) Encroachments:

That to the best of its knowledge there are no underground pipelines, structures, wells, pits, foundations, fills or other structures on the Property or the Second Site that could interfere with Lessee's use of the Property;

(l) Environmental Compliance:

That to the best of its knowledge, and except as reported otherwise in that certain Tiger Bay Cogeneration Facility Modified Phase I/II Environmental Assessment dated January 1993, and prepared for Destec Engineering, Inc. by KBN Engineering and Applied Sciences, Inc. (the

any warranty, representation or covenant made by it under this Agreement.

6.04 The parties expressly agree that the provisions of Article XIII ("Default; Remedies") apply in addition to the indemnifications provided in this Article VI.

ARTICLE VII. ESTOPPEL CERTIFICATE

7.01 At Lessee's request, Lessor will, at Lessee's expense, within twenty (20) days thereafter, execute either an estoppel certificate addressed to Lessee's mortgagee or assignee, or an agreement between Lessor and Lessee and said mortgagee, stating (a) whether the Lease is in full force and effect; (b) whether the Lease has been amended and, if so, certifying as to copies of such amendments, if any; (c) whether there are any existing uncured defaults or events which, with notice or the passage of time, or both, would constitute defaults under this Agreement and specifying the nature of such defaults or events, if any; and (d) that any notice, grace period and opportunity to cure required hereunder to be given to Lessee shall be given also to such mortgagee or assignee, as the case may be.

ARTICLE VIII. INSURANCE

8.01 Lessee and Lessor will provide, or require to be provided, such casualty, public liability and other insurance, with respect to the facilities, properties, operations and activities of each of them, as shall be customary for projects of similar character.

ARTICLE IX. CONDEMNATION

9.01 Termination of Lease. If any portion of the Property is taken or acquired in condemnation proceedings, this Agreement shall terminate as to that portion taken or acquired. Thereafter, the total rental otherwise payable hereunder shall be reduced by the same percentage as the percentage by which the total area of the Property before such taking has been reduced as a result of such taking.

a. Nothing herein contained shall be deemed a waiver of any right of Lessee to recover any award for damages to or a taking of the Cogen Facility and/or the Property, and Lessor shall not be entitled to any portion of any condemnation award (or other compensation in lieu thereof) made to Lessee for

(d) No Litigation:

That, as of the date of execution hereof, no litigation, investigation, or other legal, administrative, or arbitration proceeding is pending or, to the best of its knowledge, threatened against it or any of its properties or revenues, existing or future, which if adversely determined could have a material adverse effect on its ability to perform hereunder;

(e) Binding Agreement:

That this Agreement constitutes a legal, valid, and binding obligation against it, enforceable in accordance with its terms except to the extent that enforcement may be limited by applicable bankruptcy, insolvency, reorganization, or other similar laws affecting creditors' rights generally and by principles of equity; and

(f) Records:

That it has provided the Lessor with all records heretofore requested by the Lessor and all the information therein is true and accurate in all material respects except as otherwise noted;

(g) Environmental Compliance:

That neither Lessee, nor its contractors or invitees, will spill or dump, either in, on or under the Property, any hazardous waster, toxic substance or hazardous or toxic materials or supplies; and

(h) Support of Permit Applications for New Gypstack:

That Lessee will not oppose Lessor's applications for permits relating to the construction of the New Gypstack (as defined in Section 24.18), and that Lessee will exert such reasonable efforts to support Lessor's applications for such permits as Lessee deems appropriate.

6.03 Each party hereto (the "Indemnitor") hereby indemnifies, defends and holds harmless the other party hereto, and its agents, partners, employees, officers, directors and representatives, from and against any and all liabilities, damages, obligations, losses and expenses (including without limitation reasonable attorney fees and court costs) arising in connection with any material breach by the Indemnitor of

invoice shall be accompanied by sufficient information to enable Lessee to determine the accuracy of the amounts claimed. Adjustments for discrepancies in billing will be reimbursed to the Lessor (or credited to Lessee, as the case may be) within thirty (30) days' notice of the discrepancy, but in no event will an adjustment be made for discrepancies more than twenty-four (24) months old.

12.02 Method of Payment. With the exception of lease payments made under Sections 3.01 and 3.02, Lessee shall pay to Lessor the amount set forth on each invoice (except for any amounts disputed by Lessee in good faith), within twenty (20) days following the date of Lessee's receipt of such invoice, or by the twenty-fifth of the month, whichever is later. All payments required hereunder from the Lessee to Lessor shall be made to such bank account as may be designated from time to time by Lessor, or by such other manner as is mutually acceptable to the parties hereto.

12.03 Late Payments. In the event that any payment under this Agreement is not paid when due, then interest on all such amounts properly invoiced and not paid when due shall accrue from the due date until the date payment is received at the rate per annum equal to the lesser of: (a) the prime rate published in the first issue of The Wall Street Journal published in the month in which payment is due, plus two percent (2%); and (b) the applicable maximum lawful rate. Notwithstanding the foregoing, Lessee shall have the right to withhold payment of that part of any invoice as to which there is a good faith question or dispute as to the propriety of any charges invoiced, or sufficient information was not received to enable Lessee to determine the accuracy of all or part of the invoice. That portion of any disputed payment that is found to be due shall bear interest at the rate specified in this paragraph, calculated from the date such amount was originally due. Payment of any invoice shall not prejudice the right of either party to question the propriety of any charges thereon.

12.04 Independant Audits. Either party shall have the right, at its own expense, from time to time, to have a nationally recognized accounting firm of its choice examine and audit the other party's records for the sole purpose of verifying the calculations (if any) of the payments due under this Agreement. Such records shall be retained by both parties for a minimum period of two (2) calendar years.

loss or depreciation to or cost of removal of any of the Cogen Facility or for loss of Lessee's interest in any of the Property. Lessor shall be entitled to any condemnation award (or other compensation in lieu thereof) attributable to the Property other than is expressly set forth above in this paragraph.

ARTICLE X. MORTGAGE OF LEASEHOLD

10.01 Lessee shall have the right, without obtaining the consent of Lessor, to mortgage all or a part of Lessee's interest under this Agreement, as well as any real or personal property covered hereby, as security to any lender. In such event, Lessor will execute and return to such lender, at no expense to Lessor, all necessary instruments required by such lender within (10) days of Lessor's receipt thereof, provided that: (a) any interest granted to such lender shall not extend beyond the date of expiration of the Term; (b) no interest granted to such a lender shall constitute a lien on Lessor's fee simple title to the Property; and (c) no interest granted to such a lender shall subordinate or otherwise affect Lessor's right to convey, mortgage, encumber or otherwise hypothecate Lessor's fee simple title to the Property, subject to Lessee's rights in the same. Lessee shall provide written notice to Lessor of any mortgage of all or part of Lessee's leasehold estate.

ARTICLE XI. NO CONSEQUENTIAL DAMAGES

11.01 Neither party hereto, nor their respective affiliates, parents, partners, subsidiaries, directors, officers, employees, agents, successors, assigns, insurers, and lenders, shall be liable to the other for any indirect, special, or consequential damages of any nature whatsoever arising out of or relating to performance of, or failure to perform, the obligations, covenants, representations, and warranties set forth in this Agreement.

ARTICLE XII. BILLING AND REMITTANCE

12.01 Billing. With the exception of lease payments made under Sections 3.01 and 3.02, Lessor shall invoice Lessee on or before the tenth (10th) day of each month for all amounts payable by the Lessee in accordance with this Agreement through and as of the last day of the preceding month. Each

(i) at least fourteen (14) days after receipt of such notice to cure the Default if the Default is a failure to pay an amount due and not disputed in good faith; or

(ii) sixty (60) days after receipt of such notice to cure the Default if the Default does not relate to the failure to pay an amount due hereunder, unless the Default cannot be cured in a such sixty (60) day period through the exercise of reasonable diligence, in which case the defaulting party shall have a reasonable additional period of time in which to cure such Default, provided that the defaulting party commences within such sixty (60) day period immediate and substantial good faith efforts to effect such cure and at all times thereafter proceeds diligently to complete such cure.

13.03 Cure by Lender. Any Default by Lessee may be cured by a Lender, as provided in Article XIV. Lessor shall accept any conforming cure of a Default tendered by any Lender on behalf of Lessee. Lessee shall provide Lessor with the name and address of the lead Lender to which all correspondence and notices to be provided to Lenders in connection with this Agreement shall be directed.

13.04 Termination for Default. Except where more specific or limited rights are provided elsewhere in this Agreement, which limited rights provisions shall supersede the terms of this Section, and, subject to the rights of the Lender as set forth in Article XIV, if, after the giving of notice and the expiration of any applicable cure period, a Default remains uncured, the non-defaulting party, by notice in writing to the defaulting party (and, if the defaulting party is Lessee, to Lessee's Lender) may, in addition to any other rights and remedies available under this Agreement, in law or in equity, terminate this Agreement. Notwithstanding any other provision of this Agreement, however, if the defaulting party is Lessee, Lessor's right to terminate is subject in all respects to the following rights, if any, of Lessee's Lender under the loan agreement, the Deed of Trust (as defined in Section 14.01) and related financing documents and mortgages:

1. The right to cure a default by Lessee, as set forth herein;

2. The right of assignment to a Lender, as set forth herein;

3. The right of a Lender to take over the operation of the Cogen Facility, under the provisions of the

ARTICLE XIII. DEFAULT; REMEDIES

13.01 Each of the following, if not remedied as set forth below, shall constitute an event of default ("Default") hereunder:

(a) Continued Non-payment. Either party hereto shall fail to make any payment due hereunder (except amounts disputed in good faith) for a period of twenty (20) days or more;

(b) Material Breach. Either party hereto shall fail in any material respect to comply with or perform any obligation under this Agreement, and such failure materially and adversely affects the ability of the other party hereto to perform this Agreement, or deprives such party of a substantial economic benefit hereunder;

(c) Material Misrepresentation. Any representation or warranty made by either party to this Agreement shall prove to be materially false and misleading, and the other party's reliance upon such representation or warranty causes it to be materially harmed;

(d) Bankruptcy. An involuntary case under a chapter of the Bankruptcy Reform Act of 1978, as amended or succeeded, shall be commenced, or any other proceeding shall be instituted by either party hereto without the consent of the other party, which proceeding seeks reorganization, dissolution, winding-up, liquidation, the appointment of a trustee, receiver, liquidator, custodian or the like of all or any substantial part of such party's assets, or other like relief, and such party shall fail to contest such proceeding in good faith or such proceeding shall continue unstayed for any period of thirty (30) consecutive days.

13.02 Except to the extent more specific or limited rights are specifically provided elsewhere in this Agreement, which specific or limited rights provisions shall supersede the terms of this Section, and subject to the rights of the Lender as set forth in Article XIV, if a Default occurs or is claimed to have occurred then the non-defaulting party shall give the defaulting party (and, if the defaulting party is Lessee, Lessee's lead Lender (as the term "Lender" is defined below, in Section 14.01)) written notice describing the Default and:

(i) Cure such Default if the same can be cured by the payment or expenditure of money provided to be paid under the terms of this Agreement, specifically including, but not limited to, the payment of rental, or if such Default is not so curable, commence, and thereafter pursue to completion, the steps and proceedings for foreclosure by sale, or by exercise of power of sale pursuant to and under the Deed of Trust, of the leasehold estate hereunder; and

(ii) Provide written notice to Lessor of the Lender's intention to keep and perform all of the other covenants and conditions of Lessee under this Agreement or cause such covenants and conditions to be performed until such time as the leasehold estate hereunder shall be sold upon foreclosure, or by the exercise of a power of sale, or shall be released or reconveyed under the Deed of Trust; provided, however, that if Lender shall fail or refuse to comply with the conditions of this Section, then and thereupon Lessor shall be released from the covenants of forbearance herein contained with respect to such breach or default.

14.02 As to the Deed of Trust, Lessor consents (and Lessee agrees to Lessor's consent) to a provision therein, at the option of Lender:

(i) for an assignment of Lessee's share of the net proceeds from any award or other compensation resulting from a total or partial (other than temporary) taking of the Property by condemnation;

(ii) for the entry of Lender upon the Property at reasonable times, without notice to Lessor or Lessee, to view the state of the Property and the Cogen Facility;

(iii) that a default by Lessee under this Lease shall constitute a default under the Deed of Trust;

(iv) for an assignment of Lessee's right, if any, to terminate, cancel, modify, change, supplement, alter or amend this Agreement;

(v) effective upon any default under the Deed of Trust: (1) for the foreclosure of the Deed of Trust pursuant to a power of sale, by judicial proceedings or other lawful means and the subsequent sale of the leasehold estate to the purchaser at the foreclosure sale and a sale by such

loan agreement, the Deed of Trust and related financing documents and mortgages; and

4. The Lender's right to foreclose and otherwise exercise its security interest in connection with the Cogen Facility.

13.05 If Lessee should default in the payment of any tax hereunder, or should fail to make any other payment or perform any other covenant or obligation hereunder, Lessor may, but shall not be so obligated, after notice to Lessee and any mortgagee of Lessee's leasehold interest (which notice shall be given at least thirty (30) days prior to such action of Lessor), and without waiving or releasing Lessee from the effects of such default, pay or cause to be paid any such tax and make any other payment or perform any other act which Lessee is obligated to perform hereunder in such a manner and to such extent as in Lessor's sole judgment shall seem fit and proper. All sums so paid by Lessor shall be deemed additional rental hereunder and shall be payable by Lessee and become due upon demand. If not paid within thirty (30) days after demand, such sums shall bear interest until paid at a rate equal to the lesser of (a) twelve percent (12%) per annum, or (b) the maximum rate permitted by law.

13.06 If, at any time, Lessor defaults in the performance of any of Lessor's covenants and obligations hereunder and such default continues for thirty (30) days after the date of notice of such default, Lessee shall have the right, in addition to any other remedy, to cure such default and charge the full cost and expense thereof to Lessor. If Lessee elects to cure any such default, Lessee may proceed to collect all costs and expense thereof by deduction from rentals otherwise payable hereunder or in any other manner.

ARTICLE XIV. RIGHTS OF LENDER

14.01 Lessor agrees that it will not terminate this Agreement because of any Default hereunder on the part of Lessee if the mortgagee or the trustee under a deed of trust or other security instrument(s) (the "Deed of Trust") encumbering Lessee's interest under the Lease (such person being called the "Lender"), within ninety (90) days after service of written notice on Lender by Lessor of Lessor's intention to terminate this Lease for such breach or default, shall:

14.05 The prior written consent of Lessor shall not be required:

(i) To a transfer of the Lease at foreclosure sale under the Deed of Trust, under judicial foreclosure or by an assignment in lieu of foreclosure; or

(ii) To any subsequent transfer of the Lease by Lender if Lender is the purchaser at such foreclosure sale; provided that in any such event Lender forthwith gives notice to Lessor in writing of any such transfer, setting forth the name and address of the transferee, the effective date of such transfer, together with a copy of the document by which such transfer was made. Any such transferee shall be liable to perform the obligations of Lessee under the Lease only so long as such transferee holds title to the leasehold. Any subsequent transfer of the leasehold shall be subject to the conditions relating to assignment as set forth in this Agreement.

14.06 Upon and immediately after the recording of the Deed of Trust, Lessee, at Lessee's expense, shall cause to be recorded in the land records of Polk County, Florida, a written request duly executed and acknowledged by Lessor for a copy of any notices of default and of any notice of sale under the Deed of Trust as provided by the statutes of the State of Florida relating thereto.

14.07 In the event that the title to Lessor's estate and Lessee's estate shall be acquired by the same person, firm or entity, other than as a result of termination of the Lease, the parties agree that no merger shall occur if the effect of such merger would impair the lien of the Deed of Trust.

14.08 Either prior to or concurrent with the recordation of the Deed of Trust, Lessee shall cause a fully conformed copy thereof and of the note secured thereby to be delivered to Lessor together with a written notice containing the name and post office address of the mortgagee, trustee, beneficiary or other holder of the beneficial interest in the Deed of Trust.

ARTICLE XV. FORCE MAJEURE

15.01 If any party hereto becomes unable, by reason of Force Majeure, to perform its obligations under this Agreement, either wholly or in part, the party so failing shall give written notice and full particulars of such cause or causes to the other party as soon as possible after the occurrence of

purchaser if the purchaser is Lender; (2) for the appointment of a receiver, irrespective of whether the Deed of Trust accelerates the maturity of all indebtedness secured by the Deed of Trust; (3) for the right of Lender or the receiver to enter and take possession of the Property and the Cogen Facility to manage and operate the same and to collect the subrentals, issues and profits therefrom and to cure any default under the Deed of Trust or any default by Lessee under this Lease, and (4) for an assignment of Lessee's right, title and interest in and to: any deposit of cash, securities or other property which may be held to secure the performance of covenants, conditions and agreements contained in this Agreement; the premiums for or dividends upon any insurance provided for the benefit of Lender or required by the terms of this Agreement; and all refunds or rebates of taxes or assessments upon or other charges against the Property or the Cogen Facility, whether paid or to be paid.

14.03 For the benefit of the holder of the Deed of Trust, Lessor agrees not to accept a voluntary surrender of the Lease at any time while the Deed of Trust shall remain a lien on said leasehold; and Lessor and Lessee further agree for the benefit of Lender that, so long as the Deed of Trust shall remain a lien on said leasehold, Lessor and Lessee will not (i) subordinate or subject this Lease to any mortgage that may hereafter be placed on the fee title; or (ii) amend or alter any terms or provisions of this Lease or agree to a mutual termination thereof; or (iii) consent to any prepayment of any annual rental, without securing the prior written consent of such Lender.

14.04 At Lessee's expense, Lessor shall send by certified or registered mail to the holder of the Deed of Trust a notice of any default by Lessee under this Agreement or termination hereof, and any other notices to Lessee pursuant to this Agreement, at the same time as and whenever any such notices shall be given by Lessor to Lessee, addressed to the holder of the Deed of Trust. No notice by Lessor shall be deemed to have been given unless and until a copy thereof shall have been so given to the holder of the Deed of Trust. Lessee irrevocably directs that Lessor accept, and Lessor agrees to accept, performance and compliance by the holder of the Deed of Trust of and with any term, covenant, agreement, provision, condition or limitation on Lessee's part to be kept, observed or performed hereunder with the same force and effect as though kept, observed or performed by Lessee.

directly or indirectly arising out of, resulting from or relating to Lessee's ownership, construction or operation of the Cogen Facility, or its use or occupancy of the Property or the Construction Laydown Area, except to the extent that such Costs are attributable to the negligent or intentional acts or omissions of Lessor or its representatives, employees, agents or contractors.

16.02 Lessor agrees to defend, indemnify, and hold harmless Lessee and its directors, officers, partners, employees, agents, and insurers from and against any and all Costs, directly or indirectly arising out of, resulting from or relating to Lessor's ownership of an interest in, or Lessor's or FMCP's construction or operation of the Host Plant, Lessor's facilities thereon, and all lands surrounding and including the Leased Premises, except to the extent that such Costs are attributable to the negligent or intentional acts or omissions of Lessee or its representatives, employees, agents or contractors.

16.03 Notwithstanding the foregoing, indemnifications relating to environmental liabilities and environmental cleanup obligations are set forth in Article 20, and are expressly not covered in this Article 16.

16.04 Limitation Upon Indemnifications. Notwithstanding the foregoing, however, neither party hereto will be obligated under Sections 16.01 and 16.02 hereof to pay any amount, with respect to any particular Costs, that is in excess of $50,000,000.

ARTICLE XVII. RIGHT TO CONTEST

17.01 Notwithstanding any other provision of this Agreement, either party shall have the right to contest, in good faith and at its own expense, any taxes, assessments, governmental charges, liens or claims of any kind in respect to the Property or the Cogen Facility, or any federal, state and local laws, ordinances, rules and regulations and those of all public authorities, boards and officers relating to the Property, the Cogen Facility or the use of either of them, which may be thought by such party to be unlawful, invalid or excessive, and such contesting party after notifying the other party hereto in writing of such contest, may so contest the same in its own name or, with the consent of the noncontesting party (which consent shall not be unreasonably withheld), in the name of such noncontesting party, and the noncontesting

any such cause; and such obligations shall be suspended during the continuance of such hindrance, which, however, shall be remedied with all possible dispatch; and the obligations, terms and conditions of this Agreement shall be extended for such period as may be necessary for the purpose of making good any suspension so caused.

15.02 The term "Force Majeure" herein will mean: Acts of God or the public enemy; strikes, lockouts or other industrial disturbances or labor difficulties; wars; blockades; insurrections; riots, arrests and restraints of rules and people; laws, acts, orders, proclamations, decrees, regulations, ordinances or instructions of Government or other public authorities; judgment or decree of a court of competent jurisdiction; delay or failure of carriers or contractors; inability to obtain transportation equipment, operating materials, plant equipment or materials required for maintenance or repairs; curtailment or suspension of operations to remedy or avoid an actual or alleged violation or violations of Federal, State, or local environmental, health or safety standards as may be in effect from time to time during the contract period; environmental constraints lawfully imposed by federal, state or local governmental bodies; explosions; fires; floods; drought; earthquakes; storms; lightning; wind; other adverse weather condition; perils of the sea; accident to or breakdown of equipment, facilities or machinery or similar occurrences; and any other contingency or delay or failure or cause of any nature beyond the reasonable control of either party, whether or not of the kind hereinabove specified and whether or not any such contingency is presently occurring or occurs in the future.

15.03 In no event will any default under or breach of this Agreement, caused by the refusal or inability to pay money due hereunder, or by changes in economic conditions, be excused as an event of Force Majeure.

15.04 The settlement of all strikes, lockouts or other industrial disturbances or labor difficulties shall be at the discretion of the party experiencing such difficulty.

ARTICLE XVI. INDEMNIFICATION

16.01 Lessee agrees to defend, indemnify, and hold harmless Lessor and its directors, officers, employees, agents, and insurers from and against the following: any and all costs, expenses, damages, liabilities, claims, losses, and reasonable attorney fees and court costs (altogether, the "Costs"),

Attention: President

or to such other person or address as the addressee may have specified in a notice duly given as provided herein. All notices given in the foregoing manner shall be deemed effective when received or three (3) days after being sent as provided above, whichever first occurs.

ARTICLE XIX. ASSIGNABILITY

19.01 Except as herein provided to the contrary, neither party hereto may assign any of its rights and/or obligations under this Agreement without the prior express written consent of the other party, which consent shall not be unreasonably withheld.

19.02 Affiliates and Successors. The parties hereto agree that Lessee and Lessor may, without the consent of the other, each assign this Agreement to: (i) Destec Energy, Inc., or any subsidiary or affiliate thereof, or (ii) if the assignment is incident to a merger, consolidation, or purchase of the Lessor or Lessee, any creditworthy person or business entity that, as part of such succession, agrees to assume all the obligations of the assigning party under this Agreement.

19.03 Lenders. The parties hereto further agree that Lessee may assign, mortgage, hypothecate, pledge, or otherwise encumber all or any portion of such party's interest under this Agreement in favor of any Lender or bank, trust company, savings and loan association, mortgage company, insurance company, pension fund, real estate investment trust, or other lender or lending institution providing debt, equity, lease, and/or bond financing or financial services, or credit support or other credit enhancement, for the Cogen Facility (and any such institution may assign this Agreement to any subsequent assignee in connection with the sale, transfer, or exchange of its rights in this Agreement or for purposes of operating the Cogen Facility pursuant to such assignment upon and after the exercise of its rights and enforcement of its remedies under the deed of trust or other security instrument creating a lien in its favor, at law, in equity, or otherwise). The parties agree to execute such documents as may be reasonably requested by any such person to evidence and acknowledge such consent and effectiveness of any such assignment, mortgage, hypothecation, pledge or other encumbrance, all at no expense to Lessor.

party shall not pay any such disputed claim and shall, if necessary, cooperate in such contest; provided, however, that:

(a) in the event of such contest the contesting party shall set aside on its books adequate reserves with respect to any such tax, assessment, governmental charge, lien or claim and provided further that no such contest shall subject the noncontesting party to any possible costs, criminal penalties, or if contested by Lessor, result in the imposition of a lien upon or the threat of foreclosure of the Property or the Cogen Facility; and

(b) the contesting party shall indemnify and hold harmless the non-contesting party from and against all claims, demands, damages, losses, judgements, awards, liabilities, expenses and suits (including attorney's fees and court costs) arising out of such contest; and

notwithstanding anything to the contrary in this Agreement, the nonpayment of taxes in connection with a tax contest as described herein shall not be deemed a default hereunder until the final determination in such contest and the expiration of any due date therein established.

ARTICLE XVIII. NOTICES

18.01 Except as otherwise specifically provided for in this Agreement, all notices, statements, demands, or other communications required or permitted to be given hereunder shall be in writing and shall be hand delivered, sent by telefacsimile (with confirmed receipt), or forwarded by courier (such as Federal Express) or by first class United States mail, postage prepaid, to the following addresses:

If to Lessee:

CENTRAL FLORIDA POWER, L.P.
c/o Destec Energy, Inc.
2500 CityWest Blvd., Suite 150
Houston, TX 77042

Attention: Business Manager

If to Lessor:

U.S. AGRI-CHEMICALS CORPORATION
3225 State Road 630 West
Ft. Meade, FL 33841-9799

ARTICLE XXI TAX MATTERS

21.01 Allocation of Tax Responsibility. Lessee shall be solely responsible for any sale, use, property, income, state utility, excise, occupation or other taxes relating to the Cogen Facility and Lessee's interest in the Property. Lessor shall be solely responsible for any sales, use, property, income, or other taxes relating to the Host Plant and Lessor's interest in the Property. The parties will directly pay any applicable tax, or utilize such other procedure as may be necessary or appropriate to effectuate the allocation of taxes contemplated by this Section.

21.02 If, during the Term, the Leased Premises shall not be separately assessed but shall be assessed as part of a larger tract of land, then Lessor and Lessee shall apportion any taxes resulting from such assessment. Lessee's proportionate share of any such taxes, if any, shall be determined by multiplying the amount of such taxes by a fraction, the numerator of which shall be the acreage of the Leased Premises, and the denominator of which shall be the acreage of all the land covered by such taxes. Before the calculation of each party's proportionate share of the taxes, the amount of any such taxes shall be reduced by (a) the amount of taxes based upon oil, gas; phosphate or other minerals under or removed from the Leased Premises or Host Plant; and (b) the amount of taxes attributable to all improvements located upon the entire assessed tract, including the Host Plant and the Leased Premises.

ARTICLE XXII. GRANT OF EVAPORATIVE PIPELINE EASEMENT

22.01 In consideration of the parties' other obligations expressed herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by Lessor, Lessor hereby grants to Lessee an easement and right of way (the "Evaporative Pipeline Easement"), the width, height, and location of which are described on Exhibit E attached hereto, for the design, installation, repair, operation and removal of the Evaporative Equipment (as defined in the Steam Sale Agreement) and all necessary appurtenances thereto, on, under, across, and to and from the Heat Exchanger Site (as defined in the Steam Sale Agreement, which Heat Exchanger Site is included within the Evaporative Pipeline Easement), the Leased Premises and the pondwater pipeline system owned and/or operated by FMCP. Lessor acknowledges that, because of the uncertainty of the

ARTICLE XX. ENVIRONMENTAL MATTERS

20.01 Lessor agrees to indemnify, defend and hold harmless Lessee, its partners, and its and their officers, directors, employees and agents, from and against all cost, expense and liability, including without limitation clean-up costs and reasonable attorney fees and court costs, resulting from environmental contamination of the Property and/or the Second Site (as hereinafter defined), or any portion thereof, which was caused prior to Lessee's taking possession of the same, or caused subsequent to such time but was attributable to operations by Lessor (either in its individual capacity or as a partner of FMCP). Before taking possession of any portion of the Property, Lessee will perform an initial environmental audit at its expense, to establish the baseline environmental condition of such portion of the Property. No less often than every five (5) years thereafter, Lessee will perform, at its sole expense, a Phase I environmental assessment on the Property. If significant contamination on or beneath the Property is identified in any such assessment, and if Lessee is responsible for such contamination, Lessee will cease any action causing such contamination and will restore the Property to the condition in which it was prior to the occurrence of such contamination; if Lessor or FMCP is responsible for such contamination, Lessor will take such action with respect thereto as Lessor shall decide is required to comply with law. Lessee will furnish a copy of such audit to Lessor and Ridgewood. Upon Lessee's taking possession of any portion of the Property and/or the Second Site, Lessee will indemnify, defend and hold harmless Lessor and FMCP and their officers, directors, employees and agents, from and against all cost, expense and liability, including without limitation clean-up costs and reasonable attorney fees and court costs, resulting from environmental contamination of such portion of the Property and/or adjacent property caused by the construction or operations of Lessee.

20.02 Before the beginning of Lessee's construction move-in on any portion of the Property, Lessee will obtain, in a form reasonably acceptable to Lessor, a guaranty, issued by Destec Energy, Inc., and running in favor of Lessor and FMCP, and limited to one million dollars ($1,000,000.00) in total, guaranteeing Lessee's performance of the foregoing cleanup obligations on the Property (whether such obligations of Lessee arise after the termination of this Agreement or after one of the five-year assessments set out above). At such time as all environmental cleanup obligations have been performed (or it is determined that no such cleanup is required), the foregoing guaranty will terminate.

occurrence of certain conditions specified by the parties hereinbelow, Lessee may not immediately utilize the Evaporative Pipeline Easement, and such non-use may continue for many years or indefinitely, but Lessor nevertheless expressly acknowledges the continuing importance to Lessee of the Evaporative Pipeline Easement, and Lessor expressly agrees that the Evaporative Pipeline Easement will remain effective so long as Lessee or its successors or assigns continue to operate, or intend to continue to operate, the Cogen Facility. Notwithstanding the foregoing, however, the Evaporative Pipeline Easement will terminate at such time (if any) as (a) the Public Utility Regulatory Policies Act of 1978 ("PURPA") is amended; and (b) all of Lessee's Power Purchase Agreements (as that term is defined in the Steam Sale Agreement) are amended, such that Lessee is no longer required to sell thermal energy as a condition to maintaining Lessee's Power Purchase Agreements.

22.02 Further notwithstanding the foregoing, Lessee cannot utilize the Evaporative Pipeline Easement for Lessee's own utilization of the Evaporative Steam Use (as that term is defined in the Steam Sale Agreement), unless and until such time, in any calendar year, that Lessee determines, in its reasonable discretion, that: (a) Lessor (and, if applicable, a substitute steam host introduced as described in the Steam Sale Agreement) will likely fail to take and use the PURPA Minimum Steam Take Requirement (as defined in the Steam Sale Agreement); and (b) Lessee therefore will likely fail to maintain its status as a qualifying cogeneration facility under PURPA.

22.03 Lessee's use of the Evaporative Pipeline Easement will be limited to that quantity of heat necessary for the Cogen Facility to maintain its qualifying facility status under PURPA for the Evaporative Steam Use (as that term is defined in the Steam Sale Agreement). Lessor agrees that it will not take any action or inaction that directly and purposefully interferes with Lessee's utilization of the Evaporative Pipeline Easement or the Evaporative Steam Use associated therewith. Lessor will cooperate in good faith, at no additional expense to it, to obtain or cause to be obtained, prior to Lessee's obtaining construction financing for the Cogen Facility, any required consents (a) from any persons holding secured interests in the Heat Exchanger Site, or (b) to the Evaporative Pipeline Easement; provided, that if these required consents are not obtained within a reasonable time, Lessor will not bear any liability with respect to such failure, but Lessee may terminate this Agreement and/or the Steam Sale Agreement upon providing at least ten (10) day's

prior written notice of such termination, without any further liability to Lessor.

22.04 Upon the reasonable, good-faith request of Lessor, based upon reasons relating to the operation of the Host Plant, and prior to Lessee's installation of pipe and/or other facilities within the Evaporative Pipeline Easement, Lessee will agree to a reasonable number of relocations of the Evaporative Pipeline Easement, utilizing the shortest practicable deviation from its original route, to a route that is reasonably acceptable to Lessee, considering any environmental issues and the cost of pipeline construction. After Lessee has installed pipe and/or other facilities within the Evaporative Pipeline Easement, Lessee will relocate the same at Lessee's expense as set forth above, but no more often than once every five (5) years; any other relocations requested by Lessor under this Section will be made by Lessee at Lessor's sole expense.

22.05 As soon as practicable after the execution of this Agreement, Lessor and Lessee will execute and record in the land records of Polk County, Florida, the Memorandum of Lease, of Option, and of Grant of Easement, substantially in the form attached hereto as Exhibit D.

22.06 Lessor, in its capacity as a partner of FMCP, hereby gives the consent of FMCP to the grant by Lessor of the Evaporative Pipeline Easement.

ARTICLE XXIII. OPTION TO PURCHASE SECOND SITE

23.01 If required by Lessee for effluent treatment use, Lessor will sell to Lessee, at Lessee's option and with general warranties of title, free and clear of any adverse liens, claims or encumbrances, an additional 160 acre (or such other size as the parties may agree) tract (the "Second Site") outside the active mine reclamation area, to be located in the South Half (S/2) of Section 25 and the Southeast Quarter (SE/4) of Section 26, all in Township 31 South, Range 24 East, Polk County, Florida (such lands being described as the "Second Site Area"). In consideration of Ten Dollars ($10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties, Lessor hereby grants an option (the "Option") to Lessee to purchase the Second Site.

23.02 The Option shall become effective when Lessee closes its acquisition of construction financing for the Cogen

Facility, and shall remain effective for six (6) months thereafter, although in the event such option is exercised and Lessee subsequently abandons or terminates the project without having commenced commercial operations, Lessor may repurchase the entire Second Site from Lessee, at a price that is ninety percent (90%) of the price paid by Lessee.

23.03 While the Option is in effect, Lessee will have a continuing right of first refusal to purchase a tract(s) within the Second Site Area. If Lessor desires to sell such tract(s) to a third person while the Option remains in effect, Lessor will inform all such third persons of the existence of this right of first refusal. Lessor will give Lessee at least sixty (60) days prior written notice of and full particulars about each and every such proposed purchase by third persons, within which sixty-day period Lessor will not sell such tract and will allow Lessee to conduct evaluations of such tract at its own expense; provided, that Lessee must exercise its right of first refusal, if at all, by written notice to Lessor, sent within said sixty-day period. Any exercise by Lessee of such right of first refusal will be under the same terms and conditions agreed to between Lessor and such third person. Upon an exercise by Lessee of the foregoing right of first refusal and a subsequent purchase of the affected tract by Lessee, the option to purchase will terminate and be of no further effect.

23.04 Unless the purchase price of the Second Site is determined through the exercise of the foregoing right of first refusal, the purchase price of the Second Site will be determined by averaging the appraisals conducted by two independent real property appraisers, one selected by Lessee and one selected by Lessor; provided, however, that in no event will the purchase price of the Second Site exceed $1500 per acre.

23.05 As soon as practicable after the execution of this Agreement, Lessor and Lessee agree to execute and record in the land records of Polk County, Florida, the Memorandum of Lease, of Option, and of Grant of Easement, substantially in the form attached hereto as Exhibit D. Upon the exercise of the Option, the parties will enter into and record appropriate conveyances and documents to commemorate the exercise, and Lessee will record a release of the Option at the time that the conveyance of the Second Site to Lessee is recorded.

ARTICLE XXIV. MISCELLANEOUS

24.01 Entire Agreement; Termination of Letter Agreement. This Agreement, together with the the Steam Sale Agreement, the Ridgewood Letter, and the Cogeneration Facility Development Agreement, supersedes and completely supplants any and all prior oral or written discussions, negotiations, and agreements the parties hereto may have had with respect to the subject matter of this Agreement. In addition, upon the full execution of (1) this Agreement, (2) the Steam Sale Agreement and (3) the Cogeneration Facility Development Agreement, then the Letter Agreement will be superseded and replaced in its entirety, and the Letter Agreement will then be immediately terminated as of the Effective Date. This Agreement represents the entire agreement of the parties with respect to the subject-matter addressed herein.

24.02 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state of Florida, except its choice of law rules if such rules would apply the laws of another jurisdiction.

24.03 Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity and enforceability of any other provision, and each provision of this Agreement shall be enforced to the maximum extent permitted by applicable law.

24.04 Cumulative Remedies. The remedies provided herein are cumulative, not exclusive of any remedies provided by law or in equity, and may be pursued separately, successively, or concurrently.

24.05 Captions. The captions, headings, table of contents, and arrangements are for convenience only and do not and shall not be deemed to affect, limit, or modify the terms and provisions hereof.

24.06 Amendments. No amendment or modification of the terms of this Agreement shall be binding on either party hereto unless reduced to writing and signed by both parties. In the event that any Lender or prospective Lender reasonably requires an amendment to this Agreement as a condition to the financing of the Cogen Facility, Lessor and Lessee will immediately negotiate in good faith the terms of any and all such amendments, all at Lessee's expense; provided, however, that Lessor need not execute any such amendment which deprives Lessor of a material economic benefit under this Agreement.

24.07 Counterparts. This Agreement may be executed in any number of counterparts, and each executed counterpart shall have the same force and effect as an original instrument.

24.08 Number and Gender; References. Pronouns, of whatsoever gender, shall include natural persons, corporations, and associations of every kind and character. Whenever the words "hereof," "hereunder," "herein," or words of similar import are used in this Agreement, they shall refer to this Agreement in its entirety rather than to a particular section or provision unless the context specifically indicates to the contrary.

24.09 No Third Party Benefitted. Except to the extent the terms herein benefit Lessee's Lenders, the terms of this Agreement are for the sole benefit of Lessee and Lessor, and not for any third party whatsoever.

24.10 Further Assurances. If either party hereto reasonably determines or is reasonably advised that any further instruments or any other things are necessary or desirable to carry out the terms of the Agreement, including any documents or amendments to this Agreement that are reasonably necessary for Lessee to obtain construction or permanent project financing for the construction and operation of the Cogen Facility, the other party shall execute and deliver all such instruments and assurances and do all other things reasonably necessary and proper to carry out the terms of this Agreement, all at Lessee's expense. Such documents may include, without limitation: financial statements; evidence of corporate existence; evidence of incumbency of persons executing this Agreement; an opinion of Lessor's counsel, which shall be qualified to give an opinion on the laws of the jurisdiction governing this Agreement, confirming (a) the accuracy of the representations set forth in Section 6.01, and (b) the enforceability of this Agreement, and addressing such other matters as may be requested by any Lender or prospective Lender. Any review of such financial statements will be performed upon Lessor's premises under the provisions of a non-disclosure agreement between Lessor and Lessee and its representatives.

24.11 Non-Waiver. None of the provisions of this Agreement shall be considered waived by either party except when such waiver is given is writing. The failure of either party to insist in any instance on strict performance of any of the provisions of this Agreement shall not be construed as a waiver of any such provision or the relinquishment of any rights hereunder in the future.

24.12 No Recourse. Notwithstanding anything to the contrary herein, the obligations of Lessee under this Agreement, and any certificate, notice, instrument or document delivered pursuant hereto, are special obligations of the Lessee and do not constitute a debt or obligation of (and no recourse shall be with respect thereto to) any partner of Lessee (each, a "Partner"), or any affiliate of Lessee or a Partner (each, an "Affiliate"), or any shareholder, partner, officer, director or employee of Lessee, any Partner or any Affiliate; no action shall be brought against any Partner or any Affiliate or any shareholder, partner, officer, director or employee of any thereof; and no judgment for any deficiency upon the obligations hereunder shall be obtainable by Lessor against any Partner or any Affiliate or any shareholder, partner, officer, director or employee of any thereof.

24.13 No Cross-Default. A breach or default of this Agreement by either party hereto will not be deemed to be a breach or default of the Steam Sale Agreement.

24.14 Audit Rights. Either party hereto, at its own expense, may audit the books and records of the other party hereto, at reasonable times during normal working hours and at the other party's offices, but such right to audit is expressly limited to those books and records necessary to establish compliance with any obligations set forth in this Agreement. Further, the foregoing right to audit will expire as to any books or records which relate only to transactions which occurred more than two (2) years prior to the request for audit, unless the books or records are the subject of, or could provide evidence concerning, an unresolved dispute or claim between the parties which arose or was made during such two (2) year period.

24.15 Liens. Except with respect to such encumbrances that relate to Lessee's construction and term financing of the Cogen Facility, Lessee, throughout the Term, will keep the Property and the Second Site, and all other property of Lessor, free and clear of all liens, claims or encumbrances, if any, which are made by or against Lessee or its agents, subcontractors or employees, or which arise out of the Lessee's performance of this Agreement or out of work performed by or for Lessee on the Property, and Lessee will immediately cause any such liens or encumbrances to be removed, at Lessee's expense. Lessor will keep the Property free and clear of all other liens and encumbrances during the Term, and will immediately cause any such liens or encumbrances to be removed, at Lessor's expense.

24.16 Defined Terms. Any defined term that is used in this Agreement but is not defined herein shall have the meaning ascribed to it in the Steam Sale Agreement.

24.17 Mutual Negotiation. This Agreement, including all the exhibits attached hereto, has been prepared through the joint efforts of both parties, and has been extensively negotiated. Accordingly, any rule of document construction that would construe an ambiguity against the draftsperson will not be applied in the interpretation hereof.

24.18 Construction of Gypsum Pile. Lessee acknowledges that Lessor and/or FMCP intends to construct a new gypsum tailings pile (the "New Gypstack") on lands owned by Lessor and located on the East side of, and across the existing railroad tracks from, the Leased Premises. Lessee releases Lessor from liability relating to the New Gypstack, except (a) liability which results from violations of any statute, order or regulation; and (b) liability relating to migration of the New Gypstack which results from instability of the New Gypstack.

IN WITNESS WHEREOF, the parties have executed multiple originals of this Agreement on the dates set forth below, to be effective as of the Effective Date.

U. S. AGRI-CHEMICALS CORPORATION
A Florida corporation

By: _____
Malcolm S. Scott
President and Chief Operating Officer
Date: 6-16-93

CENTRAL FLORIDA POWER, L.P.
A Delaware Limited Partnership

By: CENTRAL FLORIDA DGE, INC.
A Delaware corporation
Its General Partner

By: Robert O. Rogers XE
Name: Robert O. Rogers
Title: President
Date: 6/21/93

EXHIBIT A

TO LEASE AGREEMENT

DESCRIPTION OF LEASED PREMISES

parcel of land lying and being in Section 31, Township 31
outh, Range 25 East, in Polk County, Florida, being described as
ollows:

ommence on the West boundary line of Section 31, Township 31 South, Range 25
ast, at a point 5.96 feet South of the NW corner of said Section 31 (SW corner
f Section 30, Township 31 South, Range 25 East), designated as Station
92-38.20, being a point on the survey line of the survey for State Road S-630
now County Road 630): run thence along said survey line North 89°57'23" East a
istance of 565.69 feet; thence continue along said survey line
outh 89°48'22" East a distance of 2296.11 feet; run thence South 0°11'38" West
distance of 40.00 feet to a point on the Southerly right of way line of SR S-
30 (now CR 630) and the Point of Beginning; run thence South 0°11'38" West
long the southerly right of way of said SR S-630 a distance of 10.00 feet; run
ence South 89°48'22" East along the southerly right of way of said SR S-630 a
istance of 149.44 feet; run thence South 24°54'47" East a distance of 43.91
et; run thence South 21°47'04" East a distance of 50.00 feet; run thence
20°04'17" East a distance of 50.00 feet; run thence
nce of 50.00 feet; run thence South 17°32'15" East
et; run thence South 12°09'16" East a distance of 50.00
uth 10°07'22" East a distance of 50.00 feet; run thence
stance of 50.00 feet; run thence South 05°16'27" East
et; run thence South 00°14'38" West a distance of 50.00
rth 89°48'22" West a distance of 483.22 feet; run thence
ong a line five feet easterly of the center line of a pipeline easement as
scribed in OR Book 1609, Page 79 of the Public Records of Polk County,
orida, a distance of 920.00 feet; run thence to a point on the Southerly right
way of said SR S-630; run thence South 89°48'22" East along the southerly
ght of way of said SR S 630 a distance of 56.24 feet to the Point of Beginning
taining 271,446.39 square feet or 6.231552 acres more or less.

EXHIBIT B

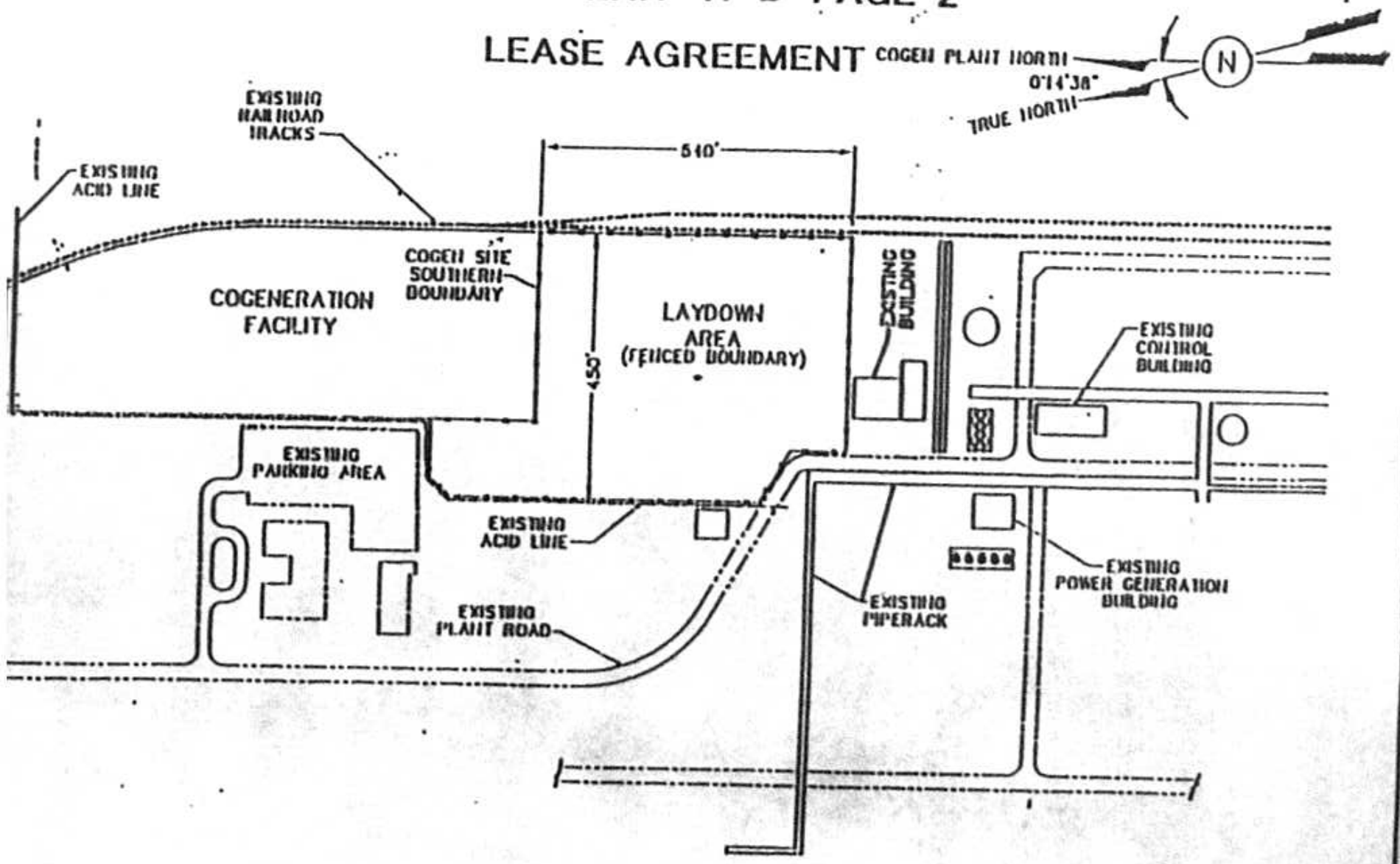
TO LEASE AGREEMENT

SPECIFIED INCIDENTAL RIGHTS; CONSTRUCTION LAYDOWN AREA

1. Use of USAC/FMCP railroad tracks lying on the East side of the Leased Premises, under the applicable provisions of this Agreement.

EXH .T B PAGE 2

LEASE AGREEMENT



NOTE:
1. NOT A SCALE DRAWING. ALL DIMENSIONS ARE APPROXIMATE.

REVISIONS	BY	APPV.	SCALE: NONE	DESTEC ENGINEERING	PROJECT NO.: 1253
			DWG. CHK. CML DATE 3-8-93 CHK. DATE	TIGER BAY COGEN FACILITY	CLIENT: CENTRAL FLORIDA POWER, L.P.

EXHIBIT C

TO LEASE AGREEMENT

LIENS, CLAIMS AND ENCUMBRANCES UPON THE LEASED PREMISES, EVAPORATIVE PIPELINE EASEMENT AND SECOND SITE

1. Easement to Florida Power Corporation, dated October 25, 1967, recorded November 21, 1967, OR 1123-710; amended by instrument dated December 1, 1981, recorded January 26, 1982, OR 2063-1741.

2. Pipeline easement to Aluminum Company of America, by contract dated August 31, 1973, recorded August 27, 1974, OR 1606-84.

EXHIBIT D

TO LEASE AGREEMENT

FORM OF MEMORANDUM OF LEASE, OF OPTION, AND OF GRANT OF EASEMENT

[The parties agree that Holland & Knight will prepare, at Lessee's expense, this Memorandum of Lease, of Option, and of Grant of Easement.]

EXHIBIT E

TO LEASE AGREEMENT

DESCRIPTION OF HEAT EXCHANGER SITE AND EVAPORATIVE PIPELINE EASEMENT

The Evaporative Pipeline Easement includes two (2) parcels:

(1) a corridor ten feet (10') in width, extending in height from the surface to forty-five feet (45') above the surface, along with such limited underground space as may be necessary for the placement of foundations for overhead pipe racks, together with an adjacent temporary workspace strip twenty feet (20') in width (lying generally on the east side of the Evaporative Pipeline Easement), all lying along the centerline as described as follows (and as shown on the attached drawing):

Commencing at the Northwest Corner (NW/c) of Section 31, T31S, R25E, Polk County, Florida; thence South 70°51'00' East a distance of 2965.719 feet; thence South 89°48'22" East a distance of 150.00 feet to the Point of Beginning of the centerline of the Evaporative Pipeline Easement; thence South a distance of 5.00 feet; thence North 89°48'22" West a distance of 244.00 feet; thence South a distance of 465.00 feet to a point of intersection with an existing pipe rack; thence South along said pipe rack a distance of approximately 900.00 feet to the North end of a sloped berm for gypsum disposal lines; thence following said sloped berm west, thence south, thence southeast, thence south, a total of approximately 1830.00 feet; thence continuing south along said pipe rack over existing railroad tracks, a distance of approximately 280.00 feet to the southern boundary of an existing pumping station; and

(2) a parcel known as the "Heat Exchanger Site," approximately eighty feet by one hundred and twenty feet (80' x 120'), more particularly described as follows (and as shown on the attached drawing):

Commencing at a point that is on the foregoing-described centerline where it intersects the

northern boundary of the foregoing-described existing pumping station; thence North along said centerline, a distance of 80.00 feet; thence West a distance of 120.00 feet; thence South a distance of 80.00 feet; thence East a distance of 120.00 feet to the Point of Beginning.

All distances and directions are approximate and will be confirmed by a field survey.

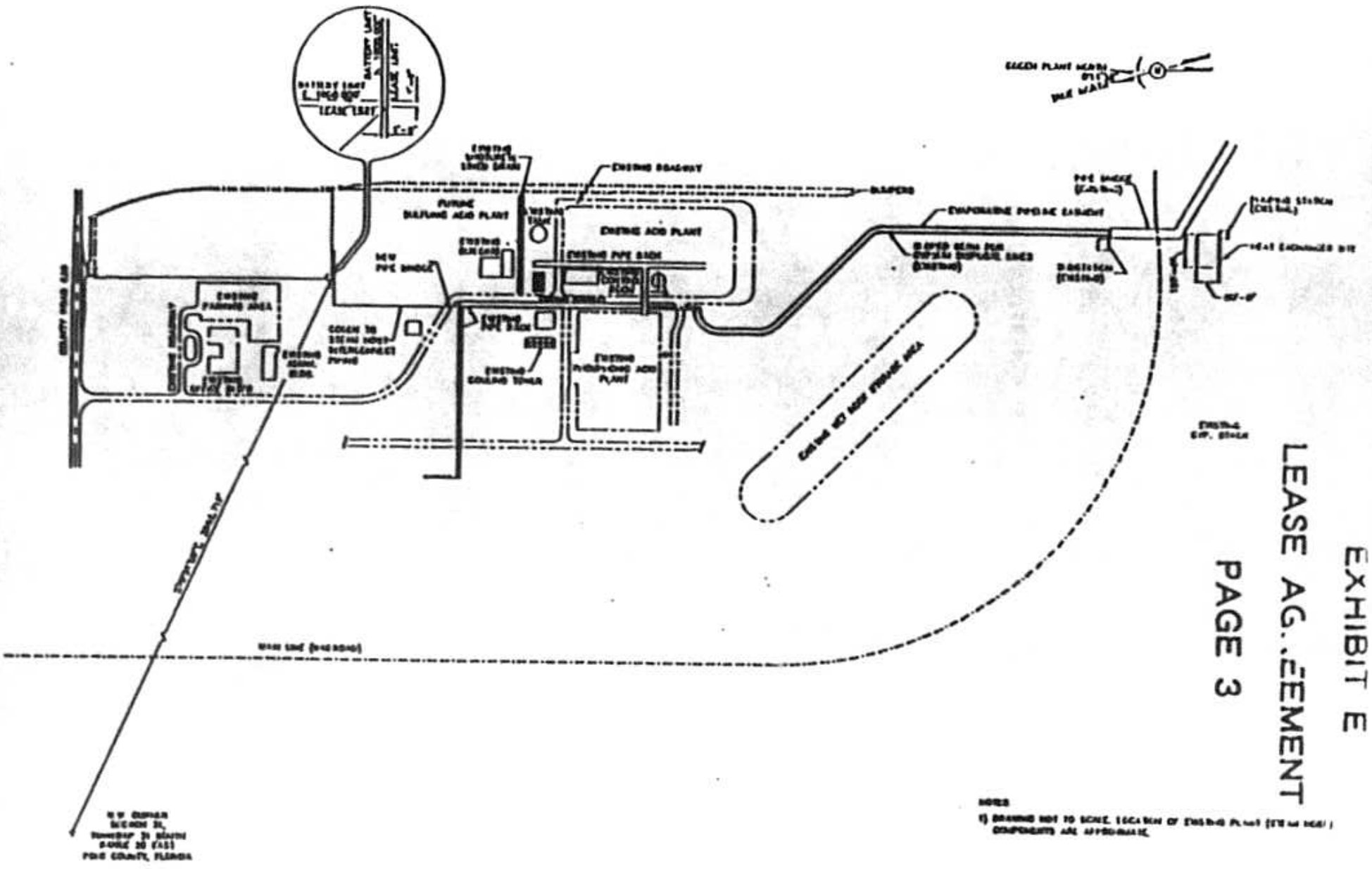


EXHIBIT E
LEASE AGREEMENT
PAGE 3

NO.	DATE	REVISIONS	BY	APPV.

SCALE: NONE
DWN. GAM DATE 4-13-93
CHK. DATE

DESTEC ENGINEERING
TIGER BAY COGEN FACILITY

PROJECT NO: 1253
CLIENT: CENTRAL FLORIDA POWER, L

CONSENT AND AGREEMENT
(LESSOR)

CONSENT AND AGREEMENT, dated as of December 30, 1993 ("this Agreement"), made by TIGER BAY LIMITED PARTNERSHIP, a Delaware limited partnership formerly named Central Florida Power L.P. (together with its successors and assigns, the "Borrower"), and U.S. AGRI-CHEMICALS CORPORATION, a Florida corporation (together with its successors and assigns, the "Consenting Party"), to THE FUJI BANK AND TRUST COMPANY, a New York trust company, as Collateral Agent (together with its successors and assigns, the "Collateral Agent"), whose addresses are set forth on Schedule 3 hereto, for the benefit of the Secured Parties (as defined below).

W I T N E S S E T H :

WHEREAS, pursuant to the Credit Agreement, dated as of December 30, 1993 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among the Borrower, the lenders party thereto (the "Banks") apd The Fuji Bank, Limited, as administrative agent (the "Administrative Agent"), the Banks have agreed to make loans and extend credit to the Borrower for the purpose of financing the construction of the cogeneration facility of the Borrower to be located near Fort Meade, Florida;

WHEREAS, the Collateral Agent has been appointed pursuant to that certain Collateral Agency Agreement, dated as of December 30, 1993 (as amended, supplemented or otherwise modified from time to time, the "Collateral Agency Agreement"), among the Collateral Agent and the other parties thereto to take certain actions hereunder and thereunder;

WHEREAS, pursuant to the Security Documents (as defined below), the Borrower has granted to the Collateral Agent for the benefit of the Secured Parties a lien on and security interest in, inter alia, the Assigned Agreements (as defined below); and

WHEREAS, it is a condition precedent to the obligations of the Banks under the Credit Agreement that the Consenting Party shall have executed and delivered this Agreement.

NOW, THEREFORE, in consideration of the foregoing premises and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Consenting Party, the Borrower and the Collateral Agent each hereby agrees as follows:

Section 1. Defined Terms; Construction.

(a) The following terms shall have the following meanings:

"Assigned Agreements" shall mean each document set forth on Schedule 1 hereto, and any amendment, modification, supplement or clarification thereto or thereof executed and delivered by the Consenting Party or the Borrower after the date hereof.

"Closing Date" shall mean the date on which: (i) all of the conditions precedent to the making of the initial extensions of credit under the Credit Agreement shall have been satisfied or waived by the Banks and (ii) the initial extensions of credit under the Credit Agreement shall have been made.

"Consenting Party Obligations" shall mean all obligations of the Consenting Party under the Assigned Agreements.

"Property" shall mean the "Leased Premises," as defined in the Assigned Agreements, and which is more particularly described in Exhibit A, attached hereto as a part hereof, and all easements, licenses and rights of way held by the Borrower relating thereto.

"Secured Parties" shall mean, collectively, the Administrative Agent, the Collateral Agent and the Banks.

"Security Documents" shall mean, collectively, (i) the Leasehold Mortgage, Assignment of Rents, Security Agreement and Financing Statement, dated as of December 30, 1993, by the Borrower in favor of the Collateral Agent, (ii) the Security Agreement, dated as of December 30, 1993, between the Borrower and the Collateral Agent, and (iii) the Collateral Agency Agreement.

(b) Defined terms in this Agreement shall include in the singular number the plural and in the plural number the singular.

(c) The words "hereof," "herein" and "hereunder" and words of similar import when used in this Agreement shall, unless otherwise expressly specified, refer to this Agreement as a whole and not to any particular provision of this Agreement and all references to Sections shall be references to Sections of this Agreement unless otherwise expressly specified.

(d) Unless otherwise expressly specified, any agreement, contract, or document defined or referred to herein shall mean such agreement, contract or document in the form (including all amendments and clarification letters relating thereto) delivered to the Administrative Agent on or prior to the Closing Date, as the same may thereafter be amended, supplemented or otherwise modified from time to time in accordance with the terms of this Agreement and the Security Documents.

(e) Each exhibit and schedule to this Agreement shall be deemed incorporated herein and made an integral part hereof in its entirety.

Section 2. Acknowledgments, Consents and Agreements. The Consenting Party hereby:

(a) Acknowledges that the Banks are extending credit to the Borrower in reliance upon the execution, delivery and performance by the Consenting Party of the Assigned Agreements and this Agreement;

(b) Consents to the execution, delivery and performance by the parties thereto of the Security Documents and the assignment by the Borrower to the Collateral Agent, for security purposes, pursuant thereto of all of the Borrower's right, title and interest in the Assigned Agreements as collateral for the obligations, liabilities and indebtedness of every nature of the Borrower from time to time owing to any Secured Party under the Credit Agreement or any other agreement or instrument executed in connection with the Credit Agreement;

(c) Acknowledges the right of the Collateral Agent, in the exercise of its rights and remedies under the Security Documents and at the times provided for therein, to make all demands, give all notices, take all actions and exercise all rights and remedies of the Borrower (whether or not the Borrower has then been dissolved, liquidated or wound-up) under the Assigned Agreements in accordance with their terms, and agrees that in such event the Consenting Party shall continue to perform the Consenting Party Obligations;

(d) Agrees that if the Collateral Agent shall notify the Consenting Party that the Collateral Agent has elected to exercise its rights under the Security Documents to have itself or its designee substituted for the Borrower under the Assigned Agreements (whether or not the Borrower has then been dissolved, liquidated or wound-up), then the Collateral Agent or its designee, as the case may be, shall be substituted for the Borrower under the Assigned Agreements, and agrees that in such event the Consenting Party will continue to perform the Consenting Party Obligations;

(e) Agrees that if the Collateral Agent shall sell, assign, transfer or otherwise dispose of the Collateral pursuant to the exercise of remedies under the Security Documents (whether through judicial or nonjudicial foreclosure, deed-in-lieu of foreclosure, or otherwise), the purchaser of such Collateral shall be substituted for the Borrower under the Assigned Agreements (whether or not the Borrower has then been dissolved, liquidated or wound-up), and agrees that in such event the Consenting Party will continue to perform the Consenting Party Obligations;

(f) Agrees that, except with respect to any Noise Default (as defined in the Lease Agreement), which default shall be cured strictly in accordance with the terms of the Lease Agreement, in the event of a default by the Borrower of any of its obligations under any Assigned Agreement, or upon the occurrence or non-occurrence of any event or condition under the Assigned Agreements which would immediately or with the passage of any applicable grace period or the giving of notice, or both, enable the Consenting Party to exercise any right or remedy under the Assigned Agreements or under applicable law, the Consenting Party will continue to perform its

obligations under the Assigned Agreements and will not exercise any such right or remedy until it first gives written notice of such default to the Collateral Agent and affords the Collateral Agent (i) in the case of a default in the payment of money, a period of at least fourteen (14) days from receipt of such notice to cure such default and (ii) in the case of any other default, a period of at least sixty (60) days (or such longer period as the Collateral Agent reasonably requests so long as the Collateral Agent has commenced and is diligently pursuing appropriate action to cure such default) from receipt of such notice to cure such default; provided, however, that if the Collateral Agent is prohibited by any process, stay or injunction from curing any such default, the time periods specified herein for curing such default shall be extended for the period of such prohibition;

(g) Agrees that the Borrower, the Collateral Agent, the Secured Parties, or their designee shall have the right, but not the obligation, to exercise the rights to cures set forth in subsection (f) above;

(h) Agrees that, if the Assigned Agreement is terminated for any reason, or in the event of the rejection or disaffirmance of the Assigned Agreement pursuant to bankruptcy law or other law affecting creditors' rights, the Consenting Party will, at the request of the Collateral Agent, enter into a new lease of the Property with the Collateral Agent or its designee, for the remainder of the term of the Assigned Agreement, including all renewal terms, effective as of the date of such termination, rejection or disaffirmance, upon all the terms and provisions contained in the Assigned Agreement, provided that such request is made within 60 days of such termination, rejection or disaffirmance, and is accompanied by a copy of such new lease, duly executed and acknowledged by the Collateral Agent or its designee, and the Collateral Agent cures all defaults under the Assigned Agreement which can be cured by the payment of money and pays to the Consenting Party all Initial Rental and Additional Rental (without giving effect to any acceleration of rents remedy) which would at the time of such execution and delivery be due and payable by the Borrower under the Assigned Agreement, but for such rejection, disaffirmance or termination. If the Collateral Agent or its designee shall have entered into a new

lease with the Consenting Party pursuant to this Section 2(h), then any default under the Assigned Agreement which cannot be cured by the payment of money shall be deemed cured; provided however, that the Collateral Agent or its designee shall be obligated to comply in all respects with the terms and conditions of such new lease from and after the effective date thereof. Any new lease made pursuant to this Section 2(h) shall have the same priority with respect to other interests in the Property as the Assigned Agreement and shall be accompanied by a conveyance to the Collateral Agent or its designee of such of the Consenting Party's interest, if any, in the Cogen Facility (as defined in the Assigned Agreement), as may exist upon the termination of the Assigned Agreement, and all other improvements located on the Property (free of any mortgage or other lien, charge or encumbrance created or suffered to be created by the Consenting Party) for a term of years equal in duration to the term of the new lease as the same may be extended pursuant to the provisions of the new lease. The provisions of this Section 2(h) shall survive the termination, rejection or disaffirmance of the Assigned Agreement. From the effective date of such termination, rejection or disaffirmance of the Assigned Agreement to the date of execution and delivery of such new lease or the expiration of the period during which the Collateral Agent may make a request, the Collateral Agent may use and enjoy the estates created by the Assigned Agreement without hindrance by the Consenting Party;

(i) Agrees that (i) none of the Collateral Agent, its designee, or any Secured Party shall be subject to any duty or obligation under the Assigned Agreements, unless and until the Collateral Agent or its designee exercises its rights pursuant to the Security Documents to substitute itself or its designee for the Borrower under the Assigned Agreements, and (ii) in the event the Collateral Agent, its designee, or any Secured Party substitutes itself or its designee for the Borrower under the Assigned Agreements or enters into a new Assigned Agreement, (x) the Collateral Agent, its designee and the Secured Parties shall not have personal liability to the Consenting Party for the performance of such obligations, and the sole recourse of the Consenting Party shall be to such parties' interest in the Collateral and (y) the Collateral Agent, its designee or the Secured Parties shall, within the time periods provided in sub-

section (f) above, be required to cure any monetary defaults but shall not otherwise be required to perform or be subject to any defenses or offsets by reason of any of Borrower's other obligations under the Assigned Agreements that were unperformed at such time; provided however, that the Collateral Agent or its designee shall be obligated to comply in all respects with the terms and conditions of the Assigned Agreements (including any new lease as referenced in Section 2(h)) from and after the effective date of such party's assumption thereof;

(j) Agrees that (i) no further consent or other acknowledgment to the transactions described in subsections (c) through (f) above shall be required from the Consenting Party in connection with or otherwise relating to such transactions; provided, however, that if requested by the Collateral Agent, the Consenting Party shall execute any acknowledgments or other similar instruments reasonably requested, and (ii) no such transaction shall constitute a breach of or default under the Assigned Agreements; and

(k) Agrees that the Consenting Party will not, without the prior written consent of the Collateral Agent, enter into any waiver (other than any waiver of performance by the Borrower), amendment, supplement or other modification of the Assigned Agreements.

Section 3. Payment of Assigned Sums. The Consenting Party shall pay all monies that are due and payable to the Borrower under the Assigned Agreements directly to the Collateral Agent, on behalf of the Borrower, at the account specified on Schedule 2 hereto (or to such other account or such other person as the Collateral Agent shall have notified the Consenting Party in writing) on the date such monies are due. The Borrower hereby consents to such payments by Consenting Party and releases and agrees to hold the Consenting Party harmless from all liability for making payments to the Collateral Agent in accordance with the requirements of this Section.

Section 4. Representations and Warranties. The Consenting Party represents and warrants as follows:

(a) Due Organization. The Consenting Party is a corporation duly organized and validly exist-

ing under the laws of the State of Florida.

(b) Power and Authority. The Consenting Party has full corporate power, authority and legal right to enter into this Agreement and each Assigned Agreement and to perform its obligations hereunder and thereunder.

(c) Due Authorization. This Agreement and each Assigned Agreement has been duly authorized, executed and delivered by the Consenting Party.

(d) Enforceability. This Agreement and each Assigned Agreement constitutes the legal, valid and binding obligations of the Consenting Party enforceable against the Consenting Party in accordance with their respective terms except as enforceability may be limited by applicable bankruptcy, insolvency, moratorium or other similar laws affecting creditors' rights generally and except as enforceability may be limited by general principles of equity (whether considered in a suit at law or in equity).

(e) No Conflicts. The execution and delivery by the Consenting Party of this Agreement and each Assigned Agreement and the performance by the Consenting Party of its obligations hereunder and thereunder will not (i) violate the provisions of the Consenting Party's Certificate of Incorporation or By-laws; (ii) violate the provisions of any law applicable to the Consenting Party and the transactions contemplated by the Assigned Agreements; or (iii) result in a breach of or constitute a default under any agreement to which the Consenting Party is a party or by which it or its assets or property are bound.

(f) No Proceedings. There is no action, suit or proceeding at law or in equity or by or before any governmental authority or arbitral tribunal now pending or, to the best knowledge of the Consenting Party, threatened against the Consenting Party (i) which questions the validity or legality of or seeks damages in connection with this Agreement or any Assigned Agreement or (ii) which could reasonably be expected to have a material adverse effect on the Consenting Party or its ability to perform under this Agreement or the Assigned Agreements.

(g) Financial Statements. Each of the financial statements of the Consenting Party for the fiscal year most recently ended as of the date hereof and quarter ending June 30, 1993 has been heretofore furnished to the Administrative Agent, and each of such financial statements is complete and correct in all material respects and fairly presents the financial condition of the Consenting Party as at said dates, in conformity with United States generally accepted accounting principles as in effect from time to time and applied on a consistent basis. Since the date of such annual financial statement, there has been no material adverse change in the business, operations, properties, assets, prospects or condition (financial or otherwise) of the Consenting Party.

(h) Representations and Warranties in the Assigned Agreements. All representations and warranties made by the Consenting Party in the Assigned Agreements are true and correct in all material respects on the date hereof.

(i) No Defaults; No Claims. The Consenting Party is not in default under any Assigned Agreement. The Consenting Party has no existing counterclaims, offsets or defenses against the Borrower. The Borrower has made all payments due and payable to the Consenting Party under the Assigned Agreements. No default or event of default on the part of the Borrower has occurred and is continuing under the Assigned Agreements.

(j) No Modifications. Schedule 1 hereto sets forth each Assigned Agreement together with all exhibits, schedules, annexes, supplements, amendments and waivers relating thereto. No Assigned Agreement has been amended, supplemented or otherwise modified except as indicated on Schedule 1.

Section 5. General Covenant. The Consenting Party hereby agrees to furnish to the Collateral Agent promptly after delivery or receipt thereof, copies of all notices or documents given or received by the Consenting Party pursuant to any of the Assigned Agreements relating to (i) any breach or default or alleged breach or default under any of the Assigned Agreements or (ii) the termination or suspension of any of the Assigned Agreements.

Section 6. Clarifications and Agreements.

(a) The term "Lender" as defined in Article XIV of the Assigned Agreement, includes the Collateral Agent, acting on behalf of the Secured Parties, and other Secured Parties.

(b) All of the covenants, conditions and obligations contained in the Assigned Agreement, including without limitation the Option to purchase the "Second Site", as defined therein, and the "Evaporative Pipeline Easement", as such terms are defined therein, shall be binding upon and inure to the benefit of the respective successors and assigns of the Consenting Party and the Borrower to the same extent as if each such successor and assign were in each case named as a party to the Assigned Agreement.

(c) The Consenting Party hereby acknowledges and agrees that it does not and will not have any lien on or interest in any property of the Borrower no matter where located and regardless of the manner in which it may be attached or affixed to the Property, whether such lien or interest would otherwise arise by law or pursuant to the Assigned Agreement. The Consenting Party further agrees that it will not prohibit or interfere with the removal and sale of any such property by the Collateral Agent nor prohibit or interfere with the conduct by the Collateral Agent of a secured party's sale of such property on the Property.

(d) The Consenting Party agrees that its consent to any transfers by the Collateral Agent as set forth in the Assigned Agreement or elsewhere shall also be deemed consent to any transfers by any designee of the Collateral Agent.

(e) Except as may otherwise be set forth in this Agreement, the no recourse and limitation on liability provisions of the Assigned Agreement shall inure to the benefit of the Collateral Agent and the other Secured Parties as successors in interest to the Borrower.

(f) No notice of termination has been given or received under that certain Contract dated February 19, 1982 between USS Agri-Chemicals Division of

United States Steel Corporation (predecessor in interest to Consenting Party) and Aluminum Company of America, and such Contract is unmodified and in full force and effect.

(g) At the request of the Collateral Agent, the Consenting Party will apply for or consent to an application for the identification of the Property as a separate tax parcel for ad valorem tax purposes.

(h) The Consenting Party acknowledges that: notwithstanding the fact that contamination of the Property is hereafter discovered on the Property, which contamination was not disclosed by the Phase I environmental assessment(s) from time to time performed under Article XX of the Assigned Agreement, the Borrower may still attempt to prove that the Borrower did not cause such contamination; the lack of disclosure by the Phase I assessments shall not be conclusive of the fact that the Borrower did cause such contamination; and the Borrower will not be obligated to cease operations, restore the Property or indemnify the Consenting Party and Fort Meade Chemical Products or their officers, directors, employees and agents, unless and until it is conclusively proven that the Borrower did cause such contamination.

(i) The Consenting Party consents to the grant by the Borrower of easement(s) on, over and across the Property or any portion or portions thereof to Florida Gas Transmission Company and to Florida Power Corporation, and agrees to join in the execution of such easement(s) upon the Borrower's request in order to subject the Consenting Party's interest in the Property to such easement(s).

Section 7. Miscellaneous.

(a) Notices. All notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing (including by telecopy, telex, or cable communication), and shall be deemed to have been duly given or made when delivered by hand, or five days after being deposited in the United States mail, postage prepaid, or, in the case of telex notice, when answerback is received, or, in the case of telecopy notice, when confirmation is received, or, in the case of a nationally recognized overnight courier service, one business day after delivery to such courier service,

addressed, in the case of each party hereto, at its address specified opposite its name on Schedule 3 hereto, or to such other address as may be designated by any party in a written notice to the other parties hereto, provided that notices and communications to the Collateral Agent shall not be effective until received by the Collateral Agent. For purposes of notices to be given to the Lender under this Agreement, all such notices shall be deemed so given when delivered to the Collateral Agent. A copy of each notice, request or demand to or upon a party hereto other than the Borrower shall be delivered to the Borrower in accordance with the terms of this Agreement; provided, however, that failure to deliver such copy to the Borrower shall not affect the effectiveness of such notice, request or demand.

(b) Amendments, etc. No waiver, amendment, modification or termination of any provision of this Agreement shall be effective without the written concurrence of the Collateral Agent. Any such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

(c) Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Consenting Party, the Borrower, the Collateral Agent, and their respective successors and assigns; provided, however, that, in the event of an assignment by the Consenting Party of its obligations under the Assigned Agreements, the Consenting Party shall remain liable for its obligations hereunder until its assignee shall have entered into a similar consent and agreement with the Borrower and the Collateral Agent.

(d) No Waiver; Remedies Cumulative. No failure or delay on the part of the Collateral Agent in exercising any right, power or privilege hereunder and no course of dealing between the Consenting Party and the Collateral Agent shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof of the exercise of any other right, power or privilege hereunder or thereunder. The rights and remedies herein expressly provided are cumulative and not exclusive of any rights or remedies which the Collateral Agent would otherwise have with respect to the Borrower at law or in equity or under the Credit Agree-

ment, any Security Document or any other agreement or instrument executed in connection therewith or that the Consenting Party would have with respect to the Borrower under the Assigned Agreements.

(e) Counterparts. This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all of which shall together constitute one and the same instrument.

(f) Headings Descriptive. The headings of the several Sections and subsections of this Agreement are inserted for convenience only and shall not in any way affect the meaning or construction of any provision of this Agreement.

(g) Severability. In case any provision in or obligation under this Agreement shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby. In the event of any conflict between the terms of this Agreement and the Assigned Agreements, the terms of this Agreement shall control.

(h) Collateral Agent as Agent. The Consenting Party acknowledges that the Collateral Agent is agent for the Secured Parties and acts solely at the direction of the Secured Parties.

Section 8. GOVERNING LAW; SUBMISSION TO JURISDICTION; WAIVER OF JURY TRIAL.

(a) THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAWS OF THE STATE OF FLORIDA (WITHOUT GIVING EFFECT TO THE PRINCIPLES THEREOF RELATING TO CONFLICTS OF LAW).

(b) EACH OF THE BORROWER, THE CONSENTING PARTY AND THE COLLATERAL AGENT HEREBY IRREVOCABLY WAIVES ALL RIGHT OF TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT.

IN WITNESS WHEREOF, the parties hereto have caused their duly authorized officers to execute and deliver this Agreement as of the date first above written.

Witness:

TIGER BAY LIMITED PARTNERSHIP

By: Central Florida DGE, Inc., as general partner

By: _____
Title: PRESIDENT

U.S. AGRI-CHEMICALS CORPORATION

By: _____
Title: PRESIDENT

THE FUJI BANK AND TRUST COMPANY, as Collateral Agent

By: _____
Title: VICE PRESIDENT

STATE OF New York
COUNTY OF New York

The foregoing instrument was acknowledged before me this 31st day of December, 1993 by R.P. Rogers as President of Central Florida DGE, Inc., a Delaware corporation, as general partner of Tiger Bay Limited Partnership, a Delaware limited partnership, on behalf of the partnership. He/she is personally known to me or has produced Texas Drivers License as identification.

Barbara O'Brien
Notary Public

My Commission Expires:

BARBARA O'BRIEN
Notary Public, State of New York
No. 31-4927549
Qualified in New York County
Commission Expires June 20, 1994

STATE OF FLORIDA
COUNTY OF POLK

The foregoing instrument was acknowledged before me this 28TH day of December, 1993 by MALCOLM S. SCOTT as PRESIDENT of U.S. Agri-Chemicals Corporation, a Florida corporation, on behalf of the corporation. He/she is personally known to me or has produced PERSONALLY KNOWN as identification.

Kathryn S. Gooding
Notary Public, State of Florida
My Commission Expires Sept. 22, 1996
Commission No. CC230077

Kathryn S. Gooding
Notary Public
KATHRYN S. GOODING

My Commission Expires:
SEPTEMBER 22, 1996

STATE OF New York
COUNTY OF

The foregoing instrument was acknowledged before me this 30 day of December, 1993 by ANDREW H SAWYER as [illegible] of The Fuji Bank and Trust Company, a New York trust company, on behalf of the trust company. He/she is personally known to me or has produced Drivers License as identification.

Notary Public

My Commission Expires:

CHARLES C. VANBEKE
Notary Public, State of New York
No. 31-VA 5020039
Qualified in New York County
Commission Expires Nov. 8, 1995

EXHIBIT A

SITE

A parcel of land lying and being in Section 31, Township 31 South, Range 25 East, Polk County, Florida described as follows:

Commence on the west boundary line of Section 31, Township 31 South, Range 25 East, Polk County, Florida at a point 5.96 feet south of the northwest corner of said Section 31 (southwest corner of Section 30, Township 31 South, Range 25 East), designated as Station 592+38.20, being a point on the survey line of the survey for State Road S-630 (now County Road 630); run thence along said survey line north 89°57'23" east a distance of 565.69 feet, thence continue along said survey line south 89°48'22" east a distance of 2296.11 feet, run thence south 0°11'38" west a distance of 40.00 feet to a point on the southerly right-of-way of SR S-630 (now CR 630) and the POINT OF BEGINNING; run thence south 0°11'38" west along the southerly right-of-way of said SR S-630 a distance of 10.00 feet, run thence south 89°48'22" east along the southerly right-of-way of SR S-630 a distance of 149.44 feet, run thence south 24°54'47" east a distance of 43.91 feet, run thence south 21°47'04" east a distance of 50.00 feet, run thence south 20°04'17" east a distance of 50.00 feet, run thence south 17°32'15" east a distance of 50.00, run then south 14°05'12" east a distance of 50.00 feet, run thence south 12°09'16" east a distance of 50.00 feet, run thence south 10°07'22" east a distance of 50.00 feet, run thence south 05°16'27" east a distance of 50.00 feet, run thence south 04°01'56" east a distance of 50.00 feet, run thence south 00°14'38" west a distance of 483.22 feet, run thence north 89°48'22" west a distance of 316.38 feet, run thence north 00°14'38" east along a line five feet easterly of the centerline of a pipeline easement as described in Official Records Book 1609, page 79, Polk County, Florida, a distance of 920.00 feet to a point on the southerly right-of-way of said SR S-630, run thence south 89°48'22" east along the southerly right-of-way of said SR S-630 a distance of 56.24 feet to the point of beginning.

Schedule 1 to
Consent and Agreement

Assigned Agreements

1. Lease Agreement between Tiger Bay Limited Partnership (the "Borrower"), then known as Central Florida Power, L.P., and U.S. Agri-Chemicals Corporation ("USAC"), dated June 15, 1993, which Lease Agreement is referenced in a certain Lease, Option and Easement Grant recorded in Official Records Book 3327, Page 84 of the Public Records of Polk County, Florida, and as amended or supplemented by:

   a. the Letter Addendum dated November 2, 1993

   (such Lease Agreement, as so amended or supplemented, the "Lease Agreement").

Schedule 2 to
Consent and Agreement

Account

Wire Transfer Instructions
to Project Control Account

Bank:	The Fuji Bank and Trust Company
ABA #:	0260-0890-5
Acct Name:	Trust Checking
Acct #:	001-990012
Reference:	For Further Credit to Tiger Bay Project Control Acct # 31013-01/8.7
Telephone Confirmation:	Jenny Cheng at 212-898-2543

Schedule 3 to
Consent and Agreement

Notice Addresses

U.S. Agri-Chemicals Corporation
3225 State Road 630 West
Ft. Meade, FL 33841-9799
Attention: President
Telephone: (813) 285-8121
Telecopy: (813) 285-9779

Tiger Bay Limited Partnership
2500 CityWest Boulevard, Suite 150
Houston, TX 77042
Attention: Tiger Bay Business Manager
Telephone: (713) 735-4722
Telecopy: (713) 735-4082

The Fuji Bank and Trust Company
Two World Trade Center
New York, NY 10048
Attention: Andrew H. Sawyer
Telephone: (212) 898-2515
Telecopy: (212) 321-2468