

STATE COMMERCIAL LAND LEASE - BID CONDITIONS
 BID NO. **BDC11-17/18**

Sealed bids will be received by the FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION, DIVISION OF STATE LANDS (hereafter referred to as “DEPARTMENT”), on behalf of the Governor and Cabinet, sitting as the BOARD OF TRUSTEES OF THE INTERNAL IMPROVEMENT TRUST FUND OF THE STATE OF FLORIDA (hereafter referred to as “TRUSTEES”) from prospective lessees (hereafter referred to as “BIDDER”) for a Lease for the operation, maintenance, and management (“O&M CONTRACTOR”) of a flood control dam along with the C.H. Corn Hydroelectric Generating Station (hereafter referred to as “FACILITY”) described below. The successful BIDDER will have the right to retain all revenue from the sale of power produced by the FACILITY; and the right to sell that power to any entity.

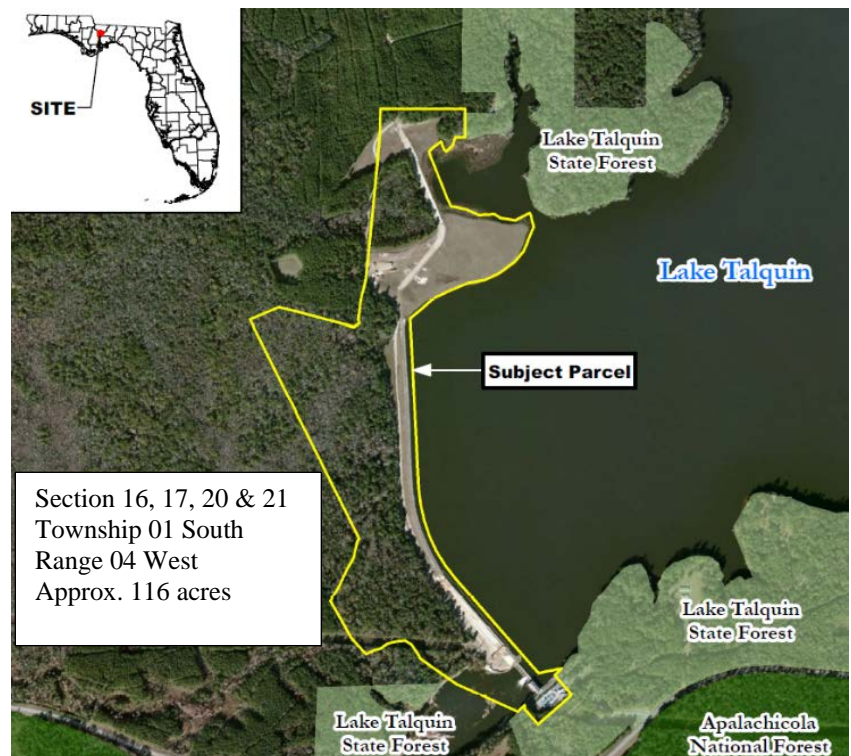
LEGAL DESCRIPTION OF PROPERTY

The FACILITY and property encompassed by the lease is located on Lake Talquin in Leon County and is more particularly described in the attached draft Lease Agreement #4798, EXHIBIT “B.”

FACILITY DESCRIPTION

The DEPARTMENT is soliciting bids for the operation and maintenance of the FACILITY. The FACILITY is located on lands owned by the TRUSTEES and leased to the City of Tallahassee. The City of Tallahassee Electric Utility Services owns the electrical power generating equipment and operates the FACILITY in accordance with a license the City of Tallahassee was granted by the Federal Energy Regulatory Commission (hereafter referred to as “FERC”) for FERC Project P-2891, formerly known as the Jackson Bluff Hydroelectric Project.

The City of Tallahassee has decided to surrender their FERC license. Through this bid the DEPARTMENT is seeking an Independent Power Producer to take over as O&M CONTRACTOR at the FACILITY who would also be responsible for applying and obtaining a license from FERC with no lapse in the operation of the FACILITY. The TRUSTEES would lease the FACILITY to the new O&M OPERATOR who would assume the same responsibilities for operating, maintaining, and managing the FACILITY as the City of Tallahassee Electric Utility Services. However, the terms and conditions of the current lease with the City of Tallahassee as well as the current operating requirements will change as the lease with the new O&M OPERATOR is finalized. A proposed lease agreement between the TRUSTEES and the new O&M OPERATOR is included as EXHIBIT “B.”



Located on the Ochlocknee River, about 66 miles upstream from its mouth at the Gulf of Mexico and 20 miles southwest of Tallahassee, the FACILITY is one of only two hydroelectric plants in the State of Florida. The FACILITY is an 11 MW hydroelectric generating power plant that includes a powerhouse with three run of river generating units; dam with a 199-foot-long gated spillway; a 3,600-foot-long earth embankment with a crest elevation of 77 feet; a 950-foot-long emergency spillway with a crest elevation of 72.3 feet; and a 562-foot-long fuse plug spillway with a crest elevation of 74.3 feet. The emergency spillway is a broad-crested grass-lined weir. The fuse plug spillway was designed to deploy at overtopping down to its concrete sill elevation of 68.3 feet. Normal head at the dam is about 40 feet.



In the late 1920's Lake Talquin was formed by the construction of the dam (formerly, called The Jackson Bluff Dam). The lake was named for the cities the lake lies between, Tallahassee and Quincy. It has an 8850-acre impoundment in the Ochlocknee River. The total project discharge capacity at the maximum pool level of 77 feet is 148,000 cubic feet per second, which is equal to half of the probable maximum flood (PMF) of the project. The accepted Intensity Duration Frequency (IDF) of the project is half of the PMF.

Downstream from the FACILITY, the Ochlocknee River travels through four counties before entering into the Gulf of Mexico. A camping area, a mobile home park, and a road with 45 homes are about a half-mile downstream from the dam. These residential developments are on relatively low ground. A flood stage elevation was established for this area for flood warning and evacuation purposes. More developments exist further downstream along the river. Nearly 200 residential structures are along both sides of the river within 30 miles downstream of the dam.

Florida Power operated the FACILITY until 1970, when it was abandoned as a power plant and turned over to the Florida Department of Natural Resources. Florida Department of Natural Resources managed the dam without producing power through 1981. That year, the City of Tallahassee applied for and received a federal grant to rebuild and operate the FACILITY as a hydroelectric demonstration project. The City of Tallahassee completely refurbished the FACILITY and reinstalled new electromechanical equipment in 1983. The FACILITY became operational in August 1985 and was formally dedicated on April 4, 1986. The FACILITY was named in honor of Clemer H. "Clem" Corn, the Electric Utility's supervisor of power production, who served in that capacity since 1972, and spearheaded efforts to reactivate the dormant FACILITY.

The DEPARTMENT's primary goal is to maintain a recreational link by controlling surface waters in a manner that minimizes the potential for floods. Maintaining a renewable energy producing resource is considered secondary.

The City of Tallahassee is the current holder of the FERC license. It is the City of Tallahassee's intent to surrender the license. An independent O&M OPERATOR will lease the FACILITY for operation, maintenance, and management at the O&M OPERATOR's sole cost, which includes licensing (or re-licensing) the FACILITY as well as all costs to assure compliance with future FERC mandates. The TRUSTEES will retain ownership of the FACILITY at the end of the lease or any extension thereof.

The DEPARTMENT and the City of Tallahassee have negotiated an asset transfer of the City-owned equipment and assets located at the FACILITY. Such transfer will be in an "as-is, where is" condition, and there will be no warranties, either expressed or implied, with respect to the equipment or assets being transferred to the TRUSTEES. Through the lease the successful bidder will be granted rights to use the equipment or assets being transferred to the TRUSTEES, which would include: three hydroelectric turbines, a 100-kW generator, switchgear, control system, step-up transformers, spillway gate operators, and a 500-gallon diesel tank. The office/warehouse area that is currently used by the City of Tallahassee's operators is leased space from Duke Energy. Duke Energy also owns and maintains the adjacent substation and transmission lines. The TRUSTEES own the remainder of the FACILITY.

Obtaining the FERC license would place all rights and responsibilities under the license to the successful BIDDER with no residual liability to the City of Tallahassee. All costs and expenses incurred in relation to obtaining the FERC license (or re-license) would be borne by the successful BIDDER. Otherwise, all legal and due diligence costs will be borne by the respective parties.

As described above, the successful BIDDER will have the right to retain all revenue from the sale of power produced by the FACILITY; and the right to sell that power to any entity. As an option the City of Tallahassee, subject to City Commission approval, would be willing to enter into a mutually agreeable Purchase Power Agreement (hereafter referred to as the "PPA") with the successful BIDDER that includes, at a minimum, the following terms:

- The PPA would be an "energy only" agreement whereby the City of Tallahassee would only be liable for payment for actual energy delivered to the City's system. The delivery point for the energy would be the City's electric system;
- The City of Tallahassee would purchase 100 percent of the energy output of the FACILITY during the term of the PPA;
- The term of the PPA would be a period commencing with the effective date of the FERC license obtained by the Operator and ending on December 31, 2032. The City of Tallahassee would consider a term extension clause, but extension of the term would have to be at the City's sole discretion and at a price, and on terms, acceptable to the City;
- The energy price would be an "all in" level rate for the term of the PPA at a price of no more than \$61/MWH delivered to the City of Tallahassee's system. This price would include all transmission and wheeling charges to move the power from the FACILITY to the City's electric system as well as all costs and expenses for operation of the FACILITY. The City of Tallahassee currently has a transmission services arrangement with Duke Energy. It is believed that Duke Energy will be amenable to the City assigning the existing transmission services agreement to another party on an "as-is" basis; however, such assignment is not guaranteed.
- The City of Tallahassee would be amenable to allowing the successful BIDDER to make employment offers to certain City employees assigned to the FACILITY.

AVAILABLE DOCUMENTS

A link to an ftp site with these resources will be distributed via email to potential bidders upon receipt of the signed non-disclosure agreement. The following documents are available from the State of Florida:

- The current lease between the State of Florida and the City of Tallahassee.
- The Q&A and additional documents provided as part of a previous solicitation for these services (see EXHIBIT C)
- The draft FERC Pre-application Document dated July 7, 2017 (see EXHIBIT D)
- The DEPARTMENT will make available public records as well as Critical Electric Infrastructure Information (CEII) that is exempt from disclosure under Section 119, Florida Statutes. To view CEII records, the DEPARTMENT will require the non-disclosure agreement (see EXHIBIT A) from prospective BIDDERS.

Prospective BIDDERS may consider any other resources at their disposal (e.g., FERC's E-library, resource agencies, etc.).

SURVEY, ADVERTISEMENT AND APPLICATION FEES

The successful BIDDER shall be required to pay for the survey cost, should one be required, and the application fee. The successful BIDDER shall also pay all costs of legal advertisement in connection with the proposed lease prior to the commencement of the lease and any required title work, taxes, or assessments.

CONDITIONS OF LEASE

Attached to and by reference made a part of this bid specification is the lease agreement #4798 for this Commercial Land Lease. BIDDERS are cautioned to thoroughly examine the lease agreement. A BIDDER shall not be relieved of any liabilities and/or obligations because of its lack of knowledge of the lease conditions or requirements.

Any bid containing or accompanied by counterproposals or offers as to the lease terms or conditions shall be deemed nonresponsive and rejected.

LEASE TERM

The lease term shall be for a period of forty (40) years. All bids must be made in good faith.

LEASE EXECUTION

The successful responsive BIDDER shall have thirty calendar days from notification by certified mail of acceptance of its bid to execute the Commercial Land Lease. Failure to execute the lease in this time period shall constitute default on the part of the BIDDER and shall cause a forfeiture of the BIDDER'S Bid Guarantee to the DEPARTMENT.

BID GUARANTEE

Each bid shall be accompanied by a bid guarantee in the form of a Cashier's or Certified Check, Money Order or an irrevocable Letter of Credit from a financial institution as defined by Section 655.005, Florida Statutes, made payable to The Department of Environmental Protection for an amount equal to 10-percent of the bid offered for the base annual lease fee for the first year of the lease. The Bid Guarantee shall be forfeited to the TRUSTEES if the successful BIDDER fails to perform as specified after written notification of award.

Bid Guarantees of unsuccessful BIDDERS will be returned within ten working days after the TRUSTEES' decision.

VERBAL INSTRUCTIONS NON-BINDING

The TRUSTEES are not bound by or responsible for any information verbally given to any prospective BIDDER by any employee of the DEPARTMENT. Only those communications pertaining to this bid which are in writing (or email communication) from the DEPARTMENT'S Bureau of Public Land Administration may be considered as a duly authorized expression on behalf of the DEPARTMENT and the TRUSTEES. Only communications from BIDDERS, which are signed, and in writing (or email communication) shall be recognized by the DEPARTMENT as duly authorized expressions on behalf of the BIDDER.

GENERAL INFORMATION

It shall be the responsibility of each BIDDER to raise any questions prior to the bid opening concerning the property or lease conditions or bidding procedures as stated in this bid invitation.

BIDDERS are cautioned to carefully examine this bid invitation and to be thoroughly informed regarding any and all conditions and requirements. A BIDDER shall not be relieved of any liabilities and/or obligations because of its lack of knowledge of conditions or requirements.

For information concerning the property, bidding procedures or lease conditions, please contact the Bid Administrator.

BID SUBMISSION DEADLINE

By 9:00 a.m., Wednesday October 18, 2017, all questions from prospective BIDDERS contractors must be submitted.

By 9:00 a.m., Friday, October 20, 2017, the DEPARTMENT anticipates posting answers to questions as bid addenda on the MyFlorida Vendor Bid System. http://www.myflorida.com/apps/vbs/vbs_main_menu.

Bids will be accepted until 3:30 p.m. EST, Friday, October 27, 2017. Any bid received after that time will be returned to the BIDDER unopened. The DEPARTMENT is not responsible for bids mailed but not arriving at the Bureau of Public Land Administration, Division of State Lands by 3:30 p.m. EST, Friday, October 27, 2017.

BID OPENING AND CONSIDERATION

BIDDERS are advised that all bids received by the bid submission deadline will be publicly opened at 3:30 p.m. EST, on Friday, October 27, 2017, in the Bureau of Public Land Administration, Division of State Lands,

Department of Environmental Protection, MS 130, Room 301G - Carr Building, 3800 Commonwealth Boulevard, Tallahassee, Florida 32399. Any interested party may attend this public bid opening. The bids will be presented to the TRUSTEES' in a formal meeting. No bid will be accepted after the date and time established in the bid invitation.

A bid shall remain in full force and effect for a period of sixty (60) calendar days after the time of the bid opening and that the Bidder will not revoke or cancel this bid or withdraw from the competition within the said sixty (60) calendar days.

BID AWARD

Any award made will be to the highest responsible BIDDER. The TRUSTEES reserve the right to reject any or all bids. The TRUSTEES further reserve the right to waive any minor irregularities in any bid received. The DEPARTMENT'S recommendation to the TRUSTEES will be for denial of any bid that is for less than the lump sum amount of \$12,000.00 per annum.

BID FORM

The "Bid Form" page and/or any other page that request information must be completed in its entirety, which shall include a manual signature, and be submitted in accordance with the procedures set forth in this bid invitation. Otherwise, the bid will be rejected. NO OTHER TYPE "BID FORM" WILL BE ACCEPTED AS A VALID RESPONSE TO THIS BID INVITATION.

MAILING INSTRUCTIONS

All bids must be submitted in a sealed envelope addressed to T.I.I.T.F., Bureau of Public Land Administration, Division of State Lands, Department of Environmental Protection, Carr Building, 3800 Commonwealth Boulevard, MS 130, Tallahassee, Florida 32399 BID NO. BDC11-16/17. Each BIDDER MUST enter its name and return address in the upper left-hand corner for identification purposes. Bids may be mailed or may be hand delivered by the bid submission deadline.

NOTE: THE DEPARTMENT OF ENVIRONMENTAL PROTECTION IS NOT RESPONSIBLE FOR THE OPENING OF ANY ENVELOPE WHICH IS NOT PROPERLY ADDRESSED.

AMERICANS WITH DISABILITIES ACT REQUIREMENT

Any vendor or contractor submitting a bid to the Florida Department of Environmental Protection for providing commodities or contractual services may not exclude any person(s) from participating in; deny any person(s) the proceeds or benefits of; not otherwise subject any person(s) or subcontractors to any form of discrimination based on the grounds of race, creed, color, national origin, age, sex, or disability. Any vendor or contractor which is providing commodities or contractual services, or possible subcontractor, must comply with the pertinent portion of the Americans with Disabilities Act of 1990, Public Law 101-336.

Any person with a qualified disability shall not be denied equal access and effective communication regarding any bid documents or the attendance at any related meeting or bid opening. If accommodations are needed because of a disability, please contact the Purchasing Section at (850) 245-2355.

PUBLIC ENTITY CRIMES

A person or affiliate who has been placed on the Florida Department of Management Services' convicted vendor list following a conviction for a public entity crime may not submit a bid on a contract to provide any goods or services to a public entity, may not submit a bid on a contract with a public entity for the construction or repair of a public building or public work, may not submit bids on leases of real property to a public entity, may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity, and may not transact business with any public entity in excess of the threshold amount provided in Section 287.017, Florida Statutes for Category Two (\$15,000) for a period of 36 months from the date of being placed on the convicted vendor list.

BID ADMINISTRATOR

Mae Roth
Bureau of Design and Construction,
Office of Operations
Department of Environmental Protection, MS 520
3900 Commonwealth Boulevard
Tallahassee, Florida 32399-3000

BID FORM

LEASE

for

OPERATION, MAINTENANCE AND MANAGEMENT OF A FLOOD CONTROL DAM ALONG WITH
THE C.H. CORN HYDROELECTRIC GENERATING STATION

BIDDER hereby bids the lump sum amount of \$ _____ per annum, due _____, 201__.

CERTIFICATION

I certify that this bid is made without prior understanding, agreement or connection with any corporation, firm, or person submitting a bid for this lease and is in all respects fair and without collusion or fraud; the BIDDER shall abide by all conditions of this bid; I am authorized to sign this bid for the BIDDER; I have read all the bid specifications and conditions and fully understand the contents thereof; the BIDDER agrees to all terms, conditions and provisions which pertain to this lease.

BIDDER Name (prospective lessee)

Authorized Signature

BIDDER Mailing Address

Authorized Signature (Print)

City State Zip Code

Title

Area Code Telephone Number

Corporation Charter Number
(if applicable)

ENCLOSURES TO BE SUBMITTED WITH BID

1. Completed and signed BID FORM.
2. Bid Guaranty: Certified Check, cashier's check, or irrevocable Letter of Credit from a financial institution as defined by Section 655.005, Florida Statutes, for 10 percent of the competitive bid offered for the base annual lease fee for the first year of the lease.
3. Completed and signed NDA Certification.

EXHIBIT "A"

NON-DISCLOSURE AGREEMENT

NON-DISCLOSURE AGREEMENT

_____ (“**Receiving Party**”) has requested _____ (“**Disclosing Party**”) to provide copies of certain information relating to a 11 MW hydroelectric facility known as the C.H. Corn Hydroelectric Facility (“**Facility**”), which is located on the Ochlocknee River and is designated as Federal Energy Regulatory Commission (“**FERC**”) Project No. 2891. The Facility is operated and maintained by the City of Tallahassee (“**City**”) pursuant to a sublease between the City and the Board of Trustees of the Internal Improvement Trust Fund of the State of Florida (“**Board**”), as assignee of the Florida Department of Environmental Protection (“**FDEP**”). The requested information will be used by the Receiving Party to submit, or participate in the submission of, a BID to the FDEP regarding the use, operation, and maintenance of the Facility.

The Receiving Party and the Disclosing Party acknowledge that the requested information may include Protected Information, as defined in a Non-Disclosure Agreement dated _____ (“**NDA**”) between the City and FDEP, a copy of which has been provided to the Receiving Party. In consideration of the disclosure, to the Receiving Party, of the requested information, the Receiving Party hereby agrees to comply with, and to be bound to the City by, the terms and conditions of the NDA as if it were a Receiving Party under that NDA.

Upon request by the City or FDEP, the Receiving Party shall provide the attached certification to confirm they have destroyed the information received under this NDA.

The undersigned hereby represents that he or she is duly authorized to execute this Non-Disclosure Agreement on behalf of the Receiving Party identified above.

Receiving Party:

By: _____

(Type or print name of signatory)

(Title of signatory)

Date of Execution: _____

NDA CERTIFICATION

The undersigned, on his or her behalf and on behalf of the Receiving Party identified below, hereby certifies to the City of Tallahassee that the Receiving Party, in compliance with the Non-Disclosure Agreement (“**NDA**”) executed by the Receiving Party and dated _____, has destroyed and removed from all computers, and all other information technology hardware or systems, all copies of the Protected Information, or any portion thereof, described in the NDA and made by, or in the possession of, the Receiving Party or any of its employees.

Dated this _____ day of _____, _____.

Receiving Party:

By: _____

(Type or print name of signatory)

(Title of signatory)

EXHIBIT "B"

LEASE AGREEMENT AND LEGAL DESCRIPTION OF THE LEASED PREMISES

This Lease was prepared by:
Cheryl C. McCall,
Bureau of Public Land Administration
Division of State Lands
Department of Environmental Protection, MS 130
3900 Commonwealth Boulevard,
Tallahassee, Florida 32399-3000
AID# 32532

PPL1

**BOARD OF TRUSTEES OF THE INTERNAL IMPROVEMENT
TRUST FUND OF THE STATE OF FLORIDA**

LEASE AGREEMENT

Lease Number 4798

THIS LEASE, made and entered into this ____ day of _____ 20__, by and between the **BOARD OF TRUSTEES OF THE INTERNAL IMPROVEMENT TRUST FUND OF THE STATE OF FLORIDA** pursuant to its authority set forth in Section 253.03, Florida Statutes, hereinafter referred to as "LESSOR," and

(LESSEE NAME), its successors and assign hereinafter referred to as "LESSEE."

LESSOR, for and in consideration of the annual rental payment and mutual covenants and agreements hereinafter contained, does hereby lease to said LESSEE the lands described in paragraph 2 below, together with the improvements thereon, and subject to the following terms and conditions:

- 1. DELEGATIONS OF AUTHORITY:** LESSOR'S responsibilities and obligations herein shall be exercised by the Division of State Lands, State of Florida Department of Environmental Protection.
- 2. DESCRIPTION OF PREMISES:** The property subject to this lease, is situated in the Leon and Gadsden Counties of State of Florida and is more particularly described in Exhibit "A" attached hereto and hereinafter referred to as the "leased premises".
- 3. TITLE DISCLAIMER:** LESSOR does not warrant or guarantee any title, right or interest in or to the leased premises.

4. **TERM:** The term of this lease shall be for a period of **forty years (40)**, commencing on _____, and ending on _____, unless sooner terminated pursuant to the provisions of this lease. In no case shall the term of this lease be shorter than the term of the current project license term, or until surrender of the license is granted.

5. **PURPOSE:** LESSEE shall manage the leased premises only for the operation and maintenance of a flood control dam and the C.H. Corn Hydro Electric Plant, including the dam, earthen dikes, power house building, related grounds and improvements, along with other related uses necessary for the accomplishment of this purpose as designated in the Land Use Plan required by paragraph 26 of this lease.

It is recognized by both parties hereto that Lake Talquin is and is to remain a recreational lake. The operation of the C. H. Corn Hydro Electric Plant shall be at all times secondary to this overriding use. However, LESSEE shall not be responsible for rises or falls in elevation not in compliance with paragraph 46(b) herein due to acts of God, weather or other incidents beyond its control or capability to alleviate.

6. **RENTAL PAYMENT:** LESSEE shall pay to LESSOR the annual rental sum of \$ _____. Each lease payment shall be paid in advance on or before _____ of each year, beginning _____.

7. **DELINQUENT RENTAL PAYMENT:** Should LESSEE fail to pay the annual payment of rental on the due date, or within thirty days from the date thereof, such failure shall constitute a default by LESSEE and LESSOR may, at its option, immediately terminate this lease. Any extension of time for payment of rental beyond the thirty-day grace period must be authorized by LESSOR, and interest shall be charged at the rate of one and one-half percent per month or fraction thereof on the amount of the delinquent rental beginning the first day following the due date of rental. Any court costs and attorneys' fees incurred by LESSOR to collect past due rents shall be paid by LESSEE.

8. **QUIET ENJOYMENT AND RIGHT OF USE:** LESSEE shall have the right of ingress and egress to, from and upon the leased premises for all purposes necessary to the full quiet enjoyment by said LESSEE of the rights conveyed herein, subject, however, to any pre-existing easements, rights-of-way and other third party interests which were in existence at the time that the subleased premises were conveyed to LESSOR and which, pursuant to the terms of the operative instruments, remain in full force and effect.

9. **UNAUTHORIZED USE:** LESSEE shall, through its agents and employees, prevent the unauthorized use of the leased premises or any use thereof not in conformance with this lease.

10. **ASSIGNMENT**: This lease shall not be assigned in whole or in part without the prior written consent of LESSOR. Any assignment made either in whole or in part without the prior written consent of LESSOR shall be void and without legal effect. Notwithstanding the foregoing provision, if this lease is required to be assigned pursuant to an order of the Federal Energy Regulatory Commission, consent of the LESSOR is not required.

11. **EASEMENTS**: All easements of any nature including, but not limited to, utility easements are required to be granted by LESSOR. LESSEE is not authorized to grant any easements of any nature and any easement granted by LESSEE shall be void and without legal effect.

12. **SUBLEASES**: This lease is for the purposes specified herein and subleases of any nature are prohibited, without the prior written approval of LESSOR. Any sublease not approved in writing by LESSOR shall be void and without legal effect.

13. **RIGHT OF INSPECTION**: LESSOR or its duly authorized agents, representatives or employees shall have the right at any and all times to inspect the leased premises and the works and operations thereon of LESSEE in any matter pertaining to this lease including, but not limited to, inspection by prospective bidders following written request by the Division of State Lands, State of Florida Department of Environmental Protection.

14. **PLACEMENT AND REMOVAL OF IMPROVEMENTS**: All buildings, structures, improvements, and signs shall be constructed at the expense of LESSEE in accordance with plans prepared by professional designers and shall require the prior written approval of LESSOR as to purpose location and design. Further, no trees, other than non-native species, shall be removed or major land alterations done by LESSEE without the prior written approval of LESSOR. Removable equipment and removable improvements placed on the leased premises by LESSEE which do not become a permanent part of the leased premises will remain the property of LESSEE and may be removed by LESSEE upon termination of this lease, provided all sums due LESSOR as lease fees for the leased premises are paid. If, upon termination, all sums due hereunder have not been paid such equipment and improvements shall be and remain subject to a lien in favor of LESSOR for the sums due.

15. **INSURANCE REQUIREMENTS**: During the term of this lease LESSEE shall procure and maintain policies of fire, extended risk, and liability insurance coverage. The extended risk and fire insurance coverage shall be in an amount equal to the full insurable replacement value of any improvements or fixtures located on the leased premises. The liability

insurance coverage shall be in amounts not less than \$200,000 per person and \$300,000 per incident or occurrence for personal injury, death, and property damage on the leased premises. During the term of this lease, if Section 768.28, Florida Statutes, or its successor statute is subsequently amended to increase the amount of the liability coverages specified herein, LESSEE shall immediately obtain liability coverage for the increased amounts. Such policies of insurance shall name LESSOR and the State of Florida as additional insureds. LESSEE shall submit written evidence of having procured all insurance policies required herein prior to the effective date of this lease and shall submit annually thereafter, written evidence of maintaining such insurance policies to the Bureau of Public Land Administration, Division of State Lands, State of Florida Department of Environmental Protection, Mail Station 130, 3800 Commonwealth Boulevard, Tallahassee, Florida 32399-3000. LESSEE shall purchase all policies of insurance from a financially-responsible insurer duly authorized to do business in the State of Florida. Any certificate of self-insurance shall be issued or approved by the Chief Financial Officer, State of Florida. The certificate of self-insurance shall provide for casualty and liability coverage. LESSEE shall immediately notify LESSOR and the insurer of any erection or removal of any building or other improvement on the leased premises and any changes affecting the value of any improvements and shall request the insurer to make adequate changes in the coverage to reflect the changes in value. LESSEE shall be financially responsible for any loss due to failure to obtain adequate insurance coverage and the failure to maintain such policies or certificate in the amounts set forth shall constitute a breach of this lease.

16. INDEMNITY: In consideration of the privileges herein granted, LESSEE hereby covenants and agrees to investigate all claims of every nature at its own expense, and to indemnify, protect, defend, save and hold harmless the State of Florida and LESSOR from any and all claims, costs, expense, including attorney's fees, actions, lawsuits and demands of any kind or nature arising out of this lease. LESSEE shall contact LESSOR regarding the legal action deemed appropriate to remedy such damage or claims. LESSOR shall have the absolute right to choose its own legal counsel in connection with all matters indemnified for and defended against herein at LESSEE'S expense.

17. PAYMENT OF TAXES AND ASSESSMENTS: LESSEE shall assume full responsibility for and shall pay all liabilities that accrue to the leased premises or to the improvements thereon, including any and all ad valorem taxes and drainage and special assessments or taxes of every kind and all mechanic's or materialman's liens which may be hereafter lawfully assessed and levied against the leased premises.

18. **NO WAIVER OF BREACH:** The failure of LESSOR to insist in any one or more instances upon strict performance of any one or more of the covenants, terms and conditions of this lease shall not be construed as a waiver of such covenants, terms or conditions, but the same shall continue in full force and effect, and no waiver of LESSOR of any of the provisions hereof shall in any event be deemed to have been made unless the waiver is set forth in writing, signed by LESSOR.

19. **TIME:** Time is expressly declared to be of the essence of this lease.

20. **BINDING EFFECT AND INUREMENT:** This lease shall be binding on and shall inure to the benefit of the heirs, executors, administrators and assigns of the parties hereto, but nothing contained in this paragraph shall be construed as a consent by LESSOR to any assignment of this lease or any interest therein by LESSEE.

21. **NON-DISCRIMINATION:** LESSEE shall not discriminate against any individual because of that individual's race, color, religion, sex, national origin, age, handicap, or marital status with respect to any activity occurring within the leased premises or upon lands adjacent to and used as an adjunct of the leased premises.

22. **UTILITY FEES:** LESSOR shall not be responsible for the furnishing of any services of any kind to LESSEE during the term of this lease. LESSEE shall be responsible for the payment of all charges for the furnishing of gas, electricity, water and other public utilities to the leased premises and for having all utilities turned off when the leased premises are surrendered.

23. **MINERAL RIGHTS:** This lease does not cover petroleum or petroleum products or minerals and does not give the right to LESSEE to drill for or develop the same, and LESSOR specifically reserves the right to lease the leased premises for purposes of exploring and recovering oil and minerals by whatever means appropriate; provided, however, that LESSEE shall be fully compensated for any and all damages that might result to the leasehold interest of LESSEE by reason of such exploration and recovery operations.

24. **RIGHT OF AUDIT:** LESSEE shall make available to LESSOR all financial and other records relating to this lease, and LESSOR shall have the right to either audit such records at any reasonable time or require the submittal of an annual independent, detailed, financial audit, performed by a Certified Public Accountant according to generally accepted accounting principles and auditing standards verifying all financial records pertaining to this lease, during the term of this lease. This right shall be continuous until this lease expires or is terminated. This lease may be terminated by LESSOR should LESSEE fail to allow public access to all documents, papers, letters or other materials made or received in

conjunction with this lease, pursuant to the provisions of Chapter 119, Florida Statutes. In addition, LESSEE shall be required to maintain and allow public access to all documents, papers, letters or other materials made or received in conjunction with this lease for a period of three years after the expiration or termination of this lease.

25. CONDITION OF PREMISES: LESSOR assumes no liability or obligation to LESSEE with reference to the condition of the leased premises. The leased premises herein are leased by LESSOR to LESSEE in an "as is" condition, with LESSOR assuming no responsibility for the care, repair, maintenance or improvement of the leased premises for the benefit of LESSEE.

26. LAND USE PLAN: LESSEE shall prepare and submit a Land Use Plan for the leased premises, in accordance with Section 253.034, Florida Statutes. The Land Use Plan shall be submitted to LESSOR for approval through the Division of State Lands, State of Florida Department of Environmental Protection. The leased premises shall not be developed or physically altered in any way other than what is necessary for security and maintenance of the leased premises without the prior written approval of LESSOR until the Land Use Plan is approved. LESSEE shall provide LESSOR with an opportunity to participate in all phases of preparing and developing the Land Use Plan for the leased premises. The Land Use Plan shall be submitted to LESSOR in draft form for review and comments within ten months of the effective date of this lease. LESSEE shall give LESSOR reasonable notice of the application for and receipt of any state, federal or local permits as well as any public hearings or meetings relating to the development or use of the leased premises. LESSEE shall not proceed with development of said leased premises including, but not limited to, funding, permit application, design or building contracts, until the Land Use Plan required herein has been submitted and approved. Any financial commitments made by LESSEE which are not in compliance with the terms of this lease shall be done at LESSEE'S own risk. The Land Use Plan shall emphasize the original management concept as approved by LESSOR on the effective date of this lease which established the primary public purpose for which the leased premises are to be managed. The approved Land Use Plan shall provide the basic guidance for all management activities and shall be reviewed jointly by LESSEE and LESSOR. LESSEE shall not use or alter the leased premises except as provided for in the approved Land Use Plan without the prior written approval of LESSOR. The Land Use Plan prepared under this lease shall identify management strategies for exotic species, if present. The introduction of exotic species is prohibited, except when specifically authorized by the approved Land Use Plan. In accordance with Section 253.034, Florida Statutes, the LESSEE shall submit a Land Use Plan update at the end of the fifth year from the

execution date of this lease to establish all short-term goals developed under the Land Use Plan have been met in accordance with Section 253.034 (5)(i), Florida Statutes. The LESSEE shall submit an updated Land Use Plan at least every ten (10) years from the execution date of the lease.

27. **COMPLIANCE WITH LAWS:** LESSEE agrees that this lease is contingent upon and subject to LESSEE obtaining all applicable permits and complying with all applicable permits, regulations, ordinances, rules, and laws of the State of Florida or the United States or of any political subdivision or agency of either.

28. **NOTICE:** All notices given under this lease shall be in writing and shall be served by certified mail including, but not limited to, notice of any violation served pursuant to Section 253.04, Florida Statutes, to the last address of the party to whom notice is to be given, as designated by such party in writing. LESSOR and LESSEE hereby designate their address as follows:

LESSOR: State of Florida Department of
Environmental Protection
Division of State Lands
Bureau of Public Land Administration, MS 130
3800 Commonwealth Boulevard
Tallahassee, Florida 32399-3000

LESSEE: _____

29. **DAMAGE TO THE PREMISES:** (a) LESSEE shall not do, or suffer to be done, in, on or upon the leased premises or as affecting said leased premises or adjacent properties, any act which may result in damage or depreciation of value to the leased premises or adjacent properties, or any part thereof. (b) LESSEE shall not generate, store, produce, place, treat, release or discharge any contaminants, pollutants or pollution, including, but not limited to, hazardous or toxic substances, chemicals or other agents on, into, or from the leased premises or any adjacent lands or waters in any manner not permitted by law. For the purposes of this lease, "hazardous substances" shall mean and include those elements or compounds defined in 42 USC Section 9601 or which are contained in the list of hazardous substances adopted by the United States Environmental Protection Agency (EPA) and the list of toxic pollutants designated by the United States Congress or the EPA or defined by any other federal, state or local statute, law, ordinance, code, rule, regulation, order or decree regulating, relating to, or imposing liability or standards of conduct concerning any hazardous, toxic or dangerous waste, substance, material, pollutant or contaminant. "Pollutants" and "pollution" shall mean those products or substances defined in Chapters 376 and 403, Florida

Statutes, and the rules promulgated thereunder, all as amended or updated from time to time. In the event of LESSEE'S failure to comply with this paragraph, LESSEE shall, at its sole cost and expense, promptly commence and diligently pursue any legally required closure, investigation, assessment, cleanup, decontamination, remediation, restoration and monitoring of (1) the leased premises, and (2) all off-site ground and surface waters and lands affected by LESSEE'S such failure to comply, as may be necessary to bring the leased premises and affected off-site waters and lands into full compliance with all applicable federal, state or local statutes, laws, ordinances, codes, rules, regulations, orders and decrees, and to restore the damaged property to the condition existing immediately prior to the occurrence which caused the damage. LESSEE'S obligations set forth in this paragraph shall survive the termination or expiration of this lease. This paragraph shall not be construed as a limitation upon LESSEE'S obligations regarding indemnification and payment of costs and fees as set forth in paragraphs 16 and 17 of this lease, nor upon any other obligations or responsibilities of LESSEE as set forth herein. Nothing herein shall relieve LESSEE of any responsibility or liability prescribed by law for fines, penalties and damages levied by governmental agencies, and the cost of cleaning up any contamination caused directly or indirectly by LESSEE'S activities or facilities. Upon discovery of a release of a hazardous substance or pollutant, or any other violation of local, state or federal law, ordinance, code, rule, regulation, order or decree relating to the generation, storage, production, placement, treatment, release or discharge of any contaminant, LESSEE shall report such violation to all applicable governmental agencies having jurisdiction, and to LESSOR, all within the reporting periods of the applicable governmental agencies.

30. ENVIRONMENTAL AUDIT: At LESSOR'S discretion, LESSEE shall provide LESSOR with a current Phase I environmental site assessment conducted in accordance with the State of Florida Department of Environmental Protection, Division of State Lands' standards prior to termination of this lease, and if necessary a Phase II environmental site assessment.

31. SURRENDER OF PREMISES: Upon termination or expiration of this lease, LESSEE shall surrender the leased premises to LESSOR and all improvements, including both physical structures and modifications to the leased premises shall become the property of LESSOR, unless LESSOR gives written notice to LESSEE to remove any or all such improvements at the expense of LESSEE. The decision to retain any improvements upon termination of this lease shall be at LESSOR'S sole discretion. Prior to termination or expiration of this lease a representative of the State of Florida Department of Environmental Protection, Division of State Lands shall perform an on-site inspection and the keys to any building on the leased premises shall be turned over to the Division. If the leased premises and improvements located thereon do not meet

all conditions as set forth in paragraphs 26 and 43 herein, LESSEE shall pay all costs necessary to meet the prescribed conditions.

32. BREACH OF COVENANTS, TERMS, OR CONDITIONS AND DEFAULT AND FORFEITURE: Should LESSEE, at any time during the term of this lease, suffer or permit to be filed against it an involuntary, or voluntary, petition in bankruptcy or institute a composition or an arrangement proceeding under Chapters 10 or 11 of the Bankruptcy Reform Act of 1978, as amended; or make any assignments for the benefit of its creditors; or should a receiver or trustee be appointed for LESSEE'S property because of LESSEE'S insolvency, and the said appointment not vacated within thirty days thereafter; or should LESSEE'S lease interest be levied on and the lien thereof not discharged within thirty days after said levy has been made; or should LESSEE fail promptly to make the necessary returns and reports required of it by state and federal law; should LESSEE fail promptly to comply with all governmental regulations, both state and federal; should LESSEE fail to comply with any of the terms and conditions of this lease and such failure continues for thirty (30) days after LESSEE'S receipt of written notice of the failure from LESSOR; then, in such event, and upon the happening of either or any of said events, LESSOR shall have the right, at its discretion, to consider the same a default on the part of LESSEE of the terms and provisions hereof, and, in the event of such default, LESSOR shall have the option of either declaring this lease terminated, and the interest of LESSEE forfeited, or maintaining this lease in full force and effect and exercising all rights and remedies herein conferred upon LESSOR. The pendency of bankruptcy proceedings or arrangement proceedings to which LESSEE shall be a party shall not preclude LESSOR from exercising either option herein conferred upon LESSOR. In the event LESSEE, or the trustee or receiver of LESSEE'S property, shall seek an injunction against LESSOR'S exercise of either option herein conferred, such action on the part of LESSEE, its trustee or receiver, shall automatically terminate this lease as of the date of the making of such application, and in the event the court shall enjoin LESSOR from exercising either option herein conferred, such injunction shall automatically terminate this lease.

33. PUBLIC LANDS ARTHROPOD CONTROL PLAN: LESSEE shall identify and subsequently designate to the respective arthropod control district or districts within one year of the effective date of this lease all of the environmentally sensitive and biologically highly productive lands contained within the leased premises, in accordance with Section 388.4111, Florida Statutes and Chapter 5E-13, Florida Administrative Code, for the purpose of obtaining a public lands arthropod control plan for such lands.

34. **PROHIBITIONS AGAINST LIENS OR OTHER ENCUMBRANCES:** Fee title to the leased premises is held by LESSOR. LESSEE shall not do or permit anything to be done which purports to create a lien or encumbrance of any nature against the real property contained in the leased premises including, but not limited to, mortgages or construction liens against the leased premises or against any interest of LESSOR therein.
35. **CONDITIONS AND COVENANTS:** All of the provisions of this lease shall be deemed covenants running with the land included in the leased premises, and construed to be "conditions" as well as "covenants" as though the words specifically expressing or imparting covenants and conditions were used in each separate provision.
36. **PARTIAL INVALIDITY:** If any term, covenant, condition or provision of this lease shall be ruled by a court of competent jurisdiction, to be invalid, void, or unenforceable, the remainder shall remain in full force and effect and shall in no way be affected, impaired or invalidated.
37. **ARCHAEOLOGICAL AND HISTORIC SITES:** Execution of this lease in no way affects any of the parties' obligations pursuant to Chapter 267, Florida Statutes. The collection of artifacts or the disturbance of archaeological and historic sites on state-owned lands is prohibited unless prior authorization has been obtained from the State of Florida Department of State, Division of Historical Resources. The Operational Report may be reviewed by the State of Florida Department of State, Division of Historical Resources to ensure that adequate measures have been planned to locate, identify, protect and preserve the archaeological and historic sites and properties on the leased premises.
38. **SALES TAX:** LESSEE shall be responsible for the payment of all required sales tax calculated on the rental payments of this lease as required by Section 212.031, Florida Statutes and shall submit such sales tax in addition to and along with the rental payments required by paragraph 6 of this lease, unless LESSEE provides written documentation verifying that the Department of Revenue has authorized LESSEE to pay the required sales tax by direct payment to the Department of Revenue or that the State of Florida Department of Revenue has issued LESSEE an exemption for such sales tax payments.
39. **CONVICTION OF FELONY:** If LESSEE or any principal thereof is convicted of a felony during the term of this lease, such conviction shall constitute, at the option of LESSOR, grounds for termination of this lease.
40. **ENTIRE UNDERSTANDING:** This lease sets forth the entire understanding between the parties and shall only be amended with the prior written approval of LESSOR.

41. MAINTENANCE OF IMPROVEMENTS: LESSEE shall maintain the real property contained within the leased premises and any improvements, including the structural soundness, located thereon, in a state of good condition, working order and repair including, but not limited to, removing all trash or litter, maintaining all planned improvements as set forth in the approved Land Use Plan, and meeting all building and safety codes. LESSEE shall maintain any and all existing roads, canals, ditches, culverts, risers and the like in as good condition as the same may be on the effective date of this lease.

42. GOVERNING LAW: This lease shall be governed by and interpreted according to the laws of the State of Florida.

43. SECTION CAPTIONS: Articles, subsections and other captions contained in this lease are for reference purposes only and are in no way intended to describe, interpret, define or limit the scope, extent or intent of this lease or any provisions thereof.

44. SPECIAL CONDITIONS: The following special conditions shall apply to this lease:

(a) LESSEE shall make available to local school systems, universities, colleges and other public entities guided tours on an annual basis.

(b) At the time of lease execution, LESSEE shall enter in and maintain a Stream Flow Gaging Station Agreement with the United States Geological Survey. At a minimum, this agreement will provide for Lake Talquin water level tracking and monitoring of the inflow from the Ochlocknee River and Little River and the outflow of the lake to the Ochlocknee River below the dam. This data is essential to the day-to-day operation of the dam and shall be made available to the public, state emergency management and the National Weather Service.

(c) LESSEE shall have full responsibility for the day-to-day, around-the-clock operation, management, maintenance and security of the lease premises and shall employ the necessary personnel to fulfill this obligation.

(d) Prior to occupying the leased premises and at all times during the term of this lease and any renewal terms, LESSEE will supply to LESSOR, and keep in force and effect, a performance bond (the "Bond") in the penal sum of \$100,000 issued by a surety company or bonding agent authorized to do business in the State of Florida. The Bond shall be for the benefit of LESSOR as obligee and conditioned on LESSEE's faithful performance under this lease and strict compliance with the terms of this lease (including, but not limited to, paragraphs 5, 6, and 46 hereof). In addition, LESSEE's failure to renew or

replace the Bond ninety (90) days prior to any expiration or notice of termination thereof, shall be an event of default under this lease.

(e) Notwithstanding any provision contained herein, LESSEE, its successors and assigns, have the right to perform any and all acts required by an order of the Federal Energy Regulatory Commission or its successor affecting the leased premises without the prior approval of LESSOR. This includes use rights of state owned lands within Lake Talquin for the fulfillment of the requirements under the Federal Energy Regulatory Commission or its successor.

[Remainder of page intentionally left blank; Signature pages follow]

DRAFT

IN WITNESS WHEREOF, the parties have caused this lease to be executed on the day and year first above written.

WITNESSES:

**BOARD OF TRUSTEES OF THE INTERNAL
IMPROVEMENT TRUST FUND OF THE STATE
OF FLORIDA**

Original Signature

(SEAL)

Print/Type Name of Witness

BY: _____

Cheryl C. McCall, Chief, Bureau of Public Land Administration,
Division of State Lands, State of Florida Department of
Environmental Protection, as agent for and on behalf of the
Board of Trustees of the Internal Improvement Trust Fund of the
State of Florida

Original Signature

Print/Type Name of Witness

"LESSOR"

**STATE OF FLORIDA
COUNTY OF LEON**

The foregoing instrument was acknowledged before me this _____ day of _____, 20____, by Cheryl C. McCall, Chief, Bureau of Public Land Administration, Division of State Lands, State of Florida Department of Environmental Protection, as agent for and on behalf of the Board of Trustees of the Internal Improvement Trust Fund of the State of Florida. She is personally known to me.

APPROVED SUBJECT TO PROPER EXECUTION:

Notary Public, State of Florida

DEP Attorney

Date

Printed, Typed or Stamped Name

My Commission Expires:

Commission/Serial No. _____

[The appropriate signature page will be added for Lessee.]

DRAGAGE

Exhibit "A"

DESCRIPTION:

Commence at a drill hole in the Dam House at the Jackson Bluff Hydroelectric Dam marking the Northwest corner of Section 21, Township 1 South, Range 4 West, thence North 20 degrees 04 minutes 39 seconds West 40.91 feet to a chiseled "X" on the dam; thence North 76 degrees 50 minutes 51 seconds East 47.01 feet to the POINT OF BEGINNING. From said POINT OF BEGINNING continue North 76 degrees 50 minutes 51 seconds East 220.67 feet to the waters edge of Lake Talquin; thence along the waters edge, North 46 degrees 13 minutes 26 seconds East 166.35 feet; thence, leaving the waters edge, North 85 degrees 59 minutes 11 seconds East 104.14 feet, to an iron pin; thence South 09 degrees 57 minutes 40 seconds East 233.92 feet, to an iron pin; thence South 41 degrees 10 minutes 23 seconds East 144.46 feet, to an iron pin; thence South 48 degrees 49 minutes 37 seconds West 693.76 feet, to an iron pin; thence North 41 degrees 08 minutes 40 seconds West 329.88 feet to a point, marked by an iron pin, on the Southerly bank of the Ochlockonee River; thence, crossing said Ochlockonee River, North 60 degrees 04 minutes 10 seconds West 736.31 feet to a point on the Northerly bank of said Ochlockonee River, marked by an iron pin, said point also being on the Westerly boundary of a parcel of property lying within Sections 8, 9, 16 and 17, Township 1 South, Range 4 West deeded to the State of Florida, Board of Trustees of the Internal Improvement Trust Fund by deed recorded in Official Record Book 128, Pages 532 and 533 of the Public Records of Gadsden County, Florida; thence along said Westerly boundary of said State property, North 54 degrees 50 minutes West 191.01 feet to a point in the center of Crow Branch; thence along a meander line of points along the centerline of Crow Branch as follows: North 33 degrees 22 minutes 02 seconds West 251.11 feet, thence North 80 degrees 52 minutes 36 seconds West 133.97 feet, thence South 87 degrees 59 minutes 58 seconds West 175.41 feet, thence South 72 degrees 57 minutes 09 seconds West 232.42 feet, thence North 49 degrees 24 minutes 02 seconds West 76.95 feet, thence North 32 degrees 40 minutes 03 seconds West 121.00 feet, thence North 35 degrees 54 minutes 43 seconds West 101.12 feet, thence North 13 degrees 50 minutes 32 seconds West 75.28 feet, thence North 03 degrees 46 minutes 45 seconds East 72.24 feet, thence North 25 degrees 42 minutes 04 seconds East 206.94 feet, thence North 28 degrees 06 minutes 35 seconds East 200.04 feet, thence North 17 degrees 04 minutes 41 seconds East 257.04 feet (to a concrete monument where the "Old Gate Post was at the Old Cane Patch" by Deed; concrete monument is damaged and disturbed, no longer useable); thence, leaving said meander line, North 26 degrees 59 minutes 21 seconds West 2,171.76 feet (North 26 degrees 31 minutes with no distance specified by deed) to an iron pin; thence leaving said boundary, North 31 degrees 34 minutes 32 seconds East 317.06 feet to an iron pin on said boundary; thence South 76 degrees 34 minutes 31 seconds East 111.19 feet (South 75 degrees 13 minutes East 111.3 feet by deed), to an iron pin;

thence South 75 degrees 40 minutes 51 seconds East 610.00 feet (South 75 degrees 30 minutes East 610 feet by deed); to an iron pin; thence North 56 degrees 01 minute 05 seconds East 62.12 feet (North 56 degrees 32 minutes East 61.4 feet by deed) to a concrete monument where "Mims' old bars were on Old Ferry Road"; thence North 20 degrees 04 minutes 47 seconds West 34.09 feet (North 19 degrees 01 minute West 33.1 feet by deed) to a concrete monument; thence North 06 degrees 58 minutes 57 seconds East 209.71 feet (North 07 degrees 35 minutes East 210.2 feet by deed) to an iron pipe; thence North 14 degrees 12 minutes 51 seconds East 161.03 feet (North 14 degrees 06 minutes East 161 feet by deed) to a concrete monument; thence North 05 degrees 14 minutes 21 seconds East 570.87 feet (North 05 degrees 59 minutes East 566.30 feet by deed) to a concrete monument; thence North 05 degrees 17 minutes 39 seconds 767.16 feet (North 05 degrees 24 minutes East 771.30 feet by deed) to a concrete monument; thence North 01 degrees 35 minutes 21 seconds East 193.51 feet (North 01 degrees 58 minutes East approximately 260 feet by deed) to a concrete monument on the North line of Section 17, Township 1 South, Range 4 West; thence South 89 degrees 49 minutes 59 seconds East along said Northerly line of Section 17, a distance of 769.65 feet (along the North line of said Section 17, approximately 790 feet by deed) to a concrete monument marking the Southwest corner of the East Half of the Southeast Quarter of the Southeast Quarter of Section 8, Township 1 South, Range 4 West; thence, leaving said Westerly boundary of said State property, South 00 degrees 12 minutes 16 seconds West 261.60 feet to the waters edge of Lake Talquin; thence, along the waters edge and along the Easterly edge of a dam as follows: South 89 degrees 03 minutes 51 seconds West 91.07 feet, thence South 17 degrees 58 minutes 45 seconds West 77.82 feet, thence South 46 degrees 02 minutes 56 seconds West 84.09 feet, thence North 50 degrees 46 minutes 32 seconds West 27.43 feet, thence North 19 degrees 09 minutes 02 seconds West 78.72 feet, thence South 56 degrees 51 minutes 24 seconds West 79.87 feet, thence South 44 degrees 14 minutes 13 seconds West 67.81 feet, thence South 21 degrees 46 minutes 40 seconds East 548.58 feet, thence South 78 degrees 45 minutes 52 seconds East 147.75 feet, thence South 64 degrees 23 minutes 01 second East 123.54 feet, thence North 87 degrees 03 minutes 25 seconds East 151.50 feet, thence South 57 degrees 12 minutes 38 seconds East 64.21 feet, thence South 81 degrees 44 minutes 39 seconds East 140.70 feet, thence North 63 degrees 53 minutes 22 seconds East 150.47 feet, thence South 30 degrees 56 minutes 52 seconds East 21.44 feet, thence South 12 degrees 27 minutes 59 seconds East 112.93 feet, thence South 23 degrees 15 minutes 35 seconds West 235.88 feet, thence South 40 degrees 53 minutes 22 seconds West 128.66 feet, thence South 53 degrees 31 minutes 48 seconds West 177.17 feet, thence South 64 degrees 36 minutes 20 seconds West 148.86 feet, thence South 80 degrees 11 minutes 25 seconds West 163.26 feet, thence South 67 degrees 00 minutes 29 seconds West 164.58 feet, thence South 65 degrees 29 minutes 16 seconds West 154.56 feet, thence South 48 degrees 36 minutes 23 seconds West 185.07 feet, thence South 49 degrees 31 minutes 11 seconds West 136.48 feet, thence South 02 degrees 53 minutes 22 seconds East 1,567.41 feet to the beginning of a curve concave to the Northeasterly having a radius of 1,372.08 feet; thence along the arc of said curve (through a central angle of 38 degrees 29 minutes 10 seconds) 921.64 feet to the end of said curve, thence South 41 degrees 22 minutes 32 seconds East 1,171.81 feet to the POINT OF BEGINNING; containing 124.115 acres, more or less.

ALSO:

A 50.00 foot wide access easement lying within 25.00 feet each side of a centerline, said centerline being more particularly described as follows:

Commence at a drillhole in the Dam House at the Jackson Bluff Hydro-Electric Dam marking the Northwest corner of Section 21, Township 1 South, Range 4 West; thence North 20 degrees 04 minutes 39 seconds West 40.91 feet to a chiseled "X" on the dam; thence North 76 degrees 50 minutes 51 seconds East 267.68 feet to the waters edge of Lake Talquin; thence, along the waters edge, North 46 degrees 13 minutes 26 seconds East 166.35 feet; thence, leaving the waters edge, North 85 degrees 59 minutes 11 seconds East 104.14 feet; thence South 09 degrees 57 minutes 40 seconds East 233.92 feet; thence South 41 degrees 10 minutes 23 seconds East 144.46 feet; thence South 48 degrees 49 minutes 37 seconds West 25.00 feet to the POINT OF BEGINNING of said centerline. From said POINT OF BEGINNING, thence South 41 degrees 10 minutes 23 seconds East 108.71 feet to the beginning of a curve, concave to the Northeast, having a radius of 233.21 feet and a central angle of 46 degrees 25 minutes 09 seconds; thence Southeasterly along the arc of said curve 188.94 feet to the end of said curve; thence South 87 degrees 35 minutes 32 seconds East 312.26 feet to a point on the Northwesterly right-of-way boundary of State Road 20 (66 feet right-of-way), said point also being the end of said centerline; containing 0.700 of an acre, more or less.

LESS AND EXCEPT:

That parcel of land recorded in Official Record Book 446, Page 280, of the Public Records of Leon County, Florida, to be retained by Florida Power Corporation as a substation site and being more particularly described as follows:

Commence at the Northwest corner of Section 21, Township 1 South, Range 4 West, thence North 89 degrees 16 minutes 56 seconds East along the North boundary of said Section 21, a distance of 239.57 feet (238.85 feet by deed description) to the POINT OF BEGINNING. From said POINT OF BEGINNING continue North 89 degrees 16 minutes 56 seconds East along the North boundary of said Section 21, a distance of 5.70 feet; thence South 41 degrees 16 minutes 40 seconds East 194.21 feet; thence South 48 degrees 43 minutes 20 seconds West 416.12 feet; thence North 41 degrees 16 minutes 40 seconds West 186.35 feet; thence North 44 degrees 16 minutes 29 seconds East 148.33 feet; thence North 48 degrees 42 minutes 26 seconds East 263.89 feet to the POINT OF BEGINNING; containing 1.871 acres, more or less.

LESS AND EXCEPT:

A parcel of land to be retained by the Department of Natural Resources; said parcel being more particularly described as follows:

Commence at the Northwest corner of Section 21, Township 1 South, Range 4 West, and run thence North 89 degrees 16 minutes 56 seconds East along the North boundary of said Section 21, a distance of 245.27 feet; thence South 41 degrees 16 minutes 40 seconds East 43.21 feet to the POINT OF BEGINNING. From said POINT OF BEGINNING continue South 41 degrees 16 minutes 40 seconds East 116.79 feet; thence North 48 degrees 44 minutes 05 seconds East 78.60 feet; thence North 41 degrees 16 minutes 40 seconds West 116.79 feet; thence South 48 degrees 44 minutes 05 seconds West 78.60 feet to the POINT OF BEGINNING; containing 0.211 of an acre, more or less.

LESS AND EXCEPT:

A portion of a 100.00 feet wide powerline easement for the Jackson Bluff - Tallahassee 69 KV Double Circuit Line recorded in Official Record Book 446, Page 294, of the Public Records of Leon County, Florida, and being more particularly described as follows:

Commence at the Northwest corner of Section 21, Township 1 South, Range 4 West, thence North 89 degrees 16 minutes 56 seconds East along the North boundary of said Section 21, a distance of 245.27 feet (244.55 feet by deed description), thence South 41 degrees 16 minutes 40 seconds East 194.21 feet; thence South 48 degrees 43 minutes 20 seconds West a distance of 108.90 feet to the POINT OF BEGINNING. From said POINT OF BEGINNING, continue South 48 degrees 43 minutes 20 seconds West 117.74 feet; thence South 73 degrees 08 minutes 24 seconds East 153.22 feet; thence North 48 degrees 49 minutes 37 seconds East 118.65 feet; thence North 73 degrees 08 minutes 24 seconds West 153.48 feet to the POINT OF BEGINNING; containing 0.352 of an acre, more or less.

LESS AND EXCEPT:

A portion of Road A and Road B as recorded in Official Record Book 446, Pages 295 and 296 of the Public Records of Leon County, Florida, and being more particularly described as follows:

Centerline Description of Road "A"

Commence at the Northwest corner of Section 21, Township 1 South, Range 4 West, thence North 89 degrees 16 minutes 56 seconds East along the North boundary of said Section 21, a distance of 245.27 feet (244.56 by deed description); thence South 41 degrees 16 minutes 40 seconds East 37.76 feet to the POINT OF BEGINNING of the centerline of said Road "A". From said POINT OF BEGINNING of said centerline, thence North 40 degrees 18 minutes 20 seconds East 86.64 feet to the beginning of a curve, concave to the Southeast having a central angle of 34 degrees 51 minutes 20 seconds and a radius of 197.44 feet; thence Northeasterly along the arc of said curve 120.12 feet to the end of curve; thence North 75 degrees 09 minutes 40 seconds East 58.69 feet to the end of said centerline.

Centerline Description of Road "B"

Commence at the Northwest corner of Section 21, Township 1 South, Range 4 West, thence North 89 degrees 16 minutes 56 seconds East along the North boundary of said Section 21, a distance of 239.57 feet (238.85 by deed description); thence South 48 degrees 42 minutes 26 seconds West 263.89 feet; thence South 44 degrees 16 minutes 29 seconds West 80.00 feet to the POINT OF BEGINNING of the centerline of said Road "B". From said POINT OF BEGINNING of said centerline, thence North 40 degrees 41 minutes 22 seconds East 81.69 feet to the beginning of a curve, concave to the Southeast having a central angle of 07 degrees 46 minutes 21 seconds and a radius of 572.96 feet; thence Northeasterly along the arc of said curve 77.73 feet to the end of said curve; thence North 48 degrees 27 minutes 43 seconds East 14.35 feet to the beginning of a curve, concave to the Northwest having a central angle of 02 degrees 14 minutes 56 seconds and a radius of 1,909.86 feet; thence Northeasterly along the arc of said curve 74.96 feet to the end of said curve; thence North 46 degrees 12 minutes 47 seconds East 59.63 feet to the beginning of a curve, concave to the Northwest having a central angle of 08 degrees 09 minutes 07 seconds and a radius of 572.96 feet; thence Northeasterly along the arc of said curve 81.52 feet to the end

of said curve; thence North 38 degrees 03 minutes 40 seconds East 37.42 feet to the beginning of a curve, concave to the Southeast having a central angle of 58 degrees 26 minutes 02 seconds and a radius of 217.16 feet; thence Easterly along the arc of said curve 221.47 feet to a point; said point being the end of said centerline.

LESS AND EXCEPT:

Those lands covered by the waters of the Ochlockonee River downstream from the dam and power house located on the lands described above.

ALL lying within Sections 16, 17, 20, and 21, Township 1 South, Range 4 West, Leon and Gadsden Counties, Florida.

BSM APPROVED
By: SK
Date: 11.16.2016

Attachment C

C.H. Corn Hydro Dam

Bidder Questions: Previous Solicitation Addendum 5 – 7

Operations

Q: The Q&A indicates that the plant is operated run-of-river. Can you confirm that this is the case even when reservoir levels are low, e.g. that there are no additional limitations on water use during low-flow conditions for recreation?

A: The dam is run-of-river with the main objective of maintaining the area for recreation. Operators will maintain water flow according to lease terms, permits and FERC requirements.

Q: Could the plant's current control system be operated remotely?

A: The system is capable but needs to be configured.

Q: Please provide Opex breakdown for FY 2007 – 2011 and 2016 (in same format as provided in 2012 – 2014 or 2015).

A: Please see Corn OM Budget, as provided in the FTP Site.

Q: Please provide breakdown of “unclassified contractual services” for years 2007 – 2016 with detail on vendors and work scope.

A: Please see PCARD_Transactional_Info_2007-2016 for services procured via purchase card and Corn PO Detail for procured via purchase orders. Both are provided on the FTP Site.

Q: Is plant obligated to Black Start Restoration?

A: No

Q: Wheeling charges?

A: The City's Financial statements, included on FTP site and USBs, details wheeling information. However, the new operator could possibly have the opportunity to negotiate wheeling charges.

Q: Hours of operation?

A: 7 days a week, 5 a.m. – 5 p.m.

Q: What is notification system for operation change?

A: Horn, loudspeaker

Q: Are boats able to tie off at boat barrier?

A: The allowance of boats to tie off to barrier will be a management decision. The winning bidder may choose to allow or prohibit tie offs to maximize safety and recreational opportunities.

Q: Security: cameras?

A: Cameras are currently monitored by the City's Purdom Generating Station

Q: Internet?

A: DSL connection

Q: Can you please provide a breakdown on the daily operator schedule. What they are checking on daily basis, how much time spent mowing or cleaning?

A: Operator schedule is 6AM-6PM, seven days a week. Daily operator tasks include safety of the earthen dam, security of the property, including the powerhouse, dam and spillways, hourly operational logs of the turbine/generators, lake and river inflow, outflows and levels every three hours.

Q: What does daily operator checklist and worklist look like? How much time on routine checks?

A: Daily routine checks are provided above. Time required for the daily routine checks is estimated at six hours

Q: Who oversees the Operators?

A: Management at the City's Purdom Generating Station.

Q: What is that cost?

A: Not tracked.

Q: Managed by the City?

A: Yes.

Q: Employees are City Employees?

A: Yes.

Q: Is there a clear delineation between the hydro and the gas operations?

A: Yes

Q: Do we need to separate?

A: No need to separate.

Q: Work required to separate?

A: No need to separate.

Q: Does Hydro have its own meter?

A: Yes

Q: Lost Production – is it tracked when unit trips? how long does it take for operator to get to plant to restart unit? Do they go or wait till next day?

A: It trips rarely. Normal operating conditions, wait till the next day. High, or potentially high, water conditions – 24 hr coverage.

Maintenance

Q: Please provide greater detail on historical maintenance Capex over the past 5 years and anticipated Capex for the next years- i.e. type of work done, specific equipment repaired or replaced, etc.

A: As regulated by FERC, please see all information regarding inspections and compliance in the FERC Online eLibrary. Best results may be found by searching "Jackson Bluff." Link:

<https://elibrary.ferc.gov/idmws/search/fercgensearch.asp>

Q: Has a Phase I Environmental Site Assessment been performed for the leased property and if so, will the report be made available to the bidders?

A: A Phase I ESA has not been completed.

Q: How frequent is trash/debris removal?

A: About every 3 months using clam shell crane

Q: What debris present?

A: Mostly grass

Q: Gate operation protocol in place?

A: None needed beyond gate controls.

Q: How often are grounds inspected?

A: Daily

Q: Additional access to 2nd gate?

A: Yes, via 267 and Stoney Edwards Rd.

Q: How often and how long does it take to mow the grass?

A: Spring and Summer, every 10 days, two days of mowing. Fall and Winter, every 30 days, two days of mowing.

Q: Any weed control?

A: Twice a year, weed control by contractor on upstream/downstream rip-rap.

Q: What fire protection for structure?

A: Fire station plug available; inside turbine room there is alarm and extinguisher

Q: Measuring outflow?

A: Measurement on Culvert every 2 weeks with manual bucket per Water Management District

Q: Change of flow?

A: None noticed other than after heavy rains

Q: Equipment for mowing owned and maintained by plant? Are mowers, etc. on equipment list?

A: Equipment can be negotiated.

Q: Draw-downs for dock maintenance (Lake Talquin)?

A: The state limits the amount of draw downs

Q: Who performs maintenance and is maintenance scheduled only when there is an issue?

A: Routine maintenance by the operators. Scheduled maintenance/PM support Purdom Plant personnel. Major overhauls or major issues handled by contractors.

Structure

Q: Please provide efficiency curves for turbines and generators.

A: Please find related data contained in file Index_Test_of_Turbines-1986, as provided on the FTP Site.

Q: What is the actual operating range (in CFS) for each of the turbines?

A: Please find related data contained in file "Index_Test_of_Turbines-1986, as provided on the FTP Site.

Q: Are units turbine-limited or generator-limited?

A: Per the City, there are no known limitations other than water flow and head differential. More flow through the turbines results in higher tail race that actually reduces output.

Q: Please provide full spare parts list.

A: Spare parts will not be provided.

Q: Please provide tailwater curve for the units

A: Please see Index_Test_of_Turbines-1986, as provided on the FTP Site.

Q: Is there any specific order how the units are brought online, e.g. due to some technical restrictions or efficiency considerations? Could you please describe the usual operations procedure as a function of increasing flow?

A: Unit 3 comes on first since it is a Kaplan unit. There is a sequence for opening the flood gates. The flood gates are opened in the sequence of 6 – 2 – 4 – 5 – 1- 3 – 7. The gates are opened incrementally in this order.

Q: Why rock the toe?

A: FERC requested to replace the previously placed riprap that had weathered.

Q: Seepage monitoring along earthen dam?

A: Monitored at culvert outlets.

Q: Embankment leaks? Seepage from dam, run-off pooling from poor drainage?

A: No comments or concerns raised by FERC

Q: USFS touch FERC boundaries? What are stakeholder requirements?

A: We are not aware of any.

Q: How deep is concrete wall built?

A: Concrete walls vary in depth by type.

Q: Is remote dike made to fail?

A: No

Q: Dirt underneath grass of spillway?

A: Fill from digging used in slope and remote dike; not hydraulic fill

Q: Any seismic issues?

A: Never, no

Q: When was sand (embankment) added?

A: 2 – 3 years ago

Q: Lime stone issues? Does dam lay on karst topography?

A: None known and no requirements in respect to licenses

Q: How old slots?

A: About 12 years

Q: Have the head gates been rehabbed?

A: New 6-7 years ago

Q: Gate repairs?

A: A couple years ago on #6, continuous PM.

Q: Concrete repair around gates?

A: None recalled

Q: Last time painted?

A: Late last year, and before that ~ 6 – 7 years ago

Q: Erosion issues with slope of retaining wall?

A: No

Q: Open spillway studies? Risk mitigation because of Orville event?

A: Plan submitted to FERC per their request. Awaiting approval.

Q: Any issues following 1994 hurricane?

A: None recalled

Q: When were interconnection underground cables changed?

A: No.

Q: What analysis done of spillway during design? Who designed it?

A: Subsurface soil samples and lithologic logs. Mead & Hunt, Inc.

Q: Friction tested on trunnion pins?

A: Not to our knowledge.

Q: GSU age and condition?

A: One in 1985 and the other one replaced in 2007. In good operating condition. Oil tested annually by Doble.

Q: In “2015 Underwater Structural Inspection” report, page 62, divers report a “generator impellor at base of retention wall”. Please provide explanation and report.

A: The impeller noted was portions of the turbine impeller that was removed by the previous owner/operator, Florida Power Corp., prior to relinquishing the facility to the State of Florida.

Q: Please provide name of original turbine manufacturer.

A: The City refurbished the powerhouse with turbines manufactured by Dominion Engineering Works.

Q: Can you please provide a list of any repairs to the dam? I've seen a folder with a repair due a damage done in 1957. Apart from the new spillway construction has any other improvement/repairs been done?

A: Yes, toe drains improvements were completed in mid- to late 1990s, and a filter bed was installed in 2016 to address potential uplift at the north end of the earthen dam.

Q: Can you please provide the reports for electrical testing ?

A: Testing completed as part of overhauls completed in 1986, 1996 and 2007.

Q: Why did Unit 2 not operate for the years of 2007, 2008 and 2013

A: Lack of water in 2007, 2008. Lack of water, exciter repairs in 2013

Q: Why did Unit 1 not operate for the year of 2011

A: Lack of water in 2011

Q: Are you able to raise lake level?

A: No, we don't want to do that; recreational opportunities must be maintained.

Q: Significance of rocks at the toe (bottom of embankment)?

A: Per FERC, original riprap bed exhibiting significant weathering. Riprap replenished in the past year

Q: Any slope erosion (embankment)?

A: None

Q: What do pink flags at embankment base signify?

A: Quarter-sized boil, filter bed installation scheduled for summer 2017.

Q: What is minimum flow?

A: Run of river, match gauge upstream

Q: High flow frequency?

A: Weather dependent.

Q: Water quality monitoring present downstream?

A: Temperature restrictions? No requirements.

Q: How much accessible with ballast?

A: Accessible; Hollow beneath catwalk, ballast is 5 – 6 feet below the deck.

Q: Any vents in concrete?

A: About 8, 3in diameter holes

Q: Has FERC asked to study spillway (instability; lift off with high flow)?

A: None, other than the recent Oroville Spillway related study.

Q: How many piezometer wells present?

A: 42

Q: Back up generator?

A: 500 gal diesel tank, double walled; operates gates and lights

Q: Can they be run with battery?

A: No

Q: What is purpose of arches?

A: Structural

Q: What is Amberson filled with?

A: Concrete sand ballast

Q: Construction of remote dike?

A: Soil; materials excavated during aux spillway construction.

Q: Artesian well (office water, cooling)?

A: No, 5-horse submersible

Q: How deep is intake?

A: 31.85 ft

Q: Turbine generator set info?

A: See nameplate photos

Q: What's your aluminum slot? How old are slots?

A: Concrete wall built in 1985 and aluminum flashboard constructed and delivered in 2012.

Q: Is there any recent evaluation of the stability of the dam including also factor of safety?

A: Not of the earthen dam

Q: Spillway drawings and calculations were found but only for review. Would IFC or even as built be available?

A: Question unclear.

Q: Please provide more information regarding the design and construction of the sand filter as installed on the downstream dam toe. Can you also provide any flow measurement and observation records of the outflow.

A: See FERC approval of QCIP for the sand filter

Q: How often does plant trip for utility, external reasons?

A: Rare, infrequent

Q: How often does unit trip for unit issue reasons?

A: Rare, infrequent

Q: Are all three generating units fully operational at this time?

A: Unit 2 is awaiting a rebuilt hydraulic cylinder. Other than the hydraulic cylinder, all three units are fully operational.

Q: Are there any known issues (major damage, operational limits, etc.) with generating units at this time?

A: None.

Q: Are there any known issues (major damage, operational limits, etc.) with generator step-up transformers at this time?

A: None.

Transmission

Q: Please provide transmission costs for the past 5 years.

A: Please see Hydro Transmission Cost, as provided on FTP site.

Q: According to the City's contract with FPC, the plant has firm point-to-point transmission for the full installed capacity of 11 MWs. Why did the City purchase firm transmission at this level when the plant has historically not generated at full power for the majority of the year?

A: In response, a representative of Duke Energy stated that currently 11 MW of transmission capacity is being provided to the City of Tallahassee. Any change in wattage would have to be studied.

Q: In the description provided in the Bid Conditions, you indicate that "it is believed that Duke Energy will be amenable to the City assigning the existing transmission services agreement to another party on an "as-is" basis; however, such assignment is not guaranteed." The current transmission contract expires "concurrent with the retirement date." Once the City is no longer the operator of the plant, would the lessor be free to negotiate a transmission agreement with different terms than that of the City? Please confirm the Lessor would not be obligated by the existing transmission agreement, although the plant would not be retired if the new lessor was to operate it. [We understand this is the case, but it has not been confirmed in writing]

A: The current transmission service agreement is assignable on an "as-is" basis. The new operator may be able to negotiate a new agreement, but depending on the changes requested, the new agreement may be subject to studies.

Q: Why city guaranteeing PPA?

A: The PPA is included in USB and FTP files. The PPA is an opportunity rather than an obligation.

Q: What sort of transmission facilities responsible for?

A: None

Q: Duke easement – how big, what rights?

A: See "1970-12-14 FPC Deed.pdf" on FTP Site.

Lease

Q: The lease states that the lessee "shall assume full responsibility for and shall pay all liabilities that accrue to the leased premises or to the improvements thereon, including any and all ad valorem taxes and drainage and special assessments or taxes of every kind and all mechanic's or materialman's liens which may be hereafter lawfully assessed and levied against the leased premises." Will the Lessee be obligated to pay any local property taxes, such as school or county taxes, or will the property continue to be exempt as it will remain owned by the State?

A: The City as a governmental entity does not pay any special assessments or taxes. If a private company takes over the operation, we are not sure how they will be treated from a tax or assessment perspective.

Q: If the Lessee is responsible for paying local property taxes, can the State confirm that Leon County's most recent assessment of the taxable value of the property is \$83,190 and that 2016 millage rates were 17.70100 per \$1,000 of taxable value?

A: State Lands are not subject to property taxes. The City has stated and the state confirms there are currently no assessments at this site.

Q: Are the terms "O&M Contractor" and "O&M Operator" in the bid document intended to be the same entity?

A: Yes

Q: Please explain what is meant by the following statement from the bid document: "The DEPARTMENT's primary goal is to maintain a recreational link by controlling surface waters in a manner that minimizes the potential for floods. Maintaining a renewable energy producing resource is considered secondary." Will the successful bidder be required to manage flood waters or will that responsibility remain with the State?

A: The successful bidder will be required to manage flood waters

Q: FERC requires that the Licensee demonstrate adequate rights to all of the physical structures required to safely produce energy for the duration of the license. If the lease term is less than the FERC license term, it may make obtaining a license more difficult. Will the State consider revising the term of the lease to match the term of the new FERC license?

A: Yes. The lease term is now 40 years.

Q: The parcels identified on page 1 of the bid document do not include the entire perimeter of Lake Talquin. However, the FERC license applies to the entire impoundment. What rights will the successful bidder/Licensee have to comply with FERC license requirements that extend beyond the identified parcels?

A: Special Condition 44 (e) of the lease agreement gives the rights of use to all lands within Lake Talquin for the fulfillment of the FERC license. This would be concurrent with the map attached to the current FERC license.

Q: Is all of the infrastructure included in the lease located on lands owned by the State or is infrastructure located on lands of others under easement or lease? If so, are these instruments transferrable or is the successful bidder required to obtain their own easements or leases? For example, the use of the Duke Energy office/warehouse.

A: All of the infrastructure included in the lease are located on lands owned by the State. Easements are in place only for transmission lines.

Q: Is the State providing access rights to the successful bidder to the powerhouse side of the impoundment from the public roadway? The photo on page 1 of the bid documents does not include the access to the public road.

A: The successful Bidder will be able to enter the property via 267 and Stoney Edwards Rd.

Q: Does the State have access rights to the opposite end of the embankments from the powerhouse that it will assign to the successful bidder?

A: Yes

Q: Page 2 of the bid document states that the attached lease is “proposed”, yet page 4 states that any counterproposals or offers related to the lease will be determined to be nonresponsive and such bids will be rejected. Will the State entertain alternative terms or proposals for the lease (lease term, for example, as described above)?

A: The State has entertained adjustments following the Bidder Question and Answers period. Please see Updated Lease, including the alteration of the lease term to 40 years.

Q: Section 14 of the lease document requires Lessor approval for improvements. FERC-required improvements are not subject to local approval. How will this coordination be addressed?

A: Coordination will be a simple email communication, ensuring that both the landowner is informed and all improvements are for the benefit of the operation and approved by FERC.

Q: Section 17 of the lease requires the Lessee to pay all taxes and assessments. Has the State calculated what taxes will be assessed to the successful bidder and their amounts?

A: State Lands are not subject to property taxes therefore those will not be applicable. At times there are special districts or assessments for which a lessee is responsible. The City has stated and the state confirms there are currently no assessments at this site.

Q: Section 22 of the lease states that all utility fees shall be borne by the successful bidder. What existing utility fees are currently in effect and what are their values?

A: The City, as a utility provider, has not paid any utility costs on a routine basis. The power used at the facility is fed back from the switchyard. The general water source is an onsite well and the facility has a septic tank system. The electric has been netted from the generation, but there is no guarantee that the prospective Lessee would be able to do this in the future.

Q: Section 23 reserves mineral rights on the property for the Lessor. Will the successful bidder be allowed to use on site borrow materials if necessary for repair and maintenance of the facilities?

A: Yes, as approved by the Lessor per needed repairs mandated by FERC or preventative maintenance upon approval.

Q: Section 24 requires the Lessee to make available all financial and other recordings related to the lease? What specific financial records of the Lessee does this apply to?

A: This requires the availability of all financial records pertaining to the operations of the property.

Q: Section 26 requires the preparation of a Land Use Plan to be approved by the Lessor. Such land use plan should have an exception for FERC-required activities and uses. How will the land use plan required by the lease be coordinated with what FERC typically requires for land use and other plans in their licenses?

A: Land Use Plans are required under Section, 253.034, Florida Statutes, the first one being due 10 months from the effective date and every ten years after. The FERC plan may be used as the Land Use Plan, as long as it includes the limited information listed in the statute.

Q: Section 33 of the lease requires the Lessee to identify environmentally sensitive and biologically highly productive lands for the purpose of obtaining a public lands arthropod control plan. Will the Lessee be required to pay for an arthropod control plan or its implementation?

A: Yes, per Section 388.4111, Florida Statutes.

Q: Section 44 of the leases requires the Lessee to make available guided tours of the facility to named educational institutions on an annual basis. Is there a limit on the number or costs associated with such tours?

A: No. The dam, as a public land facility, has historically been a source of education for students of all ages. This dam, being one of two hydro-dams and being located near the State Capitol, is a great source for educating students, unless conditions are unsafe during certain times and weather events.

Q: Contractual recreation obligations?

A: None

Q: Are boundary lines described in lease absolute?

A: Yes – legal description as is and will be available

Licensing, Insurance and Management

Q: How will the State of Florida ensure that that the winning bidder has the guaranteed right to continue operation of the hydro station until the next FERC license is secured?

A: The 1980's lease between the Board of Trustees and the City of Tallahassee was approved in a formal meeting of the Board of Trustees of the Internal Improvement Trust Fund. Under current law, a commercial lease cannot be transferred, and must be formally approved in form and operation by the Board of Trustees. The City plans only to disconnect the generators from the breakers and mechanically block the hydraulic actuators for the wicket gates from operating. The water flow will occur only through the flood gates until the generator connections are restored and the wicket gates are made operational again.

Q: FERC allow increase/decrease PMF?

A: PMF is determined based on hydrograph. See 2006 IDF study for further details.

Q: FERC-required recreational amenities?

A: None recalled. Recreational opportunities are required by the state.

Q: Please provide reasoning for why the City of Tallahassee decided to surrender the FERC license while the State pursued the lease agreement with a new Lessor, and how the State envisions the new Operator would be able to obtain a new FERC license with no interruption of operation.

A: The City of Tallahassee surrendered their license per FERC's requirement that surrender/renewal intentions must be stated to FERC 5 years before the end of the license period. DEP has amended the lease term to 40 years to be consistent with FERC license terms. FERC is aware of the State's intention to obtain a new operator and is working with DEP, the City and the prospective Lessee to continue operations with no interruption.

Q: Would the City consider requesting that FERC postpone any applicable deadlines for filing an intent to relicense or an intent not to file until after this process is complete, rather than filing an intent to surrender the FERC license? Surrendering the FERC license allows any other party to file an application to obtain a FERC license which will complicate the City's and State's process and will make overall licensing much more difficult. A preferred approach is to request that FERC extend the deadline for filing a notice until the State's bidding process has concluded.

A: The City was required by FERC rules to submit the City's intent to surrender or continue operation by June 30, 2017. The City and State, as partners in this process, participated in numerous discussions with

FERC over the intention to locate a new hydro-dam operator. FERC is aware and has stated they will work with the awarded bidder.

Q: What insurance does the State currently have on the property and equipment?

A: The property insurance is all risk written by FM Global. Currently the Hydro Plant is insured as follows:

Office & Control Building: Building: \$105,160. Contents \$32,910

Hydro Plant Building: \$25,516,610

Switchyard Building: \$956,880

Q: The lease requires that the Lessee “procure and maintain policies of fire, extended risk, and liability insurance coverage. The extended risk and fire insurance coverage shall be in an amount equal to the full insurable replacement value of any improvements or fixtures located on the leased premises.” Does FDEP have an estimated replacement value for the equipment upon which we can base insurance costs?

A: FDEP does not have an estimated replacement value for the equipment. Please see above insurance information.

Q: Please provide loss history or loss summary for all relevant insurance lines.

A: There have been no known insurable losses.

Q: Please provide detailed census information for employees.

A: The two employees at the facility are white males.

Q: Please provide list of OSHA recordables, lost work time, near-misses, etc.

A: Please see applicable records in Corn_Hydro_Claim_List082917, as provided on the FTP Site. There was one incident with a 14 day of lost time due to one injury.

Q: Is there a contract with the hunt camp?

A: Hunt camps do not lie in lease boundary, but may be present in Lake Talquin State Forest, which is managed by the Department of Agriculture and Consumer Services, Florida Forest Service.

Q: The facility is features in the Lake Talquin State Park Management Plan. How to omit it?

A: Waterflow management was once the responsibility of the Division of Recreation and Parks, but Plan may be updated through a Negative response memo to the Acquisition and Restoration Council.

Q: Endangered animals in area? Requirements for species protection?

A: Bald Eagles and Gopher Tortoise infrequently present. Supporting resources available on FTP Site/USB Drives. No special operating procedures.

Q: Life risks associated with operation?

A: Gate controls added as conservative measure

Q: Who manages lake shoreline?

A: Private and public landowners own land to shoreline throughout lake proper.

Q: Lease stakeholders?

A: Lease stakeholders include the winning bidder, the Board of Trustees of the Internal Improvement Trust Fund. Special lease conditions require lessee to maintain agreement with USGS for inflow and outflow gauges. Other stakeholders could include U.S. Fish and Wildlife, the Florida Fish and Wildlife

Conservation Commission, Northwest Florida Water Management District, counties and residents within the area.

Q: Hourly rate and charge rate for operators, including benefits?

A: Hourly Rate - \$34.45 - \$33.64, Benefits multiplier- 1.4

Q: Cost of security guard service?

A: Cost of security guard service is negotiable

Q: Is night security required by any organization or stake holder?

A: No.

Q: Is the security a requirement by City?

A: No.

Bid Procedure

Q: Will the entire bid be made public or is there a process to ensure confidentiality of portions of the bid?

A: The bids are public record, however, if there is trade secret information sent to the department along with the bid, please mark those documents as "TRADE SECRET" and place in a separate manila envelope. Those documents will not be shared to the general public unless specifically requested and a after consultation is held with the submitter.

Q: Will the award of the agreement be made exclusively on the annual lease amount in the bid or what other factors will be assessed in evaluating bids?

A: The award of the agreement will be made exclusively on the annual lease amount.

Q: Will we have the additional opportunity to submit more questions as the schedule for the tender has changed?

A: Bidders may submit questions until 9 a.m. on October 18, 2017.

Q: Is there the opportunity to have another site visit to inspect the internal part of the Amberson dam?

A: According to the timeframe of the bidding process and formal BOT approval meeting, there will not be time for all bidders to visit the dam.

Q: Bid process: if questions not answered by deadline, do we start over?

A: Questions and answers will be posted to addendum to Vendor Bid System by xxx.

Q: What is minimum bid amount based on?

A: Appraisal

Supplementary Documents

- 2007 Overhaul photos
- Auxillary Spillway As Built
- COT – Operation&Information_Manual
- Operation Manual 1983
- Dominion Engineering Works - Operating Instruction...

- Drawdown Operations
- Inflow Design Flood Study
- IDF and DAMBRK
- Generation and Turbine Plates
- Interconnection Agreement with Duke Energy Interconnection (page 23 of 1970-12-14 FPC, Deed in Deeds and Contracts)
- Arc Flash Study
- Sand Filter mitigation
- Daily Log Sheets
- GSU Plates and Testing
- Crane Inspection Report
- Drawings – Dam and Structure Instrumentation
- Jackson Bluff Opex 2012-2014
- FY2015 Hydro O&M
- Corn Capital Last 5 years expenditures
- Hydro_Maintenace-2012-2017
- Hydro Outage 2012
- Hydro Outage 2013
- Hydro Outage 2014
- Hydro Outage 2015
- Hydro Outage 2016
- Hydro Outage 2017
- Net Generation 1986 – 2016
- Hydraulic Turbine Consultants Performance Data.pdf
- Turbine ad generator operation and maintenance manuals
- REXA manual
- Copy of daily logsheets
- Generator, GSU transformer and OCB testing reports 5 years
- Updated drawing showing the instrumentation on the dam and concrete structures
- 1970-12-14 FPC Deed
- FERC Filing Letter 2002
- Def Joint OATT
- Corn O&M Budget
- Service Agreement
- Corn PO Detail
- PCARD_Transactional Info
- Corn_Hydro_Clain_List
- Transmission Costs 2008 – 2016
- Index_Test_of_Turbines-1986