

## MEMORANDUM

**TO:** MAYOR AND CITY COMMISSION

**FROM:** CITY ATTORNEY'S OFFICE

**DATE:** November 6, 2023

**RE:** **Equipment Supply and Support Services Agreement with Block Energy, Inc. for Installation of a Residential Microgrid Pilot Project**

Attached hereto for your consideration is an Equipment Supply and Support Services Agreement with Block Energy, Inc. (Block) for the installation of a residential microgrid in Lakeland Electric's service territory. This residential "microgrid" serves as a group of interconnected loads (houses) and distributed energy resources (solar and batteries) to act as a single controllable entity with respect to the electric grid (grid). The microgrid's ability to connect and disconnect from the grid can improve customer reliability and resiliency to grid disturbances such as severe storms, including hurricanes.

The Agreement with Block and the City will serve as a Pilot Project (Project) of new technology to provide customers with a distributed energy resource that will be evaluated for its effectiveness as a new business model for residential growth in the Lakeland Electric service territory. The Project between Block and the City will also include a partnership with Clayton Properties Group, Inc., the parent company of Highland Homes, which will serve as the Developer, as well as the builder of a new community, in Lakeland Electric's service territory where the Project will be installed.

Specifically, the Highland Homes development, known as "Myrtlebrook", will be comprised of 77 new construction homes. In accordance with the Project, Block's "Block Box" system will include rooftop solar panels integrated with battery storage and supplemental grid-forming generation to support the 77 residential homes in Myrtlebrook. Homes grouped in pairs will share a Block Box battery-inverter which will be connected to a Block Central that includes a system controller, larger scale batteries, backup natural gas generation and a grid tie. The Myrtlebrook development is expected to break ground in 2024, with housing construction set to begin in 2025 and completed sometime in late 2025 or early 2026.

The City's Purchasing Department has approved Block as a sole source provider for this technology as a Pilot Project. Pursuant to the Agreement, Block will provide all materials and installation of the microgrid components during the term of the Agreement. In addition, Block will also operate and maintain the system, as well as provide training for Lakeland Electric personnel during the contract term. The training of Lakeland Electric personnel will enable Lakeland Electric to maintain and operate the system following the expiration of the contract term should it elect to do so in accordance with the Agreement. During the course of the Project, Lakeland Electric

will assess system performance and reliability to determine if this type of microgrid system is a sustainable business model for future development.

Upon approval by the City Commission, the term of this Agreement will be effective on November 13, 2023, and continue for a three (3) year period following the commissioning of the first Block Box serving the electric load of a residential unit (the operations and maintenance period). At least ninety (90) days prior to the expiration of the term of the Agreement, the parties may either negotiate the terms of a new agreement to continue Block's continued operation and maintenance services or the City may exercise its right to operate and maintain the Project on its own. The City reserves the right to terminate the Agreement for any reason upon ninety (90) days prior written notice following the commissioning of the final Block Home equipment.

In accordance with the Agreement, Block will indemnify and hold harmless the City from and against any claims, including personal injury and physical damage to property, arising out of Block's negligence, as well as any potential claims related to the equipment it supplies that are alleged to infringe on third party intellectual property rights. Block will be required to maintain excess liability insurance coverage for commercial general liability, automobile liability and employer's liability up to \$10,000,000.

Lakeland Electric will also provide complete installation and interconnection of an AC power system for the Project, such that in the event that the Block Box system does not work or is removed for whatever reason, all of the homes will have no power interruption to electric service from Lakeland Electric. Block will provide a warranty on all materials and work during the three (3) year term of the Agreement as well as provide an additional six (6) month warranty from the date of any repair or replacement.

Pursuant to the Agreement, Block will provide the equipment and supplies to power the 77 residential homes in the Myrtlebrook development. The City will pay Block an amount of \$55,000 per residential unit for a total cost of \$4,235,000 in accordance with the payment schedule set forth in the Agreement based on completion of specified Project milestones. The total cost of the Project will be funded by Lakeland's Electric's delivery and production capital budget. Based on the Project schedule and milestone payments, approximately \$1,700,000 is included in Lakeland Electric's FY24 budget, with the remainder of the cost subject to City Commission approval in subsequent budget years. This Project is also eligible for federal tax incentives for green energy credits, which Lakeland Electric will pursue to offset the cost. Such green energy credits may total \$1,100,000 in cost savings, thereby reducing the total cost of the Project.

The obligations set forth in this Agreement, including any payments to Block, are contingent on the Developer executing an agreement with both Block Energy, Inc. and the City within sixty (60) days of the effective date of this Agreement in substantially the same form as set forth in Exhibit C to the Agreement, which will be subject to review and final approval by the City Attorney's Office. The Developer agreement also includes a number of form easement agreements granting Lakeland Electric ingress and egress on the Developer's property, as well as the homeowner's property

(including the roof to access solar panels) in order to construct, maintain, repair, replace or remove the Block system or Lakeland Electric's utilities.

It is recommended that the City Commission approve this Equipment Supply and Support Services Agreement with Block for installation of a residential microgrid in Lakeland Electric's service territory and authorize the appropriate City officials to execute all corresponding documents, including the Developer agreement and corresponding easement agreements, on behalf of the City, subject to final review of the City Attorney's Office.

Attachment

**BLOCK ENERGY™**  
**EQUIPMENT SUPPLY AND SUPPORT SERVICES AGREEMENT**

This **EQUIPMENT SUPPLY AND SUPPORT SERVICES AGREEMENT** (this “**Agreement**”) is dated this 6<sup>th</sup> day of November 2023 by and between the **City of Lakeland**, Florida, a municipality organized and existing in accordance with the laws of the State of Florida on behalf of its municipal utility, Lakeland Electric (“**Lakeland**”) and **Block Energy LLC**, a Delaware limited liability company (“**Block Energy**”) (each as defined below; and each a “**Party**” and collectively, the “**Parties**”)

Section 1     Exhibits and Schedules.

1.1     The Exhibits and Schedules listed below are incorporated by reference and made part of this Agreement. Any capitalized terms shall have the meaning set forth in Section 31 of this Agreement, the Exhibits and the Schedules attached hereto. This Agreement may be executed by the Parties in one or more counterparts, all of which taken together, shall constitute one and the same instrument.

Exhibit A: Project Description

- Schedule A-1, “Community Microgrid Pilot Project Tasks” defining the services provided pursuant to this Agreement
- Schedule A-2, “Community Microgrid Pilot Materials to be Provided by BlockEnergy” defining the Equipment provided pursuant to this Agreement.
- Schedule A-3 Site Description.

Exhibit B: Insurance Requirements

Exhibit C: Form Developer Agreement

Section 2     Payment, Invoices, Term and Scope of Services.

2.1     Payments. Lakeland will pay the amounts invoiced by Block Energy within forty-five (45) days following receipt of the invoice in accordance with Florida Statute §218.74 et. seq., the Local Government Prompt Payment Act. Lakeland is responsible for any and all present or future taxes and other impositions of Governmental Authorities relating to the ownership, purchase and sale of Equipment at and after delivery thereof to the Site, except as otherwise exempt and as evidenced by a certificate of exemption for sales and use tax provided to Block Energy by Lakeland upon execution of this Agreement.

2.2     Contract Price. Pursuant to this Agreement Block Energy will provide Lakeland with Equipment adequate to power seventy-seven (77) Residential Units at the Site. Lakeland shall pay Block Energy an amount of Fifty-Five Thousand dollars and 00/100 (\$55,000.00) per Residential Unit (the “**Per Home Fee**”) provided with Commissioned Equipment by Block Energy, totaling Four Million Two Hundred Thirty-Five Thousand dollars (\$4,235,000.00) (the “**Total Payment**”), paid according to the following schedule:

<b>Percent/Amount</b>	<b>Event</b>
20% of Total Payment = \$847,000	Upon receipt of first order for the first Residential Unit.
10% of Total Payment = \$423,500	Upon Block Energy's submission of drawing package for first Residential Unit.
10% of Total Payment = \$423,500	Upon commencement of construction of BlockCentral.
10% of Total Payment = \$423,500	Upon completion of construction of BlockCentral.
50% of Per Home Fee = \$27,500	Upon Commissioning of Equipment for each Residential Unit.
<b>Total: \$4,235,000</b>	

Lakeland shall be entitled to any available federal Investment Tax Credits for the purchase of the BlackBox systems from Block Energy pursuant to 26 U.S.C. § 48. Block Energy shall ensure that its performance obligations set forth in this Agreement do not disqualify Customer from recovering the maximum available increased credit amount for such energy projects set forth in 26 U.S.C. §48(a)(9)(A) & (B). Lakeland shall be responsible for filing for such Investment Tax Credit.

2.3 Disputed Payments. If a dispute arises regarding the payments to either Party hereunder in good faith, Lakeland or Block Energy, as applicable, will pay all undisputed amounts, and the Parties will attempt in good faith to resolve the dispute as promptly as practicable (and in no event more than thirty (30) days after the dispute first arose). Upon the request of the disputing Party, the other Party will prepare and issue a revised invoice, separating the disputed amounts from the undisputed amounts.

2.4 Delayed Payment. Any amount owed by a Party hereunder beyond the date that such amount first becomes due and payable under this Agreement will accrue interest from the date that it first became due and payable until the date that it is paid at the lesser of (a) twelve percent (12%) per annum or one percent (1%) per month on any unpaid balance in accordance with Florida Statute §218.74 et. seq., the Local Government Prompt Payment Act and (b) the maximum rate permitted by Applicable Law.

2.5 Term. The term of this Agreement shall commence on November 13, 2023 (“**Effective Date**”) and continue until the end of the Operations & Maintenance Period as set forth in Section 2.7.

2.6 Project. The Parties to this Agreement agree that the obligations set forth in this Agreement, with respect to each Party, are contingent upon the Parties entering into agreements with a Builder and/or Developer, within sixty (60) days of the Effective Date of this Agreement, in which Builder and/or Developer will construct the number of Residential Units set forth in

Section 2.2 on platted and finished lots for Block Energy's Equipment in which Block Energy's Equipment would provide electric power to such Residential Units through rooftop solar integration with battery storage and supplemental grid-forming generation (hereinafter referred to as "**Project**"). Execution of the Developer agreement shall be a condition precedent to enforcement of this Agreement, which agreement shall be in substantially the same form, as may be amended, attached hereto as Exhibit C. Neither Lakeland nor Block Energy shall have any further obligations pursuant to this Agreement until such Developer agreement has been fully executed and is in full force and effect.

2.7 Operations and Maintenance. Block Energy shall operate and maintain the Project for a period of three (3) years following the Commissioning of the first BlockBox serving the electric load of a Residential Unit (the "**O&M Period**"). At least ninety (90) days prior to the expiration of the term of the Agreement, the Parties may either negotiate the terms of a new agreement to continue Block Energy's provision of operation and maintenance services or Lakeland may begin operating and maintaining the Project. All spare and replacement parts for Block Energy's Equipment shall be furnished to Lakeland during the O&M Period pursuant to Block Energy's operations and maintenance obligations.

### Section 3 Installation, Integration and Commissioning of Equipment.

3.1 Equipment and Equipment Supply Obligations. Subject to and in accordance with this Agreement, Block Energy will supply and deliver the Equipment to the Site (the "**Equipment Supply Obligations**") as specifically set forth in Exhibit A. Title to Equipment provided by Block Energy will stay with Block Energy unless and until such Equipment is Commissioned, at which point Block Energy shall assign title to such Equipment to Lakeland. Block Energy will perform its obligations hereunder in compliance, in all material respects, with Applicable Laws, applicable Approvals (provided that Block Energy has received notice and copies thereof) and Prudent Industry Practices. Block Energy shall arrange for a licensed contractor (a) to install the BlockHome Equipment on or near each Residential Unit, to connect the BlockHome Equipment to the Residential Unit's electrical system and connect the BlockHome Equipment to the AC Power System, and (b) install certain ancillary equipment determined by Block Energy, including the BlockLoop and BlockCentral. Block Energy will provide written notice to Lakeland upon the Commissioning of the BlockLoop, the BlockCentral and/or each BlockHome (each, a "**Commissioning Notice**"). Block Energy may employ subcontractors for the performance of portions of Block Energy's obligations under this Agreement. Block Energy, as between Lakeland and Block Energy, shall be fully responsible for all work performed by, and all acts or omissions of, each such subcontractor. Nothing contained herein shall obligate Lakeland to pay any such subcontractor for any of the work performed by such subcontractor.

3.2 AC Power System. Lakeland shall design, engineer, construct, install, operate, transport, interconnect, integrate, commission and otherwise complete the installation and interconnection of the AC Power System, including those portions of the AC Power System that will be used to interconnect the Equipment with the AC Power System, in accordance with a schedule that supports Block Energy's completion of the Commissioning of the Equipment in accordance with this Agreement (the "**Site Work**"). Lakeland will perform the Site Work in accordance with all Applicable Laws, Approvals, Prudent Industry Practices and any technical documents or recommendations provided by Block Energy related to the Equipment. The Parties

shall cooperate with each other as necessary and appropriate to cause the AC Power System and the Residential Units to be completed such that they can accommodate the Equipment.

Section 4 Cooperation and Coordination. The Parties shall communicate with each other in good faith and as reasonably necessary or appropriate to coordinate performance of their respective obligations hereunder. The Project Coordinator for each Party identified in the signature page (or as may be changed pursuant to written notice to the other Party) shall act as the point of contact on behalf of each Party, respectively, with respect to the prosecution and scheduling of the work hereunder and any issues relating to this Agreement. Prior to the commencement of any physical work pursuant to this Agreement, the Project Coordinator for each Party shall work together to develop a construction schedule, and at all times thereafter until Commissioning, the Project Coordinator for each Party shall communicate with each other with respect to any potential delays or other changes to such construction schedule.

Section 5 Approvals. Lakeland is responsible for obtaining any and all Approvals necessary or appropriate in connection with performing the Site Work. Block Energy is responsible for obtaining all Approvals necessary or appropriate for it to perform its obligations set forth in this Agreement. The Parties shall cooperate, acting reasonably and in good faith, in connection with their respective efforts to obtain their respective Approvals, provided, however, that Block Energy will have no obligation to incur any material expenses in connection with providing such support to Lakeland unless Lakeland has agreed in writing to reimburse Block Energy for such expenses.

Section 6 Software, Site and Data Access.

6.1 Software Data. The Equipment may be furnished by Block Energy with certain accompanying or embedded software. Block Energy retains ownership of all rights in the software. If the software is embedded in the Equipment, Lakeland may not extract or use the software separate from the Equipment. All information and data captured by the software in connection with the Equipment shall be deemed the exclusive property of Block Energy (the “**Software Data**”). Commencing on the Effective Date and continuing through the Defect Warranty Period, Lakeland shall give Block Energy access, subject to Lakeland’s policies and procedures relating to safeguarding specified data, (i) to the Site and the Equipment, including for the purpose of showing the Equipment to third parties and allowing third parties, including utilities, to evaluate performance of the Equipment, implement software updates, and otherwise monitor operation of the Equipment and associated software, (“**Site Access**”) and (ii) to any and all Software Data (“**Data Access**”). Block Energy may obtain Data Access both through direct connections to the Equipment and through remote connections during the term of this Agreement. The Parties agree that, subject to Applicable Law, Block Energy may use any Software Data for any purpose, and Lakeland consents to Block Energy’s using such information. Block Energy may furnish Software Data to the relevant utilities to offer insights and usage information to their Residential Customers.

6.2 Electronic Access. In furtherance and not in limitation of the above, Lakeland’s obligation to provide Data Access shall include all reasonably necessary forms of electronic access, including providing to Block Energy any security clearance, security credentials, or passwords needed by Block Energy to gain access to the Software Data, subject to Lakeland’s policies and procedures relating to safeguarding such electronic access.

Section 7 Equipment Upgrades. Block Energy may, from time to time and at its sole cost and expense, modify or upgrade the Equipment as Block Energy determines is necessary or appropriate upon prior written notice to Lakeland of such modifications and/or upgrades. Lakeland will provide Block Energy with access to the Equipment to accommodate the foregoing and otherwise cooperate with Block Energy's reasonable requests associated with the foregoing.

Section 8 Insurance. Commencing on the date that Block Energy first provides Equipment or services hereunder to the Site and continuing for the term of this Agreement, Block Energy shall maintain insurance as set forth in Exhibit B. Lakeland shall provide Block Energy with a Notice of Self-Insurance upon execution of this Agreement.

Section 9 Equipment Warranty.

9.1 Defect Warranties. Block Energy warrants to Lakeland that the materials supplied, and work performed by Block Energy pursuant to the Equipment Supply Obligations (and specifically excluding the Equipment that is subject to any Assigned Warranty) will be free from defects in material and workmanship (collectively, the "**Defect Warranty**").

9.2 Assigned Warranties; Subcontractor Warranties. Block Energy will assign, to the extent assignable, all original equipment manufacturer, vendor or other warranties for the Equipment supplied by Block Energy as part of the Equipment Supply Obligations ("**Assigned Warranties**") to Lakeland upon, and as a condition of, Final Completion. Block Energy will provide true, correct and complete copies of the Assigned Warranties relating to the Equipment to Lakeland on or before Final Completion.

9.3 Defect Warranty Period. The warranty period with respect to the Defect Warranty is the O&M Period (the "**Defect Warranty Period**"); provided that the Defect Warranty Period for any Equipment Supply Obligations, item or part required to be re-performed, repaired, corrected or replaced following discovery of a defect or other non-compliance with the Defect Warranty during the applicable Defect Warranty Period will continue until the end of the later of (a) the expiration of such Defect Warranty Period and (b) six (6) months from the date of completion of such repair or replacement.

9.4 Exclusions. Block Energy is not and will not be held liable or have any obligation under this Agreement for any loss or damage to the Equipment (or a failure to meet the Defect Warranty) to the extent directly or indirectly caused by or arising out of any of the following: (a) any breach of this Agreement by Lakeland or its negligent acts or omissions; (b) the operation, use or maintenance of the Equipment not in accordance with the technical requirements provided by Block Energy, Applicable Laws or Prudent Industry Practices; (c) any service, repair or alteration provided by any Person other than Block Energy or its subcontractors; (d) any part, material, layout and/or design supplied or required by any Person other than Block Energy or its subcontractors; (e) a part, material or equipment other than the Equipment; (f) any Hazardous Substance at the Site (other than those brought to the Site by Block Energy or its subcontractors); (g) any Force Majeure Event; (h) lack of Site Access to the extent that Lakeland restricts such Site Access; (i) ordinary wear and tear; (j) any corrosion, lightning, hail, dust storm, ice or ice storms or other severe weather condition; (k) abuse, misuse, or negligent acts or omission by someone other than Block Energy or its subcontractors; or (l) any damage to or failure to the extent such damage or failure is exacerbated due to a failure by Lakeland to provide written notice to Block Energy of such damage or failure within the time period set forth in Section 9.5(a).



## 9.5 Correction of Defects.

(a) Notice of Warranty Claim. If, during the Defect Warranty Period, Lakeland provides written notice to Block Energy within fourteen (14) days after discovery that any part of the Equipment fails to satisfy the Defect Warranty, then Block Energy will have a reasonable opportunity to inspect such claimed defect, and at Block Energy's own cost and expense as promptly as practicable refinish, repair or replace, at its option, such non-conforming or defective part of the Equipment. In addition, Block Energy will pay the cost of removing any defect, shipping and installation of replacement parts in respect of a defect and the cost of repairing or replacing such part of the Equipment as will be necessary to cause the Equipment to conform to the Defect Warranty. The timing of and the work to be completed with respect to any such remediation or repair will be subject to Lakeland's written approval, such approval not to be unreasonably withheld or delayed. Notwithstanding anything to the contrary herein, Block Energy will have the right to dispute any Defect Warranty claim.

(b) Failure of Block Energy to Perform Warranty Obligations. If Block Energy does not use its reasonable efforts to proceed to complete the Warranty Obligations, or cause any relevant subcontractor to proceed to complete the Warranty Obligations, required to satisfy the Defect Warranty claim properly asserted under the terms of this Section, then Lakeland, without prejudice to any other right or remedy given to Lakeland or Block Energy under this Agreement, will provide Block Energy with a written notice (a "**Warranty Claim Notice**") detailing the nature of such claimed failure to perform such Warranty Obligations, and will provide Block Energy with an opportunity to discuss the claim with Lakeland (including an opportunity for Block Energy to describe why Block Energy disagrees with the claim). To the extent such claim is determined not to be a valid claim and the Warranty Obligation was performed or caused to be performed by Block Energy, Lakeland will reimburse Block Energy for the reasonable costs incurred in respect of such disputed Warranty Obligation and the time required to perform such Warranty Obligations plus fifteen percent (15%) of such costs.

9.6 Limitations on Warranties. EXCEPT FOR THE EXPRESS WARRANTIES SET FORTH IN THIS SECTION, BLOCK ENERGY DOES NOT MAKE ANY OTHER EXPRESS WARRANTIES OR REPRESENTATIONS, OR ANY IMPLIED WARRANTIES OR REPRESENTATIONS, OF ANY KIND IN RESPECT OF THE EQUIPMENT OR THE WORK PERFORMED HEREUNDER, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY, NON-INFRINGEMENT OR FITNESS FOR PURPOSE. THE REMEDIES PROVIDED FOR IN THIS SECTION WITH RESPECT TO EQUIPMENT OR ANY WORK HEREUNDER WHICH FAILS TO SATISFY THE DEFECT WARRANTY DURING THE DEFECT WARRANTY PERIOD WILL BE THE SOLE AND EXCLUSIVE REMEDIES FOR LAKELAND AS A RESULT OF ANY SUCH FAILURE.

Section 10 Intellectual Property Rights. As between the Parties, Block Energy is, and shall be, the sole and exclusive owner of all intellectual property rights in and to the Equipment and any related documentation, including any improvements or modifications to the foregoing made by Block Energy. Lakeland may not reverse engineer, decompile or otherwise reduce to code any software, firmware or other intellectual property rights of Block Energy or otherwise embedded in the Equipment. Lakeland may provide suggestions, comments or other feedback

(collectively, “**Feedback**”) to Block Energy with respect to its products and services, including the Equipment. Feedback is voluntary. Block Energy may use Feedback for any purpose without obligation of any kind. To the extent a license is required under Lakeland’s intellectual property rights to make use of the Feedback, Lakeland hereby grants Block Energy an irrevocable, non-exclusive, perpetual, royalty-free license to use the Feedback in connection with Block Energy’s business, including the enhancement of the Equipment.

Section 11 Representations and Warranties. Each Party represents to the other Party that: (a) it is duly organized and validly existing under the laws of the jurisdiction of its organization or incorporation and, if relevant under such laws, in good standing; (b) it has the power to execute this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver this Agreement and any other documentation relating to this Agreement that it is required by this Agreement to deliver and to perform its obligations under this Agreement and has taken all necessary action to authorize such execution, delivery and performance; (c) such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets; (d) all governmental and other consents that are required to have been obtained by it with respect to the execution and delivery of this Agreement have been obtained and are in full force and effect and all conditions of any such consents have been complied with; (e) its obligations under this Agreement constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors’ rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)); and (f) there is not pending or, to its knowledge, threatened in writing against it or any of its Affiliates any action, suit or proceeding at law or in equity or before any court, tribunal, governmental body, agency or official or any arbitrator that is likely to affect the legality, validity or enforceability against it of this Agreement or its ability to perform its obligations under this Agreement. BLOCK ENERGY EXPRESSLY DISCLAIMS ALL REPRESENTATIONS AND WARRANTIES OTHER THAN THOSE EXPRESSLY SET FORTH HEREIN AND LAKELAND ACKNOWLEDGES, AGREES, REPRESENTS AND WARRANTS THAT IN ENTERING INTO THIS AGREEMENT, IT IS SOLELY RELYING ON THE EXPRESS REPRESENTATIONS AND WARRANTIES MADE BY BLOCK ENERGY HEREIN, AND NOT ON ANY OTHER PROMISES, STATEMENTS, REPRESENTATIONS OR WARRANTIES OF BLOCK ENERGY, WHETHER IN WRITING OR MADE VERBALLY.

Section 12 Force Majeure. To the extent a Party (the “**Claiming Party**”) is prevented by a Force Majeure Event from carrying out, in whole or part, its obligations under the Agreement and, as set forth below, such Party gives notice of the Force Majeure Event to the other Party, then the Party shall be excused from the performance of its obligations hereunder (other than the obligation to make payments then due or becoming due with respect to performance prior to the Force Majeure Event). The Claiming Party will give written notice to the non-Claiming Party setting forth the nature of the Force Majeure Event in reasonable detail sufficient to establish that the occurrence constitutes a Force Majeure Event as soon as possible after it has knowledge of the Force Majeure Event, and shall remedy the Force Majeure Event with all reasonable dispatch. When the Claiming Party is able to resume performance of its obligations under this Agreement, such Party shall give the non-Claiming Party written notice to that effect and the Parties shall resume performance hereunder.

**“Force Majeure Event”** means acts of god, earthquake, volcanic activity, flood, lightning, tsunami, tornado, tidal wave, landslide, drought, whirlwind, typhoon, hurricane, and any other natural disaster or severe adverse climatic or sea conditions; riot, strikes and industrial and labor disputes; fires and explosions; action or failure to act of public services or government authorities or other exercise of sovereign, judicial or executive prerogative by any competent government body including requisition, expropriation, nationalization, and/or cancellation, revocation or suspension of consents; war and other hostilities (whether declared or not) invasion, act of foreign enemies, mobilization of armed forces, declaration of a state of emergency or martial law, blockade, requisition or embargo; insurrection, sabotage, terrorism, revolution, rebellion, military or usurped power, or civil war; closing of roads, rails, air and other transportation links, of bridges tunnels, harbors or docks, and other transportation interruptions or delays; supply chain disruptions; manufacturing disruptions; customs delays and epidemics, pandemics and other similar health and safety hazards (other than the obligation to pay amounts due, which obligations shall not be effected, delayed, paused or stayed by any such event), but only if and to the extent (a) any such event is not within the reasonable control, directly or indirectly, of the Claiming Party, (b) the Claiming Party has taken all reasonable precautions and measures in order to prevent or avoid such event or mitigate the effect of such event on such Party’s ability to perform its obligations under the Agreement and which by the exercise of reasonable diligence such Party could not reasonably have been expected to avoid and which by the exercise of due diligence it has been unable to overcome, and (c) such event is not the direct or indirect result of the negligence or the failure of, or caused by, the Claiming Party. If the Force Majeure Event continues for more than one hundred and eighty (180) days, then either Party may, on issuing written notice to the other Party, terminate this Agreement without further liability.

Section 13 Change Orders Due to Changes to Design. The Parties acknowledge and agree that the Contract Price is based on the Product Description set forth in Exhibit A as of the Effective Date. To the extent that Lakeland requires equipment or services that materially differs from the Product Description set forth in Exhibit A as of the Effective Date, Block Energy will be entitled to a Change Order adjusting the Contract Price as reasonably necessary to accommodate the changes. Following receipt of notice of the relevant changes, Block Energy will deliver to Lakeland written notice of the adjustments to the Contract Price and the Parties will meet to negotiate, acting reasonably and in good faith, a Change Order to accommodate the proposed changes. The foregoing notwithstanding, Block Energy shall not be required to agree to any proposed Change Order, and Block Energy will have no obligation to perform the Equipment Supply Obligations until and unless the Parties have agreed upon and executed a Change Order as reasonably necessary to accommodate the proposed changes. In addition, and without limiting Block Energy’s other rights hereunder, either Party may be entitled to a Change Order upon the occurrence of any Excusable Event. A **“Change Order”** is a written instrument signed by the Parties, stating their mutual agreement upon all of the following: (i) a change in the Equipment Supply Obligations, if any; and/or (ii) the amount of the adjustment in the Contract Price, if any. Upon the occurrence of an Excusable Event, a Party will submit a change request to the other Party stating (i) a reasonably detailed description of the change and the reason therefor, and (ii) the increase or decrease, if any, in the Contract Price. Within fourteen (14) Business Days following receipt of such information, the Parties will meet and negotiate in good faith a Change Order in accordance with the principles set forth herein. Following any agreement on the terms and conditions of the Change Order, the Parties will execute the same. If the Parties do not agree upon the terms and conditions of the Change Order then the Parties shall resolve such dispute in

accordance with the provisions set forth in Section 30 of this Agreement.

Section 14 Events of Default; Remedies.

14.1 Events of Default. The occurrence at any time with respect to a Party of any of the following events constitutes an event of default (an “**Event of Default**”) with respect to such Party:

(a) Failure to Pay. Failure by the Party to make, when due, any payment under this Agreement required to be made by it if such failure is not cured at the end of the applicable Cure Period, as defined in Section 14.2 below;

(b) Breach of Agreement. Failure by the Party to comply with or perform any material obligation to be complied with or performed by the Party in accordance with this Agreement if such failure is not cured at the end of the applicable Cure Period;

(c) Misrepresentation. A representation made or repeated or deemed to have been made or repeated by the Party in this Agreement proves to have been incorrect or misleading in any material respect when made or repeated or deemed to have been made or repeated; or

(d) Insolvency. (i) A Party voluntarily commences bankruptcy, insolvency, reorganization, stay, moratorium or similar debtor-relief proceedings, or will have become insolvent or generally does not pay its debts as they become due, or admits in writing its inability to pay its debts, or makes an assignment for the benefit of creditors or (ii) insolvency, receivership, reorganization, bankruptcy, or a similar proceeding will have been commenced against a Party and such proceeding remains undismissed or unstayed for a period of sixty (60) days.

14.2 Cure/Grace Periods. Notwithstanding any other provision of this Agreement, the following cure/grace periods (each a “**Cure Period**”) shall apply to each Event of Default: (i) with respect to an Event of Default under Section 14.1(a), the Cure Period shall be fourteen (14) days, commencing on the date the Defaulting Party receives written notice of such Event of Default, and (ii) with respect to all other Events of Default, the applicable Cure Period shall be sixty (60) days, commencing on the date the Defaulting Party receives written notice of such Event of Default.

14.3 Right to Terminate Following Event of Default. If at any time an Event of Default with respect to a Party (the “**Defaulting Party**”) has occurred and is then continuing, after giving effect to the applicable Cure Period, the other Party (the “**Non-Defaulting Party**”) may, by not more than twenty (20) days’ written notice to the Defaulting Party specifying the relevant Event of Default, designate a day not earlier than the day such notice is effective as an “**Early Termination Date**” in respect of this Agreement. If notice designating an Early Termination Date is given, the Early Termination Date will occur on the date so designated, whether or not the relevant Event of Default is then continuing.

14.4 Block Energy’s Right to Suspend Performance. In addition to the right to terminate pursuant to Section 14.3, upon the occurrence and during the continuance of an Event of Default by either Party, the impacted Party will have the right to suspend performance of any of its obligations in this Agreement, or any portion thereof, until such Event of Default has been cured. With respect to any suspension of the Equipment Supply Obligations, Block Energy will be entitled to a Change Order for any increased costs attributable to the suspension of the Equipment

Supply Obligations provided such increased costs are directly attributable to an action or inaction taken by the Lakeland.

14.5 Lakeland's Right to Terminate. Following Final Completion as defined in Section 31, Lakeland shall have the right to terminate this Agreement for any reason upon ninety (90) days prior written notice to Block Energy. In such event, Lakeland shall pay Block Energy for any costs or expenses incurred prior to Block Energy's receipt of such notice of termination.

14.6 Force Majeure Termination. If performance of the Equipment Supply Obligations, or a material portion thereof, is delayed or interrupted for more than six (6) months by reason of an Excusable Event, either Party may terminate this Agreement by providing thirty (30) days written notice thereof to the other Party and thereafter neither Party will have any further obligations or liabilities in this Agreement, subject to Section 26. In the event that this Agreement is terminated by either Party pursuant to this Section prior to Final Completion: (a) Block Energy will immediately (1) discontinue the Equipment Supply Obligations, (2) conduct an inventory of the equipment and materials related to the Equipment Supply Obligations on the Site or *en route* to the Site, (3) remove its personnel and equipment from the Site and (4) remove from the Site and dispose of all waste, rubbish and debris associated with the Equipment Supply Obligations; and (b) Lakeland will pay Block Energy for (i) that portion of the Equipment Supply Obligations performed and all other amounts due hereunder through and including the date of such termination in accordance with the requirements of this Agreement, reduced by any amounts previously paid by Lakeland, (ii) all reasonable out-of-pocket expenses of negotiating and paying termination costs under subcontracts and purchase orders, storage costs, transportation costs and all other costs incurred by Block Energy that are reasonably necessary for the preservation, protection or disposition of its obligations in this Agreement, (iii) any loss sustained to or upon any equipment, materials, tools, construction equipment and machinery directly attributable to Lakeland and (iv) all reasonable costs of demobilization of personnel and equipment.

## Section 15 General Indemnification.

15.1 Block Energy and Lakeland Indemnification. Except to the extent arising from a Party's own negligence or willful misconduct, each Party (the "**Indemnifying Party**"), to the extent permitted by law, agrees to indemnify, defend and hold harmless the other Party and its officers, agents, shareholders, partners, members, Affiliates, employees, contractors, representatives, consultants and advisors (the "**Indemnified Party**") from and against all Losses incurred by the Indemnified Party arising from or in connection to the following Claims: personal injury or death to natural persons and physical damage to tangible property of any Person to the extent arising out of, resulting from the negligent or tortious acts, errors or omissions of the Indemnifying Party, its Affiliates, its directors, officers, employees, or agents. Nothing in this Section shall enlarge or relieve Block Energy or Lakeland of any liability to the other for any breach of this Agreement or for any event or occurrence for which any other remedy is specified hereunder. These indemnity provisions shall not be construed to relieve any insurer of its obligation to pay claims consistent with the provisions of a valid insurance policy or self-insurance. Section 16.1 of this Agreement, rather than this Section 15.1, shall govern any obligation to indemnify, defend or hold harmless any Claim related to intellectual property infringement. Nothing herein is intended to waive the sovereign immunity of the Lakeland nor waive the Lakeland's limits of liability set forth in Florida Statute §768.28, regardless of whether such claims are based in tort, contract, statute, strict liability, products liability, negligence or otherwise.

15.2 Indemnification Claims. All claims for indemnification by an Indemnified Party entitled to be indemnified under this Agreement by the Indemnifying Party will be asserted and resolved as follows:

(a) If a claim or demand for which an Indemnified Party may claim indemnity is asserted against or sought to be collected from an Indemnified Party by a Third Party, the Indemnified Party shall as promptly as practicable give notice to the Indemnifying Party; *provided*, failure to provide this Notice will relieve Indemnifying Party only to the extent that the failure actually prejudices Indemnifying Party.

(b) Indemnifying Party will have the right to control the defense and settlement of any claims in a manner not adverse to Indemnified Party but cannot admit any liability or enter into any settlement without Indemnified Party's approval.

(c) Indemnified Party may employ counsel at its own expense with respect to any claims or demands asserted or sought to be collected against it; *provided*, if counsel is employed due to a conflict of interest or because Indemnifying Party does not assume control of the defense, Indemnifying Party will bear the expense of this counsel.

15.3 Survival of Indemnification Rights and Obligations. All indemnity rights and obligations survive the termination of this Agreement for twenty-four (24) months.

#### Section 16 Intellectual Property Rights Indemnification.

16.1 Indemnity. Block Energy represents and warrants that, as of the Effective Date, Block Energy has no actual knowledge of any allegation or potential Claim that the Equipment infringes Third Party intellectual property rights. Block Energy agrees to indemnify, defend and hold harmless Lakeland and its officers, agents, shareholders, partners, members, Affiliates, employees, contractors, representatives, consultants and advisors (the "**Lakeland IP Indemnities**") from and against all Losses incurred by the Lakeland IP Indemnities arising from breach of the representation and warranty set forth in the preceding sentence. Block Energy or its Affiliates have the right and obligation to defend Lakeland and Block Energy has sole control over the defense of the claim and any negotiation for its settlement. Such defense shall be at Block Energy's expense, except to the extent that the action relates to any conduct of Lakeland set forth in Section 16.3 (Exclusions). In such case, and subject to the terms of this Agreement, Block Energy will pay damages decided in a final court or mediation decision against Lakeland in the action specifically on account of such infringement, if Lakeland follows the procedures in Section 15.2.

16.2 Corrective Actions. If Lakeland's use of the Equipment is enjoined or if Block Energy's performance of its obligations in this Agreement is materially impaired by reason of such Third Party claim, Block Energy will, at its expense, continue its performance hereunder, including without limitation, at its own election: (1) to substitute an allegedly infringing item or process with a non-infringing item or process of at least the same functionality, or (2) to modify the allegedly infringing item or process so that it no longer infringes but remains at least functionally equivalent, or (3) to obtain for Lakeland the right to continue using such allegedly infringing item or process. Nothing herein constitutes a guarantee that such efforts by Block Energy will succeed in avoiding infringement or replacing the infringing item or process with an item or process of comparable functionality or effectiveness.

16.3 Exclusions. Sections 16.1 and 16.2 do not apply to, and Block Energy assumes no

liability with respect to, claims for infringement to the extent that such claims arise, in whole or in part, from (1) Lakeland's modification or improper use or installation of the Equipment, (2) the combination of the Equipment with other products, materials, equipment, parts or apparatus not approved by Block Energy acting reasonably, (3) any modifications to the Equipment made by Block Energy to accommodate any requested requirements of Lakeland that are not included in Block Energy's standard product or service offerings, or (4) Lakeland's failure to promptly install or use a replacement that is required by Block Energy (collectively, the "**Exclusions**"). To the extent permitted by law, Lakeland shall indemnify, defend, and hold Block Energy harmless from any claims arising from claims for infringement as specifically set forth in this Section 16.3.

16.4 Notifications. Lakeland will promptly notify Block Energy in writing following receipt of notice of any claims alleging infringement of Intellectual Property occurring in connection with Block Energy's performance of its obligations pursuant to the Agreement and will provide Block Energy with all information in its possession relevant to such claim.

16.5 Entire Liability. THE FOREGOING PROVISIONS OF THIS SECTION STATE THE ENTIRE LIABILITY AND OBLIGATION OF BLOCK ENERGY AND THE EXCLUSIVE REMEDY OF LAKELAND, WITH RESPECT TO ANY ALLEGED INFRINGEMENT OF ANY INTELLECTUAL PROPERTY BY THE EQUIPMENT, ANY PART THEREOF EXCEPT TO THE EXTENT THAT SUCH LIABILITY CANNOT BE EXCLUDED IN ACCORDANCE WITH MANDATORY LEGAL REQUIREMENTS.

16.6 Survival. The indemnities set forth in this Section will survive the termination or expiration of this Agreement for thirty-six (36) months.

Section 17 Publicity. Subject to Section 18 (Confidentiality), Lakeland agrees and hereby authorizes Block Energy to use Lakeland's and the Project's voice, photography, video, and likeness in print media, radio, television, email, social media, web materials, and any audio or video recording, provided that Block Energy's use of such publicity is not defamatory, untrue or censorable in nature and Lakeland provides written approval of such use, which shall not be unreasonably withheld. Block Energy will not disclose any personally identifying information of any individual without the individual's written consent. Lakeland agrees and hereby authorizes, upon reasonable notice to Lakeland and during reasonable business hours, to allow Block Energy and Block Energy's guests to view the Project for promotional purposes. On request by Block Energy, Lakeland agrees to reasonably assist in the creation of a case study for the project. Nothing herein shall be construed to prohibit disclosure pursuant to Florida Statute Chapter 119, the Florida Public Records Act or any other applicable law.

Section 18 Confidentiality. The contents of this Agreement and all other documents relating to this Agreement, and any information made available by one Party to the other Party with respect to this Agreement are confidential and shall not be disclosed to any third party (nor shall any public announcement relating to this Agreement be made by either Party) without the other Party's prior written consent, except for such information (a) as currently is or may become generally available to the public through no fault of either Party, (b) as may be required or appropriate in response to any summons, subpoena, or otherwise in connection with any litigation or to comply with any Applicable Law, including Florida Statute Chapter 119, the Florida Public Records Act, order, regulation, ruling, or accounting disclosure rule or standard, or (c) as may be obtained from a non-confidential source that disclosed such information in a manner that did not

violate its obligations to the non-disclosing Party in making such disclosure. Notwithstanding the foregoing confidentiality and similar obligations in this Section, the Parties may disclose to and permit use of the confidential information disclosed by or on behalf of the other Party and its Affiliates by (i) the Affiliates of the receiving Party, (ii) the receiving Party's legal counsel, auditors, contractors, banks and other financing sources, where in the case of items (i) and (ii): (A) such disclosure is only made with respect to such portion of the confidential information of the other Party and its Affiliates that is reasonably necessary to permit the receiving Party, to perform its obligations or exercise its rights hereunder or obtain the services of any such Person, (B) such auditors, contractors, banks and other financing sources are bound by obligations of confidentiality, non-disclosure and the other restrictive covenants at least as restrictive and extensive in scope as those set forth in this Section; and (C) the receiving Party, assumes full responsibility for the acts or omissions of the Persons to which it makes such disclosures no less than if the acts or omissions were those of Block Energy and Lakeland, respectively.

Section 19 Notices. Any notice under this Agreement may be given in any manner set forth below and will be deemed effective as follows: (a) if in writing and delivered in person or by courier, on the date it is delivered; or (b) if sent by certified or registered mail or the equivalent, on the date that mail is delivered or its delivery is attempted. Either Party may, by notice to the other, change the address, email or facsimile number details at which notices or other communications are to be given to it.

If to Block Energy:

Block Energy LLC  
702 N. Franklin Street, Suite 100  
Tampa, FL 33602  
Attention: President  
Email: Robbie.Astrop@blockenergy.com

-with a copy to-

Peacock Law P.C.  
201 Third Street NW  
Suite 1340  
Albuquerque, NM 87102  
Attention: Deborah Peacock  
Email: DPeacock@PeacockLaw.com

If to Lakeland:

Lakeland Electric  
501 E. Lemon Street  
Lakeland, Florida 33801  
Attention: Mike Dammer  
Email: Michael.Dammer@lakelandelectric.com

Section 20 Governing Law; Consent to Jurisdiction; Venue and Jurisdiction. THIS



AGREEMENT AND THE RIGHTS AND DUTIES OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED, ENFORCED AND PERFORMED IN ACCORDANCE WITH THE LAWS OF THE STATE OF FLORIDA, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW. TO THE EXTENT ENFORCEABLE AT SUCH TIME, EACH PARTY WAIVES ITS RESPECTIVE RIGHT TO ANY JURY TRIAL WITH RESPECT TO ANY LITIGATION ARISING UNDER OR IN CONNECTION WITH THIS AGREEMENT. VENUE AND JURISDICTION SHALL BE IN THE COURTS OF POLK COUNTY, FLORIDA OR THE U.S. DISTRICT COURT IN AND FOR THE MIDDLE DISTRICT OF FLORIDA, TAMPA DIVISION.

Section 21 LIMITATION OF LIABILITY. NO PARTY SHALL BE REQUIRED TO PAY OR BE LIABLE FOR PUNITIVE, EXEMPLARY, CONSEQUENTIAL, SPECIAL, INCIDENTAL OR INDIRECT DAMAGES (WHETHER OR NOT ARISING FROM ITS NEGLIGENCE OR STRICT LIABILITY) TO ANY OTHER PARTY. THE PARTIES AGREE THAT THE FOREGOING LIMITATIONS WILL NOT IN ANY WAY LIMIT LIABILITY OR DAMAGES UNDER ANY THIRD-PARTY CLAIMS, OBLIGATIONS TO INDEMNIFY OR CLAIMS FOR BREACH OF CONFIDENTIALITY SET FORTH IN SECTION 17. NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, BLOCK ENERGY'S AGGREGATE LIABILITY HEREUNDER SHALL NOT AT ANY TIME EXCEED THE AMOUNTS PREVIOUSLY PAID BY LAKELAND TO BLOCK ENERGY HEREUNDER.

Section 22 Transfers and Assignment. Any sale, transfer, or assignment of this Agreement shall be null and void and a breach of this Agreement without the prior written consent of the other Party, which consent shall not be unreasonably withheld, conditioned or delayed; provided, however, no such consent shall be required with respect to the assignment of this Agreement by a Party to an Affiliate, provided prior written notice be given to the other Party.

Section 23 Waiver. No delay or omission by the Parties in exercising any right or remedy provided for herein shall constitute a waiver of such right or remedy nor shall it be construed as a bar to or waiver of any such right or remedy on any future occasion. Each Party, in its sole discretion, shall have the right, but shall have no obligation, to waive, defer or reduce any of the requirements to which the other Party is subject under this Agreement at any time.

Section 24 Entire Agreement; Severability; Amendment. This Agreement contain the entire understanding of the Parties with respect to the subject matter hereof and thereof and supersede all prior and contemporaneous discussions, agreements and commitments between the Parties with respect hereto and thereto, and any prior and contemporaneous confidentiality agreements executed by the Parties in respect of the transactions contemplated by this Agreement. Notwithstanding the foregoing, if the Parties executed a confidentiality agreement/NDA prior to this Agreement (a "**Prior NDA**"), such Prior NDA, if not expired or previously terminated, shall continue in full effect and force; to the extent that it may conflict with this Agreement, the agreement granting the disclosing Party the most favorable rights shall govern. There are no agreements or understandings between the Parties respecting the subject matter hereof or thereof, whether oral or written, other than those set forth herein or therein, and neither Party has relied upon any representation, express or implied, not contained in this Agreement. The invalidity of one or more phrases, sentences, clauses, Sections or Articles contained in this Agreement shall not affect the validity of the remaining portions of this Agreement so long as the material purposes of

this Agreement can be determined and effectuated. This Agreement may be modified or amended only by an instrument in writing signed by the Parties hereto.

Section 25 Status of the Parties. Block Energy is an independent contractor and nothing contained herein shall be construed as constituting any relationship with Lakeland other than that of purchaser and independent contractor, nor shall it be construed as creating any relationship whatsoever between the Parties, including employer/employee, partners or joint venture parties. Each Party is acting for its own account, and it has made its own independent decisions to enter into the Agreement and as to whether the Agreement is appropriate or proper for it based upon its own judgment and upon advice from such advisers as it has deemed necessary. No communication (written or oral) received from the other Party shall be deemed to be an assurance or guarantee as to the expected results of this Agreement except as otherwise expressly set forth herein. Each Party shall be responsible for its own costs and expenses (including legal fees).

Section 26 Survival. All provisions of this Agreement that either expressly by their terms survive or, by their nature are to survive or come into or continue in force and effect after the termination of this Agreement shall remain in effect and be enforceable following such termination.

Section 27 No Rights in Third Parties. This Agreement and all rights in this Agreement are intended for the sole benefit of the Parties hereto and shall not imply or create any rights on the part of, or obligations to, any other Person, except that an Indemnified Party shall have the right to enforce its rights to be indemnified under this Agreement.

Section 28 Remedies Exclusive. The rights, powers, remedies and privileges provided in this Agreement are intended to be exclusive of any other rights, powers, remedies and privileges provided by Applicable Law.

Section 29 Public Records. **IF BLOCK ENERGY HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO BLOCK ENERGY'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS: KEVIN COOK - DIRECTOR OF COMMUNICATIONS AT: PHONE: 863-834-6264, E-MAIL: [KEVIN.COOK@LAKELANDGOV.NET](mailto:KEVIN.COOK@LAKELANDGOV.NET), ADDRESS: ATTN: COMMUNICATIONS DEPARTMENT, 228 S. MASSACHUSETTS AVE., LAKELAND, FLORIDA 33801.**

In accordance with Florida Statute §119.0701, Block Energy shall keep and maintain public records required by the Lakeland in performance of services pursuant to the contract. Upon request from the Lakeland's custodian of public records, Block Energy shall provide the Lakeland with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided pursuant to Florida Statute Chapter 119 or as otherwise provided by law. Block Energy shall ensure that public records that are exempt or

confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the contract term and following completion of the contract if Block Energy does not transfer the records to the Lakeland. Block Energy shall, upon completion of the contract, transfer, at no cost, to the Lakeland all public records in possession of Block Energy or keep and maintain public records required by the Lakeland to perform services pursuant to the contract. If Block Energy transfers all public records to the Lakeland upon completion of the contract, Block Energy shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If Block Energy keeps and maintains public records upon completion of the contract, Block Energy shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the Lakeland, upon request from the Lakeland's custodian of public records, in a format that is compatible with the information technology systems of the Lakeland.

Section 30 Dispute Resolution and Mediation. Any dispute arising from the interpretation or compliance of this Agreement shall first be submitted to Block Energy and Lakeland's senior management personnel for review and negotiation in good faith. If the dispute cannot be resolved through such negotiation within thirty (30) days or another time period mutually agreed upon in writing by the Parties, then the Parties shall proceed to commence a non-binding mediation process. The Parties shall mutually agree, in writing, to a mediator. The mediation process shall be completed within sixty (60) days unless otherwise agreed to by the Parties. The Parties agree to share equally the costs and expenses of the mediation, which shall not include the expenses incurred by each Party for its own legal representation in connection with the mediation. If such mediation is unsuccessful in resolving a dispute, then the Parties shall be entitled to avail themselves of any legal remedy under the law in a court of competent jurisdiction.

Section 31 Definitions. Initially-capitalized terms used in this Agreement and not otherwise defined herein shall have the meaning specified below. As used in this Agreement, references to "days" shall mean calendar days, unless the term "business days" is used. If the time for performing an obligation under this Agreement expires on a day that is not a business day, the time shall be extended until that time on the next business day. As used in this Agreement, where a word or phrase is specifically defined, other grammatical forms of such word or phrase have corresponding meanings; the words "herein," "hereunder," "hereof" and "this Agreement" refer to this Agreement, taken as a whole, and not to any particular provision of this Agreement; "including" means "including, for example and without limitation," and other forms of the verb "to include" are to be interpreted similarly; the word "or" is intended to be inclusive (i.e., "and/or").

**"AC Power System"** means the AC electrical generation and distribution system owned by Lakeland, or its Affiliates, that provides electric energy to the Site.

**"Affiliate"** means, in relation to any Person, any entity controlled, directly or indirectly, by the Person, any entity that controls, directly or indirectly, the Person or any entity directly or indirectly under common control with the Person. For this purpose: "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management, policies or activities of an entity, whether through ownership of voting securities, contract or otherwise.

**"Applicable Laws"** means all constitutions, treaties, laws, ordinances, rules, regulations,

interpretations, permits, judgments, decrees, injunctions, tariffs, writs and orders of any Governmental Authority that apply to either or both of the Parties or the terms of this Agreement.

**“Approvals”** means all applications, approvals, authorizations, consents, filings, licenses, orders, permits or similar requirements imposed by any Governmental Authority to obtain, install, Commission or integrate the Equipment with the AC Power System and Residential Units.

**“BlockBox”** means the integrated unit that serves the load of one or two Residential Units, installed at or near the served Residential Units, including a battery, AC power converter and Block Energy’s proprietary control system.

**“BlockCentral”** means the equipment and connections necessary to connect any number of BlockLoops in the Project to the electrical grid, the components of which are listed in Schedule A-2 of Exhibit A.

**“BlockHome”** means the BlockBox and any and all photovoltaic solar modules installed for the Residential Units served by that BlockBox, as well as the other components for interconnections related thereto as listed in Schedule A-2 of Exhibit A.

**“BlockLoop”** means the interconnections of BlockBoxes that form a network thereof, and all components necessary to connect the BlockLoop to BlockCentral, the components of which are listed in Schedule A-2 of Exhibit A.

**“Claim”** means any civil, criminal, administrative or regulatory action or proceeding commenced or threatened by a Third Party, including Governmental Authorities and regulatory agencies.

**“Commissioned”** or **“Commissioning”** means that the Equipment has been integrated with the AC Power System and Residential Unit and is operational in accordance with its specifications, as reasonably determined by Block Energy.

**“Equipment”** means the equipment set forth in Schedule A-2 of Exhibit A.

**“Equipment Supply Obligations”** means any obligations set forth in this Agreement and Exhibit A relating to the provision and installation of the Equipment.

**“Excusable Event”** means any of the following: (a) any breach of this Agreement by Lakeland or Block Energy or acts or omissions of Lakeland or Block Energy or any Person for whose acts Lakeland or Block Energy is responsible resulting in delays or interference with, or increased costs to, the Equipment Supply Obligations; (b) the occurrence of a Force Majeure Event; (c) events concerning Lakeland Hazardous Substances; (d) a Change in Law; (e) suspensions or stoppages in Block Energy’s obligations in this Agreement which occur pursuant to the terms and provisions of Section 14.4 or are instructed by or on behalf of any Lakeland; or (f) any acts or omissions of the Responsible Site Owner or any Person for whose acts the Responsible Site Owner is responsible resulting in delays or interference with, or increased costs to, the Equipment Supply Obligations.

**“Final Completion”** means that the final BlockHome Equipment has been Commissioned.

**“Governmental Authority”** means: (a) any federal, state, local, municipal or other governmental, regulatory or administrative agency, commission, or other authority lawfully exercising or entitled to exercise any administrative, executive, judicial, legislative, police, regulatory or taxing authority

or power; (b) any regulated utility (other than Lakeland) or quasi-governmental agency with authority to establish rules or regulations that affect a Party's performance under this Agreement or (c) any court or governmental tribunal.

**“Hazardous Substances”** means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances, pollutants or wastes of any nature regulated pursuant to any Applicable Laws relating in any way to the environment, preservation or reclamation of natural resources, the management, environmental release or threatened environmental release of any Hazardous Substance or to health and safety matters.

**“Losses”** means all judgments, settlements, awards, damages, losses, charges, liabilities, penalties, interest claims (including taxes and all related interest and penalties incurred directly with respect thereto), however described or denominated, and all related reasonable costs, expenses and other charges (including all reasonable attorneys' fees and reasonable costs of litigation, hearings, proceedings, internal and external investigations, document and data productions and discovery, settlements, judgments, awards (including awards of reasonable attorneys' fees), interest and penalties), however described or denominated.

**“Person”** means any individual, partnership, corporation, association, business, trust, governmental authority or other entity.

**“Prudent Industry Practices”** means, in connection with the design and construction of, with respect to Lakeland, and the supply, commissioning, repair or replacement of components for, as applicable, with respect to Block Energy, projects of a type and size and having geographical and climatic attributes similar to the Equipment, as applicable, those practices, methods, specifications and standards of safety, performance, dependability, efficiency and economy generally recognized by industry members, including Block Energy, in the United States as good and proper, and such other practices, methods or acts which, in the exercise of reasonable judgment by those reasonably experienced in the industry in light of the facts known at the time a decision is made, would be expected to accomplish the result intended at a reasonable cost and consistent with Applicable Laws, reliability, safety and expedition. Prudent Industry Practices are not intended to be limited to the optimum practices, methods or acts to the exclusion of all others, but rather to be a spectrum of good and proper practices, methods and acts.

**“Residential Customers”** means those customers taking electricity service from Lakeland at each Residential Unit.

**“Residential Unit”** means one (1) home.

**“Site”** means the location identified in Schedule A-3 of Exhibit A.

**“Site Owner”** means the owner of the property identified as the Site.

**“Third Party”** means a Person other than Lakeland, Block Energy or their Affiliates.

**“Warranty Obligations”** means the obligations of Block Energy to provide the Defect Warranty.

[Signature Page Follows]

**IN WITNESS WHEREOF**, the Parties hereto have caused this **EQUIPMENT SUPPLY AND SUPPORT SERVICES AGREEMENT** to be signed by their respective duly authorized officers as of the Effective Date:

<p><b>BLOCK ENERGY:</b></p> <p><b>BLOCK ENERGY LLC</b>, a Delaware limited liability company.</p> <p>By: _____ Robert R. Bennett, President</p>	<p><b>LAKELAND:</b></p> <p><b>CITY OF LAKELAND</b></p> <p>By: _____ Name: H. William Mutz Title: Mayor</p> <p>Attest:</p> <p>By: _____ Kelly S. Koos, City Clerk</p> <p>Approved as to form and correctness:</p> <p>By: _____ Palmer C. Davis, City Attorney</p>
---	--

**EXHIBIT A**

**Project Description**

<p><u>GENERAL DESCRIPTION:</u></p>	<p>The Equipment described in Schedule A-1 attached hereto consists of distributed generation, energy storage and control systems interconnected in a typical utility fashion with a notable exception of utility secondary infrastructure being served by Direct Current (DC) infrastructure as opposed to Alternating Current (AC) infrastructure. Electric services to individual customers are done with an AC service wire/cable from an inverter and energy storage device called a “BlockBox”. Lakeland-sited or co-located distributed generation devices are interconnected directly to the DC secondary system and provide energy for use within the entirety of the BlockEnergy™ System; energy is supplied back to the Residential Units through the BlockBox as AC electricity. The DC secondary infrastructure is interconnected to the utility primary grid through an inverter/rectifier device that allows for importing energy from the utility primary grid at times of energy shortage or providing excess energy back to the electric utility primary if so desired and controlled to do so by the utility operator. Energy storage located at the individual BlockBox is primarily charged using the local distributed DC generation. Any need to charge from the local utility primary infrastructure is done only if needed based on abnormal resource capacity mismatches (unpredicted higher load or unpredicted low generation output), or planned and beneficial export to the utility AC primary infrastructure.</p> <p>Block Energy will (directly or through contractors) design, engineer, supply, install at the Site, and commission the BlockEnergy™ System as more particularly described in <u>Schedule A-1</u> attached hereto for Lakeland in the residential community located at the Site. Lakeland will install the AC infrastructure.</p>
<p><u>EQUIPMENT AND EQUIPMENT SUPPLY OBLIGATIONS:</u></p>	<p>As further described in <u>Schedule A-1</u></p>
<p><u>SITE DESCRIPTION:</u></p>	<p>As further described in <u>Schedule A-2</u></p>



**SCHEDULE A-1 OF EXHIBIT A**

**Community Microgrid Pilot Project Tasks**

Block Energy shall provide the following services, referred to in the Agreement as the Equipment Supply Obligations:

<b>Task 1 Conduct Project Planning and Management</b>	
<b>Task Description</b>	
Block Energy will work with Lakeland to develop standards for Block Energy’s execution of the project and Block Energy will conduct ongoing project management for the implementation of the Project.	
<b>Subtasks</b>	<b>Submittals</b>
<b>Subtask 1.1 Conduct Ongoing Project Management for Project Implementation</b> As part of the Project, Block Energy will conduct ongoing project management activities for the Project, including the following: <ul style="list-style-type: none"><li>• Maintain and update the Project Schedule</li><li>• Provide project status updates to Lakeland on a regular frequency (based on the Project Schedule and current progress)</li><li>• Manage design changes and document decisions in a Project Change Management Log</li><li>• Manage timelines, deliverables, and dependencies amongst Block Energy, Lakeland, and third-party vendors, including the advance identification and resolution of critical path issues.</li><li>• Hold regular meetings with applicable Lakeland stakeholders</li></ul>	<b>Submittal 1.1 Project Management Materials for Project Implementation</b> <ul style="list-style-type: none"><li>• Updated drafts of the Project Schedule on an ongoing basis</li><li>• Project Change Management Log</li></ul>
<b>Subtask 1.2 Develop Project Engineering Standards</b> Block Energy will develop, with input and participation from Lakeland, Project Engineering Standards for Block Energy’s design and construction for the Project installation that comply with applicable law and applicable Lakeland operational standards.	<b>Submittal 1.2 Project Engineering Standards</b> <ul style="list-style-type: none"><li>• Draft Project Engineering Standards for Lakeland review and feedback</li><li>• Final Project Engineering Standards incorporating Lakeland feedback</li></ul>
<b>Subtask 1.3 Develop Quality Assurance (QA) Standards</b> Block Energy will develop, with input and participation from Lakeland, Quality Assurance (QA) Standards for Block Energy’s design and construction of the Project.	<b>Submittal 1.3 Quality Assurance (QA) Standards</b> <ul style="list-style-type: none"><li>• Draft Quality Assurance (QA) Standards for Lakeland review and feedback</li><li>• Final Quality Assurance (QA) Standards incorporating Lakeland feedback</li></ul>

**Task 2 Commission Hardware, Cabling, and Other Materials**

**Task Description**

Block Energy will be responsible for (i) planning, (ii) designing, (iii) performing construction work to prepare for installation, (iv) installing, (v) configuring, (vi) testing, and (vii) otherwise commissioning the Equipment.

Block Energy will perform the work set forth under this Task 2 (Commission Hardware, Cabling, and Other Materials) pursuant to project engineering standards; environment, health, and safety standards; and quality assurance (QA) standards finalized by Block Energy under Task 1(Conduct Project Planning and Management), as applicable.

Subtasks	Submittals
<p><b>Subtask 2.1 Develop Materials Commissioning Standards</b></p> <p>Block Energy will develop, with input and participation from Lakeland, Materials Commissioning Standards applicable to Block Energy’s design, construction, and testing of the Materials for the Project.</p>	<p><b>Submittal 2.1 Materials Commissioning Standards</b></p> <ul style="list-style-type: none"> <li>• Draft Materials Commissioning Standards for Lakeland review and feedback</li> <li>• Final Materials Commissioning Standards incorporating Lakeland feedback</li> </ul>
<p><b>Subtask 2.2 Develop Materials Architecture Design</b></p> <p>Block Energy will develop, with input and participation from Lakeland, a Materials Architecture Design document. The Materials Architecture Design shall include:</p> <ul style="list-style-type: none"> <li>• Architecture diagrams specifying the logical and physical layouts of the installed materials and equipment.</li> <li>• Details regarding each device type, including model/part numbers.</li> </ul>	<p><b>Submittal 2.2 Materials Architecture Design</b></p> <ul style="list-style-type: none"> <li>• Draft Materials Architecture Design for Lakeland review and feedback</li> <li>• Final Materials Architecture Design incorporating Lakeland feedback</li> </ul>
<p><b>Subtask 2.3 Develop Construction and Materials Installation Plan</b></p> <p>Block Energy will develop, with input and participation from Lakeland, a Construction and Materials Installation Plan that addresses both (1) the construction activities to be performed by Block Energy in preparation for Materials installation, and (2) the Materials installation and configuration activities to be performed by Block Energy. The Construction and Materials Installation Plan shall include:</p> <ul style="list-style-type: none"> <li>• The timeline for Block Energy’s approximate delivery and installation of the Materials at each Lakeland Site set forth under this Statement of Work</li> <li>• Requirements for Block Energy’s performance of construction activities, including coordinating construction activities with Lakeland and third-party contractors.</li> <li>• Device setup processes to put all materials and equipment into service and connect the Project to the Lakeland’s bulk power grid</li> </ul>	<p><b>Submittal 2.3 Construction and Materials Installation Plan</b></p> <ul style="list-style-type: none"> <li>• Draft Construction and Materials Installation Plan for Lakeland review and feedback</li> <li>• Final Construction and Materials Installation Plan incorporating Lakeland feedback</li> </ul>

Task 2 Commission Hardware, Cabling, and Other Materials	
<p><b>Subtask 2.4 Install, Configure, and Test Materials</b></p> <p>Block Energy will:</p> <ul style="list-style-type: none"> <li>• Perform all in-scope construction activities</li> <li>• Install and configure all materials and equipment pursuant to the final Construction and Materials Installation Plan as developed in Subtask 2.3 (Develop Construction and Materials Installation Plan)</li> <li>• Test all Materials pursuant to the final Materials Commissioning Standards as developed in Subtask 2.1 (Develop Materials Commissioning Standards)</li> </ul>	<p><b>Submittal 2.4 Materials Testing Report(s)</b></p> <ul style="list-style-type: none"> <li>• Materials Testing Report(s)</li> </ul>

Task 3 Design and Implement Interfaces for Data Transfer and Controls	
<b>Task Description</b>	
<p>Block Energy will be responsible for planning, designing, building, configuring, testing, and otherwise implementing an interface to enable Lakeland to receive data from the Project.</p> <p>BlockEnergy will perform the services set forth under this Task 3 (Design and Implement Interfaces for Data Transfer and Controls) pursuant to project engineering standards; environment, health, and safety standards; and quality assurance (QA) standards finalized by Block Energy under Task 1 (Conduct Project Planning and Management), as applicable.</p>	
Subtasks	Submittals
<p><b>Subtask 3.1 Design Interface for Lakeland Receipt of Project System Data</b></p> <p>Block Energy will develop, with input and participation from Lakeland, an Interface Design document for functionality that enables Lakeland to receive Energy Usage Data and other operational data from the Project system. The Interface Design document shall include:</p> <ul style="list-style-type: none"> <li>• Specifications regarding what the Project is intending to study, i.e., system use cases, to the extent commercially reasonable based on the Project Data, including: <ul style="list-style-type: none"> <li>○ an IT/Network system architecture design</li> </ul> </li> <li>• How the Project will be networked to collect the Pilot Data to support those use cases</li> <li>• How the Project Data will be made available and/or delivered to Lakeland</li> </ul>	<p><b>Submittal 3.1 Interface Design</b></p> <ul style="list-style-type: none"> <li>• Draft Interface Design for Lakeland review and feedback</li> <li>• Final Interface Design incorporating Lakeland feedback.</li> </ul>
<p><b>Subtask 3.2 Build Interfaces for Data Transfer and Controls</b></p> <p>Block Energy will build and configure the interface enabling Lakeland to receive Project data pursuant to the final Interface Design described in Subtask 3.1 (Design Interface for Lakeland Receipt of Pilot System Data).</p>	<p><b>Submittal 3.2 N/A</b></p>

**Task 4 Conduct Pilot System Testing**

**Task Description**

Block Energy will be responsible for developing a testing plan, testing, and supporting Lakeland’s testing of the Project as a complete system.

BlockEnergy will perform the Work set forth under this Task 4 (Conduct Pilot System Testing) pursuant to the Project Engineering Standards; Environment, Health, and Safety Standards; and Quality Assurance (QA) Standards finalized by Block Energy under Task 1 (Conduct Project Planning and Management), as applicable.

Subtasks	Submittals
<p><b>Subtask 4.1 Develop Test Plan</b></p> <p>Block Energy will develop, with input and participation from Lakeland, a Test Plan document that identifies all major aspects and phases of testing throughout the implementation of the Project, including identification of all the appropriate methodologies for testing. The Test Plan will detail Block Energy’s approach to the following testing phases:</p> <ul style="list-style-type: none"> <li>• Performing BlockEnergy Validation testing, including:               <ul style="list-style-type: none"> <li>○ Unit Testing</li> <li>○ Integration Testing</li> <li>○ System Testing</li> </ul> </li> <li>• Supporting, to the extent commercially reasonable, the following Lakeland End-to-End Testing and System Use-Case Tests:               <ul style="list-style-type: none"> <li>○ Operational scenarios to test end-of-feeder applications</li> <li>○ Dispatch batteries for peak shaving, peak shifting, and other distribution system and emergency grid purposes</li> <li>○ Test DER system integration into the larger utility grid</li> <li>○ Test islanding transitions</li> <li>○ Battery optimization managed by an algorithm based on utility needs.</li> <li>○ Any additional Lakeland End-to-End Testing and System Use-Case Tests as may be agreed.</li> </ul> </li> </ul>	<p><b>Submittal 4.1 Test Plan</b></p> <ul style="list-style-type: none"> <li>• Draft Test Plan for Lakeland review and feedback</li> <li>• Final Test Plan incorporating Lakeland feedback</li> </ul>
<p><b>Subtask 4.2 Conduct Testing</b></p> <p>Block Energy will perform testing, will assist Lakeland in conducting testing, and will plan, track progress, and validate completion of all testing as set forth in the final Test Plan. Upon the identification of any issues during testing, Block Energy will document such issues in a Testing Issues Tracker, and Block Energy will resolve such defects and will conduct or support retesting, as applicable.</p>	<p><b>Submittal 4.2 Testing Issues Tracker</b></p> <ul style="list-style-type: none"> <li>• Testing Issues Tracker</li> </ul>
<p><b>Subtask 4.3 Develop Implementation Closeout Checklist</b></p> <p>Block Energy will be responsible for project closeout activities. The purpose of these activities is to resolve any outstanding project issues, obtain formal agreement from each Party’s governance processes to officially close out the project, ensure that there is an official hand over of the project from the project team to the maintenance and operations team, and conduct a thorough review of the project.</p>	<p><b>Submittal 4.3 Implementation Closeout Checklist</b></p> <ul style="list-style-type: none"> <li>• Draft Implementation Closeout Checklist for Lakeland review and feedback</li> <li>• Final Implementation Closeout Checklist incorporating Lakeland feedback.</li> </ul>

**Task 4 Conduct Pilot System Testing**

<p><b>Subtask 4.4 Conduct Implementation Closeout</b></p> <p>During the Project closeout, BlockEnergy will:</p> <ul style="list-style-type: none"> <li>• Conduct all the activities set forth in the final Implementation Closeout Checklist</li> <li>• Review all aspects of project closeout with Lakeland.</li> </ul> <p>Block Energy will, in coordination with Lakeland, prepare a Certificate of Final Completion for the Parties’ execution upon the completion of all project closeout activities for the implementation of the Project.</p>	<p><b>Submittal 4.4. Implementation Closeout Checklist</b></p> <ul style="list-style-type: none"> <li>• Completed Implementation Closeout Checklist</li> <li>• Executed Certificate of Final Completion</li> </ul>
--	--

**Task 5 Provide Operations and Maintenance**

<b>Task Description</b>	
<p>Block Energy will develop a plan to provide, and will provide, ongoing O&amp;M support services for the O&amp;M Period set forth in the Agreement.</p> <p>Block Energy will perform the work pursuant to the project engineering standards; environment, health, and safety standards; and quality assurance (QA) standards finalized by Block Energy under Task 1 (Conduct Project Planning and Management), as applicable.</p>	
<b>Subtasks</b>	<b>Submittals</b>
<p><b>Subtask 5.1 Develop Production Support Plan</b></p> <p>Block Energy will develop, with input and participation from Lakeland, a Production Support Plan for the Pilot, including a detailed description of:</p> <ul style="list-style-type: none"> <li>• Block Energy-provided O&amp;M support services.</li> <li>• Block Energy’s O&amp;M delivery model</li> <li>• Emergency maintenance procedures</li> </ul> <p>The Block Energy-provided O&amp;M support services under Block Energy’s O&amp;M delivery model will include Block Energy’s provision of the following Services:</p> <ul style="list-style-type: none"> <li>• Block Energy will provide commercially reasonable support, including when Lakeland makes such requests, to Lakeland in connection with any on-going Lakeland End-to-End Testing or System Use-Case Tests as defined in Subtask 4.1 (Develop Test Plan) to demonstrate the capabilities and potential benefits of the BlockBox and BlockCentral technologies. Examples of such commercially reasonable support include but are not limited to the following activities, as applicable in connection with the End-to-End Testing and System Use-Case Tests performed by Lakeland: <ul style="list-style-type: none"> <li>○ Defining and developing automated and scheduled control signals for system optimization and other test events.</li> </ul> </li> </ul>	<p><b>Submittal 5.1 Production Support Plan</b></p> <ul style="list-style-type: none"> <li>• Draft Production Support Plan for Lakeland review and feedback</li> <li>• Final Production Support Plan incorporating Lakeland feedback</li> </ul>

<b>Task 5 Provide Operations and Maintenance</b>	
<ul style="list-style-type: none"> <li>○ Automating and sending signals and telemetry information to Lakeland pursuant to the interface described in Task 3 (Design and Implement Interfaces for Data Transfer and Controls).</li> <li>○ Generating test result reports to identify individual assets or the system’s performance after an event; and</li> <li>○ Any additional Lakeland support for testing as agreed upon by the Parties.</li> </ul>	
<p><b>Subtask 5.2 Provide Ongoing Production Support</b></p> <p>Block Energy will provide ongoing O&amp;M support services for the O&amp;M Period set forth in the Agreement at no additional charge to Lakeland. Such services shall be subject to the terms and conditions of the Agreement. Lakeland will provide physical access to the Project system and to the data and controls as is necessary for Block Energy to perform such services, provided that such access, data, and controls will be used by Block Energy solely for the purpose of performing such services, shall be subject to the confidentiality obligations.</p>	<b>Submittal 5.2 N/A</b>
<p><b>Subtask 5.3 Training of Certain Lakeland Personnel on Basics of Equipment Operation and Maintenance (O&amp;M)</b></p> <p>As used herein, “<b>Lakeland’s O&amp;M Personnel</b>” shall mean those employees and/or certified contractors performing contracted work for and on behalf of Lakeland selected by Lakeland and accepted by Block Energy as having the experience and/or education adequate to perform operations and maintenance work on the Block Energy system in accordance with this Agreement. During the O&amp;M Period following the Commissioning of the first BlockBox, Block Energy shall provide Lakeland’s O&amp;M Personnel the following “<b>Training</b>” during the term of this Agreement: (i) Block Energy shall allow Lakeland’s O&amp;M Personnel to shadow its personnel in the field while Block Energy performs its obligations under Section 2.7 of the Agreement; (ii) at a mutually agreeable times and dates, Block Energy, at the request of Lakeland, shall be available to provide a single two-hour virtual training per month; (iii) at mutually agreeable times and dates, Block Energy, at the request of Lakeland, shall be available to provide day-long onsite training sessions twice per year with each session occurring from 9am to 5pm with Block Energy technicians engaged with the Project; and (iv) Block Energy shall otherwise be available during the Term of the Agreement to answer questions of Lakeland’s O&amp;M Personnel regarding the operating and maintenance of the Block Energy System. Training shall not require Block Energy to disclose confidential, proprietary or trade secret information to Lakeland’s O&amp;M Personnel. It shall be Lakeland’s responsibility to coordinate the attendance of Lakeland’s O&amp;M Personnel for Training. The Training shall be provided for no additional fee.</p>	<b>Submittal 5.3 N/A.</b>

**SCHEDULE A-2 OF EXHIBIT A**

**The Equipment to be Provided by Block Energy**

The Equipment includes the following, subject to change in final engineering design to meet the contract scope of serving the load of 77 Residential Units:

No.	Item	Manufacturer	Specifications	Part No.	Comments	Qty
<b>BlockHome</b>						
1.	BlockBox	BlockEnergy	Proprietary	TBD	Key internal components: -Battery:43kWh -Inverter:36 kW -DC Converter: 24kW - Controls and Comms	40
2.	Rooftop Solar Arrays	TBD	330-380 W panels	TBD	Solar arrays installed on each of the 77 Residential Units with an estimated average array size of 8.0 kW.	77
3.	Equipment Pad	TBD	46"x46"x6" w/ window	TBD	Polymer Concrete Pad or poured in place	40
4.	Ground Rod and Wire	Blackburn/Joslyn	To be specified by Lakeland	6258/J8338	Use Lakeland standard rod/clamp and copper ground. Size as per application requirements.	40
5.	Ground Cable	Lakeland approved vendor list	Copper	TBD	Size will be based on copper conductor	as required
6.	Conduit (DC Bus, handhole ("HH") to BlockBox ("BB"))	Condux/Atkore	PVC, 2", Schedule 40	1655775	Lakeland specification	as required
7.	Conduit (Comms, HH)	Condux/Atkore	PVC, 2", Schedule 40	1655775	Lakeland specification	as required

No.	Item	Manufacturer	Specifications	Part No.	Comments	Qty
	to BB)					
8.	Conductor, Pos (HH to BB)	ADC or Okonite	#10 photovoltaic ("PV") 2000V rated. Copper (red)	113-32-8004 Okonite or ADC 30402ALNPV	Minimum requirement is a 2000 V, XLPE insulated, 90C Wet location	as required
9.	Conductor, Neg (HH to BB)	ADC or Okonite	#10 PV 2000V rated. Copper (black)	113-32-8004 Okonite or ADC 30402ALNPV	Minimum requirement is a 2000 V, XLPE insulated, 90C Wet location	as required
10.	Service Wire, (AC, BB to Meter)	per Lakeland AVL	4/0 Al as per LAKELAND service requirements	TBD	per Lakeland standard wire in approved conduit	as required
11.	Conduit (AC In, Handhole to BB)	Condux/Atkore	PVC, 2", Schedule 40	Lakeland spec		as required
12.	Conduit (AC Out, BB to Residential Unit)	Condux/Atkore	PVC, 2", Schedule 40	Lakeland spec		as required
13.	PVC Fittings	per Lakeland AVL	Various per Lakeland system design	varies	Includes sweeps, bends, couplings, etc. as needed	as required
<b>BlockCentral</b>						
14.	Central Energy Park (CEP)	BlockEnergy	Customized per Lakeland project system design	TBD	Key internal components: - Battery: 624 kWh (8@78kWh ea) - Grid-tie Inverter: 200kVA - Generators: 200 kW (x4) - 200A DC/DC Converters: 120 kW (x2) - DC Bus Protection Device	1
15.	Disconnect, DC Bus	Eaton	750V DC disconnect, Single circuit, ungrounded, J-option fusing rated at 1000V, 100 amp. Nema 4X Fuse, Cartridge, 600V,100A/1KVDC	DCU1105 FWM J (Disconnect) SPFJ100.X (Fuses)		3



No.	Item	Manufacturer	Specifications	Part No.	Comments	Qty
16.	Disconnect, Transformer	Eaton	480 v disconnect, 600 V, 200 amp, 3-pole, 3-wire, single throw, NEMA 4X SS enclosure. Fuses Bussman 600V Class RK5, 200 amp	DH364FWK (Disconnect) FRS-R 600V 200A (Fuses)		1
17.	Transformer, Grid-Tie	Hitachi-ABB	13.2kV wye to 480V delta, 400 KVA	Custom KNAN	BlockEnergy will order	1
18.	Conduits	Condux/Atkore	PVC, 4", Schedule 40	Lakeland Stock 9721-0710	Prefer 10' lengths with integrated bell ends	as required
<b>BlockLoop</b>						
19.	Cat5e/Cat6 Ethernet Cable	Southwire (or similar)	STD Ethernet Cable	Common Cat5e or Cat6 outdoor rated		as required
20.	Conduit, Fiber	Condux/Atkore	PVC, 2", Schedule 40	Lakeland spec		as required
21.	Handhole (for BB)	per Lakeland AVL	Handhole w Cover 17" X 30" X 30"	Lakeland spec	Wording on Handhole cover to be provided by Lakeland	18
22.	Pull-Box (CEP to Loop)	per Lakeland AVL	Standard Lakeland pull box	Lakeland spec	Wording on Handhole cover to be provided by Lakeland	1
23.	Conductor, Pos	ADC	500MCM, 2kv, PV Rated, Red, Aluminum	17-PV500-1/2KV-RED	Minimum requirement is a 2000 V, XLPE insulated, 90C Wet location	as required
24.	Conductor, Neg	ADC	500MCM, 2kv, PV Rated, BLK, Aluminum	17-PV500-1/2KV-BLK	Minimum requirement is a 2000 V, XLPE insulated, 90C Wet location	as required
25.	Connectors	Raychem	Submersible Connectors 1000 Volt	GPRT 500-4P	Multiport up to 500 mcm	as required
26.	Ground Cable	per Lakeland AVL	#4 Ground Cable, 600VAC, Bare Copper	TBD	BlockEnergy will approach Okonite as first option	as required
27.	Warning tape	TBD	Red warning tape	TBD	BlockEnergy will submit sample for Lakeland Safety & Operations Team	as required

No.	Item	Manufacturer	Specifications	Part No.	Comments	Qty
					review	
28.	Conduit, DC Bus	Condux/Atkore	PVC, 2.", Schedule 40	Lakeland spec		as required
29.	PVC Fittings	per Lakeland AVL	Various per Lakeland system design	varies		as required

**SCHEDULE A-3 OF EXHIBIT A**

**Site Description**

[Attached]

## **EXHIBIT B**

### **Insurance**

#### 1. Block Energy's Insurance Requirements.

1.1 Block Energy's Coverage. Block Energy shall procure and maintain, or cause to be procured and maintained, in full force and effect the minimum insurance coverages, at its sole expense, set forth in this Section 1.1. All such insurance carried shall be placed with such insurers having a minimum A.M. Best Insurance rating of "A-" and or Standard & Poor rating BBB be in such form, with such other applicable terms, conditions, limits and deductibles (subject to the minimum insurance coverages and terms below):

A. Workers' Compensation Insurance if required and applicable subject to statutory limits under applicable law.

B. Employers Liability Insurance in an amount of one million U.S. dollars (\$1,000,000) per occurrence, if required and applicable.

C. Commercial General Liability Insurance written on an occurrence and or claims made form and providing not less than one million U.S. dollars (\$1,000,000) per occurrence and two million U.S. dollars (\$2,000,000) in the aggregate. Such coverage shall include premises/operations, explosion, collapse, underground hazards, contractual liability, product-completed operations, property damage, independent contractors, and personal and advertising injury liability.

D. Commercial Auto Liability Insurance with a limit of not less than one million U.S. dollars (\$1,000,000) including coverage for owned, non-owned, and hired automobiles for both bodily injury (including death) and property damage, if applicable in order for Block Energy to perform its obligations under the Agreement.

E. Excess Liability and or Excess Umbrella Liability Insurance written on an occurrence form and providing coverage limits in excess of the primary Employers' Liability, Commercial General Liability and Commercial Auto Liability policies. The limits of such Excess/Umbrella coverage shall be not less than ten million U.S. dollars (\$10,000,000), with forms that are at least as broad as the underlying policies.

F. Professional Liability Insurance covering errors or omissions arising out of the performance or the failure to perform professional services under this Agreement which result in direct loss. Coverage shall be in the amount of two million U.S. dollars (2,000,000) per occurrence and in the annual aggregate, with deductibles commonly found in like coverages and circumstances.

1.2 Block Energy's Insurance Certificates. Within a reasonable amount of time following Lakeland's request, Block Energy shall provide certificates of insurance to Lakeland evidencing all insurance policies required pursuant to this Agreement.

**Exhibit C**  
**DEVELOPER AGREEMENT**

This **DEVELOPER AGREEMENT** ("**Agreement**") is dated this 13<sup>th</sup> day of November 2023 ("Effective Date"), by and between the **City of Lakeland**, a municipality organized and existing in accordance with the laws of the State of Florida on behalf of its municipal utility, **Lakeland Electric** ("**Lakeland Electric**"), **Block Energy LLC**, a Delaware corporation ("**Block Energy**"), and **Clayton Properties Group, Inc., a Tennessee corporation** authorized to do business in the State of Florida, whose mailing address is 3020 South Florida Ave, Suite 101, Lakeland, Florida 33803] ("**Developer**") (Lakeland Electric, Block Energy and Developer are sometimes referred to individually as a "**Party**" and collectively as the "**Parties**").

RECITALS

WHEREAS, Highland Homes, Inc. ("Developer") is both the developer and builder of a project named "Myrtlewood" upon the property described on Exhibit A, located in Polk County, Florida and consisting or to consist of, among other things, seventy-seven (77) residences and associated common facilities (the "**Project**").

WHEREAS, Lakeland Electric is a municipal utility whose obligation and authority is to serve electricity to customers in its electric service territory. The Project is located within the Lakeland Electric's service territory.

WHEREAS, Developer and Lakeland Electric desire to install a pilot power system developed by Block Energy referred to herein as "**Block Energy System**" or "**System**" within the Project which would supply electric power within the Project in conjunction with its standard electric power supply infrastructure.

WHEREAS, Lakeland Electric desires to have Block Energy install the Block Energy System, as defined in Section 3 below, and Developer has agreed to permit Lakeland Electric and Block Energy to install such a system within the Project pursuant to the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lakeland Electric, Block Energy, and Developer hereby agree that the foregoing Recitals are true and correct and hereby incorporate them into this Agreement by reference, and further agree as follows.

1. Conditions Precedent: Installation and operation of the pilot program is contingent on the following conditions:

1.1 Block Energy Agreement: The execution of this Agreement shall be a condition precedent to enforcement of the obligations set forth in the Equipment Supply and Support Services Agreement executed between Block Energy and Lakeland Electric.

1.2 Easements, Dedication, Recording, of Declaration, Covenants, and Restrictions: The dedications, executions, and recordings by Developer in Sections 3.5, 3.6, and 3.8 of this Agreement are conditions precedent to any obligation or liability of Lakeland Electric or Block Energy under this Agreement.

2. Termination and Approvals.

2.1 Termination: Lakeland Electric reserves the right to terminate the Project at any time in which event it will remove (or direct Block Energy to remove) portions of Block Energy System (if any) that have already been installed (or, with respect to underground conduit, safely cut and cap the same), and execute such documents that release any easements or similar rights that are no longer needed (other than easements and rights necessary to provide conventional AC electric service to the customers in the Project), and each of the Parties will thereafter be free of any further obligation under this Agreement. Lakeland Electric will provide written notification to Developer of its intent to terminate the Project if such termination occurs prior to the issuance of the last Certificate of Occupancy for a residence within the Project. Developer will further cooperate with Lakeland Electric to obtain any regulatory approvals that may be required from Polk County to allow construction of the Block Energy System in conjunction with the Project.

2.2 County Approval: Developer shall also use commercially reasonable efforts, without incurring any expenses or liability and without interference with its design, construction, marketing or sale of the Residences, to cooperate with Lakeland Electric, as Lakeland Electric may reasonably request, to assist Lakeland Electric in obtaining such approvals that may be required to allow construction of the System in conjunction with the Residences.

2.3 Lakeland Electric Responsibility: Notwithstanding Builder's obligation to use commercially reasonable efforts to cooperate pursuant to this Section 2.3, Lakeland Electric shall be responsible, at its sole cost and expense, to comply with any and all laws, regulations and ordinances in connection with the installation, operation, repair, and maintenance of any part of the System.

3. Block Energy System.

3.1 Descriptions of the Block Energy System: The Block Energy System shall consist of (i) a direct current microgrid, (ii) gas-fired generators, a battery and system controls located in a Community Energy Park, (iii) solar panels on the rooftop of the principal structure on each Lot within the Project, (iv) a control unit located adjacent to each principal structure on each Lot containing a battery and other equipment, and (v) distribution lines, transformers, inverters, meters, and any other ancillary facilities (items (i) through (v), collectively, are the "System") necessary to implement the pilot Block Energy System program. In addition to the System, Lakeland Electric will install its standard AC system, including any meters, service drops, standard AC transformers, handholes, AC lines of wire, and other appurtenances thereto ("AC System"), which assets shall not be included in the definition of the System nor affected by any terms of this Agreement, and shall instead be installed in conformance with and governed by Lakeland

Electric's tariff and standard practices for AC electrical service. Electrically, the System will be located "in front of" the meter, and does not include the provision, care, or ownership of any equipment or other facilities on the customer's side of the meter. It is anticipated that items (i) and (ii) and parts of item (v) of the System will be located in certain common areas of the Project, which common areas will be owned initially and developed by Developer. All System components for each Lot (battery and control unit, solar photovoltaic roof panels, connections/wiring and isolation switches mounted on the outside of the Residence, near or adjacent to the home revenue meter) will hereinafter be referred to as the "Lot System." Lakeland Electric's AC System is specifically excluded from the definition of Lot System.

3.2 Lakeland Electric Assets: Nothing in this Agreement will impact the application of Lakeland Electric's tariff to its AC System, which shall be exclusively governed by Lakeland Electric's tariff and the terms and conditions therein. Developer agrees that every part of the System, including all alterations, additions, improvements, or installations made thereto, and all personal property of Lakeland Electric used in connection with the installation, operation, and maintenance of the System, electric lines, ducts, or other apparatus related to the System (all being the "Lakeland Electric Assets") shall be owned by and be the sole property of Lakeland Electric before and after the System has begun operation. In no event shall any Lakeland Electric Assets be deemed a fixture. After construction is completed, the Lakeland Electric Assets shall not be relocated, altered, tampered with, destroyed, or modified, in part or in whole, without the prior written consent of Lakeland Electric. Neither Developer, nor anyone claiming by, through, or under Developer, shall have any rights in or to the Lakeland Electric Assets at any time. In the event of any dispute or ambiguity regarding ownership of the Lakeland Electric Assets, Lakeland Electric and Developer agree to execute all documents and take all actions reasonably requested by Lakeland Electric to evidence and affirm Lakeland Electric's sole and exclusive ownership of the Lakeland Electric Assets. For the avoidance of doubt, all power generated from the Lakeland Electric Assets shall be the sole and exclusive property of Lakeland Electric. Notwithstanding the foregoing, once any part of the System or Lakeland Electric Assets is installed on any portion of the Lots or Residences, Lakeland Electric, on behalf of itself or its affiliate, agent or employee, shall not remove it without prior written notice to Developer or subsequent owner of the applicable Lot or Residence.

3.2.1 Lakeland Electric reserves the right, in its sole discretion, to provide power from its standard AC System at any time to supply any or all of the Residences.

3.2.2 Lakeland Electric reserves the right, in its sole discretion, to suspend or discontinue use of the System at any time, and to remove or turn over some or all of the System components as it determines to be appropriate at Lakeland Electric's expense. In the event Lakeland Electric elects to permanently discontinue the System prior to issuance of a Certificate of Occupancy as set forth in Section 2.1 and 3.8 of all Residences by Developer, then Lakeland Electric will notify Developer, in writing, of such decision and take such steps to unwind this Agreement in a manner consistent with this Section. Upon such permanent discontinuation of the System, (i) this Agreement shall terminate automatically upon Developer's receipt of the Termination Notice except for those provisions that by their nature survive termination, (ii) Lakeland Electric shall convey any installed solar panels to the homeowner or Developer, whoever is the owner of the Residence(s) where such solar panels are located, in accordance with the recorded Easements, as defined in Section 3.5 below, and shall, at Lakeland Electric's expense, install equipment necessary for use of the panels for conventional AC usage; (iii) Lakeland Electric

will remove all other portions of Block Energy System that have already been installed (or, with respect to underground conduit, safely cut and cap the same) except for those parts of the Block Energy System that is necessary for use of the solar panels for conventional AC usage (it being understood and agreed that Lakeland Electric will convey such parts to Developer), upon which removal, Lakeland Electric shall also restore the Lots and Residences to the condition prior to its installation of any Lot System including restoring the roof to a functional, complete, and watertight state where impacted by the solar panel removal, reasonable wear and tear excepted, it being agreed that all such removal and restoration shall be done by Lakeland Electric in good workman manner and lien free fashion as provided in Section 3.10 at Lakeland Electric's sole cost and expenses, (iv) upon Developer's written request, Lakeland Electric will execute such documents that release any easements or similar rights that are no longer needed (other than easements and rights necessary to provide conventional AC electric service to the customers in the Project), and (v) each of the Parties will thereafter be free of any further obligation under this Agreement.

3.3 Access Rights for Block Energy System: Developer will provide Lakeland Electric such access to the Lots as may be required to install, operate, repair and maintain the System pursuant to this Agreement in accordance with the Form of Easement set forth in Exhibit C to this Agreement. Developer further agrees to grant Lakeland Electric the right to utilize other portions of the Project that may from time to time be agreed upon between Lakeland Electric and Developer for areas reasonably requested by Lakeland Electric for temporary workspace, temporary material storage, equipment set up and tear down, ingress and egress, and other purposes in connection with the installation of the System. Notwithstanding the foregoing, Lakeland Electric's use of laydown area and installation of the System contemplated in this paragraph shall not in any event unreasonably interfere with Developer development, construction, marketing and sales activities or any homeowner's peaceful enjoyment of the property; provided, however in any case that Developer promptly notifies Lakeland Electric, in writing, of any such interference. Developer will keep Lakeland Electric informed with respect to the scheduling and construction of the Residences and the Parties shall work in good faith to resolve any changes to Developer's scheduling and/or plants to mitigate any impact to installation of the System.

3.4 Easements and Joint Trenches: Developer has established ten foot (10') wide utility easements on either side of the rights of way within the Project. Developer hereby assigns to Block Energy and Lakeland Electric the non-exclusive right to use the easements interests in the Project, as those easements are described and created in the Recorded Plat, as further described in Section 3.5 below, and Declaration of Restrictions applicable to the Project (each an "**Easement**" and collectively, the "**Easements**"). This non-exclusive assignment shall be effective for all Easements existing on the Effective Date and shall be continuing and apply to all utility easements within the Project, as they are developed, and Declarations of Restrictions are recorded against each. Block Energy and Lakeland Electric's rights in the Easements shall be subject to the terms of the Declaration of Restrictions as described in Section 3.9 below. Developer further grants the right to Block Energy and Lakeland Electric to utilize other portions of the Project, as from time to time agreed upon by Developer and Lakeland Electric in the amount reasonably required by Block Energy and Lakeland Electric, for temporary workspace, material storage, equipment set up and tear down, ingress and egress, and all other purposes in connection with the installation of the System.



3.5 Easements and Joint Trenches for Extension of Natural Gas: Sections 3.4 and 3.5 shall also apply to extensions of natural gas by [GAS COMPANY] ("**Gas Co.**"), in the event extension of natural gas distribution lines are necessary to serve the Community Energy Park in Section 3.5. Without limiting the foregoing, Developer shall convey to Gas Co. such easements as Gas Co. may require, in the form attached hereto as Exhibit B, to lay natural gas pipelines to feed the Community Energy Park.

3.6 Lot Easements: Within thirty (30) days of commencing construction upon each Lot, Developer shall fully execute, with required notarizations and witnesses, an easement over the Lot for the Lot System in the form attached hereto as Exhibit C (the "Easement"), attach the Lot legal description, and provide the completed easement to Lakeland Electric for recording. If Lakeland Electric does not receive the Easement for the Lot by the time Lakeland Electric begins installation of the Lot System, Lakeland Electric will notify Developer, in writing, and Developer shall immediately provide the Easement for the Lot. Lakeland Electric will be authorized to record the Easement for the Lot(s) upon which construction is commencing prior to commencing installation of the Lot System on the Lot or Lots. Developer shall ensure that it provides written notice of the Easement to the purchaser of each Lot as a part of Developer's due diligence disclosures to each purchaser. In the event of a conflict between the terms of this Agreement and the Easement as it related to the rights and responsibilities of the Parties, the terms of this Agreement shall prevail. Notwithstanding the foregoing and the Easement, (i) Lakeland Electric shall not unreasonably interfere with the design, construction, marketing and sale of any residence on the Project or the quiet enjoyment of the Project by Developer, its owners, tenants or invitees, (ii) the Easement shall be limited to the exterior of the residences and does not extend to the interior of the residence constructed on the Project, and (iii) Lakeland Electric's exercise of the Easement shall not result in any increase in costs or expense incurred by Developer in its design, construction, marketing and sale of any residence on the Project.

3.7 Community Energy Park. Developer, Lakeland Electric, and Block Energy have selected a site owned by Developer within the Project for a Community Energy Park. Developer will, within thirty (30) days (i) grant to Lakeland Electric a perpetual exclusive easement for the Community Energy Park in the form attached as Exhibit D and (ii) furnish to Lakeland Electric a mechanic's lien affidavit, Foreign Investment in Real Property Act (FIRPTA) affidavit, any further corrective instrument(s) that may be required in order for Developer to convey clear and marketable title to the Community Energy Park Easement, except for those permitted exceptions authorized by Lakeland Electric in writing, and such other and further documents as Lakeland Electric may reasonably require.

Developer will cooperate with Lakeland Electric at Lakeland Electric or Block Energy's Expense to amend the [IDENTIFY PROJECT] recorded in [IDENTIFY PLAT BOOK AND PAGES], of the Public Records of the County to amend the graphical depiction of [TRACT], as required to accommodate the Community Energy Park site and amend the following dedication language to the Final Plat submitted to the County for approval and recording:

[TRACT] - OPEN SPACE AREA (PRIVATE), DRAINAGE  
AREA (PRIVATE), LANDSCAPE EASEMENT (PRIVATE),  
COMMUNITY ENERGY PARK {PRIVATE}, DRAINAGE

## EASEMENT (PUBLIC), AND UTILITY EASEMENT (PUBLIC)

3.8 Installation Schedule; Permit Coordination; Installation: Developer agrees to use commercially reasonable efforts to establish and maintain a construction schedule that provides Lakeland Electric with sufficient time to construct the Lot System on the Lots and Residences; provided that Lakeland Electric hereby acknowledges and agrees that home construction process is impacted by many factors outside Developer's control and therefore Lakeland Electric shall remain flexible and cooperative with Developer to promptly respond to and deal with any scheduling and other changes in the construction process. Additionally, Developer acknowledges that Lakeland Electric may provide service to a Residence through its AC System and allow other portions of the System to be installed relative to a Residence after Developer has completed construction of a Residence in order to minimize interference with Developer's construction schedule.

Prior to commencing construction on the first Lot, Developer will provide copies of or access to its engineered plans for each of its models planned for the Residences. Developer and Lakeland Electric will coordinate and discuss design of the photovoltaic systems and the structural design of the roof and jointly develop a form for the photovoltaic panel part of the permit application. Prior to commencing construction on each Lot, Developer shall notify Lakeland Electric, in writing, and simultaneously provide copies of or access to the approved building permit package, any further information necessary for Lakeland Electric to permit the photovoltaic system, and Builder's good faith estimate of the approximate timeframes for roof completion, electrical installation and inspection, and Certificate of Occupancy ("C.O.") for such Lot. Lakeland Electric agrees to cooperate with Developer with respect to the construction of the Lot System and to use commercially reasonable efforts to minimize interference with Developer's construction of the Residences. Lakeland Electric shall provide Developer a contact person or persons for each such notification. In the event of any actual or anticipated delays, the Party that becomes aware of the delay shall promptly notify the other Party and the Parties shall work together in good faith on a revised schedule or alternative solution. Notwithstanding the foregoing, Lakeland Electric shall cause the Lot System for each Lot to be completed as soon as practicable, provided that Lakeland Electric may provide service via its AC System to facilitate issuance of the C.O.

Unless otherwise expressly provided for in this Agreement, Lakeland Electric or its subcontractor shall be solely responsible, at its sole cost and expense, to install the Lot System properly in a good workman manner, in compliance with all applicable laws, regulations and ordinances, and without damaging the roof or any other parts of the Residences. To the extent any installation or other work by or on behalf of or at the direction of Lakeland Electric results in any damage to the Residences, Lakeland Electric shall be solely responsible, and commence correction within fourteen (14) days of Developer's written notice unless Developer and Lakeland mutually agree, in writing, to a different time period, and proceed diligently to repair such damage as soon as practicable to the reasonable satisfaction of Developer. After each installation, Developer shall be permitted to inspect, or have its roofing contractor inspect, the roof(s) to confirm that the installation of the Lot System was properly completed and that any applicable warranties for the home remain valid and in full force and effect. If, however, Developer or its roofing contractor determines that repairs are needed, in their reasonable discretion, Lakeland Electric shall diligently pursue the same at its sole cost and expense after notice. To the extent that additional work is required by Developer or its roofing contractor and the same is not completed within a reasonable time by Lakeland Electric, Developer, upon prior written notice to Lakeland Electric, may at its sole option, undertake the

repairs and invoice Lakeland Electric for the cost of the same. Any such invoice shall include detailed documentation, including but not limited to, itemized costs, of any necessary repairs. In such a case, Lakeland Electric shall remit payment for any such undisputed sums within forty-five (45) days of receipt of invoice in accordance with Florida Statute §218.74 et. seq., the Local Government Prompt Payment Act. For each Lot, Lakeland Electric shall notify Developer, in writing, promptly after all components of the Lot System for such Lot are complete.

3.9 Declarations, Covenants, and Restrictions. Subject to the conditions set forth in Sections 1 and 2 of this Agreement, Developer shall record an amendment to any community declaration that may have been recorded with the public records office governing the Project to address the following:

3.9.1 For Lots [IDENTIFY LOTS OF PROJECT] ("**Participating Lots**"), Block Energy will install a Block Energy System, in parallel with Lakeland Electric's traditional AC System, to provide electric service to homeowners of the Participating Lots ("**Participating Homeowners**"). The System, all of which will be owned by Lakeland Electric, will be designed with the following features:

- o Solar panels are to be installed on the roof of every house of the Participating Lots by Block Energy for Lakeland Electric and will be owned, operated and maintained by Lakeland Electric supported by Block Energy; all power generated by the rooftop solar panels will be considered the sole property of Lakeland Electric, and will be used to serve the Block Energy System which is an integral component of and interconnected to Lakeland Electric's standard system.
- o An enclosure housing batteries and control units will be installed at/outside every house of Participating Lots by Lakeland Electric, which will be operated and maintained by Lakeland Electric supported by Block Energy.
- o A Community Energy Park, which will have the means to both generate and store Lakeland Electric owned power that will backup and supplement the solar energy supplied to the Block Energy System.
- o Participating Homeowners will be charged for electricity supplied by the Block Energy System at the same rate as residential customers served by Lakeland Electric's general system supply. Electric service to each Participating Homeowner will be provided in accordance with the terms and conditions of Lakeland Electric's retail electric tariff.

Lakeland Electric reserves the right, in its sole discretion, to provide power from its standard AC System at any time to supply any or all of the Block Energy System homes or if the Block Energy System has excess energy relative to that needed to supply the connected homes, have such excess energy exported to its standard system for use by other customers of Lakeland Electric.

Lakeland Electric reserves the right, in its sole discretion, to suspend or discontinue use of the Block Energy System, and to remove or turn over some or all of the System components as it determines to be appropriate, at Lakeland Electric or Block Energy's expense.

3.9.2 Lakeland Electric has the exclusive rights to the Community

Energy Park site. Homeowners should notify Lakeland Electric, in writing, in the event they become aware of concerns, including but not limited to, damage, malfunction, or maintenance problems with respect to the Community Energy Park or the facilities thereon.

3.9.3 Lakeland Electric has the right to construct, install, maintain, operate, expand, repair, replace, discontinue, and remove electric utility facilities within the Project rights of way and ten foot (10') utility easements on either side of the right of way. These same rights extend to solar panels on the roof of every home and battery and control units on each lot in the Project.

3.9.4 Participating Owners shall not be allowed to install their own solar panels, stand-by generators or other personal power generation facilities on Participating Lots.

3.9.5 Participating Homeowners shall maintain the utility easement areas, the areas around the battery and control units, and the roof areas around the solar panels to prevent excessive wear and tear and will notify Lakeland Electric if there are any concerns (such as damage, malfunction, or maintenance problems) with utility easement areas, battery and control units, or solar panels. Homeowner's Association and Participating Homeowners shall not attempt, nor shall any of them allow anyone other than Lakeland Electric to attempt, to maintain, relocate, repair, or modify the utility easement areas, battery and control units, or solar panels.

3.10 Lien Free & Work Standards: Lakeland Electric shall promptly pay any and all of its architects, contractors, subcontractors and suppliers and shall perform all of its installation, repair and other work with respect to any part of the System in a good workman manner and lien free fashion and shall not cause any damage to the roof or any other parts of the Lots or Residences. To the extent any lien is filed in connection with any work related to the Lot System, Lakeland Electric shall either cause such lien to be paid in full and released within twenty (20) days of the filing of the same or, at Lakeland Electric's option, such lien may be bonded off. The installation, repair or other work with respect to any part of the System shall be performed and completed by Lakeland Electric through such professionals or tradesmen who are duly licensed by the State of Florida, or exempt from licensure, for such work.

3.11 Ownership of System and Operation: The System, including each meter, shall remain the exclusive property of Lakeland Electric at all times. Lakeland Electric's operation of the System and the AC System is not governed by the terms of this Agreement. Rather, Lakeland Electric shall operate the System and the AC System in accordance with its tariff and the requirements of applicable regulations and laws.

3.12 Maintenance: Developer shall have no responsibility for maintaining the System. Lakeland Electric shall maintain the System in accordance with its tariff and other applicable laws, regulations and ordinances.

4. Marketing. Developer and Block Energy are developing a co-branding marketing plan to promote the System and the Project. Developer shall, prior to any distribution or disclosure, provide to Lakeland Electric a copy of any proposed marketing

materials that refer to or contain content that relates to Lakeland Electric, the System or any component thereof. Developer shall not disseminate, distribute, release, disclose or otherwise allow such marketing materials to be displayed to others outside of Developer until Developer receives written approval of the materials from Lakeland Electric.

5. Assignment: Any sale of the Project, other than individual Lot or Residence sales as contemplated in Section 3.6, or assignment of this Agreement, requires the advance written consent of Lakeland Electric, which consent shall not be unreasonably withheld. To the extent Developer sells any Lots to another homebuilder, Developer shall provide a copy of this Agreement on a confidential basis to such buyer during the due diligence period of the purchase contract and Developer shall be required to assign, and such contract purchaser shall be required to accept, all of the rights and obligations under this Agreement. If required by either Party, Developer and Lakeland Electric shall execute a Memorandum of Agreement for this Agreement in a form mutually agreed-upon by Developer and Lakeland Electric and record it in the public records to run with the land within the Project.

Except as provided in this Agreement, Lakeland Electric may not assign this Agreement without the advance written consent of Developer, which consent shall not be unreasonably withheld. Lakeland Electric may assign this Agreement in whole or in part to any affiliate; provided that (i) Lakeland Electric is not released from any obligations under this Agreement and (ii) Lakeland Electric shall provide prior written notice of such assignment to Builder to enable it to make any necessary or desirable disclosures to present or future homeowners

6. Notices. Any and all notices sent pursuant to this Agreement shall be sent by either telecopy transmission (with receipt confirmation), U.S. Mail, postage prepaid, return requested, or by receipted overnight national delivery service (Federal Express), and shall, if not sooner received, be deemed received three (3) business days after deposit in the U.S. Mail, or one business day after telecopy transmission or receipt by any national delivery service. All notices shall be addressed to each party at the address listed below each party's signature, unless and until such time as a party notifies the other in accordance with this Section of a change in address.

7. Remedies, Limitations: In the event of a breach of this Agreement, the non-breaching Party shall, except to the extent specifically limited by this Agreement, have all rights and remedies available at law and at equity against the breaching party. In all cases arising under this Agreement, the aggregate liability of Lakeland Electric and Block Energy shall be limited to the applicable law. Lakeland Electric and Block Energy and Developer each expressly understand and agree that they shall not be liable for indirect, special, incidental, punitive or consequential damages, including, but not limited to, loss of anticipated income, profits or savings, or loss resulting from business interruption. The obligation under this Section shall survive termination or expiration of this Agreement.

8. Confidentiality: Except as agreed by the Parties pursuant to Section 4 and to the extent permitted by law, the Parties covenant and agree to keep and maintain the business and financial terms of this Agreement, including any technical or pricing/business information regarding the Block Energy System (the "Confidential Information"), strictly confidential and shall not disclose the Confidential Information to any third parties, except as provided below, and shall take all reasonable and prudent steps permitted by law in order to protect the Confidential

Information from disclosure. Nothing herein shall limit the Parties from disclosing any Confidential Information to Developer, the Public Service Commission, or other regulatory bodies. The Parties shall not publicize, disseminate, discuss, or otherwise disclose any Confidential Information except (i) on a "need to know" basis to any of their respective legal counsel, employees, and hired advisers, and consultants, (ii) to the extent required to comply with an order of a court of competent jurisdiction or other government mandatory process, (iii) to the extent required in an action to enforce this Agreement, (iv) to the extent permitted by any written consent hereafter granted by the other Parties, as applicable, in their sole and absolute discretion, or (v) to the extent disclosure is required pursuant to Florida Statute Chapter 119, the Florida Public Records Act or any other applicable law.

9. Indemnification: To the extent permitted by law, each Party (the "Indemnifying Party") hereby agrees to indemnify, defend and hold harmless each other Party, its parents, subsidiaries, affiliates, and the respective officers, directors, and employees of each of the foregoing entities (the "Indemnified Parties") from and against any claims, demands, actions or suits arising out of a bodily injury or third party property damage, as well as costs and expenses (including reasonable attorney's fees) related thereto, (collectively "Claims"), to the extent such Claims arise out of the negligence or willful misconduct of the Indemnifying Party, its employees or contractors (through all tiers) in the construction of the Project or the System; provided, however, that such obligation shall not apply unless the Indemnifying Party is given prompt written notice of the claim and sole control of its defense and/or settlement. For the avoidance of doubt, the term "Claims" as used in this Section includes liability, claims or actions for property, personal or other damage on the part of the Developer or the purchaser, owner, guest or visitor of a Residence, as the case may be, arising out of Lakeland Electric's installation, repair, maintenance and operation of the System. Notwithstanding any other provision to the contrary, in no event shall any Party be liable to any other Party, an Indemnified Party, or anyone claiming through another Party or an Indemnified Party for any special, incidental, indirect, consequential, punitive or exemplary damages, whether foreseeable or not, except as expressly provided in the immediately following sentence. Lakeland Electric will release Developer, its parents, subsidiaries, affiliates, and the respective officers, directors, and employees of each of the foregoing entities (the "Builder Indemnified Parties"), indemnify and hold harmless the Developer Indemnified Parties, from any and all claims by Lakeland Electric or its subcontractors arising from any loss or damage, including consequential loss or damage, to Lakeland Electric's personal property in or after the construction of the Project, except for any negligence, intentional or willful misconduct on the part of the Builder Indemnified Parties. Nothing herein is intended to waive the sovereign immunity of Lakeland Electric set forth in Florida Statute §768.28, regardless of whether such claims are based in tort, contract, statute, strict liability, products liability, negligence or otherwise

10. Insurance: Prior to accessing any parts of the Project, Lakeland Electric shall deliver to Developer a Notice of Self-Insurance.

11. Force Majeure: Each Party shall not be liable to the other for any failure to perform pursuant to the terms and conditions of this Agreement to the extent such performance was prevented by an event of Force Majeure pursuant to this Section. The term "Force Majeure" shall mean causes not within the control of the Party whose performance is affected including, without limitation, Acts of God, strikes, lockouts, or other industrial disturbance, acts of the public enemy, wars, blockages, insurrection, riots, epidemics, pandemics, landslides, sinkholes, lightning, industrial disturbances that affect Lakeland Electric's customers, earthquakes, fires, storms, flood,

washouts, arrests and explosions, breakage or non-foreseeable accident to machinery or lines of pipe, and any other causes, whether of the kind herein enumerated or otherwise, and which, in each of the above cases, by the exercise of due diligence such Party is unable to prevent or overcome utilizing commercially reasonable efforts, procedures and processes; such term shall likewise include the inability of a Party to acquire, or delays on the part of such Party in acquiring at reasonable cost and by the exercise of reasonable diligence, servitudes, rights-of-way, grants, permits, permissions, licenses, materials or supplies which are required to enable such Party to fulfill its obligations hereunder. The Party whose performance is excused by an event of Force Majeure (the "Performance Excused Party") shall promptly notify the other Parties of such occurrence and its estimated duration and shall promptly remedy such Force Majeure if and to the extent reasonably possible and shall resume such performance as soon as possible; provided, however, that no Party shall be required to settle any labor dispute against its will. Notwithstanding the foregoing, in the event that Developer has not built all of the Residences platted in the Project by [ENTER DATE], then Lakeland Electric may at its option upon written notice to Developer (i) terminate this Agreement, and the conditions of Section 2.1 will apply as if Lakeland Electric sent a Termination Notice, or (ii) reduce the number of Residences served by the System to the number sold by the date, in which case, Builder will cease marketing the System to future homeowners, and this Agreement will continue only with respect to the reduced number.

12. Miscellaneous: This Agreement shall be subject to all applicable laws, rules, orders, permits, and regulations of any federal, state, or local governmental authority having jurisdiction over the parties, their facilities, or the transactions contemplated. This Agreement shall be interpreted and construed in accordance with the laws of the State of Florida. Jurisdiction and Venue shall be in the courts of Polk County, Florida or the U.S. District Court in and for the Middle District of Florida, Tampa Division. Lakeland Electric, Block Energy, and Developer hereby voluntarily, knowingly, and intentionally, WAIVE ANY AND ALL RIGHTS TO TRIAL BY JURY in any legal action or proceeding arising under or in connection with this Agreement. This Agreement constitutes the entire understanding and agreement between the parties hereto and supersedes any and all prior negotiations, understandings or agreements, except that this Agreement is not intended to supersede, amend or alter the Equipment Supply and Support Services Agreement executed between Block Energy and Lakeland Electric ("Equipment Supply and Support Services Agreement"). As between Block Energy and Lakeland, the Equipment Supply and Support Services Agreement shall govern in the case of any conflict between this Agreement and the Equipment Supply and Support Services Agreement. Except as provided above, this Agreement shall be binding upon, and shall inure to the benefit of the parties hereto, and their respective successors and assigns. Developer, Lakeland Electric, and Block Energy each warrant to the other parties hereto that: (a) it is duly formed, validly existing and in good standing under the laws of its state of formation, and (b) it has all requisite right, power, and authority to enter into this Agreement, and (c) that the signatory or signatories hereto has/have been duly authorized and no consent of any other person to such execution, delivery, and performance is required to render this Agreement a valid and binding instrument. This Agreement may be amended, modified or extended only by a written instrument signed by all parties. No failure to exercise, delay in exercising, or single or partial exercise of any right, power or remedy by either party shall constitute a waiver of, or shall preclude any other or further exercise of, the same or any other right, power or remedy. Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Agreement or the application thereof to any party hereto or circumstance is prohibited by or invalid under applicable law, that provision shall be effective only to the extent of such

prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement or the application of the same. This Agreement may be executed in any number of counterparts, and all the counterparts taken together shall be deemed to constitute one (1) and the same instrument. The captions, headings, titles, and subtitles herein are inserted for convenience of reference only and are to be ignored in any construction of the provisions of this Agreement. Any exhibit attached to this Agreement is incorporated by reference herein. Nothing contained herein shall be construed as a joint venture, partnership or any other similar relationship between any of the parties hereto. Nothing in this Agreement shall be construed as creating any rights, benefits or interests in a person or group that is not a party to this Agreement

[Signature Page Follows]



IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective duly authorized officers as of the Effective Date.

**CITY OF LAKELAND**, a municipality organized and existing in according with the laws of the State of Florida on behalf of its municipal utility, Lakeland Electric:

By: \_\_\_\_\_  
Name: H William Mutz  
Title: Mayor

Attest:

By: \_\_\_\_\_  
Kelly S. Koos, City Clerk

Approved as to form and correctness:

By: \_\_\_\_\_  
Palmer C. Davis, City Attorney

**BLOCK ENERGY LLC**, only as to its rights and obligations expressly stated herein.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**CLAYTON PROPERTIES GROUP, INC.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Exhibit A

Legal Description of Project

Lots ... of the Plat of ... recorded in ..., of the Public Records of ... County, Florida

Together with a portion of Tract ... [Community Energy Park]

**Exhibit B**

**FOLIO NO.** [NUMBER]

**PREPARED BY  
AND RETURN TO:**

[CONTACT]

**EASEMENT**

KNOW ALL MEN BY THESE PRESENTS, that [DEVELOPER NAME], a [STATE of FORMATION and ENTITY TYPE], whose mailing address is [ADDRESS] ("Grantor"), in consideration of One Dollar and other valuable considerations paid to Grantor by [GAS COMPANY NAME], [ENTITY TYPE], with an address of [ADDRESS] ("Company"), receipt whereof is hereby acknowledged, has given and granted unto the Company, its successors and assigns, a perpetual easement over and the right to enter upon the land in Polk County, Florida, described as follows:

**See Exhibit "A" attached hereto and by reference  
made a part hereof**

**together with the right of ingress and egress to and from the same, and all rights therein and all privileges thereon which are or may be necessary or convenient for the full use and enjoyment of such easement, which is for the purposes of placing, constructing, operating, maintaining, repairing, replacing on and removing from said land, installations described as follows:**

*Underground gas line and aboveground and  
underground necessary appurtenances thereto  
("Facilities").*

**The width of the Easement (the "Easement Area") shall be ten (10) feet lying five (5) feet on each side of the centerline of the Facilities as installed in the approximate location shown in Exhibit "B."**

The aforesaid rights and privileges granted shall include the right and privilege to root prune or remove any and all deep rooted vegetation upon said Easement Area and upon the Grantor's lands adjacent to said land, wherever the Company may deem it necessary or desirable to do so for the protection of said installations.

Company shall promptly repair any damage to the Easement Area, or any other property not owned by Company, caused by Company exercising its rights under this agreement, including ground cover, planting, roadways, driveways, sidewalks, and parking areas.

Grantor reserves the right to install minor landscaping, irrigation and/or fencing within the Easement parcel provided that it does not and will not directly interfere with the Company's Facilities, does not change grade, and does not cause water impoundment. Grantor further acknowledges that under the "Underground Facility Damage Prevention and Safety Act" (Ch. 556 Fla. Stat.), that Grantor is obligated to notify "Sunshine State One-Call of Florida, Inc." of its intent to engage in excavation or demolition prior to commencing any work and that this notification system shall provide member operations an opportunity to identify and locate, if applicable, their underground Facilities prior to said excavation or demolition. In the event Grantor fails to notify as set forth above, Grantor may be held responsible for costs and expenses incurred due to damage of Company's Facilities.

The Company agrees, at the sole expense of Grantor, to relocate its Facilities, over, under and upon subject parcel upon the request of Grantor, and the vacated portion of this easement being released and conveyed back to Grantor and the site of the relocated Facilities being conveyed and included in this easement grant as though it had been included ab initio.

The terms "Grantor" and "Company" herein employed shall be construed to include the words "heirs, executors, administrators and assigns" and "successors and assigns" of the respective parties hereto, wherever the context so admits or requires. This Grant of Easement constitutes the entire agreement and understanding between the parties with respect to the subject matter hereof. This Grant of Easement may not be changed, altered or modified except by an instrument in writing signed by the party against whom enforcement of such change would be sought. This Grant of Easement shall be binding upon the parties hereto and their respective successors and assigns.

Grantor warrants to Company that it is duly formed, validly existing and in good standing under the laws of its state of formation, and Grantor has all requisite right, power, and authority to enter into this Easement, Grantor owns the Easement Parcel, and no consent of any other person is required to render this Easement a valid and binding instrument.

IN WITNESS WHEREOF, the Grantor has executed this Grant of Easement this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

Signed, Sealed and Delivered  
in the presence of:

**GRANTOR:**

\_\_\_\_\_

a \_\_\_\_\_ corporation,

WITNESS: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

WITNESS: \_\_\_\_\_

(CORPORATE SEAL)

Print Name: \_\_\_\_\_

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

The forgoing instrument was acknowledged before me by means of \_\_physical presence or \_\_online notarization this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_ by \_\_\_\_\_ as \_\_\_\_\_ of \_\_\_\_\_, on behalf of the corporation. She/He personally appeared before me, is personally known to me or has produced \_\_\_\_\_ as identification and who did (did not) take an oath.

(SEAL)

—

\_\_\_\_\_

Notary Public

—

\_\_\_\_\_

Print Name  
Commission Expires:

FOLIO NO. [NUMBER]

PREPARED BY AND RETURN TO:

[CONTACT]

**PERPETUAL EXCLUSIVE EASEMENT**

KNOW ALL MEN BY THESE PRESENTS, that [DEVELOPER], a [ENTITY TYPE], whose mailing address is [ADDRESS] ("Grantor"), in consideration of the foregoing facts, mutual covenants, conditions, and promises contained herein and for other good and valuable consideration, to Grantor by the **CITY OF LAKELAND**, a municipality organized and existing in according with the laws of the State of Florida on behalf of its municipal utility, Lakeland Electric ("Lakeland Electric"), receipt whereof is hereby acknowledged, has given and granted unto the Lakeland Electric, its successors and assigns, the following easements:

A perpetual exclusive easement over, upon, and through the lands described in **Exhibit A** (the "Community Energy Park") to develop, use, and operate the Community Energy Park for any and all of Lakeland Electric's purposes, together with the right of ingress and egress to and from the same over Grantor's adjacent lands, including the construction of a driveway from the right of way to the Community Energy Park, and Lakeland Electric shall have all rights therein and all privileges thereon which are or may be necessary or convenient for the full use and enjoyment of such easements by Lakeland Electric.

And

A perpetual non-exclusive easement over the lands described in **Exhibit B**, together with the right of ingress and egress to and from the same, and all rights therein and all privileges thereon which are or may be necessary or convenient for the full use and enjoyment of such easement, which is for the purposes of placing, constructing, operating, maintaining, repairing, replacing on and removing from said land, installations described as follows:

*Aboveground and underground lines of wires, cables, data transmission and communication facilities, supporting structures, and necessary appurtenances ("Facilities").*

This Facilities Easement shall be fifteen (15) feet in width lying seven and a half (7.5) feet on each side of the centerline of the Facilities as installed (the "Facilities Easement Area"). The perpetual exclusive easement over the Community Energy Park and the perpetual non-exclusive Facilities Easement shall together be referred to as the Easements and the land over which the Easements are granted the Easement Areas.

The aforesaid rights and privileges granted shall include the right and privilege to root prune or remove any and all deep rooted vegetation upon said Easement Areas and upon the Grantor's lands adjacent to the Easement Areas, wherever the Lakeland Electric may deem it necessary or desirable to do so for the protection

of Lakeland Electric's installations now or hereafter installed.

Grantor shall execute all applications and authorizations as may be required by Lakeland Electric to seek and obtain permits or other governmental approvals, and to the extent that owners of property are required by law or governmental regulation to approve of applications for permits or approvals or otherwise be a party to such permits or approvals, Grantor shall cooperate, at no cost to Grantor, with Lakeland Electric in Lakeland Electric's efforts to obtain governmental approvals.

Lakeland Electric shall promptly repair any damage to the Facilities Easement Area caused by Lakeland Electric's negligence exercising its rights under this agreement, including ground cover, planting, roadways, driveways, sidewalks, and parking areas, to substantially the same condition as existed prior to commencement of such work, with the exception of ordinary wear and tear.

Grantor reserves the right to install minor landscaping, irrigation and/or fencing within the Facilities Easement Area provided that it does not and will not directly interfere with the Lakeland Electric's Facilities, does not change grade, and does not cause water impoundment. Grantor further acknowledges that under the "Underground Facility Damage Prevention and Safety Act" (Fla. Stat. Ch. 556), that Grantor is obligated to notify "Sunshine State One-Call of Florida, Inc." of its intent to engage in excavation or demolition prior to commencing any work and that this notification system shall provide member operations an opportunity to identify and locate, if applicable, their underground Facilities prior to said excavation or demolition. In the event Grantor fails to notify as set forth above, Grantor may be held responsible for costs and expenses incurred due to damage of Lakeland Electric's Facilities.

Lakeland Electric may, at the sole expense of Grantor, relocate its Facilities, over, under and upon the parcel described in Exhibit B upon the request of Grantor, and the vacated portion of this easement being released and conveyed back to Grantor and the site of the relocated Facilities being conveyed and included in this easement grant as though it had been included ab initio. Lakeland Electric may refuse to relocate its Facilities if in Lakeland Electric's judgment the relocation will not adequately serve Lakeland Electric's needs, which Lakeland Electric shall decide in its sole and absolute discretion.

Grantor shall promptly pay all taxes, special assessments, levies, liens, and fines assessed against the Easement Areas.

The terms "Grantor" and "Lakeland Electric" herein employed shall be construed to include the words "heirs, executors, administrators and assigns" and "successors and assigns" of the respective parties hereto, wherever the context so admits or requires. This Grant of Easement constitutes the entire agreement and understanding between the parties with respect to the subject matter hereof. This Grant of Easement may not be changed, altered or modified except by an instrument in writing signed by the party against whom enforcement of such change would be sought. This Grant of Easement shall be binding upon the parties hereto and their respective successors and assigns.

Grantor warrants to Lakeland Electric that it is duly formed, validly existing and in good standing under the laws of its state of formation, and Grantor has all requisite right, power, and authority to enter into these Easements, Grantor owns the parcels described in Exhibits A and B, and no consent of any other person is required to render these Easements a valid and binding instrument.

IN WITNESS WHEREOF, the Grantor has executed this Grant of Easement this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

--

Signed, Sealed and Delivered  
in the presence of:

**GRANTOR:**

**[DEVELOPER]**

WITNESS: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

WITNESS: \_\_\_\_\_

Print Name: \_\_\_\_\_

(CORPORATE SEAL)

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

The forgoing instrument was acknowledged before me by means of \_\_\_physical presence or \_\_\_online notarization this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_ by \_\_\_\_\_ as \_\_\_\_\_ of \_\_\_\_\_, on behalf of the corporation. She/He personally appeared before me, is personally known to me or has produced \_\_\_\_\_ as identification and who did (did not) take an oath.

(SEAL)

—

\_\_\_\_\_

Notary Public

—

\_\_\_\_\_

Print Name  
Commission Expires



**Form of Easement**

CLERK OF CIRCUIT COURT RETURN TO PREPARER:

Prepared by: City of Lakeland a municipality organized and existing in according with the laws of the State of Florida on behalf of its municipal utility, Lakeland Electric.

**GRANT OF EASEMENT**

KNOW ALL MEN BY THESE PRESENTS that \_\_\_\_\_, a \_\_\_\_\_ corporation (together with its successors and assigns, collectively, the “**Grantor**”) whose address is \_\_\_\_\_, in consideration of the sum of TEN DOLLARS (\$10.00) and other valuable consideration, receipt of which is hereby acknowledged, does hereby grant to the **CITY OF LAKELAND, on behalf of its municipal utility LAKELAND ELECTRIC**, a municipality organized and existing in according with the laws of the State of Florida (together with its successors and assigns, collectively, the “**Grantee**”) whose principal address is [ENTER ADDRESS], and its successors and assigns, a perpetual non-exclusive easement (the “**Easement**”) to access, inspect, maintain, operate, and repair Grantee’s assets, which are described in paragraph 1 and located exterior of enclosed buildings, at \_\_\_\_\_, FL 33\_\_\_\_, legally described in Schedule A (the “**Premises**”) pursuant to this Grant of Easement (this “**Agreement**”).

1. Grant: Grantor hereby grants Grantee a permanent, non-exclusive easement to install, expand, access, inspect, maintain, operate, modify, update, repair, replace, and, subject to this Easement, remove the following: (1) a solar photovoltaic system on the roof of the primary residence constructed on the Premises, (2) battery and control units not to exceed 5 feet in height nor a 4 foot by 4 foot horizontal area, and (3) meters and automated transfer switches (collectively, the “**Assets**”) at, upon, under, across and over the exterior (including, without limitation, the roof, exterior walls, driveways and yard) of the Premises, together with:

- a. the right of Grantee to provide, install, and maintain through or under the Premises such cables, electric lines, ducts, transformers, and other apparatus as may, in the opinion of Grantee, be necessary or desirable for connecting the Assets to or for the benefit of Grantee’s electrical system;
- b. the right of Grantee for reasonable access to receive, unload, store, and protect all materials, tools and equipment at a mutually agreeable location on the Premises as needed, and a mutually agreed area on the Premises during maintenance of the Assets; and
- c. a non-exclusive easement for ingress and egress over, across, and under the Premises to and from the Assets to Grantee and its employees, agents, contractors and subcontractors, at all times, to enter that portion of the Premises on which the Assets exist, and do thereon such acts and things as may be necessary or desirable for the purpose of inspecting, maintaining, repairing, replacing and removing the Assets, electric lines, or other ancillary equipment or apparatus.

2. Use and Limitation: Grantee's use of the Easement shall at all times be in compliance with all Federal, State and local laws, regulations, ordinances, and statutes. Grantee shall be permitted to restrict access to the area immediately surrounding the Assets when maintenance, repair, replacement, or removal is being performed; provided, Grantee shall provide at least three (3) days prior notice to Grantor prior to such restriction of access except in the event of any life or safety related emergency. Grantee shall have 24/7 access to the Assets.

3. Maintenance:

a. Grantor shall, at its own expense, maintain the Premises to prevent damage or excessive wear and tear of the Assets, however; Grantor shall not attempt, nor shall Grantor allow anyone other than Grantee to attempt, to maintain, relocate, repair, or modify the Assets. Grantor shall promptly notify Grantee if Grantor sees any damage to, or has any concern regarding, any of the Assets, including if Grantor suspects any of the Assets have been damaged, tampered with, malfunctioned, or have a maintenance problem. Grantor shall not tamper with, damage, or obstruct any of the Assets, nor shall Grantor allow any other persons to tamper with, damage, or obstruct any of the Assets. Grantor shall trim and maintain trees on the Premises in a manner so that a tree does not impair the effective collection of solar power from the solar photovoltaic panels. If Grantor's maintenance of his or her home requires temporary removal of the Assets (for example, to replace a roof), Grantor shall notify Grantee at least thirty (30) days prior to the proposed maintenance and Grantee shall make necessary plans with Grantor to temporarily relocate, remove, and reinstall, or otherwise manage the Assets during the proposed maintenance.

b. Grantee shall, at its own expense, maintain, repair and replace the Assets in accordance with its tariff and other applicable laws, regulations and ordinances.

4. Consent: Grantor hereby consents to the use of information obtained from the Assets by Grantee to operate and maintain the System, to provide service to its customers, and for Grantee's other internal business purposes, and consents to the sharing of such information with affiliates, contractors and other third parties in furtherance of such purposes. In addition, Grantor understands that Grantee and its affiliates will be studying the use and efficiency of the Assets, and for other legitimate business purposes, and hereby consents to the use by Grantee, its affiliates, and other third parties, of such information for any other purpose provided that such information shall not be shared with third parties unless the information is anonymized or de-identified or unless the recipients of such information are subject to a confidentiality agreement.

5. Termination: Grantee may terminate this Easement at any time. Unless Grantor requests removal of the installed solar photovoltaic panels within ninety (90) days after being notified by Grantee ("Removal Notice Period") that this Easement will terminate, Grantee shall transfer ownership of the installed solar photovoltaic panels installed on the Premises to Grantor, AS-IS, WHERE-IS; provided Grantor enters into and complies with an interconnection agreement with Lakeland Electric as required by Lakeland Electric's tariff for other customers with solar panels on their roofs, in which event Grantor shall provide access to the home on the Premises to Lakeland Electric or its contractor to install, and Lakeland Electric shall install or cause to be installed, at Lakeland Electric's expense, any equipment required to invert the energy produced by the panels from DC to AC so that the energy is suitable for use in the home on the Premises. Grantee shall have a period of one hundred eighty (180) days after the expiration of the Removal Notice Period, in which to remove from the Premises the Assets, which shall exclude the solar photovoltaic panels unless removal of such panels was requested by Grantor. Upon removal of the Assets, Grantee shall restore the Premises to the condition in which it existed prior to removal, reasonable wear and tear excepted, including restoring the roof to a functional, complete, and watertight state if impacted by the solar photovoltaic panel removal, and Grantee shall record a release of this Easement.

6. Relocation: Grantee agrees upon the request of Grantor to relocate its Assets, over, under and upon subject parcel at the expense of Grantor; provided relocation does not adversely affect the safe, reliable and efficient performance of the System. In no event shall any of the Assets be deemed a fixture.

7. Electric Service. Electric service will be provided to customers who own or reside at the Premises in accordance with and subject to Grantee's retail tariff, as may be amended from time to time, and nothing in this Easement will modify, limit otherwise affect the terms and conditions under Grantee's retail tariff.

8. Binding Effect: This Grant of Easement may not be changed, altered or modified except by an instrument in writing signed by the party against whom enforcement of such change would be sought. This Grant of Easement shall be binding upon the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF, the Grantor has executed this Grant of Exclusive Easement this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

Signed, Sealed and Delivered  
in the presence of:

**GRANTOR:**

\_\_\_\_\_  
a \_\_\_\_\_ limited liability company

WITNESS: \_\_\_\_\_  
Print Name: \_\_\_\_\_

By: \_\_\_\_\_  
\_\_\_\_\_  
Print or Type Name

WITNESS: \_\_\_\_\_  
Print Name: \_\_\_\_\_

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

The forgoing instrument was acknowledged before me by means of  physical presence or  online notarization this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_ by

\_\_\_\_\_, a Member of \_\_\_\_\_, a limited liability company, on behalf of said company. He/She personally appeared before me, is personally known to me or has produced \_\_\_\_\_ as identification and who did (did not) take an oath.

(SEAL)

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
Print Name  
Commission Expires:

