



City of Lake City
Natural Gas Department
590 SW Arlington Boulevard
Lake City, FL 32025

Directive Confirmation and Addendum

To: Katie Hall, General Manager & CEO
Florida Gas Utility

From: City of Lake City (referred to in this Directive as "Participant")

Subject: Firm Gas Supply Authorization Under All Requirements Gas Services Agreement - MGAG Pending Transaction 2025B

This directive and authorization ("Directive") is given pursuant to the All Requirements Gas Services Agreement between Florida Gas Utility ("FGU") and Participant, dated as of October 1, 2016 (the "Agreement") and will constitute an Addendum to the Agreement. The gas to be delivered under this Directive shall, except as otherwise provided herein, be supplied in accordance with Article III of the Agreement.

FGU has shared with Participant information concerning an opportunity to participate in a gas pre-pay transaction initiated by Municipal Gas Authority of Georgia ("MGAG"). Under the proposal, MGAG has offered initial minimum discounted pricing of \$0.60/Dth off Inside FERC First of Month Index for the applicable geographic zone, for an approximate 30-year commitment to purchase firm quantities of gas, subject to a number of adjustments and variables, including future bond re-pricings after the first five to ten years, that will occur thereafter at approximate five-year intervals over the term (the "Variable Discount"). If the Variable Discount achieved during any re-pricing period is below \$0.23/Dth (the "Minimum Discount"), then the Participant has the option, but not the obligation, to exercise its right to terminate its participation in the remainder of the Transaction. If the Variable Discount achieved during any re-pricing period is at or above the Minimum Discount, then the Participant may or may not agree to an extension of the term of the transaction for a period equal to or less than the expiring re-pricing period. FGU shall contact Participant in advance of making a final decision regarding the term extension for final approval or rejection. MGAG also has the right to terminate the gas purchase agreement with FGU under certain circumstances. The detailed terms and conditions of the MGAG offer are contained in gas purchase documentation that FGU has previously delivered to Participant (the "MGAG Pending Transaction 2025B Documentation"). FGU is willing to enter into the MGAG Pending Transaction 2025B Documentation on behalf of and as agent for Participant, upon Participant's execution of this Directive, and upon receipt of other Directives from other FGU Members wishing to participate in MGAG's offer. This Directive will not become effective until FGU executes and enters into the MGAG Pending Transaction 2025B Documentation.

EXHIBIT TO
RESOLUTION

NOT FOR
EXECUTION

Participant hereby requests and authorizes FGU to secure firm gas supply on behalf of and as agent for Participant in the following quantities, under the terms and conditions of the MGAG Pending Transaction 2025B Documentation and the Agreement (the “Transaction”):

Term: For a term of up to 30 years starting no earlier than November 1, 2025, subject to MGAG’s termination rights under the MGAG Pending Transaction 2025B Documentation and Participant’s termination rights in the event: 1) that the Minimum Discount is not achieved in any re-pricing period; or 2) that its load requirements are significantly reduced or extinguished.

Quantity: 247 Dths per day, firm for the months of November – March in year one through and including year 30 of the Transaction;

209 Dths per day, firm for the months of April – October in year one through and including year 30 of the Transaction.

Participant will be obligated to take, or pay for, the designated quantity throughout the term, notwithstanding fluctuations in Participant’s gas supply requirements as otherwise permitted under Article III of the Agreement. Gas supplies furnished pursuant to this Directive shall constitute a portion of Participant’s gas requirements as contemplated in Article III (A) of the Agreement and shall be transported to Participant pursuant to Article II of the Agreement.

Price: Variable based on Inside FERC First of Month Index for the applicable geographic zone minus the Variable Discount, which initially shall be a minimum of \$0.60/Dth, portions of which shall be applied on a monthly basis with the remainder applied on an annual basis. About year five to ten and approximately every fifth year thereafter for the full term, the Variable Discount will be subject to adjustment. Participant shall be obligated to pay a pro rata share of all other costs payable by FGU under the MGAG Pending Transaction 2025B Documentation as described below.

Location: Receipt point(s) in FGT Zone 3 or as otherwise determined by FGU’s General Manager in accordance with the MGAG Pending Transaction 2025B Documentation.

Participant will be required to execute additional documentation in connection with the implementation of the Transaction (such as certificates as to base load percentages and use) and periodically thereafter in accordance with the MGAG Pending Transaction 2025B Documentation and will be subject to certain limitations on the use of gas purchased under this Directive, all as set forth in the MGAG Pending Transaction 2025B Documentation.

Participant acknowledges that any quantities purchased by FGU pursuant to this Directive will be purchased under firm contracts and that FGU will be required to take delivery of such quantities. Participant agrees to pay all amounts becoming due with respect to the gas to be delivered under this Directive, in accordance with the terms of the MGAG Pending Transaction 2025B Documentation and the Agreement, regardless of whether the gas is actually delivered to or used by Participant. Purchaser accepts the risks and limitations otherwise described in the

MGAG Pending Transaction 2025B Documentation and hereby agrees to pay its share of all costs, expenses and liabilities (including court costs and attorney fees) incurred by FGU in connection with its obligations arising under or in respect of the MGAG Pending Transaction 2025B Documentation or the transactions contemplated thereby. Furthermore, Participant understands that any claim for adequate assurance that results in a required payment or deposit by FGU, an early termination resulting in early termination costs, or any other costs, incurred by FGU on Participant's behalf because of this Transaction, shall be the responsibility of Participant in accordance with the terms of the Agreement.

This Directive is given as an Addendum to the Agreement for the purchase of a specific supply of gas and shall constitute a contractual obligation of Participant. In the event of a conflict between the terms of the MGAG Pending Transaction 2025B Documentation, as implemented by this Directive, and the terms of the Agreement, the terms of this Directive and the MGAG Pending Transaction 2025B Documentation shall control.

THIS DIRECTIVE SUPERCEDES ALL PRIOR AND CONTEMPORANEOUS DIRECTIVES REGARDING THE MUNICIPAL GAS AUTHORITY OF GEORGIA'S PENDING TRANSACTION 2025B AND CONSTITUTES THE SOLE, PREVAILING DIRECTIVE WITH REGARD TO THE SUBJECT MATTER ADDRESSED HEREIN.

EXHIBIT-NOT FOR EXECUTION

Authorized Signature

Print Name

Date