



Directive, Authorization and Addendum

To: Thomas A. Geoffroy, General Manager & CEO
Florida Gas Utility

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

Subject: Firm Gas Supply Authorization Under Gas Services Agreement -
Citi Transaction

MAYOR - COUNCIL MEMBER
STEPHEN M. WITT

COUNCIL MEMBERS
CHRIS GREENE
JAKE HILL, JR.
EUGENE JEFFERSON
TODD SAMPSON

CITY MANAGER
JOSEPH HELFENBERGER

CITY CLERK
AUDREY E. SIKES

CITY ATTORNEY
FRED KOBERLEIN, JR.

This directive and authorization ("Directive") is given pursuant to the 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 discounted pricing of \$0.35/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. 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 "Citi Transaction Documentation"). FGU is willing to enter into the Citi Transaction 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 Citi Transaction Documentation.

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 Citi Transaction Documentation and the Agreement (the "Transaction"):

Term: For a term of up to 30 years starting no earlier than April 1, 2022, subject to MGAG's termination rights under the Citi Transaction Documentation and

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 Citi Transaction Documentation, as implemented by this Directive, and the terms of the Agreement, the terms of this Directive and the Citi Transaction Documentation shall control.

THIS DIRECTIVE SUPERCEDES ALL PRIOR AND CONTEMPORANEOUS DIRECTIVES REGARDING THE MUNICIPAL GAS AUTHORITY OF GEORGIA'S CITI PREPAID ENERGY LLC (CITI) TRANSACTION AND CONSTITUTES THE SOLE, PREVAILING DIRECTIVE WITH REGARD TO THE SUBJECT MATTER ADDRESSED HEREIN.

Authorized Signature

Print Name

Date