



ARP EXECUTIVE COMMITTEE AGENDA PACKAGE

March 21, 2019

9:15 a.m. [NOTE TIME]

Dial-in Info 877-668-4493 or 650-479-3208

Meeting Number 731 712 919

Committee Members

Howard McKinnon, Havana - Chairman

Lynne Tejeda, Key West – Vice Chairwoman

Jody Young, Bushnell
Lynne Mila, Clewiston
Fred Hilliard, Fort Meade
Paul Jakubczak, Fort Pierce
Robert Page, Green Cove Springs
Allen Putnam, Jacksonville Beach

Larry Mattern, Kissimmee
Glenn Spurlock, Leesburg
Bill Conrad, Newberry
Mike Poucher, Ocala
Robert Milner, Starke

Meeting Location

**Florida Municipal Power Agency
8553 Commodity Circle
Orlando, FL 32819
(407) 355-7767**



MEMORANDUM

TO: FMPA Executive Committee
FROM: Jacob A. Williams, General Manager and CEO
DATE: March 12, 2019
RE: FMPA Executive Committee Meeting
Thursday, March 21, 2019 at 9:15am [NOTE TIME]
(or immediately following the Board of Directors meeting)
PLACE: Florida Municipal Power Agency
8553 Commodity Circle, Orlando, FL 32819
Fredrick M. Bryant Board Room

DIAL-IN: (877) 668-4493 or 650-479-3208, Meeting Number 731 712 919
(If you have trouble connecting via phone or internet, call 407-355-7767)

Chairman Howard McKinnon, Presiding

AGENDA

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***Item also on the Board of Directors Agenda.**

**** Item(s) Subject to Super Majority Vote**

NOTE: One or more participants in the above referenced public meeting may participate by telephone. At the above location there will be a speaker telephone so that any interested person can attend this public meeting and be fully informed of the discussions taking place either in person or by telephone communication. If anyone chooses to appeal any decision that may be made at this public meeting, such person will need a record of the proceedings and should accordingly ensure that a verbatim record of the proceedings is made, which includes the oral statements and evidence upon which such appeal is based. This public meeting may be continued to a date and time certain, which will be announced at the meeting. Any person requiring a special accommodation to participate in this public meeting because of a disability, should contact FMPA at (407) 355-7767 or (888) 774-7606, at least two (2) business days in advance to make appropriate arrangements.

**AGENDA ITEM 1 – CALL TO ORDER,
ROLL CALL, DECLARATION OF QUORUM**

**Executive Committee
March 21, 2019**

AGENDA ITEM 2 – SET AGENDA (By Vote)

**Executive Committee
March 21, 2019**

**AGENDA ITEM 3 – RECOGNITION OF
GUESTS**

**Executive Committee
March 21, 2019**

**AGENDA ITEM 4 –PUBLIC COMMENTS
(INDIVIDUAL COMMENTS TO BE LIMITED
TO 3 MINUTES)**

**Executive Committee Meeting
March 21, 2019**

VERBAL REPORT

**AGENDA ITEM 5 – COMMENTS FROM THE
CHAIRMAN**

**Executive Committee
March 21, 2019**

VERBAL REPORT

**AGENDA ITEM 6 – REPORT FROM THE
GENERAL MANAGER**

**Executive Committee
March 21, 2019**

AGENDA ITEM 7 – CONSENT AGENDA

- a) Approval of Meeting Minutes – Meeting Held February 14, 2019 and ARP Telephonic Rate Workshop Minutes – Workshop Held February 12, 2019**

**Executive Committee
March 21, 2019**

CLERKS DULY NOTIFIED FEBRUARY 5, 2019
AGENDA PACKAGES POSTED FEBRUARY 5, 2019

MINUTES
EXECUTIVE COMMITTEE
THURSDAY, FEBRUARY 14, 2019
FLORIDA MUNICIPAL POWER AGENCY
8553 COMMODITY CIRCLE
ORLANDO, FL 32819

PARTICIPANTS
PRESENT:

Jody Young, Bushnell
Lynne Mila, Clewiston
Fred Hilliard, Fort Meade
Paul Jakubczak, Fort Pierce
Robert Page, Green Cove Springs
Howard McKinnon, Havana
Allen Putnam, Jacksonville Beach
Lynne Tejeda, Key West
Larry Mattern, Kissimmee
Bill Conrad, Newberry
Mike Poucher, Ocala

OTHERS
PRESENT

John Tompeck, Fort Pierce
Karen Nelson, Jacksonville Beach
George Forbes, Jacksonville Beach
Grant Lacerte, Kissimmee
David Byrne, Tallahassee
Craig Dunlap, Dunlap & Associates, Inc.
Rob Szostak, FTN Financial
Rob Taylor, GDS Associates
Ivette Sanchez, Power Engineers
Rafael Counet, Power Engineers

STAFF
PRESENT

Jacob Williams, General Manager and CEO
Jody Finklea, Deputy General Counsel
Ken Rutter, Chief Operating Officer
Linda Howard, Chief Financial Officer
Carol Chinn, Chief Information and Compliance Officer
Mark McCain, Assistant General Manager, Member Services, Human
Resources and Public Relations
Rich Popp, Treasurer and Risk Director
Sue Utley, Executive Asst. /Asst. Secy. to the Board
Mike McCleary, Manager of Member Services Development
Cairo Vanegas, Manager of Member Services Development
Chris Gowder, Business Development and Planning Manager
Brandon McCormick, Manager of Regulatory Compliance
Luis Cruz, Information Technology Manager

Jesse Rivera, Information Technology Support Specialist
Isabel Montoya, Information Technology Intern
Susan Schumann, Manager of External Affairs and Solar Projects
David Schumann, Power Generation Fleet Director

ITEM 1 - CALL TO ORDER, ROLL CALL, AND DECLARATION OF QUORUM

Chairman Howard McKinnon, Havana, called the FMPA Executive Committee Meeting to order at 10:21 a.m. on Thursday, February 14, 2019 in the Frederick M. Bryant Board Room, Florida Municipal Power Agency, Orlando, Florida. The roll was taken and a quorum was declared with 11 members present out of a possible 13.

ITEM 2 – SET AGENDA (BY VOTE)

MOTION: Allen Putnam, Jacksonville Beach, moved to set the agenda as written. Paul Jakubczak, Fort Pierce, seconded the motion. Motion carried 11 – 0.

ITEM 3 – RECOGNITION OF GUESTS

Chairman McKinnon welcomed Ken Rutter, FMPA's new Chief Operating Officer.

ITEM 4 – PUBLIC COMMENTS

None

ITEM 5 – COMMENTS FROM THE CHAIRMAN

Chairman McKinnon said the Strategic Planning Session held the day before was a very good session and the dinner was outstanding that evening.

ITEM 6 – REPORT FROM GENERAL MANAGER

Jacob Williams, General Manager, had nothing to report to the Executive Committee that wasn't in the Board of Directors report.

ITEM 7 – CONSENT AGENDA

Item 7a – Approval of Meeting Minutes – Held January 17, 2019; ARP Telephonic Rate Workshop Minutes – Workshop Held January 10, 2019

Item 7b – Approval of Treasury Reports – As of December 31, 2018

Item 7c – Approval of the Agency and All-Requirements Project Financials as of December 31, 2018

MOTION: Lynne Tejeda, Key West, moved approval of the Consent Agenda as presented. Allen Putnam, Jacksonville Beach, seconded the motion. Motion carried 11 – 0.

ITEM 8 – ACTION ITEMS

Item 8a – Approval of Finance Committee Structure and Risk Management Policies

MOTION: Paul Jakubczak, Fort Pierce, moved approval of the Finance Committee Charter, superseding both the Audit and Risk Oversight Committee and Business Planning and Budget Committee charters and approval of the risk management policies allowing for changes related to the new committee structure and FMPA title changes to include a correction stating that Members on the Finance Committee can be anyone from the City or Utility, not just Board Members or alternates or Executive Committee Members or alternates.. Larry Mattern, Kissimmee, seconded the motion. Motion carried 11 – 0.

Item 8b – Approval of Resolution 2019-EC1 – Compliance Requirements for U.S. Stay Regulations

Resolution 2019-EC1 was read by title:

A RESOLUTION OF THE EXECUTIVE COMMITTEE OF FLORIDA MUNICIPAL POWER AGENCY (I) RECITING STATEMENT OF AUTHORITY; (II) AUTHORIZING FLORIDA MUNICIPAL POWER AUTHORITY TO TAKE STEPS NECESSARY TO EVIDENCE COMPLIANCE WITH U.S. STAY REGULATIONS IN CONNECTION WITH QUALIFIED FINANCIAL CONTRACTS; (III) DELEGATING TO AUTHORIZED SIGNATORIES THE AUTHORITY TO ENTER INTO DOCUMENTATION TO EVIDENCE COMPLIANCE WITH U.S. STAY REGULATIONS; (IV) DESIGNATING AUTHORIZED SIGNATORIES (V) DESIGNATING AUTHORIZED OFFICERS; (VI) PROVIDING FOR THE TAKING OF CERTAIN OTHER ACTIONS; (VII) PROVIDING FOR SEVERABILITY; AND (VIII) PROVIDING FOR AN EFFECTIVE DATE.

MOTION: Larry Mattern, Kissimmee, moved approval of Resolution 2019-EC1. Bob Page, Green Cove Springs, seconded the motion. Motion carried 11 – 0.

Item 8c – Approval of Resolution 2019-EC2 – Termination of Swaps Related to the ARP Series 2008C Bonds in Conjunction with the Use of Vero Beach Proceeds and Results of the 2019A RFP

Resolution 2019-EC2 was read by title:

A RESOLUTION OF THE EXECUTIVE COMMITTEE OF FLORIDA MUNICIPAL POWER AGENCY (I) RECITING STATEMENT OF AUTHORITY; (II) AUTHORIZING THE TERMINATION, IN WHOLE OR IN PART, OF ANY QUALIFIED SWAPS ENTERED INTO BY FLORIDA MUNICIPAL POWER AGENCY RELATING TO FLORIDA MUNICIPAL POWER AGENCY ALL-REQUIREMENTS POWER SUPPLY PROJECT VARIABLE RATE DEMAND REFUNDING REVENUE BONDS SERIES 2008C AND THE PAYMENT OF ANY SWAP TERMINATION FEES PAYABLE IN CONNECTION WITH THE TERMINATION OF ANY SUCH QUALIFIED SWAPS; (III) DELEGATING TO AUTHORIZED SIGNATORIES THE AUTHORITY TO TERMINATE THE QUALIFIED SWAPS IN COMPLIANCE WITH THE PARAMETERS SET FORTH HEREIN; (IV) DESIGNATING AUTHORIZED SIGNATORIES (V) DESIGNATING AUTHORIZED OFFICERS; (VI) PROVIDING FOR THE TAKING OF CERTAIN OTHER ACTIONS; (VII) PROVIDING FOR SEVERABILITY; AND (VIII) PROVIDING FOR AN EFFECTIVE DATE.

MOTION: Lynne Tejeda, Key West, moved approval of Resolution 2019-EC2. Allen Putnam, Jacksonville Beach, seconded the motion. Motion carried 11 – 0.

ITEM 9 – INFORMATION ITEMS:

a. Update on Prepaid Gas

Rich Popp updated the Executive Committee on prepaid gas opportunities.

b. Update on Sales of Capacity and Energy

Chris Gowder updated the Executive Committee on sales of capacity and energy.

c. Annual Debt Report

Rich Popp presented the Annual Debt Report to the Executive Committee.

d. Quarterly Compliance Report

Brandon McCormick presented the Quarterly Compliance Report.

e. Proposed Revision to LAIR Rider for Metering Requirements

Jason Wolfe presented a proposed revision to the LAIR Rider for metering requirements.

ITEM 10 – MEMBER COMMENTS

Larry Mattern, Kissimmee, commented that the Strategic Planning Session held the day before went very well. The culture is better at FMPA, the staff is excellent and FMPA is a great organization that gets better every day.

ITEM 11 – Adjournment

There being no further business, the meeting was adjourned at 11:16 a.m.

Howard McKinnon
Chairperson, Executive Committee

Sue Utley
Assistant Secretary

Approved: _____

Seal

PUBLIC NOTICE SENT TO CLERKS FEBRUARY 6, 2019
AGENDA PACKAGES SENT TO MEMBERS..... FEBRUARY 11, 2019

MINUTES
EXECUTIVE COMMITTEE
ALL-REQUIREMENTS POWER SUPPLY PROJECT
TELEPHONIC RATE WORKSHOP
TUESDAY, FEBRUARY 12, 2019
FLORIDA MUNICIPAL POWER AGENCY
8553 COMMODITY CIRCLE
ORLANDO, FLORIDA 32819

COMMITTEE MEMBERS PRESENT

Christina Simmons, Bushnell (via telephone)
Lynne Mila, Clewiston (via telephone)
John Tompeck, Fort Pierce (via telephone)
Bob Page, Green Cove Springs (via telephone)
Howard McKinnon, Havana (via telephone)
Larry Mattern, Kissimmee (via telephone)
Glenn Spurlock, Leesburg (via telephone)
Bill Conrad, Newberry (via telephone)

COMMITTEE MEMBERS ABSENT

Fred Hilliard, Fort Meade
Allen Putnam, Jacksonville Beach
Lynne Tejeda, Key West
Mike Poucher, Ocala
Robert Milner, Starke

OTHERS PRESENT

Kevin Crawford, Kissimmee (via telephone)

STAFF PRESENT

Jacob Williams, General Manager and CEO
Jody Finklea, General Counsel and CLO (via telephone)
Linda S. Howard, CFO
Sue Utley, Executive Assistant to General Manager and CEO / Asst.
Secy. to the Board
Joe McKinney, Systems Operation Manager (via telephone)
Jason Wolfe, Financial Planning and Analysis Manager
Steve Ruppel, Senior Financial Analyst (via telephone)

Item 1 – Call to Order

Chairman Howard McKinnon, Havana, called the Executive Committee All-Requirements Telephonic Rate Workshop to order at 2:00 p.m. on Tuesday, February 12, 2019, via telephone. A speaker telephone for public attendance and participation was located in the Library at Florida Municipal Power Agency, 8553 Commodity Circle, Orlando, Florida.

Item 2 – Information Items

Mr. Wolfe gave a verbal update on the natural gas markets; provided an overview of the January loads; provided a verbal report on Florida Municipal Power Pool Operations for January; and reviewed the January ARP rate calculation.

Item 3 – Member Comments

None

There being no further business, the meeting was adjourned at 2:07 p.m.

Approved

HM/su

AGENDA ITEM 7 – CONSENT AGENDA

- b) Approval of Treasury Reports as of
December 31, 2018**

**Executive Committee
March 21, 2019**



AGENDA PACKAGE MEMORANDUM

TO: FMPA Executive Committee
FROM: Gloria Reyes
DATE: March 12, 2019
ITEM: EC 7(b) – Approval of the All-Requirements Project Treasury Reports as of January 31, 2019

- Introduction
- This report is a quick summary update on the Treasury Department's functions.
 - The Treasury Department reports for January are posted in the member portal section of FMPA's website.
-

Debt Discussion

The All-Requirements Project has fixed, variable, and synthetically fixed rate debt. The variable rate bonds and lines of credit portion is 1.41%. The fixed and synthetic fixed rate percentages of total debt are 82.67% and 15.92%, respectively. The estimated debt interest funding for fiscal year 2019 as of January 31, 2019 is \$40,723,005.35. The total amount of debt outstanding is \$929,093,000.¹

Hedging Discussion

The Project has 8 interest rate swap contracts. As of January 31, 2019, the cumulative market value of the interest rate swaps in the All-Requirements Project was (17,988,203).

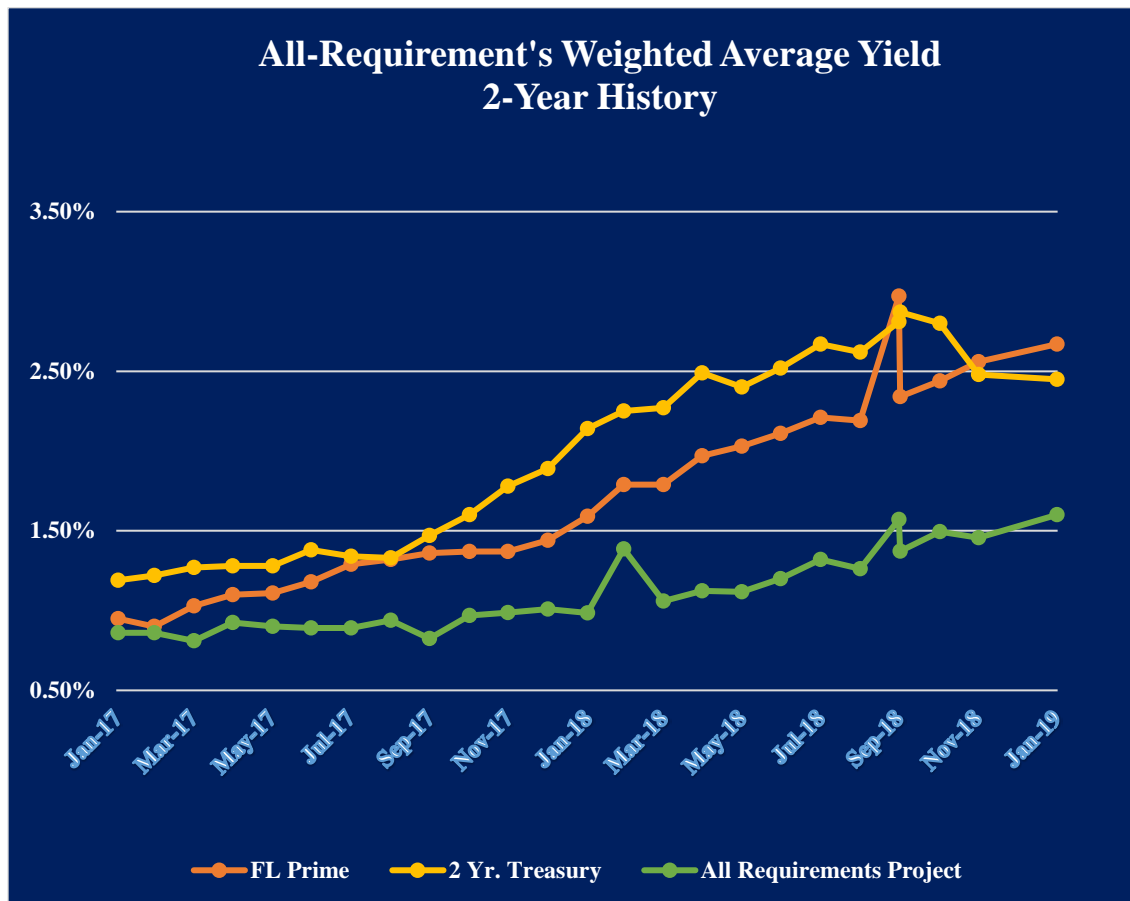
The Swap Valuation Report is a snap shot of the mark-to-market values at the end of the day on January 31, 2019. The report for January is posted in the "Member Portal" section of FMPA's website.

Investment Discussion

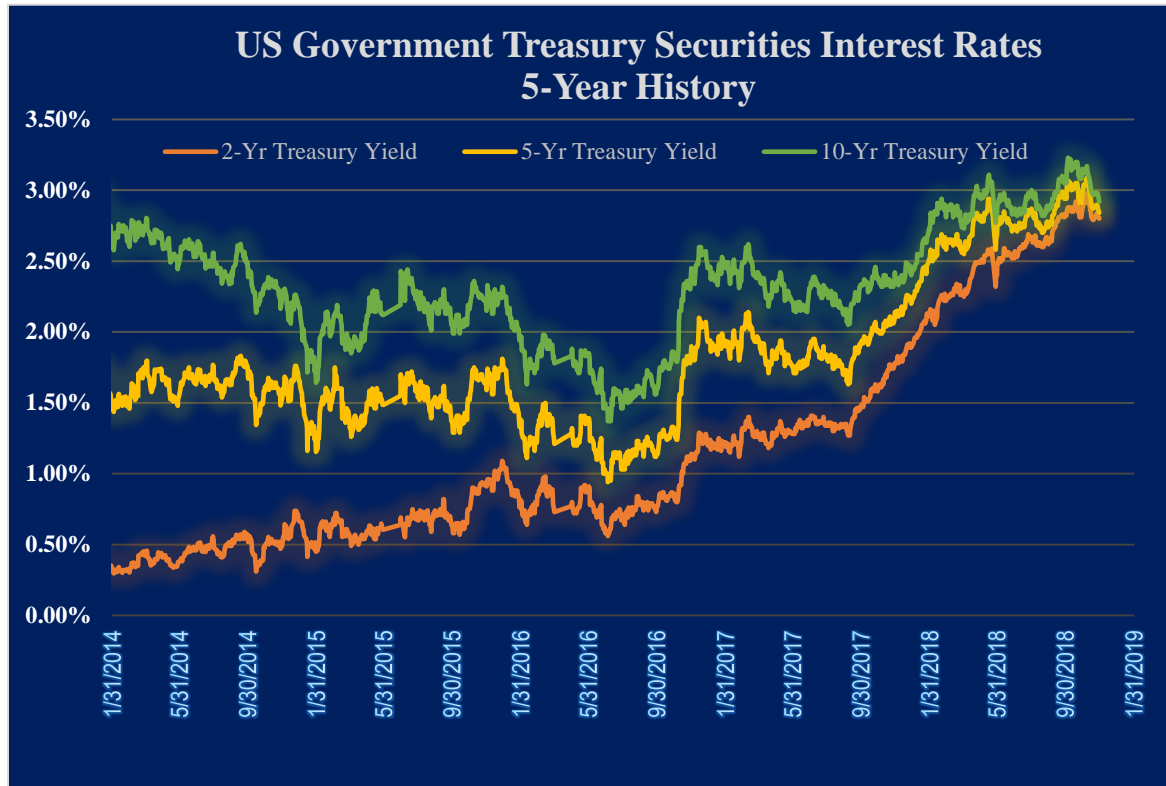
The investments in the Project are comprised of debt from the government-sponsored enterprises such as the Federal Farm Credit Bank, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation (Freddie Mac), and Federal National Mortgage Association (Fannie Mae), as well as investments in U.S. Treasuries, Municipal Bonds, Commercial Paper and Money Market Mutual Funds.

¹ Although still on deposit, the line of credit draw amount of \$5,000,000 is included in the total amount of debt outstanding.

As of January 31, 2019, the All-Requirements Project investment portfolio earned a weighted average rate of return of 1.60%, reflecting the All-Requirements Project need for liquidity given its 60-day cash position. The benchmarks (SBA's Florida Prime Fund and the 2-year US Treasury Note) and the Project's yields are graphed below:



Below is a graph of U.S. Treasury yields for the past 5 years.



The Investment Report for January is posted in the “Member Portal” section of FMPA’s website.

Recommended
Motion

Move for approval of the Treasury Reports for January 31, 2019

AGENDA ITEM 7 – CONSENT AGENDA

- c) Approval of the Agency and All-Requirements Project Financials as of December 31, 2018**

**Executive Committee
March 21, 2019**



Linda S. Howard, CPA, CTP
Chief Financial Officer

MEMORANDUM

TO: FMIPA Executive Committee
FROM: Linda S. Howard
DATE: March 12, 2019
SUBJECT: EC 7c – Approval of the Agency and All-Requirements Project Financials for the period ended January 31, 2019

Discussion: The summary and detailed financial statements of the Agency and All- Requirements Project for the period ended January 31, 2019 are posted on the Document Portal section of FMIPA's website.

Recommended Motion: Move approval of the Agency and All-Requirements Project Financial reports for the month of January 31, 2019.

LH/su

AGENDA ITEM 8 – ACTION ITEMS

- a) Approval of the FGU Directive for Main Street Prepaid Gas Transaction**

**Executive Committee
March 21, 2019**



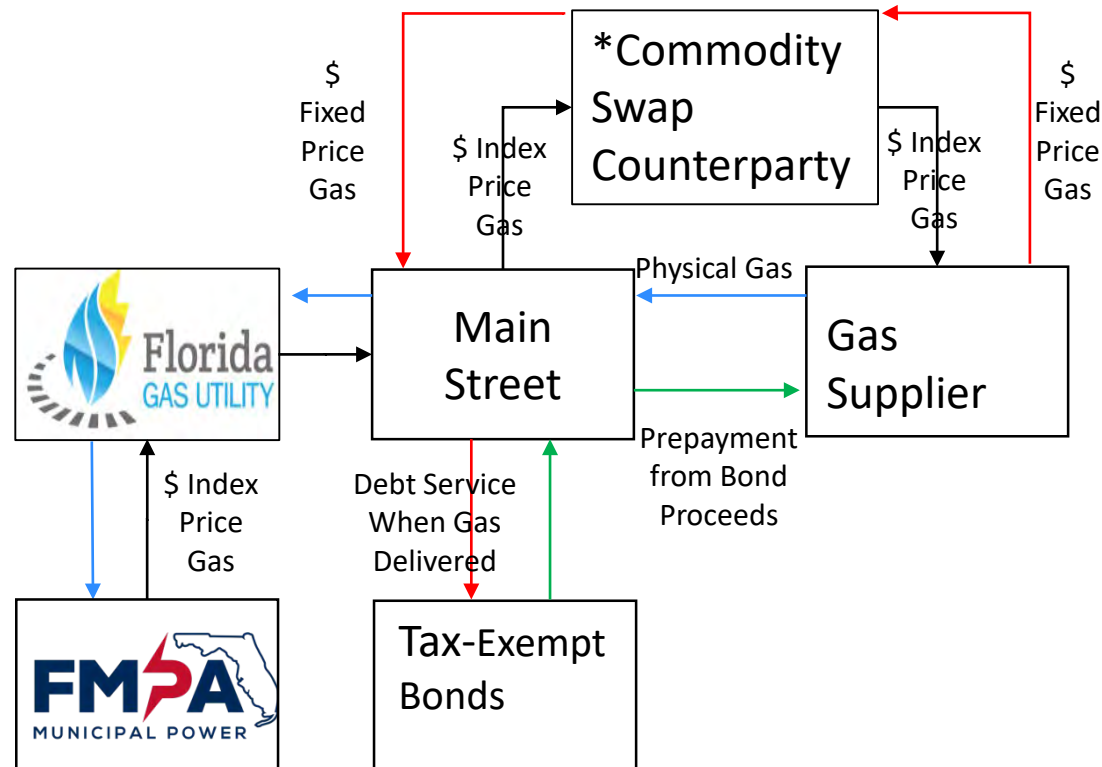
EC 8a – Approval of FGU Directive for Main Street Prepaid Gas Transaction

FMIPA Executive Committee

March 21, 2019

FGU Directive for Main Street Prepaid Gas Transaction

Mirroring Prior Approved Transactions with FGU & Main Street



- ARP will purchase “1st of the month” gas the same way it does now
- ARP’s only obligation is to pay for gas when delivered
- ARP agrees to a long-term gas supply commitment from FGU

Main Street's Next Opportunity, ARP Savings \$328k Year 1

"Put" Structure Targeting 30¢ Discount

- Target is a net minimum of 30¢ per MMBtu
 - 3,000 MMBtu p/d for years 1-10
 - 4,000 MMBtu p/d for years 11-30
- Put Structure repricing between every 5 to 6 years
 - Net minimum repricing discount 21¢
- Planned Prepaid Savings
 - Energy Rate Savings Year 1: \$0.058 per MWh
 - 30 year life-time savings using minimum discount \$8,924,000

Prior Approval For Main Street Up To 10k P/D

Current Market Conditions Meet Minimum Discount Target

- Same “Put” Structure as prior approved Main Street RBC transaction
 - 9,250 MMBtu p/d total ARP’s commitment with this transaction
 - Gas Supply Agreement substantially same terms and conditions as other transactions
- FGU Directive will be same terms and conditions as before
- Underwriter is TD Bank
 - TD will be in a “black-out period” in May due to earning release
 - If transaction not closed in April, will be pushed to June

Main Street Documentation Not Finalized

Will Need To Delegate Authority to GM and GC

- FMPA received information on March 1st
- Main Street needed to close Macquarie transaction
- Main Street worked on Prepay with TD in the background
- Market indications bond buyers becoming fatigued on prepay
- FGU Directive will not be signed unless terms and conditions substantially match prior transactions, i.e., exit provisions

Update On Closing Macquarie Prepaid

Discounted Gas Will Flow to ARP in April

- Achieved Discount of \$0.29 per MMBtu per month.
 - Discount of at least \$0.01 per MMBtu for Debt Service Fund earnings
- Gas volume less than requested
 - Requested 5,000 MMBtu p/d
 - Receiving 2,500 MMBtu p/d
- \$273,750 savings per year for 30 years
- FGU finalizing delivery point with Main Street

Next Prepay: Black Belt Energy

30 Year Term “Put” Target Discount 30¢

- Target is a net minimum discount of 30¢ per MMBtu
 - Put Structure repricing between every 5 to 7 years
 - Net minimum repricing discount of 20¢ per MMBtu
 - Gas supply agreement conforms to agreements already approved with Main Street
 - Flat monthly volume over the term
 - FMPA has expressed interest of 10,000 MMBtu p/d
 - Morgan Stanley is the underwriter

Targeting April Executive Committee Approval

Morgan Stanley Going to Market End of April

- Finalize Gas Supply Agreement
 - Minor points still need to be work out
 - Draft Gas Supply Agreement (See Attachment)
- Finalize FGU Directive
- Discount Gas to flow in November

Recommended Motion

- Move approval authorizing the General Manager to sign, with General Counsel consent, an FGU Directive for participation in Main Street's 30-year TD Bank Prepaid Gas transaction. Gas volume will not exceed 4,000 MMBtu per/day at a net discount no less than 30 cents for the first five years.

AGENDA ITEM 8 – ACTION ITEMS

- b) Approval of Proposed Revision of LAIR
Rider for Metering Requirements**

**Executive Committee
March 21, 2019**



EC 8b – Approval of Proposed Revision to LAIR Rider for Metering Requirements

FMIPA Executive Committee

March 21, 2019

Seeking Revision to LAIR Metering Requirements

Eliminates Need for Waiver if Separate Metering is Not Possible

- During 2017, EC approved the Load Attraction Incentive Rate (“LAIR”) rider to Rate Schedule B-1 to help attract new, large loads to Participant service territories
- LAIR rider currently requires that the new load be separately metered from existing load to receive the incentive
- Bushnell has learned that it will not be able to pragmatically meter the CP demand of the new load from its system expansion separate from its existing system load and would require a waiver
- In lieu of an individual waiver for Bushnell, EC indicated a desire to revise the LAIR rider to allow for an alternative if separate metering is not practical or feasible
- Staff proposed revised language for the LAIR metering requirements at the February EC meeting and has further revised the proposed language based on feedback received at the meeting

Current LAIR Meter Requirements

“Metering equipment that can be used to measure each qualifying New Load separately from existing Project Participant load will be required to be installed in order to receive credits under this Rider....”

Proposed Language to be Added to Metering Requirements

“In the event that it is either not possible or not practical to install metering that can measure the New Load CP Demand separate from existing Project Participant load, an alternative method for measuring the New Load CP Demand may be utilized at FMMPA’s sole discretion. Prior to being utilized, the alternative method must be approved by FMMPA’s General Manager and CEO as to its reasonableness in accurately measuring the New Load CP Demand, and the utilization of such alternative method must be reported to the FMMPA Executive Committee at its next regularly scheduled meeting.”

Staff Seeking Approval of Revised LAIR

- Staff is seeking approval of the proposed revised LAIR Rider so that it is in place prior to Bushnell's system expansion going live
- Clean and red-lined versions of the LAIR Rider with the proposed new language are included in the package

Recommended Motion

- Move approval of the revised Load Attraction Incentive Rate Rider to ARP Rate Schedule B-1, to be effective April 1, 2019.

AGENDA ITEM 9 – INFORMATION ITEMS

- a) Final Numbers on Use of Vero Beach Proceeds**

**Executive Committee
March 21, 2019**



EC 9a – Use of Vero Beach Proceeds-Final Numbers

March 21, 2019

Use of Vero Beach Proceeds – Final Numbers

\$75 million for principal and swap termination payments

- Redeem all or part of principal amounts of ARP 2008C Bonds maturing between 10/1/19 and 10/1/26 - **\$68.8 million**
- Pay off associated swaps based on the current termination value - **\$5.8 million**
- **Total Use of Proceeds= \$74.6**

Principal outstanding after transaction - \$79 million

\$30 million to Rate Protection Account



QUESTIONS

AGENDA ITEM 9 – INFORMATION ITEMS

b) Appointment of Finance Committee Members

**Executive Committee
March 21, 2019**



BOD 9e EC 9b – Appointment of Finance Committee Members

March 21, 2019

Finance Committee Appointments

- Per the Finance Committee Charter, the Executive Committee Chairperson appoints the Finance Committee Chair and the Board Chairman and Executive Committee Chairperson appoint Finance Committee members
- Members have been appointed as follows:
 - All members will go through orientation in March or April
 - Chair, Karen Nelson, Jacksonville Beach
 - Members listed on next page

Finance Committee Members

Identified by Member City

Karen Nelson,
Finance Committee
Chair, Jacksonville
Beach

Jody Young,
Bushnell

Nina Penick, Fort
Pierce

Howard McKinnon,
Havana

Barbara Quinones,
Homestead*

Jack Wetzler, Key
West

Larry Mattern,
Kissimmee

Jim Williams,
Leesburg

Steve Langley,
Mount Dora*

Dallas Lee,
Newberry

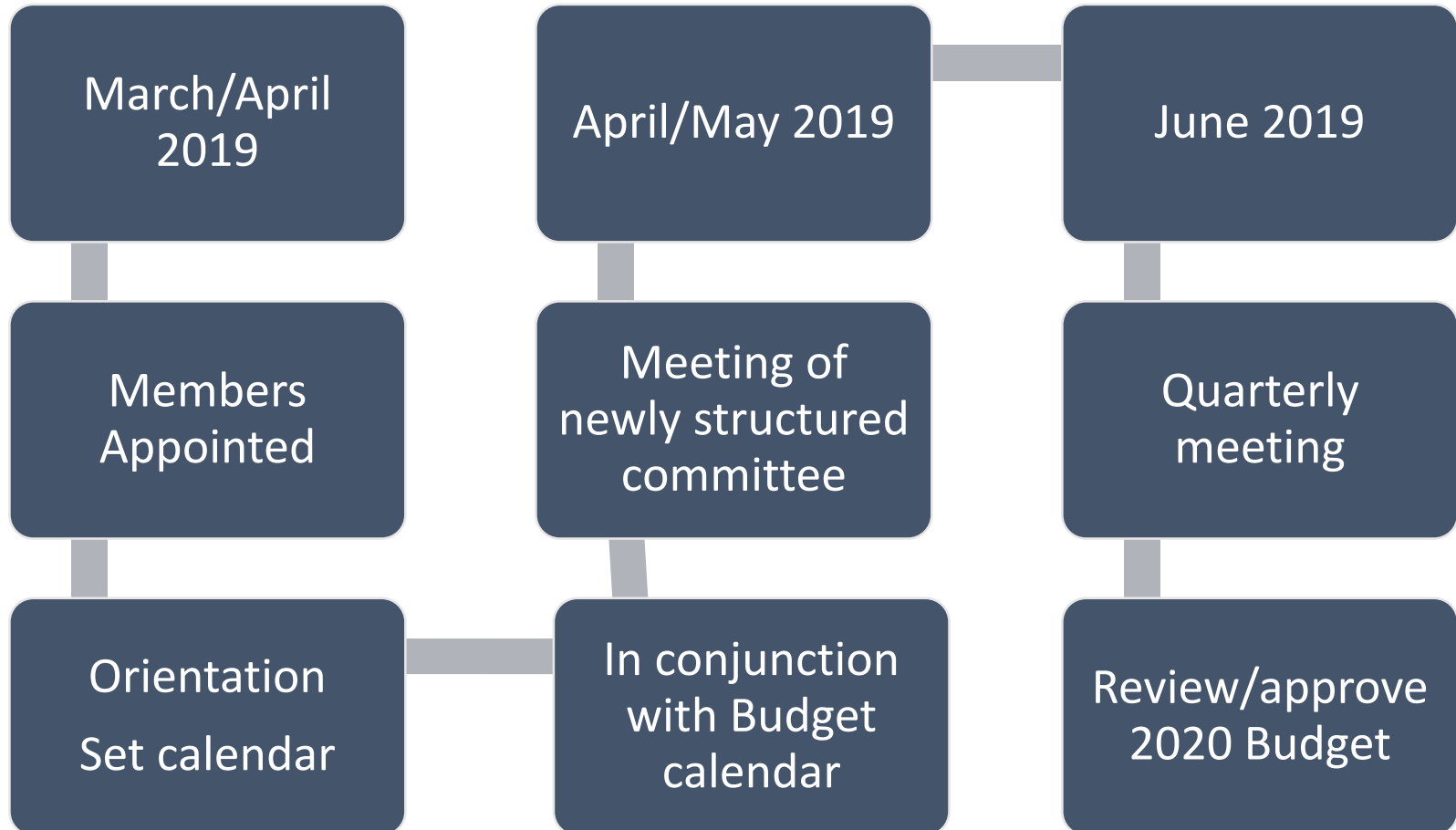
Karen White, Ocala

James Braddock,
Wauchula*

*Non-ARP Member

Timeline

Calendar for 2019



AGENDA ITEM 9 – INFORMATION ITEMS

c) Update on Sales of Capacity and Energy

**Executive Committee
March 21, 2019**



EC 9c – Update on Sales of Capacity and Energy

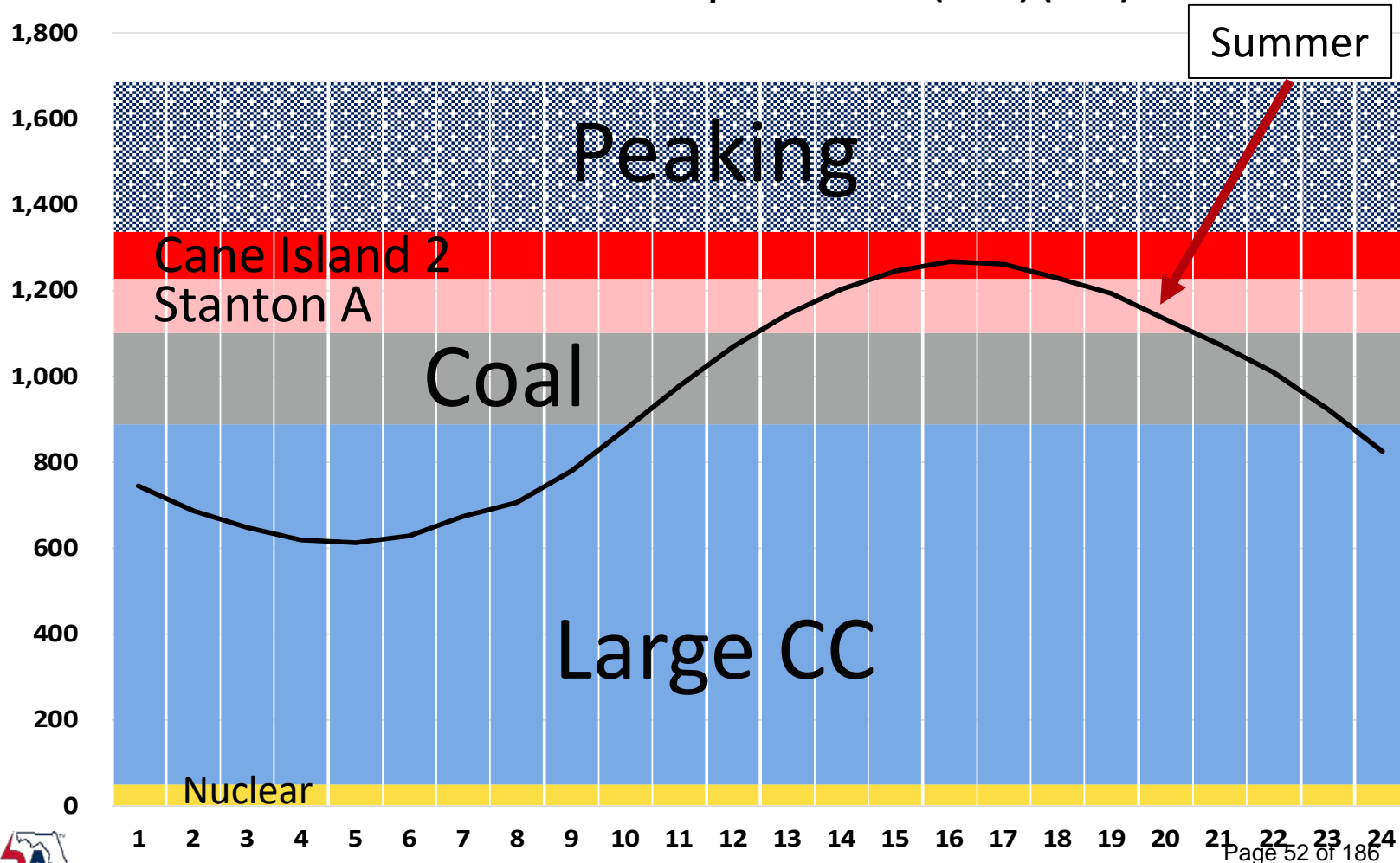
FMIPA Executive Committee

March 21, 2019

ARP Long Low-Cost Energy

Firm-Energy Sales Provide Return to Fixed Costs

FMPA ARP Resources Compared to Load (2018) (MW)



TECO Negotiated Interchange Service

May 1, 2019 through October 31, 2019

- Summer peak-hours energy strip
 - 120 MW
 - 8 hours each day
- Energy charges indexed to natural gas
 - Fixed heat rate above heat rate of generation expected to supply
 - Flat variable O&M charge

TECO Negotiated Interchange Service

Better Return Than FMPP Sales

- Estimated return to ARP fixed costs
 - \$5 to \$6 per MWh sold
 - 30¢ to 40¢ per MWh ARP rate reduction



Negotiations with Reedy Creek Completed Since Agenda Package Posted

RCID Gas Tolling Energy Transaction

July 1, 2019 through June 30, 2021

- Round-the-Clock Energy Sale
 - 53 MW
 - 24 hours each day
- RCID provides natural gas fuel
 - Fixed heat rate conversion
 - Flat variable O&M charge over term

RCID Gas Tolling Energy Transaction

Benefit From Selling Off-Peak Energy

- Estimated return to ARP fixed costs
 - \$1 per MWh sold
 - ~7¢ per MWh ARP rate reduction

Information Only

- Questions?

AGENDA ITEM 9 – INFORMATION ITEMS

d) RFP for External Auditors

**Executive Committee
March 21, 2019**



Board 9g/EC 9d -Request for Proposal for External Audit Services

March 21, 2019

Summary

- In accordance with the Accounting and Internal Controls Policies, Section 5.0 External Audit, an annual audit is required to be performed by a CPA firm licensed to practice in Florida. FMPA has utilized the services of Purvis Gray & Company since 2004, with extensions granted over the years, and we have been very satisfied with their services.
- FMPA will be soliciting bids for audit services and Purvis Gray & Company will be invited to bid.

Auditor Qualifications

- The RFP will be posted on the FMPA website and FMPA will solicit bids from audit firms that are well established and have adequate technical training and proficiency to perform the required audit.
- The proposal must document the firm's independence, work plan, staff qualifications, applicable experience and fee structures.
- The selected firm shall provide services for no more than one five-year base term. The firm may provide services beyond the base term for no more than two individual one-year extensions.

Selection of Auditor

- The CFO shall provide proposals to the Finance Committee.
- The Finance Committee shall recommend a firm to the Board and Executive Committee for approval at the June 20th meetings.

Calendar of Events

RFP for 2019 Audit Services

Event	Date
Advertise RFP & Solicit Proposals from Audit Firms	March 22 nd
Statement of Interest Due from Audit Firms	April 8 th
Proposals Due from Audit Firms	April 29 th
Finance Committee to Evaluate Proposals	May 2 nd – 22 nd
Finance Committee to Meet to Discuss Proposals & Scoring of Potential Audit Firms	May 23 rd
Finance Committee Meetings with Top Audit Firms & Selection	First week of June
Finance Committee to Recommend Firm to Executive Committee & Board of Directors for Final Approval	June 20 th

AGENDA ITEM 10 – MEMBER COMMENTS

**Executive Committee
March 21, 2019**

AGENDA ITEM 11 – ADJOURNMENT

**Executive Committee
March 21, 2019**

BACKUP MATERIALS

NATURAL GAS SUPPLY AGREEMENT

BY AND BETWEEN

MUNICIPAL GAS AUTHORITY OF GEORGIA

AND

FLORIDA GAS UTILITY

DATED AS OF [CLOSING MONTH] 1, 2019

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NATURAL GAS SUPPLY AGREEMENT

PREAMBLE

This Natural Gas Supply Agreement, dated as of [Closing Month] 1, 2019 (the “Agreement”), is made and entered into by and between Florida Gas Utility, a Florida public body corporate and politic and joint action agency formed under the Florida Interlocal Cooperation Act (“Gas Purchaser”), and Municipal Gas Authority of Georgia, a public body corporate and politic, a public corporation and an instrumentality created and existing under the laws of the State of Georgia (the “Gas Authority”). Gas Purchaser and the Gas Authority are sometimes hereinafter referred to in this agreement collectively as the “Parties” or individually as a “Party.”

RECITALS

WHEREAS, Main Street Natural Gas, Inc. (“Main Street”) is a Georgia nonprofit corporation established pursuant to the Georgia Nonprofit Code, as amended (O.C.G.A. Sections 14-3-101 through 14-3-1701) (the “Act”); and

WHEREAS, Main Street has planned and developed a project to acquire long-term Gas supplies from The Toronto-Dominion Bank (“TD ” or the “Prepaid Gas Supplier”), pursuant to a Prepaid Natural Gas Purchase and Sale Agreement, dated [Pricing Date], 2019 (the “Prepaid Gas Agreement”), between Main Street and the Prepaid Gas Supplier, to meet a portion of the requirements of the Gas Authority for sales of Gas to its member municipalities (each a “Member,” and collectively the “Members” of the Gas Authority) and other Municipal Utilities (defined herein) (the “Prepaid Project”); and

WHEREAS, the Gas Authority has entered into an agreement with Main Street for the purchase of all of the Gas supplies from the Prepaid Project; and

WHEREAS, Main Street will finance the prepayment under, and the other costs of, the Prepaid Project by issuing its Gas Project Revenue Bonds, in one or more Series (including Sub-series),

pursuant to a Trust Indenture, dated as of [Closing Month] 1, 2019 (the “Indenture”), between Main Street and U.S. Bank National Association, as trustee (the “Trustee”); and

WHEREAS, Gas Purchaser is a Florida public body corporate and politic and joint action agency formed under the Florida Interlocal Cooperation Act and owns and operates a gas supply joint action organization for the sale of Gas and related services to its wholesale municipal gas distribution system customers, municipal electric distribution system customers and other municipal electric joint action agencies; and

WHEREAS, subject to the terms and conditions set forth in this Agreement, Gas Purchaser desires to purchase a portion of its Gas supply requirements from the Gas Authority under this Agreement and the Gas Authority desires to sell to Gas Purchaser such supplies of Gas; and

WHEREAS, the Parties recognize that the Gas sold under this Agreement is a portion of the Gas purchased by the Gas Authority from Main Street in the Prepay Project; and

WHEREAS, as a condition precedent to the effectiveness of the Parties’ obligations under this Agreement, Main Street will have entered into the Prepaid Gas Agreement and will have issued the Bonds (as hereinafter defined).

NOW, THEREFORE, in consideration of the premises and mutual covenants set forth in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Gas Authority and Gas Purchaser agree as follows.

ARTICLE I

DEFINITIONS AND CONSTRUCTION

1.1 Construction of the Agreement

The Preamble and the Recitals set forth above are incorporated into this Agreement for all purposes. References to Articles, Sections, and Exhibits throughout this Agreement are references to the corresponding Articles, Sections, and Exhibits of this Agreement unless otherwise specified. All

Exhibits are incorporated into this Agreement for all purposes. References to the singular are intended to include the plural and vice versa. The word “including” and related forms thereof is intended to be interpreted inclusively, whether or not the phrase “but not limited to” follows such word or words.

1.2 Definitions

Unless another definition is expressly stated in this Agreement, the following terms and abbreviations, when used in this Agreement, are intended to and will have the following meanings:

“Agreement” is defined in the Preamble.

“Alternate Delivery Point” has the meaning specified in Section 3.1.

“Annual Delivery Period” means each one-year period during the Delivery Period, beginning with the Month of _____ and ending with the Month of [_____] with the first such period commencing with the Month of _____ 2019.

“Annual Reconciliation Date” means the 15th day of the Month following the end of each Annual Delivery Period.

“Annual Refund” means the annual refund, if any, provided to the Gas Purchaser and calculated pursuant to the procedures specified in Section 4.4.

“Annualized Daily Quantity” or “ADQ” means for any Annual Delivery Period, the sum of the Daily Contract Quantities divided by the number of days in such Annual Delivery Period.

“Available Discount” means, for each Delivery Month of a Reset Period, the amount, expressed in cents per MMBtu (rounded down to the nearest one-half cent), determined by the Calculation Agent pursuant to the Re-Pricing Agreement. The Available Discount will equal the sum of the Monthly Discount and any anticipated Annual Refunds for the applicable Reset Period.

“Board of Directors” means the Board of Directors of Main Street.

“Bond Counsel” has the meaning set forth in the Indenture.

“Bond Resolution” means the Resolution adopted by the Board of Directors on February 20, 2019, authorizing Main Street’s issuance of the Bonds.

“Bonds” means Main Street’s Gas Supply Revenue Bonds, Series 2019[B/C/D], issued in one or more Sub-series pursuant to the Indenture in order to finance Main Street’s purchase of Gas from the Prepaid Gas Supplier under the Prepaid Gas Agreement and costs associated therewith, and any Refunding Bonds issued by Main Street under the Indenture.

“Btu” means one British thermal unit, the amount of heat required to raise the temperature of one pound of water one degree Fahrenheit at 60 degrees Fahrenheit, and is the International Btu. The reporting basis for Btu is 14.73 pounds per square inch absolute and 60 degrees Fahrenheit; provided, however, that the definition of Btu as determined by the operator of the relevant Delivery Point will be deemed conclusive in accordance with Article VI of the Prepaid Gas Agreement; and provided further that in the event of an inconsistency in the definition of “Btu” between this definition and the definition of “Btu” in the Prepaid Gas Agreement, the definition in the Prepaid Gas Agreement will apply.

“Business Day” means (i) with respect to payments and general notices required to be given under this Agreement, any day other than (a) a Saturday or Sunday, (b) a Federal Reserve Bank holiday, (c) any day on which commercial banks located in either New York, New York, or the State of Georgia are required or authorized by law or other governmental action to close, or (d) any other day excluded pursuant to the Indenture, and (ii) with respect to Gas deliveries and notices with respect thereto, any day.

“Central Prevailing Time” or “CPT” means Central Daylight Savings Time when such time is applicable and otherwise means Central Standard Time.

“Cf” means a cubic foot of Gas, defined as the amount of Gas required to fill a cubic foot of space when the Gas is at an absolute pressure of 14.73 pounds per square inch absolute and at a temperature of 60 degrees Fahrenheit.

“Code” means the Internal Revenue Code of 1986, as amended, 26 U.S.C. §1 *et seq.*

“Commercially Reasonable” or “Commercially Reasonable Efforts” means, with respect to any decision, purchase, sale or other action required to be made, attempted or taken by a Party under this Agreement, such decision or efforts as a reasonably prudent Person would make or undertake, as the case may be, for the protection of its own interest under the conditions affecting such decision, purchase, sale or other action. For the avoidance of doubt, the reasonableness of any action taken by a Party under this Agreement will be determined at the time of such action, taking into full account the facts, circumstances and competitive environment surrounding such action.

“Contract Price” means the price per MMBtu described in Section 4.1.

“Daily Contract Quantity” or “DCQ” means, for each Month (i) with respect to a Delivery Point, the quantity of Gas in MMBtu required to be delivered by the Gas Authority to Gas Purchaser and received by Gas Purchaser from the Gas Authority each Gas Day during such Month, as set forth in Exhibit B, and (ii) with respect to all Delivery Points, the aggregate of the Daily Contract Quantities for each Delivery Point.

“Delivery Month” means each Month in which delivery and receipt of the Daily Contract Quantities are to be made under this Agreement for each Gas Day of such Month. When used in connection with (i) the Initial Reset Period, the term “Delivery Month” will mean the first Month of the Initial Reset Period and each Month thereafter to and including the Month prior to the last Month of such Initial Reset Period, and (ii) any other Reset Period, the term “Delivery Month” will mean the Month prior to the first Month of such Reset Period and each Month thereafter to and including the Month prior to the last Month of such Reset Period.

“Delivery Period” means the period from and including the first Gas Day of _____ 2019 to and including the last Gas Day of _____ 2049, unless earlier terminated pursuant to Article V.

“Delivery Point” is defined in Section 3.1.

“Discount” means, for each Delivery Month of the Initial Reset Period, ____ cents per MMBtu of Gas delivered under this Agreement, plus the Annual Refund, if any. The Discount to be established for each subsequent Reset Period during the term of this Agreement will be set pursuant to the re-pricing provisions of this Agreement that are applicable to each Reset Period. The Discount for any such Reset Period may not be less than the Minimum Discount, absent the acceptance of a lower Discount by Gas Purchaser for any such Reset Period pursuant to the procedures set forth in Section 5.3 of this Agreement. The Discount in every case includes the Monthly Discount plus the projected Annual Refund.

“Estimated Available Discount” is defined in Section 5.3.

“Event of Insolvency” means with respect to any Person the occurrence and continuance of one or more of the following events: (a) the issuance, under the laws of the state or other jurisdiction having primary regulatory authority over such Person or any successor provision thereto (or any other law under which such Person is at the time organized), of an order for relief, rehabilitation, reorganization, conservation, liquidation or dissolution of such Person that is not dismissed within 30 days; (b) the commencement by such Person of a voluntary case or other proceeding seeking an order for relief, liquidation, rehabilitation, conservation, reorganization or dissolution with respect to itself or its debts under the laws of the state or other jurisdiction of incorporation or formation of such Person or any bankruptcy, insolvency or other similar law now or hereafter in effect including, without limitation, the appointment of a trustee, receiver, liquidator, custodian or other similar official for itself or any substantial part of its property; (c) the consent of such Person to any relief referred to in the preceding clause (b) in an involuntary case or other proceeding commenced against it; (d) the

appointment of a trustee, receiver, liquidator, custodian or other similar official for such Person or any substantial part of its property by a government agency or authority having the jurisdiction to do so; (e) the making by such Person of an assignment for the benefit of creditors; (f) the failure of such Person generally to pay its debts or claims as they become due; (g) the Person will admit in writing its inability to pay its debts when due; (h) the declaration of a moratorium with respect to the payment of the debts of such Person; or (i) the initiation by such Person of any action to authorize any of the foregoing.

“FERC” means the Federal Energy Regulatory Commission and any successor thereto.

“FERC Gas Tariff” means the interstate pipeline tariff filed by a Transporter pursuant to FERC regulations and approved by FERC, as amended from time to time.

“Firm” means that performance by a Person may be interrupted without liability only to the extent that such performance is prevented by reasons of Force Majeure with respect to such Person asserting Force Majeure.

“Force Majeure” is defined in Section 13.2.

“Gas” means natural gas or any other mixture of hydrocarbon gases, or of hydrocarbons and liquids or liquefiables, or of hydrocarbons and non-combustible gases, consisting predominantly of methane.

“Gas Authority” is defined in the Preamble.

“Gas Day” means a period of 24 consecutive hours beginning at 9:00 a.m. CPT on a calendar day and ending at 9:00 a.m. CPT on the next calendar day. The date of the Gas Day will be the date at its beginning. If, through standardization of business practices in the industry or for any other reason, a Transporter, or FERC with general applicability, changes the definition of Gas Day, such change will apply to the definition of Gas Day in this Agreement with respect to such Transporter or generally, as applicable.

“Gas Purchaser” is defined in the Preamble.

“Gas Purchaser’s Transporter” means the Transporter receiving Gas on Gas Purchaser’s behalf at the Delivery Point.

“Gas Supplier” means the Prepaid Gas Supplier or any permitted assignee of the Prepaid Gas Supplier pursuant to the Indenture and the Prepaid Gas Agreement.

“Government Agency” means the United States of America, any state or commonwealth thereof, any local jurisdiction, any political subdivision of any of the foregoing, and any other division of government of any of the foregoing, including but not limited to courts, administrative bodies, departments, commissions, boards, bureaus, agencies, municipalities, or instrumentalities.

“Imbalance Charges” means any fees, penalties, costs or other charges (in cash or in kind) assessed by a Transporter for failure to satisfy the Transporter’s balancing, scheduling and/or nomination requirements based on such Transporter’s FERC Gas Tariff.

“Indenture” means the Trust Indenture, dated as of [Closing Month] 1, 2019, between Main Street and the Trustee, as it may be amended or supplemented from time to time.

“Index Price” means, with respect to a Delivery Point, the Monthly market index price for such Delivery Point described in Section 4.2, and any substitute index price for such Delivery Point determined under Section 4.2.

“Initial Reset Period” means the period from and including _____ 1, 2019 to and including _____ [31], 2024.

“Main Street” is defined in the Preamble.

“Mcf” means 1,000 cubic feet of Gas.

“Member” means a Municipal Utility that has executed an all-requirements gas supply contract with the Gas Authority and is a member of the Gas Authority.

“Minimum Discount” means _____ cents (\$0.____) per MMBtu.

“MMBtu” means 1,000,000 Btu, which is equivalent to one dekatherm.

“Month” means the period beginning at the beginning of the first Gas Day of a calendar month and ending at the beginning of the first Gas Day of the next calendar month. The term “Monthly” will be construed accordingly.

“Monthly Discount” means (i) for each Month of the Initial Reset Period and for each Delivery Point, ___ cents per MMBtu, and (ii) for each Month of a Reset Period thereafter and for each Delivery Point, the Monthly Discount portion of the Available Discount for such Reset Period determined by the Calculation Agent pursuant to the Re-Pricing Agreement

“Municipal Utility” means any Person that (i) is a governmental person as defined in the implementing regulations under Section 141 of the Internal Revenue Code of 1986 and any successor provision, (ii) owns either or both a Gas distribution utility or an electric distribution utility (or provides Gas or electricity at wholesale to, or that is sold to entities that provide Gas or electricity at wholesale to, governmental persons that own such utilities), and (iii) agrees in writing to use the Gas purchased by it for a qualifying use as defined in U.S. Treas. Reg. § 1.148-1(e)(2)(iii).

“Person” means any individual, public or private corporation, partnership, limited liability company, state, county, district, authority, municipality, political subdivision, instrumentality, partnership, association, firm, trust, estate, or any other entity or organization whatsoever.

“Prepaid Gas Agreement” is defined in the Recitals.

“Prepaid Gas Supplier” or “Supplier” means TD or any permitted assignee of TD pursuant to the Indenture and the Prepaid Gas Agreement.

“Prepaid Project” is defined in the Recitals.

“Primary Delivery Point” is defined in Section 3.1.

“Prime Rate” means the interest rate published in *The Wall Street Journal* or comparable successor publication under the heading “Money Rates” and the subheading “Prime Rates” or

comparable headings for the U.S. that, on the date of this Agreement, is described in *The Wall Street Journal* as “the base rate on corporate loans posted by at least 70% of the 10 largest U.S. banks.”

“Priority Gas” means the Daily Contract Quantities of Gas to be purchased by the Gas Purchaser under this Agreement, together with Gas (i) purchased by the Gas Purchaser, the Issuer or a related joint powers authority using the proceeds of bonds, notes, or other obligations the interest on which is excluded from income for federal income tax purposes pursuant to a long-term prepaid gas purchase agreement or (ii) produced from oil and gas reserves in the ground owned by the Gas Purchaser, the Issuer or a related joint powers authority that were financed with the proceeds of bonds, notes, or other obligations the interest on which is excluded from income for federal tax purposes.

“Refunding Bonds” means any Bonds issued by Main Street under and in accordance with the Indenture to refund the Bonds or any other Bonds then outstanding under the Indenture.

“Remaining Term” means, as of any date, the period commencing on such date and ending on the last day of the last Delivery Month under the Prepaid Gas Agreement.

“Remarketing Election” means an election by the Gas Purchaser pursuant to Section 5.3(b) of this Agreement to have its Daily Contract Quantities remarketed for the Remaining Term following the occurrence of a Remarketing Event.

“Remarketing Election Deadline” means the last date and time by which the Gas Purchaser may provide a Remarketing Election Notice, which will be 4:00 p.m. Central Prevailing Time on the 10th day of the Month (or, if such day is not a Business Day, the next succeeding Business Day) prior to the first Delivery Month of a Reset Period with respect to which a Remarketing Event has occurred.

“Remarketing Election Notice” means written notice of a Remarketing Election provided by the Gas Purchaser to the Gas Authority pursuant to Section 5.3(b) of this Agreement.

“Remarketing Event” means receipt by the Gas Purchaser of notice from the Gas Authority that the Available Discount for the next Reset Period is a discount that is less than the Minimum Discount, as described in Section 5.3(a) of this Agreement.

“Re-Pricing Agreement” means the Re-Pricing Agreement, dated as of February 1, 2019, by and among TD, Main Street, and the Trustee, as amended or supplemented from time to time in accordance with its terms.

“Re-Pricing Date” has the meaning set forth in the Re-Pricing Agreement.

“Reset Period” means each five-year period (or such longer or shorter period as may be agreed to by Main Street and TD pursuant to the Re-Pricing Agreement) commencing on the last day of the Initial Reset Period or prior Reset period, as the case may be, and ending on the fifth anniversary (or such later or earlier anniversary, as the case may be) of such last day; *provided* that the final Reset Period will be the period from the last day of the prior Reset Period to the Final Maturity Date (as defined in the Re-Pricing Agreement).

“TD” means The Toronto-Dominion Bank.

“Transaction Documents” has the meaning set forth in the Indenture.

“Transporter” means all Gas gathering or pipeline companies transporting Gas for the Gas Authority or Gas Purchaser upstream or downstream, respectively, of the Delivery Point.

“Trustee” means U.S. Bank, National Association, as trustee for the Bonds under the Indenture, including any successor or co-trustee thereunder.

ARTICLE II

SERVICE OBLIGATIONS

2.1 Gas Supply Service.

The Gas Authority acknowledges and agrees that Gas Purchaser has a need to acquire Gas supplies to provide service to its wholesale municipal gas distribution system customers, municipal

electric distribution system customers and other electric joint action agencies on a long-term basis and that a significant portion of such Gas supplies must be priced with reference to deregulated market prices in order to enable Gas Purchaser to ensure that it may provide sales service at competitive prices. The Gas Authority understands that Gas Purchaser has asserted that its long-term viability providing an essential public service depends in part upon its ability to receive secure and reliable supplies of Gas on a long-term basis in pre-determined quantities that are priced with reference to deregulated market prices in the form and structure of the Contract Price, and that Gas Purchaser has further asserted that such Contract Price must be at the lowest reasonable level consistent with the maintenance of secure and reliable service. Gas Purchaser has requested the Gas Authority to provide deliveries of Gas to it consistent with these objectives, and Gas Purchaser understands and acknowledges that the Gas Authority has sized its purchases in the Prepaid Project in part to meet Gas Purchaser's request and satisfy Gas Purchaser's asserted objectives and that the Prepaid Project does so. Accordingly, and subject to the terms of this Agreement, for each Gas Day of each Delivery Month during the Delivery Period, the Gas Authority will tender for delivery to Gas Purchaser at each Delivery Point on a Firm basis, and Gas Purchaser will purchase and receive from the Gas Authority at each Delivery Point on a Firm basis, the applicable Daily Contract Quantity of Gas for such Delivery Point and Delivery Month set forth in Exhibit B.

2.2 Nature of the Prepaid Project

Gas Purchaser acknowledges and agrees that the Gas Authority will meet its obligations to provide Gas supply service to Gas Purchaser under this Agreement exclusively through its purchase of long-term Gas supplies from Main Street pursuant to the Prepaid Project and that Main Street is financing its purchase of such long-term supplies through the issuance of the Bonds.

ARTICLE III
RECEIPT AND DELIVERY POINTS

3.1 Delivery Points

All Gas delivered under this Agreement will be delivered and received in the Daily Contract Quantity specified for the corresponding point of delivery set forth on Exhibit A (each a “Primary Delivery Point”) for such Daily Contract Quantities or to any other point of delivery (an “Alternate Delivery Point”) that has been mutually agreed to by the Gas Authority and Gas Purchaser (each Primary Delivery Point or Alternate Delivery Point, if specified, being a “Delivery Point”).

3.2 Transfer of Title

Gas Purchaser will take title to all Gas delivered to it by the Gas Authority at the applicable Delivery Point and will own such Gas and will assume all risk of loss following its transfer at the applicable Delivery Point.

3.3 Priority of Gas

The Gas Purchaser covenants and agrees to take the Daily Contract Quantity delivered by Gas Authority under this Agreement (a) in priority over and in preference to all other Gas available to the Gas Purchaser that is not Priority Gas, and (b) in priority over and in preference to all other Priority Gas that first commences deliveries after the initiation of deliveries under this Agreement. Upon a Remediation Event under the Prepaid Gas Agreement with respect to the Daily Contract Quantity, the Gas Purchaser will be relieved of its obligation to purchase and take delivery of Gas under this Agreement as to those quantities of Gas to the extent of the Remediation Event. The Prepaid Gas Agreement defines Remediation Event as meaning that Disposition Proceeds have remained for two (2) years or more within the Disposition Proceeds Ledger without having been applied to a Remediation Use, unless there is a Favorable Opinion of Bond Counsel permitting other action.

Capitalized terms used in this section but not defined have the meaning set forth in the Prepaid Gas Agreement

ARTICLE IV

PRICING OF GAS SUPPLY SERVICES

4.1 Charge Per MMBtu Delivered

For each MMBtu of Gas delivered by the Gas Authority to Gas Purchaser at a Delivery Point, Gas Purchaser will pay the Gas Authority the Contract Price for such Gas, which will be the applicable Index Price, as defined in Section 4.2, less the Monthly Discount in effect for the applicable Delivery Month, plus any Index Premium, as defined in Section 4.4 below. Gas Purchaser will not be required to pay for any Gas that is not tendered for delivery by (or on behalf of) the Gas Authority.

4.2 Index Price

The Index Price for a Delivery Point for any Month will mean the price per MMBtu, stated in U.S. dollars, as published in the first issue for the Month (including corrections thereto in later issues) in which the event occurred that required calculation of the Index Price, of *Inside FERC's Gas Market Report*, a publication of S&P Global Platts, a division of S&P Global, in the section "Monthly Bidweek Spot Gas Prices (\$/MMBtu)," under the heading set forth on Exhibit A under the column "Index." If *Inside FERC's Gas Market Report* should cease to publish such first-of-the-month index prices or should cease to be published entirely, the Index Price for a Delivery Point will be the price per MMBtu, stated in U.S. dollars, for Gas to be delivered at such Delivery Point during the applicable Month as set forth in an alternative index as determined under Section 6.08 of the Prepaid Gas Agreement. The Gas Authority will afford Gas Purchaser the opportunity to provide its recommendations and other input to the Gas Authority for the Gas Authority's use in the process under Section 6.08 of the Prepaid Gas Agreement.

4.3 Annual Refunds

In addition to the Monthly Discount applicable to deliveries of the Daily Contract Quantity to Gas Purchaser under the Agreement, the Gas Authority will provide such Annual Refund to Gas Purchaser as may be available for distribution following distribution of refunds to the Gas Authority by Main Street pursuant to the Indenture. Such Annual Refund, if any, will be paid by the Gas Authority to Gas Purchaser and the other Project Participants as soon as practicable following the receipt of funds for such purpose by the Gas Authority from Main Street under the terms of the Indenture. Gas Purchaser and the other Project Participants will be allocated a proportionate share of the refunds received by the Gas Authority in accordance with each Project Participant's Annualized Daily Quantity as a percentage of the aggregate Annualized Daily Quantities of all Project Participants for the applicable period.

4.4 Index Premium.

(a) In addition to the Contract Price payable by Gas Purchaser to the Gas Authority as set forth in Section 4.1, Gas Purchaser will pay the applicable Index Premium for the Delivery Points in effect for the month of delivery. The Index Premium for each Delivery Point, which will be established under the Prepaid Gas Agreement between TD and Main Street and flowed through from Main Street to the Gas Authority and from the Gas Authority to Gas Purchaser, is set forth in Exhibit A and will remain in effect through the date corresponding to each such Delivery Point. Thereafter, as to each Delivery Point, the Index Premium will be subject to adjustment no more often than quarterly upon mutual agreement of Main Street and TD under the Prepaid Gas Agreement, and such Index Premium will be for a minimum period of at least three months. The Gas Authority will notify Gas Purchaser at least 15 Days before the end of each Index Premium period to enable Gas Purchaser to participate in the process of establishing the new Index Premium, if any, prior to the beginning of

the next Index Premium period. At least one day prior to agreeing to establish an Index Premium, the Gas Authority shall provide notice to Gas Purchaser of any offer to establish an Index Premium and the Gas Authority will not agree to such offer to the extent Gas Purchaser has objected in writing prior to the Gas Authority so agreeing, all consistent with the process described in Section 3.05 of the Prepaid Gas Agreement.

(b) Upon adjustment of the Index Premium as to any Delivery Point, the Gas Authority and Gas Purchaser will execute a revised Exhibit A reflecting the new Index Premium, if any.

4.5 Assistance with Sales to Third Parties

In the event Gas Purchaser does not require all or any portion of the DCQ for any Gas Day as a result of a loss of load on its system, Gas Purchaser will nonetheless be obligated to pay the Gas Authority the Contract Price for all such quantities as provided in Section 6.2. Nevertheless, upon reasonable notice, in the event Gas Purchaser's natural gas requirements fall below its purchase obligations under this Agreement, plus all of its long-term supply agreements or production sharing or other arrangements, in each case, that were executed and financed prior to the date of this Agreement on a tax-exempt basis by Gas Purchaser or by the ultimate provider of such supply to Gas Purchaser ("Prior Financed Gas Arrangements"), and Gas Purchaser is unable to sell the portion of the DCQ excess to such requirements (the "Excess Gas") to another Municipal Utility, the Gas Authority will use Commercially Reasonable Efforts to sell such quantities, to the extent permitted in the Prepaid Gas Agreement, or to arrange for the sale of such quantities by Main Street or TD, (i) to another Municipal Utility, or (ii) if necessary, to another purchaser. If the Gas Authority (or Main Street or TD) succeeds in making or arranging such a sale or sales, the Gas Authority will credit against the amount owed by Gas Purchaser for such Gas an amount per MMBtu of such sales equal to the per MMBtu revenues received by the Gas Authority in connection with such sales less all directly incurred costs or expenses, including but not limited to any remarketing administrative charges paid

to Main Street or TD, but in no event more than the Contract Price, minus, in all cases, a Gas Authority remarketing administrative charge of five cents (\$0.05) per MMBtu. Gas Purchaser will not have the right to remarket under this Section any portion of the DCQ resulting from Gas Purchaser's purchase after the date of execution of this Agreement of lower net cost gas supplies from alternative sources.

4.6 Permanent Loss of Gas Need.

(a) In the event of permanent loss of need for Gas on any of Gas Purchaser's local distribution company ("LDC") systems participating in this transaction due to (i) the permanent cessation of all or part of the operations of a large industrial customer; or (ii) the sale of the relevant LDC system to any entity other than a governmental person, Gas Purchaser may give notice of the permanent reduction of such quantities from its Daily Contract Quantity for the remaining term of this Agreement. If the Gas Authority, subject to Section 3.3, is reasonably satisfied that such loss of need for Gas (as described in (i) or (ii) above) is permanent, the Gas Authority will reduce Gas Purchaser's Daily Contract Quantities through the remaining term of this Agreement accordingly.

(b) In the event of permanent loss of need for Gas by any of Gas Purchaser's municipal electric joint action agencies participating in this transaction due to the permanent loss of gas-fired electric generation facilities (evidenced by the municipal electric joint action agency's Executive Committee or Board of Directors taking action which has the effect of approving, consenting to, or acquiescing to the cessation of operation of natural gas fired generation for the remaining term of the Gas Supply Agreement), Gas Purchaser may give notice of the permanent reduction of such quantities from its Daily Contract Quantity for the remaining term of this Agreement. If the Gas Authority, subject to Section 3.3, is reasonably satisfied that such loss of need for Gas (as described in this Section 4.6 (b)) is permanent, which shall not be unreasonably withheld, conditioned, or delayed, the Gas Authority will reduce Gas Purchaser's Daily Contract Quantities through the remaining term of this Agreement accordingly.

(c) As used in this Section 4.6, “permanent” means a period of time, at any time, that lasts for at least as long as the Remaining Term of this Agreement.

ARTICLE V

TERM; REMARKETING ELECTION

5.1 Term

This Agreement will be effective as of the date first set forth above and will be implemented as appropriate to effectuate purchases and sales of Gas under this Agreement for deliveries commencing on the first Gas Day of the Delivery Period. Unless earlier terminated in accordance with this Article V, this Agreement will remain in full force and effect for a term ending on the last Gas Day of the Delivery Period, subject in either case to the winding up arrangements set forth in Section 5.4 (the "Term") and to the provisions of Section 5.2.

5.2 Early Termination Upon Termination of Prepaid Gas Agreement or Default by Gas Purchaser

Notwithstanding Section 5.1, Gas Purchaser acknowledges and agrees that, in the event the Prepaid Gas Agreement terminates prior to the end of the Term, (i) this Agreement will terminate on the date of early termination of the Prepaid Gas Agreement, and (ii) the Gas Authority's obligation to deliver Gas under this Agreement will terminate on the same date on which the Gas Supplier's obligation to deliver Gas to Main Street under the Prepaid Gas Agreement terminates; provided, however, that in the event of such early termination, the Gas Authority agrees to continue to deliver to the Gas Purchaser and the Gas Purchaser agrees to purchase from the Gas Authority the Daily Contract Quantity at the applicable Delivery Point for the remainder of the Month during which such early termination has occurred and for three Months thereafter, at a price equal to the Index Price plus any Index Premium. In addition, Gas Purchaser acknowledges and agrees that this Agreement may terminate prior to the end of the Term as a result of a default by Gas Purchaser under Article XIV.

The Gas Authority will provide notice to Gas Purchaser of any early termination of this Agreement pursuant to this Section 5.2, the date of such termination, and the date on which the obligation to purchase Gas at the Index Price plus any Index Premium will end.

5.3 Early Termination following a Remarketing Election at a Reset Period

(a) Reset Protocol. For each Reset Period following the Initial Reset Period, the Gas Authority will provide to Gas Purchaser, at least nine (9) days prior to the applicable Remarketing Election Deadline (without regard to any extension thereof as provided for in subsection (d) of this Section 5.3), written notice setting forth the duration of such Reset Period and the estimated Discount available for such Reset Period. The Available Discount will be finally determined as set forth in subsection (d) of this Section 5.3. For each Delivery Month of a Reset Period, the Discount will be the Available Discount per MMBtu, as so determined.

(b) Remarketing Event. In the event the estimated Available Discount (“Estimated Available Discount”) for a Reset Period is less than the Minimum Discount (a “Remarketing Event”), the notice provided pursuant to Section 5.3(a) will state (i) that a Remarketing Event has occurred and (ii) that Gas Purchaser may (A) continue to purchase and receive its Daily Contract Quantity for each Gas Day of each Delivery Month during such Reset Period at a Contract Price that reflects the Discount available for the Reset Period (as finally determined as hereinafter described), or (B) elect that such Daily Contract Quantity be remarketed for the Remaining Term (a “Remarketing Election”) by providing a Remarketing Election Notice (as defined in Section 5.3(c)) prior to the Remarketing Election Deadline, which will be set forth in the notice.

(c) Remarketing Election; Early Termination. If Gas Purchaser makes a Remarketing Election and thereby elects to have its Daily Contract Quantity remarketed for the Remaining Term following the occurrence of a Remarketing Event, Gas Purchaser will provide written notice of such Remarketing Election to the Gas Authority, Main Street and the Trustee (its “Remarketing Election

Notice”) not later than the applicable Remarketing Election Deadline. A Remarketing Election Notice will be in substantially the form attached hereto as Exhibit D. In the event Gas Purchaser provides a Remarketing Election Notice on or prior to the applicable Remarketing Election Deadline, the Delivery Period will terminate as of the end of the last Gas Day of the last Delivery Month of the Reset Period then in effect, and this Agreement will terminate as of the last day of such Reset Period (subject only to the winding up arrangements described in Section 5.4).

(d) Final Determination of Available Discount. The Parties acknowledge and agree that the final Discount available for any Reset Period following the Initial Reset Period will be determined on the applicable Re-Pricing Date, and that such Discount may differ from the estimate or estimates of such Discount provided to Gas Purchaser prior to the applicable Remarketing Election Deadline, provided that the final Discount will not be less than the Minimum Discount unless the Gas Purchaser affirmatively agrees to such a Discount or fails to provide a Remarketing Election Notice prior to the Remarketing Election Deadline.

5.4 Winding Up Arrangements

The termination of this Agreement will not relieve either Party of any obligation to pay amounts due under this Agreement for periods prior to the effective date of such termination, including all interest, costs and indemnity obligations, or to effectuate all winding up arrangements, or to take any other actions as may be necessary to effectuate all of the terms of this Agreement. For the avoidance of doubt, Gas Purchaser will not be responsible for the payment of more than the Contract Price for Gas deliveries as a result of any winding up arrangements, except for any Index Premium and any Imbalance Charges that may be owed by Gas Purchaser.

ARTICLE VI
FAILURE TO PERFORM

6.1 Cost of Replacement Gas

Except in cases of Force Majeure, for each MMBtu that the Gas Authority is obligated to deliver to Gas Purchaser under this Agreement but fails to deliver, the Gas Authority will pay to Gas Purchaser an amount equal to the difference between the price per MMBtu which would have been applicable to the undelivered Gas under Article IV and any higher price per MMBtu which Gas Purchaser actually incurred to obtain an equivalent quantity of replacement Gas, including but not limited to any incremental charges associated with the transportation and storage of such replacement Gas, exercising Commercially Reasonable Efforts to obtain such replacement Gas and alternate transportation at a Commercially Reasonable price. For purposes of this Section 6.1, replacement Gas includes without limitation Gas withdrawn from storage, liquefied natural gas, and peak shaving, and costs associated with obtaining such Gas include without limitation storage withdrawal and injection costs, storage fuel, and liquefaction and vaporization costs for stored liquefied natural gas; provided, however, that, for purposes of the foregoing, the price of any such replacement Gas withdrawn from storage will be the market price applicable to such Gas at the time of withdrawal.

6.2 Obligation to Take the Daily Quantity

Subject to the operation of Section 4.5 governing load loss, if on any Gas Day the Gas Authority tenders the Daily Contract Quantity for delivery to Gas Purchaser at the applicable Delivery Point and Gas Purchaser fails to take such Daily Contract Quantity, Gas Purchaser will remain obligated to pay the Gas Authority the Contract Price for such gas. If Gas Purchaser's failure to take is due to a loss of load as established by Gas Purchaser in a manner satisfactory to the Gas Authority, the provisions of Section 4.5 will apply. If not, the Gas Authority will credit to Gas Purchaser's account any net revenues the Gas Authority may receive from the ultimate sale of such Gas to other

Municipal Utilities up to the Contract Price, less a Gas Authority remarketing administrative charge of five cents (\$0.05) per MMBtu.

6.3 No Consequential or Special Damages

Neither Party will be liable for consequential, incidental, special, or punitive damages or losses which may be suffered by the other as a result of the failure to deliver or take or pay for the required quantities of Gas under this Agreement.

6.4 Imbalances

The Parties will use Commercially Reasonable Efforts to avoid the imposition of any Imbalance Charges. If the Gas Authority or Gas Purchaser receives an invoice from a Transporter that includes Imbalance Charges related to the obligations of either Party under this Agreement, the Parties will determine the validity as well as the cause of such Imbalance Charges. If the Imbalance Charges were incurred as a result of Gas Purchaser's takes of quantities of Gas greater than or less than the Daily Contract Quantity at any Delivery Point, then Gas Purchaser will pay for such Imbalance Charges or reimburse the Gas Authority for such Imbalance Charges paid by the Gas Authority. If the Imbalance Charges were incurred as a result of the Gas Authority's deliveries of quantities of Gas greater than or less than the Daily Contract Quantity at the Delivery Point, then the Gas Authority will pay for such Imbalance Charges or reimburse Gas Purchaser for such Imbalance Charges paid by Gas Purchaser. Notwithstanding the provisions of Sections 6.1 and 6.2, the Parties may mutually agree to make up any differences between the Daily Contract Quantity and the quantity delivered or taken on any Gas Day in kind.

ARTICLE VII
RESPONSIBILITY FOR TRANSPORTATION

The Gas Authority will make all arrangements for transportation services required to effect the delivery of the Daily Contract Quantity to the Delivery Point. Gas Purchaser will take all actions and be responsible for making all arrangements required to effect the transportation of the Daily Contract Quantity from the Delivery Point, including but not limited to all nominations, scheduling, balancing, and associated management and administrative functions. The Gas Authority will bear all costs and expenses of transportation prior to the delivery of the Daily Contract Quantity at the Delivery Point, except as provided in this Agreement. Gas Purchaser will bear all costs of transportation from the Delivery Point. For the avoidance of doubt, actual transportation costs will not have any effect in the determination of the Index Premium.

ARTICLE VIII
DELIVERY REQUIREMENTS

8.1 Specifications

All Gas delivered under this Agreement will be merchantable and will, upon delivery, conform to the quality specifications and heating value specified in the FERC Gas Tariff of Gas Purchaser's Transporter for the applicable Delivery Point.

8.2 Pressure

All Gas sold by the Gas Authority to Gas Purchaser under this Agreement will be delivered to Gas Purchaser at the pressure maintained from time to time in the facilities of Gas Purchaser's Transporter at the applicable Delivery Point.

8.3 Measurement

Gas sold under this Agreement will be measured through the existing measurement facilities of Gas Purchaser's Transporter at the applicable Delivery Point in accordance with the provisions of

such Transporter's FERC Gas Tariff. The unit of volume for measurement of Gas delivered under this Agreement will be one Mcf or otherwise as consistent with such Transporter's measurement at the Delivery Point. The sales unit of the Gas will be one MMBtu, established by converting Mcfs measured at the Delivery Point to MMBtus according to the Btu content determined by such Transporter on a dry basis at the Delivery Point under such Transporter's FERC Gas Tariff. With respect to any measurement of Gas delivered or received under this Agreement at a Delivery Point, the measurement of such Gas (including the definition of Btu used in making such measurement) by the operator of such Delivery Point will be conclusive.

ARTICLE IX

TITLE AND RISK OF LOSS

The Gas Authority warrants the title to all Gas sold to Gas Purchaser under this Agreement. Transfer of custody and title to Gas sold under this Agreement will pass to and vest in Gas Purchaser at the applicable Delivery Point. As between the Parties, the Gas Authority will be deemed to be in exclusive control and possession of Gas delivered under this Agreement prior to the time of delivery to Gas Purchaser at such Delivery Point, and Gas Purchaser will be deemed to be in exclusive control and possession of Gas delivered under this Agreement from such Delivery Point.

ARTICLE X

ROYALTIES AND TAXES

10.1 Royalties and Other Charges

The Gas Authority will pay or cause to be paid any royalties or other sums due on the gathering, handling, and transportation of Gas sold under this Agreement prior to its delivery to Gas Purchaser at the applicable Delivery Point.

10.2 Taxes

The price for Gas sold to Gas Purchaser under this Agreement is inclusive of all production, severance, ad valorem, or similar taxes levied on the production or transportation of the Gas prior to its delivery to Gas Purchaser at the applicable Delivery Point, and all such taxes will be borne and paid exclusively by the Gas Authority; provided, however, that if Gas Purchaser is required to remit such taxes to the collecting authority, Gas Purchaser will do so and the Gas Authority will credit an amount equal to the taxes so paid against payments otherwise due to the Gas Authority under this Agreement. The price for Gas sold to Gas Purchaser under this Agreement does not include any federal, tribal, state, or local sales, use, consumption, utility, storage, greenhouse gas, carbon, license, ad valorem, franchise, or similar taxes imposed by any taxing authority on the sale to, or use by, Gas Purchaser of Gas sold under this Agreement, including without limitation ad valorem taxes on Gas held in storage by Gas Purchaser. Gas Purchaser will be responsible for the payment of any such taxes and for completing and filing all required forms.

ARTICLE XI

BILLING AND PAYMENT

11.1 Timing

Not later than ten days following the end of each Delivery Month, the Gas Authority will provide a Monthly billing statement to Gas Purchaser showing the amount due for Gas tendered for delivery at each Delivery Point under this Agreement during such Delivery Monthly. Such billing statement will be provided to Gas Purchaser by hand delivery, first-class mail, express courier, electronic mail ("e-mail") transmission, or facsimile transmission to the mailing address, e-mail address, or facsimile number set forth for Gas Purchaser in Article XVII. If Gas Purchaser has not received a billing statement by the 15th day (or the immediately preceding Business Day if the 15th day is not a Business Day) following the end of the Delivery Month, Gas Purchaser, by no later than the

close of business on such 15th day (or such immediately preceding Business Day if the 15th day is not a Business Day), will notify the Gas Authority by telephone and by e-mail or facsimile of such fact. The due date for payment by Gas Purchaser to the Gas Authority will be the 19th day of the Month following the applicable Delivery Month. Such due date will be applicable without regard to the date or source of a billing statement to Gas Purchaser. If the 19th day of a Month is not a Business Day, payment is due on the immediately preceding Business Day. Gas Purchaser will make payment by wire transfer or ACH of immediately available funds to the account set forth for the Gas Authority in Article XVII.

11.2 Late Payment

In the event Gas Purchaser fails to pay an amount when due hereunder, interest will accrue on the unpaid amount at a rate of interest per annum equal to the Prime Rate plus two percent (2%) from the due date until paid. If Gas Purchaser disputes the appropriateness of any charge or calculation in any billing statement, Gas Purchaser, within five (5) days of receipt of a billing statement from the Gas Authority, will notify the Gas Authority of the existence of and basis for such dispute and will pay all amounts billed by the Gas Authority, including any amounts in dispute. If it is ultimately determined that Gas Purchaser did not owe the disputed amount, by agreement or by a final order of a court of competent jurisdiction which is not subject to appeal or concerning which any right to appeal has been waived or which the Parties have irrevocably agreed not to appeal, the Gas Authority will pay Gas Purchaser that amount plus interest as calculated in accordance with this Section 11.2.

11.3 Audit Rights

Each Party will have the right, at its own expense, to examine and audit at any reasonable time the books, records, measurement data, charts, and telemetry data of the other Party to the extent, but only to the extent, necessary to verify the accuracy of any statements or charges made under or

pursuant to this Agreement. Any inaccuracy will be corrected promptly when discovered; provided, however, that neither Party will be required to maintain books, records, measurement data, charts, or telemetry data for a period of more than two calendar years following the end of the calendar year to which they are applicable. Neither Party will have a right to question or contest any charge or credit if the matter is not called to the attention of the other Party in writing within 24 months of the date of the charge or credit in question.

11.4 Operating Expense of Gas Purchaser

Gas Purchaser agrees to make all payments due under this Agreement from its operating revenues as an operating expense and as a cost of purchased Gas; provided, however, that Gas Purchaser, in its discretion, may apply any legally available monies to the payment of amounts due under this Agreement. Gas Purchaser hereby covenants and agrees that it will establish, maintain, and collect rates and charges for the Gas services it furnishes so as to provide revenues sufficient, together with other available revenues, to enable Gas Purchaser to pay to the Gas Authority all amounts payable under this Agreement and to pay all other amounts payable from its operating revenues, and to maintain any required reserves. Gas Purchaser further covenants and agrees that it will not furnish or supply Gas services free of charge to any person, firm, corporation, association, or other entity, public or private, except any such service free of charge that Gas Purchaser is supplying on the date of this Agreement, as has been specifically identified by Gas Purchaser to the Gas Authority in writing, and that it will promptly enforce the payment of any and all material accounts owing to Gas Purchaser for the sale of Gas or the provision of transportation or other services to its customers. Gas Purchaser further covenants and agrees that in any future bond issue undertaken by Gas Purchaser, or in connection with any other financing or financial transaction, Gas Purchaser will not pledge or encumber its revenues through a gross revenue pledge or in any other way which creates a prior or superior obligation to its obligation to make payments under this Agreement. Gas Purchaser further

covenants that it will not take an action to institute an Event of Insolvency with respect to Gas Purchaser.

11.5 Financial Responsibility

When reasonable grounds for insecurity of payments due under this Agreement arise, the Gas Authority may demand, and Gas Purchaser will provide within five Business Days if demanded, adequate assurance of performance. Reasonable grounds include but are not limited to persistent late payment by Gas Purchaser, the occurrence of an Event of Insolvency with respect to Gas Purchaser or a downgrade of Gas Purchaser's credit rating, if any, by S&P Global Ratings, Moody's Investors Service, Inc., or Fitch Ratings (each as defined in the Indenture) to a level below investment grade. Adequate assurance will mean sufficient security in the form and for a term reasonably specified by the Gas Authority, including but not limited to a standby irrevocable letter of credit, a prepayment, a deposit to an escrow account, or a performance bond or guaranty by a creditworthy entity. The Parties agree that in the event Gas Purchaser fails to provide such adequate assurance as demanded, the Gas Authority will have the right to suspend further deliveries of Gas to Gas Purchaser under this Agreement on three (3) Business Days written notice and will not be obligated to restore such deliveries until the first day of the Month after such demand has been satisfied; provided, however, that the Gas Authority will not be obligated to restore such deliveries notwithstanding the satisfaction of such demand until the completion of the term of deliveries to any replacement sales customer to which the Gas Authority, or Main Street or Supplier, has remarketed the Gas. The Parties agree that once the event requiring adequate assurance is cured, the adequate assurance provided, if any, shall be returned to Gas Purchaser within a reasonable period and shall no longer be required.

11.6 No Set-Off

Payment for all amounts set forth in a billing statement provided to Gas Purchaser pursuant to Section 11.1 will be made without set-off or counterclaim of any kind.

ARTICLE XII
LAWS AND REGULATIONS

This Agreement is subject to all valid laws, orders, rules, regulations, or other governmental actions of any duly constituted federal, state or commonwealth, or local governmental authority, to the extent such laws, orders, rules, and regulations are applicable and effective from time to time; provided, however, that no such action by Gas Purchaser's or the Gas Authority's governing body may affect that Party's obligations and rights under this Agreement.

ARTICLE XIII
FORCE MAJEURE

13.1 Suspension of Obligations

Except with regard to a Party's obligation to make payments under this Agreement, neither Party will be liable to the other for failure to perform an obligation to the extent such failure was caused by Force Majeure, as defined in Section 13.2.

13.2 Force Majeure Defined

The term "Force Majeure" as employed herein means any cause not reasonably within the control of the Party claiming suspension, as further defined in this Section 13.2. The term "Force Majeure" will include, but not be limited to, the following: (i) physical events such as acts of God, landslides, lightning, earthquakes, fires, storms or storm warnings, such as hurricanes or tornadoes, which result in evacuation of the affected area, floods, washouts, explosions, breakage of or accident or necessity of repairs to machinery or equipment or lines of pipe; (ii) weather related events affecting an entire geographic region, such as low temperatures which cause freezing or failure of wells or lines of pipe; (iii) interruption and/or curtailment of transportation and/or storage by Transporters (provided that if the affected Party is using interruptible or secondary Firm transportation, only if primary, in-path, Firm transportation is also curtailed by the same event, or, if the relevant Transporter

does not curtail based on path, if primary Firm transportation is also curtailed); (iv) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections, wars or acts of terror; (v) governmental actions, such as necessity for compliance with any court order, law, statute, ordinance, regulation, or policy having the effect of law promulgated by a Government Agency having jurisdiction; and (vi) any invocation of Force Majeure by TD under the Prepaid Gas Agreement. The Gas Authority and Gas Purchaser will make Commercially Reasonable Efforts to avoid the adverse impacts of a Force Majeure event or occurrence and to resolve the event or occurrence once it has occurred in order to resume performance.

13.3 Force Majeure Exclusions

Neither Party will be entitled to the benefits of a claim of Force Majeure to the extent performance is affected by any or all of the following circumstances: (i) the Party claiming excuse failed to remedy the condition and to resume the performance of its obligations with reasonable dispatch; (ii) economic hardship, to include, without limitation, the Gas Authority's ability to sell Gas at a higher or more advantageous price, Gas Purchaser's ability to purchase Gas at a lower or more advantageous price, or a Government Agency disallowing, in whole or in part, the pass-through of costs resulting from this Agreement; or (iii) the loss of Gas Purchaser's markets or Gas Purchaser's inability to resell Gas purchased under this Agreement, except, in either case, as provided in Section 13.2. Gas Purchaser will not be entitled to the benefit of the provisions of Force Majeure to the extent performance is adversely affected by any action taken by Gas Purchaser in its governmental capacity. The Party claiming Force Majeure will not be excused from its responsibility for Imbalance Charges.

13.4 Settlement of Labor Disputes

Notwithstanding anything to the contrary in this Agreement, the Parties agree that the settlement of strikes, lockouts or other industrial disturbances will be within the sole discretion of the Party experiencing such disturbance.

13.5 Force Majeure Procedure

The Party whose performance is prevented by Force Majeure must provide notice to the other Party as soon as practicable. Initial notice may be given orally; however, written notice with reasonably full particulars of the event or occurrence is required as soon as reasonably possible. Upon providing written notice of Force Majeure to the other Party, the affected Party will be relieved of its obligation, from the onset of Force Majeure, to make or accept delivery of Gas, as applicable, to the extent and for the duration of Force Majeure, and neither Party will be deemed to have failed in such obligation to the other during such occurrence or event.

ARTICLE XIV

DEFAULT

14.1 Failure by Gas Purchaser to Make Payments Due

Failure by Gas Purchaser to make to the Gas Authority when due any of the payments for which provision is made in this Agreement will constitute a default on the part of Gas Purchaser.

14.2 Enforcement and Right to Discontinue Service

In the event of any default under Section 14.1, the Gas Authority will have the right to recover from Gas Purchaser any amount in default. In enforcement of any such right of recovery, the Gas Authority may bring any suit, action, or proceeding at law or in equity, including without limitation mandamus, injunction and action for specific performance, as the Gas Authority determines may be necessary or appropriate to enforce any covenant, agreement, or obligation to make any payment for which provision is made in this Agreement, and the Gas Authority in its sole discretion may, upon three (3) days' written notice to Gas Purchaser, cease and discontinue providing delivery of all or any portion of the Gas otherwise to be delivered to Gas Purchaser at the Delivery Point under this Agreement. In the event the Gas Authority takes all or any of the actions authorized by this Section

14.2, Gas Purchaser will remain fully liable for payment of all amounts in default and will not be relieved of any of its payment obligations under this Agreement.

14.3 Reinstatement of Service

If the Gas Authority exercises its right to discontinue providing Gas deliveries to Gas Purchaser under Section 14.2, such Gas deliveries may only be reinstated, at a time to be determined by the Gas Authority, upon (i) payment in full by Gas Purchaser of all amounts then due and payable under this Agreement and (ii) payment in advance by Gas Purchaser at the beginning of each Month of amounts estimated by the Gas Authority to be due to the Gas Authority for the future delivery of Gas under this Agreement for such Month. The Gas Authority may continue to require payment in advance at the beginning of each Month for the estimated amounts to be due for such Month after the reinstatement of service under this Agreement for such period of time as the Gas Authority in its sole discretion may determine is appropriate.

14.4 Other Default by Gas Purchaser

In the event of a failure by Gas Purchaser to establish, maintain, or collect rates or charges adequate to provide revenues sufficient to enable Gas Purchaser to pay all amounts due to the Gas Authority under this Agreement, or in the event of a failure by Gas Purchaser to take from the Gas Authority its Gas supplies in accordance with the provisions of this Agreement, or in the event of any default by Gas Purchaser under any other covenant, agreement, or obligation in this Agreement, the Gas Authority (without limiting the provisions of Section 14.6) may bring any suit, action, or proceeding at law or in equity, including without limitation mandamus, injunction, and action for specific performance, as the Gas Authority determines may be necessary or appropriate to enforce any covenant, agreement, or obligation of Gas Purchaser in this Agreement. In addition to the foregoing remedies (and without limiting any other provisions of this Agreement), if Gas Purchaser fails to accept from the Gas Authority any of the Daily Contract Quantity tendered for delivery under

this Agreement, the Gas Authority will have the right to sell, or to cause Main Street or the Prepaid Gas Supplier to sell, such Gas to third parties.

14.5 Default by the Gas Authority

In the event of a default by the Gas Authority under any covenant, agreement, or obligation in this Agreement, Gas Purchaser (without limiting the provisions of Section 14.6) may bring any suit, action, or proceeding at law or in equity, including without limitation mandamus, injunction, and action for specific performance, as Gas Purchaser determines may be necessary or appropriate to enforce any covenant, agreement, or obligation in this Agreement against the Gas Authority.

14.6 Arbitration and Mediation

Notwithstanding any other provision of this Agreement to the contrary, the Parties by mutual agreement may agree to mediate or arbitrate any dispute that arises under this Agreement.

ARTICLE XV

WAIVERS

No waiver by either the Gas Authority or Gas Purchaser of any default of the other under this Agreement will operate as a waiver of any future default, whether of like or different character or nature.

ARTICLE XVI

SUCCESSION AND ASSIGNMENT

The terms and provisions of this Agreement will extend to and be binding upon the Parties and their respective successors, assigns, and legal representatives; provided, however, that, neither Party may assign this Agreement or its rights and interests, in whole or in part, under this Agreement without the prior written consent of the other Party, not unreasonably withheld, and the delivery of such additional consents and satisfaction of such other requirements as are set forth in the Indenture. Whenever an assignment or a transfer of a Party's interest in this Agreement is requested to be made

with the written consent of the other Party, the assigning or transferring Party's assignee or transferee will expressly agree to assume, in writing, the duties and obligations of the assigning or transferring Party under this Agreement. Upon the agreement of a Party to any such assignment or transfer, the assigning or transferring Party will furnish or cause to be furnished to the other Party a true and correct copy of such assignment or transfer and assumption of duties and obligations.

ARTICLE XVII

NOTICES AND PAYMENTS

Except as is otherwise specifically provided in this Agreement, any notice, request, demand, or statement provided for in this Agreement must be given in writing and delivered in person, by United States mail, or by express courier to the respective Parties at the addresses shown below or at such other addresses as may hereafter be furnished to the other Party in writing, and all payments due from Gas Purchaser under this Agreement will be made by wire transfer or ACH to the account of the Gas Authority set forth below:

Gas Authority:

Correspondence, notices, and billing and payments:

Municipal Gas Authority of Georgia
104 TownPark Drive
Kennesaw, GA 30144
Attn: Dianna Bullock
Telephone: 678-819-0915
Facsimile:
Email: dbullock@gasauthority.com

Payments:

By Wire Transfer or ACH:

Wells Fargo Bank, N.A.
ABA: 121000248
A/C #: 2000132133254

GAS PURCHASER:

Correspondence and notices:

Florida Gas Utility
4619 NW 53rd Avenue
Gainesville, FL 32653
Attn: Operations Director

Telephone: 352-334-0770
Facsimile: 352-334-0789
Email: David@flgas.com

Billing:

Florida Gas Utility
4619 NW 53rd Avenue
Gainesville, FL 32653
Attn: Chief Financial Officer

Telephone: 352-334-0770
Facsimile: 352-334-0789
Email: invoices@flgas.com

Any notice initially delivered orally as may be permitted under this Agreement will be confirmed in writing, and any notice initially delivered by facsimile transmission, email or other electronic means will be followed by a hard copy sent by first-class mail or express courier within two days after transmission of the facsimile transmission, email or other electronic means.

ARTICLE XVIII

CHOICE OF LAW

This Agreement is entered into by the Gas Authority pursuant to the authority contained in the laws of the State of Georgia. This Agreement will be interpreted and construed in accordance with the applicable laws of the State of Georgia, excluding conflicts of law principles which would refer to the laws of another jurisdiction; provided, however, that Gas Purchaser's authority to enter

into and perform its obligations under this Agreement will be interpreted and construed under the laws of the State of Florida.

ARTICLE XIX

MODIFICATIONS

No modifications of the terms and provisions of this Agreement will be or become effective except pursuant to and upon the due and mutual execution of an appropriate supplemental written amendment by the Parties.

ARTICLE XX

COMPUTATIONS

All computations related to prices and indices performed under this Agreement will be rounded to four decimal places (\$0.0000).

ARTICLE XXI

REPRESENTATIONS AND WARRANTIES

21.1 Representations and Warranties of the Gas Authority

The Gas Authority hereby makes the following representations and warranties to Gas Purchaser:

(a) The Gas Authority is a public body corporate and politic, a public corporation and an instrumentality created and existing under the laws of the State of Georgia, and has the power and authority to own its properties, to carry on its business as now being conducted, and to enter into and to perform its obligations under this Agreement.

(b) The execution, delivery, and performance by the Gas Authority of this Agreement have been duly authorized by all necessary corporate action of the Gas Authority and do not and will not require, subsequent to the execution of this Agreement by the Gas Authority, any consent or approval of the Board of Directors or any officers of the Gas Authority.

(c) This Agreement is the legal, valid, and binding obligation of the Gas Authority, enforceable in accordance with its terms, except as such enforceability may be subject to (i) the exercise of judicial discretion in accordance with general principles of equity and (ii) bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights heretofore or hereafter enacted, to the extent constitutionally applicable.

(d) As of the date of this Agreement, there is no pending or, to the Gas Authority's knowledge, threatened action or proceeding affecting the Gas Authority which purports to affect the legality, validity, or enforceability of this Agreement.

21.2 Representations and Warranties of Gas Purchaser

Gas Purchaser hereby makes the following representations and warranties to the Gas Authority:

(a) Gas Purchaser is a Florida public body corporate and politic and joint action agency formed under the Florida Interlocal Cooperation Act, and has the power and authority to own its properties, to carry on its business as now being conducted, and to enter into and perform its obligations under this Agreement.

(b) The execution, delivery, and performance by Gas Purchaser of this Agreement have been duly authorized by all necessary corporate action of Gas Purchaser and do not and will not require, subsequent to the execution of this Agreement by Gas Purchaser, any consent or approval of the governing body or any officers of Gas Purchaser.

(c) This Agreement is the legal, valid, and binding obligation of Gas Purchaser, enforceable in accordance with its terms, except as such enforceability may be subject to (i) the exercise of judicial discretion in accordance with general principles of equity and (ii) bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights heretofore or hereafter enacted, to the extent constitutionally applicable.

(d) As of the date of this Agreement, there is no pending or, to Gas Purchaser's knowledge, threatened action or proceeding affecting Gas Purchaser which purports to affect the legality, validity, or enforceability of this Agreement.

ARTICLE XXII

CERTAIN OBLIGATIONS WITH RESPECT TO THE BONDS

22.1 Tax-Exempt Status of Bonds

The Bonds will be issued with the intention that the interest thereon will be excludable from the gross income of the holders thereof under Section 103 of the Code. Accordingly, Gas Purchaser agrees for the benefit of the owners of the Bonds that it will act in accordance with written instructions that the Gas Authority may reasonably require from time to time in connection with the tax-exempt status of the Bonds, and in addition that it will not at any time take any action, or fail to take any action, if such action or failure to take action would adversely affect the exclusion from the gross income of the holders thereof of interest on the Bonds under the Code. Without limiting the foregoing, Gas Purchaser further agrees to resell or otherwise use Gas purchased under this Agreement (i) for a "qualifying use" as defined in U.S. Treas. Reg. § 1.148-1(e)(2)(iii), (ii) in a manner that will not result in any private business use of that Gas within the meaning of Section 141 of the Code, and (iii) in a manner that is consistent with the Federal Tax Certificate set forth in Exhibit C, and that it will not use Gas purchased under this Agreement in any other manner without the prior written consent of the Gas Authority. Gas Purchaser agrees that it will execute such additional documents and certificates as Bond Counsel may reasonably request evidencing Gas Purchaser's compliance with this Section 22.1, with the Code, and with Treasury Regulations thereunder. Gas Purchaser will use its Commercially Reasonable Efforts to purchase additional gas supplies from the Gas Authority in the future so that Main Street can purchase such gas from the Prepaid Gas Supplier or other suppliers as necessary such that the interest on Main Street's bonds will remain excludable

from the gross income of the holder of such bonds under the provisions of the Code. Gas Purchaser further agrees that it will provide all documents and records reasonably requested by the Gas Authority for response to any inquiry or audit relating to the tax-exempt status of the bonds.

22.2 Continuing Disclosure

Gas Purchaser will provide a copy of its audited financial statements to the Gas Authority each fiscal year promptly following the conclusion of Gas Purchaser's annual audit. In addition, Gas Purchaser hereby covenants and agrees that it will provide to the Gas Authority annual operating and financial information as required by Rule 15(c)2-12 of the United States Securities Exchange Commission (the "Rule") to the extent the Rule is applicable to the Bonds. Failure by Gas Purchaser to comply with this undertaking will not be a default under this Agreement, but any such failure will entitle the Gas Authority and the owner or owners of any of the Bonds to take such actions and to initiate such proceedings as may be necessary and appropriate to cause Gas Purchaser to comply with its undertaking as set forth in this Section 22.2, including without limitation the remedies of mandamus and specific performance.

ARTICLE XXIII

EXCHANGES

23.1 General Rule

Gas Purchaser may effectuate an exchange of Delivery Points for Gas purchased under this Agreement on a daily or Monthly basis under Section 23.2 or Section 23.3; provided, however, that any failure by a third party to perform its obligations under any such exchange arrangement will not relieve Gas Purchaser of its obligations under this Agreement.

23.2 Description of Exchange Agreement

Gas Purchaser may enter into an exchange agreement with a third party under which Gas Purchaser implements synthetic transportation of the Gas delivered at the Delivery Point ("Point A")

to a delivery point on another pipeline on which Gas Purchaser has transportation receipt rights (“Point B”). Under such an exchange agreement, Gas Purchaser would deliver Gas at Point A to the exchange counterparty and receive delivery of an equivalent value of Gas at Point B from the exchange counterparty. The equivalent value of Gas at Point B may be taken by Gas Purchaser on the same Gas Day that Gas is delivered at Point A or at any time after such Gas Day within the same or the next succeeding Month. The transaction described in this Section 23.2 is not in itself a “disqualifying use” under federal tax law in effect on the date of this Agreement.

23.3 Exchange Transactions Through a Third Party

In addition to an exchange agreement under Section 23.2, Gas Purchaser may effectuate an exchange of deliveries of Gas at Point A (as described in Section 23.2) for deliveries at Point B (as described in Section 23.2) by entering into an agreement to provide the exchange through a third party. Under such an agreement, Gas Purchaser would arrange for the delivery of Gas to one party (“Party 1”) at Point A, and the receipt of Gas from another party (“Party 2”) at Point B, either directly or through a commodity exchange such as the Intercontinental Exchange (“ICE”), and bring the arrangements with Party 1 and Party 2 to a third party for the third party to enter into. Gas Purchaser would then enter into an exchange agreement with the third party, as described in Section 23.2 above. The transaction described in this Section 23.3 is not in itself a “disqualifying use” under federal tax law in effect on the date of this Agreement.

ARTICLE XXIV

INTERPRETATION

24.1 Entirety of Agreement

This Agreement constitutes the entire agreement between the Gas Authority and Gas Purchaser with respect to the sale, delivery, purchase and receipt of the Daily Contract Quantity under

this Agreement, and supersedes any and all prior negotiations, understandings, or agreements by the Parties with respect to the foregoing, whether oral or in writing.

24.2 Headings

The headings used throughout this Agreement are inserted for reference purposes only and will not be construed or considered in interpreting the terms and provisions of any Section or Article or the Agreement as a whole.

24.3 Severability

If any Article, Section, term, or provision of this Agreement becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable, or void, this Agreement will continue in full force and effect without said Article, Section, term, or provision; provided, however, that if such severance materially changes the economic benefits of this Agreement to either Party, the Parties agree to negotiate promptly an equitable adjustment in its provisions in good faith so as to place the Parties in as close to the same position as is possible under the circumstances as they were prior to such declaration by the court or other action or event.

24.4 Limited Liability

The Gas Authority and Gas Purchaser acknowledge and agree that Gas Purchaser's obligations under this Agreement are limited as expressly described in this Agreement and that the Gas Authority has no recourse to any other source of payment from Gas Purchaser except as set forth in Section 11.4 of this Agreement. The Gas Authority and Gas Purchaser acknowledge and agree that Gas Purchaser has no recourse to any source of payment from the Gas Authority under this Agreement except as set forth in this Agreement, and that the Gas Authority has no recourse to payments from Main Street for Gas deliveries not made except for payments received from the Trust Estate as defined in the Indenture, and only to the extent such funds are available to be applied for such purpose in accordance with the Indenture.

ARTICLE XXV

COUNTERPARTS

This Agreement may be executed in any number of counterparts, all of which taken together will constitute one and the same instrument, and each of which will be deemed to be an original instrument as against a Party that has signed it.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date hereinabove first written.

FLORIDA GAS UTILITY

By: _____

Attested By: _____

Printed Name: _____

Printed Name: _____

Its: _____

Title: _____

MUNICIPAL GAS AUTHORITY OF GEORGIA

By: _____

Attested By: _____

Printed Name: _____

Printed Name: _____

Its: _____

Title: _____

**[SIGNATURE PAGE OF THE NATURAL GAS SUPPLY AGREEMENT
DATED AS OF [CLOSING MONTH] 1, 2019]**

EXHIBIT A

PRIMARY DELIVERY POINT AND INDEX PREMIUM

[TO BE UPDATED]

<u>Primary Delivery Point(s):</u>	Points in Florida Gas Transmission, Zone 2, as specified in Exhibit B
Source:	Inside FERC's Gas Market Report, published by S&P Global Platts, a Division of S&P Global, first issue of the month
Heading:	Monthly Bidweek Spot Gas Prices – Platts Locations (\$/MMBtu), Louisiana/Southeast
Index Point:	Florida gas, zone 2
Column:	"Index"

The following Index Premium will be applicable for the period commencing with the first Gas Day of _____ 2019 and continue through and including the Index Premium period identified below.

PERIOD	PRIMARY DELIVERY POINT	INDEX PREMIUM
4/1/2019 - 10/31/2019	FGT-NGPL Vermillion	{ \$ } per MMBtu
4/1/2019 - 10/31/2019	FGT-ANR St Landry	{ \$ } per MMBtu
4/1/2019 - 10/31/2019	FGT-Acadian Frisco	N/A
4/1/2019 - 10/31/2019	FGT-CGT-Lafayette	{ \$ } per MMBtu

Following the period set forth above, the Index Premium will be subject to adjustment as set forth in this Agreement, and the adjusted Index Premium and the period during which such Index Premium will be in effect will be set forth on a revised Exhibit A.

EXHIBIT B

DAILY CONTRACT QUANTITIES (MMBTU PER DAY)

Buyer	FGU	FGU	FGU	FGU for FMPA	Total Daily Vol
Upstream Transaction provide from Gas Authority's	TD 2019A	TD 2019A	TD 2019A	TD 2019A	TD 2019A
Pipeline	FGT	FGT	FGT	FGT	FGT
Primary Delivery Point	<u>NGPL Vermillion</u>	<u>ANR St Landry</u>	<u>Acadian Frisco</u>	<u>CGT-Lafayette</u>	<u>Various</u>

[illegible]

[illegible]

[illegible]

[illegible]

EXHIBIT C

[TO BE UPDATED]

FEDERAL TAX CERTIFICATE

This Federal Tax Certificate is executed in connection with the Gas Supply Agreement dated as of [Closing Month] 1, 2019 (the "Supply Agreement"), by and between the Municipal Gas Authority of Georgia (the "Gas Authority") and Florida Gas Utility ("Gas Purchaser"). Capitalized terms used and not otherwise defined herein will have the meanings given to them in the Supply Agreement or in the Indenture.

WHEREAS Gas Purchaser acknowledges that Main Street Natural Gas, Inc. is issuing the Bonds to fund the prepayment price under the Prepaid Gas Agreement; and

WHEREAS the Bonds are intended to qualify for tax exemption under Section 103 of the Internal Revenue Code of 1986, as amended; and

WHEREAS Gas Purchaser's use of Gas acquired pursuant to the Supply Agreement and certain funds and accounts of Gas Purchaser will affect the Bonds' qualification for such tax exemption.

NOW, THEREFORE, GAS PURCHASER HEREBY CERTIFIES AS FOLLOWS:

Gas Purchaser is a Florida public body corporate and politic and joint action agency formed under the Florida Interlocal Cooperation Act and owns and operates a gas supply joint action organization for the sale of Gas and related services to its wholesale municipal gas distribution system customers, municipal electric distribution system customers and other electric joint action agencies.

Gas Purchaser will resell all of the Gas acquired pursuant to the Supply Agreement to its wholesale municipal gas distribution system customers and its electric joint action agency customer. The specified Gas Purchaser customers will, respectively, resell such Gas to the retail gas distribution system customers within their respective natural gas service areas pursuant to regularly established and generally applicable tariffs or under authorized requirements contracts or utilize such Gas for purposes of electric generation, which will then be sold to customers of the electric joint action agency pursuant to authorized requirements contracts. For purposes of the foregoing sentence, the term "service area" means (x) the area throughout which Gas Purchaser's identified customers provided Gas transmission or distribution service or electric generation at all times during the 5-year period ending on December 31, 2019, and from then until the date of issuance of the Bonds (the "Closing Date"), and (y) any area recognized as the service area of Gas Purchaser's customers under state or federal law.

The annual average amount during the testing period of Gas purchased by the specified customers of Gas Purchaser who are located within the service area of Gas Purchaser is 45,492,539 MMBtu. The maximum annual amount of Gas in any year being acquired pursuant to the Supply Agreement is 1,541,100 MMBtu. The volumes of Gas being acquired annually pursuant to the Supply Agreement are 1,541,100 (4,211 MMBtu per day). The maximum annual amount of Gas which Gas Purchaser otherwise has a right to acquire, as of the Closing Date, is zero (0). The maximum annual amount of Gas which Gas Purchaser holds in storage as of the Closing Date is 433,414 MMBtu. The sum of (a)

the maximum amount of Gas in any year being acquired pursuant to the Supply Agreement, (b) the amount of Gas which Gas Purchaser otherwise has a right to acquire, and (c) the annual average amount of Gas which Gas Purchaser holds in storage in the year described in the foregoing clause (a) is 1,974,514 MMBtu. Accordingly, the amount of Gas to be acquired under the Supply Agreement by Gas Purchaser, supplemented by the amount of Gas otherwise available to Gas Purchaser as of the Closing Date, during any year does not exceed the sum of (i) 4.34% of the annual average amount during the testing period of Gas purchased (other than for resale) by customers of Gas Purchaser who are located within the service area of Gas Purchaser, and (ii) the amount of Gas to be used to transport the prepaid Gas to Gas Purchaser during such year. For purposes of this paragraph, the term "testing period" means the 5 calendar years ending December 31, 2019, and the term "service area" means (x) the area throughout which Gas Purchaser's customers provided Gas transmission or distribution service or electric generation at all times during the testing period, (y) any area within a county contiguous to the area described in (x) in which retail customers of Gas Purchaser's customers are located if such area is not also served by another utility providing Gas services, and (z) any area recognized as the service area of Gas Purchaser's customers under state or federal law.

Gas Purchaser expects to pay for Gas acquired pursuant to the Supply Agreement with funds derived from the resale of Gas to its customers as specified herein. Gas Purchaser will pay for other Gas not acquired pursuant to the subject Supply Agreement in accordance with other appropriate contractual arrangements with its customers. Gas Purchaser intends to pay for Gas purchased in accordance with the Gas Supply Agreement. Gas Purchaser does not intend or expect to invest Bond proceeds for purposes of accruing interest, nor otherwise utilize any proceeds of the Bonds, either directly or indirectly, for any purpose other than that for which the Bonds were issued. The representations and warranties contained in the Supply Agreement are true and correct as of the date hereof.

February 26, 2019

By: _____
[Authorized Representative]

EXHIBIT D

FORM OF REMARKETING ELECTION NOTICE

[The Gas Authority]

[Address]

[Main Street]

[Address]

[Gas Supplier]

[Address]

[Trustee]

[Address]

To the Addressees:

The undersigned, duly authorized representative of _____ (the "Gas Purchaser") is providing this notice (the "Gas Remarketing Election Notice") pursuant to the Gas Supply Agreement, dated as of [Closing Month] 1, 2019 (the "Supply Agreement"), between the Gas Authority and the Gas Purchaser. Capitalized terms used herein will have the meanings set forth in the Supply Agreement.

Pursuant to Section 5.3(b) of the Supply Agreement, the Gas Purchaser has elected to have its DCQ for each Gas Day of each Delivery Month of the Remaining Term remarketed beginning with the month of [_____] 20[___], and thereafter the Supply Agreement will terminate in accordance with Section 5.3(c) thereof.

Given this [___] day of [_____] 20[___].

[GAS PURCHASER]

By: _____

Name:

Title:

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GAS SUPPLY CONTRACT

BY AND BETWEEN

THE BLACK BELT ENERGY GAS DISTRICT

AND

[GAS PURCHASER]

DATED AS OF [____], 2019

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GAS SUPPLY CONTRACT

PREAMBLE

This Gas Supply Contract (this “Contract”), dated as of [____], 2019 (the “Effective Date”), is made and entered into by and between ~~{____}, Florida Gas Utility, a {____} Florida public body corporate and politic and joint action agency formed under the Florida Interlocal Cooperation Act~~ (“Gas Purchaser”), and The Black Belt Energy Gas District (“Issuer”). Gas Purchaser and Issuer are sometimes hereinafter referred to in this Contract collectively as the “Parties” or individually as a “Party”.

RECITALS

WHEREAS, Issuer is a public corporation organized as a gas district under the Laws of the State of Alabama; and

~~WHEREAS, Gas Purchaser is a {____}; and~~

WHEREAS, Issuer has planned and developed a project to acquire long-term Gas supplies from Morgan Stanley Capital Group Inc., a Delaware corporation (“MSCG”) and a wholly-owned subsidiary of Morgan Stanley, pursuant to a Prepaid Natural Gas Sales Agreement (the “Prepaid Gas Agreement”) to meet a portion of the Gas supply requirements of Gas Purchaser and other municipal utilities and joint action agencies that elect to participate (together, the “Project Participants”) through a gas prepayment project (the “Prepaid Project”); and

WHEREAS, Gas Purchaser desires to enter into an agreement with Issuer for the purchase of Gas supplies from the Prepaid Project; and

WHEREAS, Issuer will finance the prepayment under, and the other costs of, the Prepaid Project by issuing Bonds; and

~~WHEREAS, Gas Purchaser owns and operates a municipal electric utility under authority of the laws of the State of [____] for the transmission, distribution, sale, and delivery of electricity to retail gas consumers within its service area is a Florida public body corporate and politic and joint action agency formed under the Florida Interlocal Cooperation Act and owns and operates a gas supply joint action organization for the sale and delivery of Gas and related services to its wholesale municipal gas distribution system members, municipal electric distribution system members and other municipal electric joint action agencies; and~~

WHEREAS, Gas Purchaser has a need to acquire a portion of its Gas needs at index-based market prices and on a long-term basis in order to enable Gas Purchaser to ensure that it may provide ~~retail-wholesale~~ service at competitive prices; and

WHEREAS, Gas Purchaser is agreeable to purchasing a portion of its Gas requirements from Issuer under the terms and conditions set forth in this Contract and Issuer is agreeable to

selling to Gas Purchaser such supplies of Gas under the terms and conditions set forth in this Contract; and

NOW, THEREFORE, in consideration of the premises and mutual covenants set forth in this Contract and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Issuer and Gas Purchaser agree as follows.

ARTICLE I
DEFINITIONS AND CONSTRUCTION

1.1. Construction of this Contract. The Preamble and the Recitals set forth above are incorporated into this Contract for all purposes. References to Articles, Sections, and Exhibits throughout this Contract are references to the corresponding Articles, Sections, and Exhibits of this Contract unless otherwise specified. All Exhibits are incorporated into this Contract for all purposes. References to the singular are intended to include the plural and vice versa. The word “including” and related forms thereof are intended to be interpreted inclusively, whether or not the phrase “but not limited to” follows such word or words. The words “will” and “shall” indicate mandatory requirements of the Parties except in the Recitals.

1.2. Definitions. Unless another definition is expressly stated in this Contract, the following terms and abbreviations, when used in this Contract, are intended to and shall mean as follows:

- (a) “Alternate Delivery Point” has the meaning specified in Section 3.1.
- (b) “Annual Refund” means the annual refund, if any, provided to Gas Purchaser and calculated pursuant to the procedures specified in Section 4.5.
- (c) “Annualized Daily Quantity” or “ADQ” means for any Year the sum of the Daily Contract Quantities divided by the number of days in the Year.
- (d) “Applicable Rating Agencies” means, at any given time, each Rating Agency then rating the Bonds.
- (e) “Available Discount” means, for each Reset Period, the amount, expressed in cents per MMBtu (rounded down to the nearest one-half cent), determined by the Calculation Agent pursuant to the Re-Pricing Agreement for such Reset Period. The Available Discount shall equal the sum of the Monthly Discount and any anticipated Annual Refunds for the applicable Reset Period.
- (f) “Board of Directors” means the Board of Directors of Issuer.
- (g) “Bond Closing Date” means the date on which the Bonds are issued pursuant to the Bond Indenture.

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(h) “Bond Indenture” means the Trust Indenture for the Bonds, dated as of ____, 2019, between Issuer and the Trustee, N.A., as Trustee, providing for the issuance of and security for the Bonds, together with any other trust indenture providing for the issuance of and security for any refunding Bonds, in each case as the same may be amended from time to time.

(i) “Bonds” means Issuer’s Gas Supply Revenue Bonds, Series 2019 (including multiple sub-series), issued to finance Issuer’s purchase of Gas from MSCG under the Prepaid Gas Agreement and costs associated therewith, and any Refunding Bonds issued by Issuer under the Bond Indenture.

(j) “Btu” means one British thermal unit, the amount of heat required to raise the temperature of one pound of water one degree Fahrenheit at 60 degrees Fahrenheit, and is the International Btu. The reporting basis for Btu is 14.73 pounds per square inch absolute and 60 degrees Fahrenheit; provided, however, that the definition of Btu as determined by the operator of the relevant Delivery Point shall be deemed conclusive in accordance with Article VI of the Prepaid Gas Agreement; and provided further that in the event of an inconsistency in the definition of “Btu” between this definition and the definition of “Btu” in the Prepaid Gas Agreement, the definition in the Prepaid Gas Agreement shall apply.

(k) “Business Day” means (i) with respect to payments and general notices required to be given under this Contract, any day other than (a) a Saturday or Sunday, (b) a Federal Reserve Bank holiday, (c) any day on which commercial banks located in either New York, New York, or the State of Alabama are required or authorized by law or other governmental action to close, or (d) any other day excluded pursuant to the Bond Indenture, and (ii) with respect to Gas deliveries and notices with respect thereto, any day.

(l) “Calculation Agent” has the meaning specified in the Re-Pricing Agreement.

(m) “Central Prevailing Time” or “CPT” means Central Daylight Savings Time when such time is applicable and otherwise means Central Standard Time.

(n) “Cf” means cubic foot of Gas, defined as the amount of Gas required to fill a cubic foot of space when the Gas is at an absolute pressure of 14.73 pounds per square inch absolute and at a temperature of 60 degrees Fahrenheit.

(o) “Code” means the Internal Revenue Code of 1986, as amended, 26 U.S.C. §1 *et seq.* References herein to the Code or a section of the Code include the U.S. Treasury Regulations thereunder.

(p) “Commercially Reasonable” or “Commercially Reasonable Efforts” means, with respect to any decision, purchase, sale or other action required to be made, attempted or taken by a Party under this Contract, such decision or efforts as a reasonably prudent Person would make or undertake, as the case may be, for the protection of its own interest under the conditions affecting such decision, purchase, sale or other action. For the avoidance of doubt, the reasonableness of any action taken by a Party under this Contract shall be determined at the time of such action, taking into full account the facts, circumstances and competitive environment surrounding such action.

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(q) “Commodity” means Gas or Electricity, as applicable.

(r) “Commodity Swap” means (i) the transaction confirmation entered into under the ISDA Master Agreement, with respect to the Prepaid Project, by Issuer and the Commodity Swap Counterparty, and (ii) each replacement commodity swap entered into pursuant to the Prepaid Gas Agreement.

(s) “Commodity Swap Counterparty” means Issuer’s counterparty under the Commodity Swap, which initially shall be BP Energy Company.

(t) “Contract” is defined in the Preamble.

(u) “Contract Price” has the meaning specified in Section 4.2.

(v) “Daily Contract Quantity” or “DCQ” means, for each Month, the quantity of Gas in MMBtu scheduled to be delivered by Issuer to Gas Purchaser and received by Gas Purchaser from Issuer each Gas Day during such Month, as set forth in Exhibit B.

(w) “Daily Gas Obligation” means, for each Gas Day for which a Daily Remarketing Amount accrued, an amount equal to the Contract Price for such Gas Day multiplied by the result of (A) the Daily Contract Quantity, less (B) the quantity of Gas remarketed by Gas Purchaser.

(x) “Daily Remarketing Amount” means, for each Gas Day on which Gas Purchaser remarkets Gas received under this Contract in a manner that does not comply with the Qualifying Use Requirements, an amount equal to the index price that would have applied to such Gas under Section 4.1 multiplied by the quantity of Gas remarketed by Gas Purchaser.

(y) “Delivery Period” means the period beginning [April 1, 2019] and continuing through [_____, 2049] unless the Contract is terminated early pursuant to Article V.

(z) “Delivery Point” is defined in Section 3.1.

(aa) “Disqualified Sale Proceeds” is defined in Section 23.3(b).

(bb) “Disqualified Sale Units” is defined in Section 23.3(b).

(cc) “Electricity” means three-phase, 60-cycle alternating current electric energy, expressed in megawatt hours.

(dd) “Event of Insolvency” means with respect to any Person the occurrence and continuance of one or more of the following events: (a) the issuance, under the laws of the state or other jurisdiction having primary regulatory authority over such Person or any successor provision thereto (or any other law under which such Person is at the time organized), of an order for relief, rehabilitation, reorganization, conservation, liquidation or dissolution of such Person that is not dismissed within 30 days; (b) the commencement by such Person of a voluntary case or other proceeding seeking an order for relief, liquidation, rehabilitation, conservation, reorganization or

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dissolution with respect to itself or its debts under the laws of the state or other jurisdiction of incorporation or formation of such Person or any bankruptcy, insolvency or other similar law now or hereafter in effect including, without limitation, the appointment of a trustee, receiver, liquidator, custodian or other similar official for itself or any substantial part of its property; (c) the consent of such Person to any relief referred to in the preceding clause (b) in an involuntary case or other proceeding commenced against it; (d) the appointment of a trustee, receiver, liquidator, custodian or other similar official for such Person or any substantial part of its property by a Government Agency or authority having the jurisdiction to do so; (e) the making by such Person of an assignment for the benefit of creditors; (f) the failure of such Person generally to pay its debts or claims as they become due; (g) the Person shall admit in writing its inability to pay its debts when due; (h) the declaration of a moratorium with respect to the payment of the debts of such Person; or (i) the initiation by such Person of any action to authorize any of the foregoing.

(ee) “Failed Remarketing” has the meaning specified in the Bond Indenture.

(ff) “FERC” means the Federal Energy Regulatory Commission and any successor thereto.

(gg) “FERC Gas Tariff” means the interstate pipeline tariff filed by a Transporter pursuant to FERC regulations and approved by FERC, as amended from time to time.

(hh) “Firm” means that performance by a Person may be interrupted without liability only to the extent that such performance is prevented by reasons of Force Majeure with respect to such Person asserting Force Majeure.

(ii) “Force Majeure” is defined in Section 13.2.

(jj) “Gas” means natural gas or any other mixture of hydrocarbon gases, or of hydrocarbons and liquids or liquefiables, or of hydrocarbons and non-combustible gases, consisting predominantly of methane.

(kk) “Gas Day” means a period of 24 consecutive hours beginning at 9:00 a.m. CPT on a calendar day and ending at 9:00 a.m. CPT on the next calendar day. The date of the Gas Day shall be the date at its beginning. If, through standardization of business practices in the industry or for any other reason, a Transporter, or the FERC with general applicability, changes the definition of Gas Day, such change shall apply to the definition of Gas Day in this Contract with respect to such Transporter or generally, as applicable.

(ll) “Gas Purchaser” is defined in the Preamble.

(mm) “Gas Purchaser’s Transporter” means the Transporter receiving Gas on Gas Purchaser’s behalf at a Delivery Point.

(nn) “Government Agency” means the United States of America, any state or commonwealth thereof, any local jurisdiction, any political subdivision of any of the foregoing, and any other division of government of any of the foregoing, including but not limited to courts, administrative bodies, departments, commissions, boards, bureaus, agencies, municipalities, or instrumentalities.

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(oo) “Imbalance Charges” means any fees, penalties, costs or other charges (in cash or in kind) assessed by a Transporter for failure to satisfy the Transporter’s balancing, scheduling and/or nomination requirements based on such Transporter’s FERC Gas Tariff.

(pp) “Initial Period” means the period from and including the date on which the Delivery Period begins to and including [____].

(qq) “Issuer” is defined in the Preamble.

(rr) “Maturity Date of the Bonds” means the Final Maturity Date of the Bonds, as defined in the Bond Indenture.

(ss) “Mcf” means 1,000 Cf of Gas.

(tt) “Minimum Discount” means [] cents per MMBtu for the Initial Period and thereafter no less than [] cents per MMBtu. Both amounts are inclusive of any projected Annual Refund.

(uu) “MMBtu” means 1,000,000 Btu, which is equivalent to one dekatherm.

(vv) “Month” means the period beginning at the beginning of the first Gas Day of a calendar month and ending at the beginning of the first Gas Day of the next calendar month. The term “Monthly” shall be construed accordingly.

(ww) “Monthly Discount” means (i) for the Initial Period, an amount (when taken together with any Annual Refund) that is not less than the Minimum Discount and is specified in Exhibit D, which Exhibit D shall be provided by Issuer to Gas Purchaser on the Bond Closing Date, and (ii) for each subsequent Reset Period, a portion of the Available Discount for such Reset Period determined by the Calculation Agent pursuant to the Re-Pricing Agreement and set forth in an updated Exhibit D provided by Issuer after such determination.

(xx) “MSCG” is defined in the Recitals.

(yy) “Municipal Utility” means any Person that (i) is a governmental person as defined in the implementing regulations under Section 141 of the Code and any successor provision, (ii) owns either or both a Gas distribution utility or an electric distribution utility (or provides Gas or electricity at wholesale to, or that is sold to entities that provide Gas or electricity at wholesale to, governmental Persons that own such utilities), and (iii) agrees in writing to use the Gas purchased by it (or cause such Gas to be used) for a qualifying use as defined in U.S. Treas. Reg. § 1.148-1(e)(2)(iii).

(zz) “Net Remarketing Proceeds” means (i) the actual amounts, if any, received by Issuer from the sale of Gas that Issuer is able to remarket or cause to be remarketed as a result of efforts under Section 4.4 or as a result of Gas Purchaser’s failure to receive Gas pursuant to Section 6.2, less (ii) all directly incurred costs or expenses, including but not limited to remarketing and administrative fees paid to MSCG under the Prepaid Gas Agreement, provided that in no event shall the Net Remarketing Proceeds for any Gas exceed the quantity of such Gas multiplied by the ~~result of (A) the Contract Price for such Gas, minus (B) the Project Administration Fee, minus (C)~~

~~subject to Section 4.4(b), an Issuer remarketing administrative charge of [] cents (\$0.[]) per MMBtu.~~

(aaa) “Off-System Sales” is defined in Section 23.3(b).

(bbb) “Person” means any individual, public or private corporation, partnership, limited liability company, state, county, district, authority, municipality, political subdivision, instrumentality, partnership, association, firm, trust, estate, or any other entity or organization whatsoever.

(ccc) “Prepaid Gas Agreement” is defined in the Recitals.

(ddd) “Prepaid Project” is defined in the Recitals.

(eee) “Primary Delivery Point” is defined in Section 3.1.

(fff) “Prime Rate” means, for any day of determination, the fluctuating rate per annum equal to the “Prime Rate” listed daily in the “Money Rates” section of The Wall Street Journal on such day (or if such day is not a Business Day, the preceding Business Day), or if The Wall Street Journal is not published on a particular Business Day, then, the “prime rate” published in any other national financial journal or newspaper selected by MSCG in its reasonable judgment, and if more than one such rate is listed in the applicable publication, the highest rate shall be used; any change in the Prime Rate shall take effect on the date specified in the announcement of such change.

(ggg) “Priority Commodities” means the Daily Contract Quantities of Gas to be purchased by Gas Purchaser under this Contract, together with Commodities that (i) Purchaser is obligated to take under a long-term agreement, which Commodities either have been purchased (or, with respect to Gas, has been produced from Gas reserves in the ground which reserves were purchased) by Gas Purchaser or a joint powers authority using the proceeds of bonds, notes, or other obligations, the interest on which is excluded from income for federal income tax purposes pursuant to a long-term prepaid gas purchase agreement, or (ii) with respect to Electricity, is generated using capacity that was constructed using the proceeds of bonds, notes, or other obligations, the interest on which is excluded from income for federal income tax purposes.

(hhh) “Project Administration Fee” means the monthly fee payable by Gas Purchaser as described in Section 4.3.

(iii) “Project Agreements” means the agreements entered into by Issuer under the Prepaid Project.

(jjj) “Project Management Committee” is defined in Section 15.2.

(kkk) “Project Participants” has the meaning specified in the Bond Indenture.

(lll) “Qualifying Use Requirements” means, with respect to Gas delivered under this Contract, that such Gas is used (i) for a “qualifying use” as defined in U.S. Treas. Reg. § 1.148-1(e)(2)(iii), (ii) in a manner that will not result in any “private business use” within the meaning

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of Section 141 of the Code, and (iii) in a manner that is consistent with the Federal Tax Certificate attached as Exhibit E.

(mmm) “Quarter” is defined in Section 23.3.

(nnn) “Quarterly Gas Obligation” means, for each Quarter, an amount equal to (A) the Quarterly Remediation Percentage, multiplied by (B) the sum of the Daily Gas Obligations that accrued during such Month.

(ooo) “Quarterly Remarketing Amount” means, for each Quarter, the sum of the Daily Remarketing Amounts that accrued during such Quarter.

(ppp) “Quarterly Remediation Amount” means, for each Quarter, an amount equal to (A) the Quarterly Remediation Percentage, multiplied by (B) the Quarterly Remarketing Amount.

(qqq) “Quarterly Remediation Percentage” means, for each Quarter, an amount equal to (A) the lesser of (1) Disqualified Sale Proceeds that were remediated through the purchase of Gas (other than Priority Commodities) used in compliance with the Qualifying Use Requirements, as reflected in the Quarterly Report delivered by Gas Purchaser, and (2) the Quarterly Remarketing Amount, divided by (B) the Quarterly Remarketing Amount.

(rrr) “Quarterly Report” is defined in Section 23.3.

(sss) “Rating Agency” has the meaning specified in the Bond Indenture.

(ttt) “Refunding Bonds” means any Bonds issued by Issuer under and in accordance with the Indenture to refund the 2019 Series Bonds or any other Bonds then outstanding under the Bond Indenture.

(uuu) “Remarketing Election” is defined in Section 5.3.

(vvv) “Remarketing Election Deadline” means the last date and time by which Gas Purchaser may provide a Remarketing Election Notice, which shall be 4:00 p.m. Central Prevailing Time on the 10th day of the Month (or, if such day is not a Business Day, the next succeeding Business Day) prior to the first Delivery Month of a Reset Period with respect to which a Remarketing Event has occurred.

(www) “Remarketing Election Notice” is defined in Section 5.3(b).

(xxx) “Remarketing Event” is defined in Section 5.3.

(yyy) “Re-Pricing Agreement” means the Re-Pricing Agreement, dated as of [____], 2019, by and between MSCG and Issuer, as amended or supplemented from time to time in accordance with its terms.

(zzz) “Re-Pricing Date” has the meaning set forth in the Re-Pricing Agreement.

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(aaaa) “Reset Period” means each five-year period (or such longer or shorter period as may be agreed to by Issuer and MSCG pursuant to the Re-Pricing Agreement) commencing on the last day of the Initial Period or prior Reset Period, as the case may be, and ending on the fifth anniversary (or such later or earlier anniversary, as the case may be) of such last day; provided that the final Reset Period shall be the period from the last day of the prior Reset Period to the end of the Delivery Period.

(bbbb) “Transporter” means all Gas gathering or pipeline companies transporting Gas for Issuer or Gas Purchaser upstream or downstream, respectively, of a Delivery Point.

(cccc) “Trustee” means the Trustee under the Bond Indenture, which initially shall be The Bank of New York Mellon Trust Company, N.A., and its successors as trustee under the Bond Indenture.

(dddd) “Year” means a period of 12 consecutive Months beginning at the beginning of the first day of November each year and ending immediately prior to the beginning of the first day of November in the next calendar year.

ARTICLE II
SERVICE OBLIGATIONS

2.1. **Effective Date.** This Contract shall become effective upon the Effective Date and, unless this Contract is terminated early pursuant to Section 2.2, (a) all of Issuer’s and Gas Purchaser’s obligations under this Contract shall be deemed to have been incurred upon the Effective Date, and (b) the delivery of Gas under this Contract shall commence and continue for the Delivery Period (as described in further detail in Section 2.3 below).

2.2. **Termination Due to Failure to Issue Bonds or Provide Minimum Discount.** Each party shall have a right to terminate this Contract with the effect that this Contract shall be of no further force or effect and the parties shall have no rights or obligations hereunder if (a) the Bonds are not issued on or before [____], 2019, or (b) Issuer notifies Gas Purchaser that the expected Available Discount for the Initial Period is less than the Minimum Discount.

2.3. **Gas Supply Service.** Black Belt acknowledges and agrees that Gas Purchaser has a need to acquire Gas supplies to provide service to ~~its wholesaleretail Gas consumers within its areas of service~~ municipal gas distribution system members, municipal electric distribution system members and other electric joint action agencies on a long-term basis, and that a significant portion of such Gas supplies must be priced with reference to deregulated market prices in order to enable Gas Purchaser to ensure that it may provide sales service at competitive prices. Black Belt understands that Gas Purchaser has asserted that its long-term viability as a Municipal Utility providing an essential public service depends in part upon its ability to receive secure and reliable supplies of Gas on a long-term basis in pre-determined quantities that are priced with reference to deregulated market prices in the form and structure of the Contract Price, and that Gas Purchaser has further asserted that such Contract Price must be at the lowest reasonable level consistent with the maintenance of secure and reliable service. Gas Purchaser has requested Black Belt to provide deliveries of Gas to it consistent with these objectives, and Gas Purchaser understands and acknowledges that Black Belt has undertaken the Prepaid Project in order to meet Gas Purchaser’s

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request, together with the requests of the other Project Participants, and satisfy Gas Purchaser's asserted objectives, and agrees that the Prepaid Project does so. Subject to ARTICLE V, Issuer shall tender for delivery to Gas Purchaser on a Firm basis, and Gas Purchaser shall purchase and receive from Issuer on a Firm basis, the applicable Daily Contract Quantity of Gas set forth for each Month in Exhibit B. The Parties also recognize and agree that the Daily Contract Quantities may be reduced in a Reset Period pursuant to the re-pricing methodology described in the Re-Pricing Agreement if necessary to achieve a successful remarketing of the Bonds. The Parties agree further that if, pursuant to the Re-Pricing Agreement, Issuer and the Calculation Agent determine in connection with the establishment of any new Reset Period that: (i) such Reset Period will be the final Reset Period and (ii) such Reset Period will end prior to the end of the original Delivery Period, then (A) Issuer will notify Gas Purchaser, (B) the Delivery Period will be deemed to be modified so that it ends at the end of such Reset Period, and (C) the Daily Contract Quantity for the last Month in such Reset Period may be reduced as provided in the Re-Pricing Agreement.

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2.4. Pledge of this Contract. ~~Gas Purchaser acknowledges and agrees that To secure Issuer's obligations under the Bond Indenture.~~ Issuer will pledge its right, title, and interest under this Contract and the revenues to be received under this Contract (other than the revenues attributable to the Project Administration Fee described in Section 4.3) ~~to secure Issuer's obligations under the Bond Indenture.~~ Gas Purchaser acknowledges and agrees that it is Issuer's intent to secure its obligations under the Bond Indenture in such a manner.

ARTICLE III RECEIPT AND DELIVERY POINTS

3.1. Delivery Points. All Gas delivered under this Contract, up to the DCQ for each Month, shall be delivered and received at the point[s] of delivery specified in Exhibit A (each a "Primary Delivery Point") or to any other point of delivery (each an "Alternate Delivery Point") that has been mutually agreed to in writing by Issuer and Gas Purchaser (each Primary Delivery Point or Alternate Delivery Point, if specified, being a "Delivery Point").

3.2. Transfer of Title. Gas Purchaser shall take title to all Gas, up to the DCQ for each Month, delivered to it by Issuer at the applicable Delivery Point(s) and shall own such Gas and shall assume all risk of loss following such transfer at the applicable Delivery Point(s).

3.3. Priority of Gas. Gas Purchaser covenants and agrees to take the Daily Contract Quantity delivered by Issuer under this Contract (a) in priority over and in preference to all other Gas available to Gas Purchaser that is not Priority Gas, and (b) in priority over and in preference to all other Priority Gas that first commences deliveries after the initiation of deliveries under this Agreement. Exhibit shows the schedule of Priority Gas from other prepayment transactions that commenced deliveries prior to the gas deliveries made under this Contract. Upon a Remarketing Event (as defined in Section 5.3) under the Prepaid Gas Agreement with respect to the Daily Contract Quantity, the Gas Purchaser will be relieved of its obligation to purchase and take delivery of Gas under this Contract as to those quantities of Gas to the extent of the Remarketing Event.

ARTICLE IV
PRICING OF GAS SUPPLY SERVICES

4.1. Charge Per MMBtu Delivered. For each MMBtu of Gas delivered by Issuer to Gas Purchaser at the Delivery Points, Gas Purchaser shall pay Issuer the index price determined pursuant to Exhibit C (or any substitute index price determined under Section 4.2) for the applicable Month, less the Monthly Discount (the "Contract Price"). Gas Purchaser shall not be charged for any Gas that is not tendered for delivery by Issuer. Notwithstanding the foregoing, the Parties recognize and agree that the pricing specified in Section 5.2 shall apply to any Gas deliveries made by Issuer following a Failed Remarketing.

4.2. Substitute Index Price; Corrections to Index Prices.

(a) If the source of any publication used to determine the index price used in the Contract Price should cease to publish the relevant prices or should cease to be published entirely, the index price shall be the price per MMBtu, stated in U.S. dollars, for Gas to be delivered at the Delivery Point during the applicable Month as set forth in an alternative index as determined under Section 18.11 of the Prepaid Gas Agreement. Issuer shall provide Gas Purchaser the opportunity to offer its recommendations and other input to Issuer for Issuer's use in the process under Section 18.11 of the Prepaid Gas Agreement.

(b) If a value published for any rate or index used or to be used in this Contract is subsequently corrected and the correction is published or announced by the Person responsible for that publication or announcement within 30 days after the original publication or announcement, either Party may notify the other Party of (i) that correction and (ii) the amount (if any) that is payable as a result of that correction. If, not later than 30 days after publication or announcement of that correction, a Party gives notice that an amount is so payable, the Party that originally either received or retained such amount shall, not later than ~~three-five~~ Business Days after the effectiveness of that notice, pay, subject to any other applicable provisions of this Contract, to the other Party that amount, ~~together with interest on that amount at the Default Rate (as defined in the Prepaid Gas Agreement) for the period from and including the day on which a payment originally was (or was not) made to but excluding the day of payment of the refund or payment resulting from that correction.~~

4.3. Project Administration Fee. Issuer shall bill and Gas Purchaser shall pay each Month, as part of the Monthly invoice described in ARTICLE XI, the Project Administration Fee. The Project Administration Fee shall equal the product of (i) the Daily Contract Quantity for the Month of Gas deliveries, (ii) the number of days in such Month, and (iii) the Monthly Administration Rate. The Monthly Administration Rate shall equal three cents (\$0.03) for all Months during the Delivery Period where the Available Discount is less than or equal to 40 cents per MMBtu, ~~four cents (\$0.04) for all Months during the Delivery Period where the Available Discount is greater than 40 cents and less than 42 cents,~~ and five cents (\$0.05) for all Months during the Delivery Period where the Available Discount is ~~equal to or greater than 42~~9 cents per MMBtu.

4.4. Remarketing Upon Load Loss.

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(a) In the event Gas Purchaser does not require all or any portion of the DCQ that it is obligated to purchase under this Contract as a result of a temporary loss of load on its system, Issuer shall, upon reasonable notice from Gas Purchaser, use Commercially Reasonable Efforts, to the extent permitted in the Prepaid Gas Agreement, to arrange for the sale of such quantities by MSCG to another purchaser(s). If such sales are made, Issuer shall credit the Net Remarketing Proceeds against the amount owed by Gas Purchaser.

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~~(b) If Issuer is satisfied Gas Purchaser has experienced or will certainly experience a permanent loss of electricity load or a loss of requirements for Gas due to changes in generation requirements, through evidence satisfactory to Issuer, then (i) Issuer shall pursue the re-allocation of Gas Purchaser's Daily Contract Quantities associated with its loss of demand to other Project Participants or through remarketing under the provisions of the Prepaid Gas Agreement, and upon such successful re-allocation or remarketing, shall reduce Gas Purchaser's Daily Contract Quantities through the remaining term of this Contract accordingly, and (ii) Issuer will waive the \$0.11/MMBtu remarketing administrative charge described in clause (c) of the definition of Net Remarketing Proceeds.~~

4.5. Annual Refunds. During the term of this Contract, promptly following completion of the annual audit of Issuer's financial statements at the end of each fiscal year (currently the twelve-month period ending June 30), Issuer shall compare its revenues (as determined in accordance with the Bond Indenture) and expenses under the Prepaid Project for that fiscal year. For purposes of such annual comparison, Issuer's expenses shall include: (a) its expenses incurred in obtaining Gas supply under the Prepaid Project; (b) its administrative, legal, and accounting expenses directly incurred in connection with or properly allocable to the Prepaid Project, including the administration of this Contract and all other contracts for the sale of Gas obtained under the Prepaid Project; (c) debt service on the Bonds, including payments under any interest rate swap or hedge agreement; (d) any replenishment of draws made upon any working capital fund associated with the Prepaid Project; (e) any deposits required to be made by Issuer into any debt service reserve or other reserve or contingency fund or funds established with respect to the Bonds; (f) any fees or other amounts due to any provider of credit support for the Bonds; (g) payments under any commodity price swap or hedge agreement entered into in connection with the Prepaid Project; and (h) any other similar costs and expenses. If this annual comparison demonstrates that such revenues exceeded such expenses during the applicable fiscal year and there are amounts on deposit in the fund established by the Bond Indenture available for such purpose, then Issuer shall make refunds to Buyer and the other Project Participants in the amount available after making allowances for any necessary and appropriate reserves and contingencies (as provided in the foregoing clause (e)), including but not limited to amounts deemed reasonably necessary by the Project Management Committee (and approved by Issuer's Board of Directors) to fund any working capital reserve and to reserve or account for unfunded liabilities, including future sinking fund or other principal amortization of the Bonds. The amount available for refund shall be allocated among and paid to Buyer and the other Project Participants in proportion to their respective purchases for such fiscal year. As of the Effective Date, the projected Annual Refund for the Initial Period is [] cents per MMBtu.

4.6 Permanent Loss of Gas Need. (a) In the event of permanent loss of need for Gas on any of Gas Purchaser's local distribution company ("LDC") systems participating in this transaction due to (i) the permanent cessation of all or part of the operations of a large industrial

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customer; or (ii) the sale of the relevant LDC system to any entity other than a governmental person, Gas Purchaser may give notice of the permanent reduction of such quantities from its Daily Contract Quantity for the remaining term of this Contract. If the Issuer, subject to Section 3.3, is reasonably satisfied that such loss of need for Gas is permanent, which shall not be unreasonably withheld, conditioned, or delayed, the Issuer will reduce Gas Purchaser's Daily Contract Quantity through the remaining term of this Contract accordingly.

(b) In the event of permanent loss of need for Gas by any of Gas Purchaser's municipal electric joint action agencies participating in this transaction due to the permanent loss of gas-fired electric generation facilities (evidenced by the municipal electric joint action agency's Executive Committee or Board of Directors taking action which has the effect of approving, consenting to, or acquiescing to the cessation of operation of natural gas fired generation for the remaining term of the Gas Supply Agreement), Gas Purchaser may give notice of the permanent reduction of such quantities from its Daily Contract Quantity for the remaining term of this Contract. If the Issuer, subject to Section 3.3, is reasonably satisfied that such loss of need for Gas (as described in this Section 4.6 (b)) is permanent, which shall not be unreasonably withheld, conditioned, or delayed, the Issuer will reduce Gas Purchaser's Daily Contract Quantity through the remaining term of this Contract accordingly.

(c) As used in this Section 4.6, "permanent" means a period of time, at any time, that lasts for at least as long as the remaining Term of this Contract.

ARTICLE V TERM

5.1. Primary Term. This Contract shall be effective as of the Effective Date and shall be implemented to effectuate purchases and sales of Gas under this Contract for deliveries commencing on the first day of the Delivery Period. Unless earlier terminated in accordance with Section 2.2 or Section 5.2, this Contract thereafter shall remain in full force and effect for a primary term ending on the Maturity Date of the Bonds, subject to all winding up arrangements as described in Section 5.4 and to the provisions of Section 5.2.

5.2. Early Termination Before End of Primary Term. Notwithstanding Section 5.1, Gas Purchaser acknowledges and agrees that (i) in the event the Prepaid Gas Agreement terminates prior to the end of the primary term of this Contract, this Contract shall terminate on the date of early termination of the Prepaid Gas Agreement (subject to all winding up arrangements) and (ii) Issuer's obligation to deliver Gas under this Contract shall terminate upon the termination of deliveries of Gas to Issuer under the Prepaid Gas Agreement. In addition, Gas Purchaser acknowledges and agrees that this Contract may terminate early as a result of a default by Gas Purchaser under ARTICLE XIV. Issuer shall provide notice to Gas Purchaser of any early termination date. The Parties recognize and agree that, in the event that the Prepaid Gas Agreement terminates because of a Failed Remarketing of the Bonds that occurs in the first Month of a Reset Period, Issuer shall deliver Gas under this Contract for the remainder of such first Month, and, notwithstanding anything in this Contract to the contrary, the Contract Price for all Gas deliveries made by Issuer during such first Month shall be the applicable index price identified for deliveries

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in Exhibit C with no Monthly Discount and there shall be no Annual Refunds associated with such deliveries.

5.3. Remarketing Election; Suspension and Resumption of Deliveries.

(a) Remarketing Event. For each Reset Period, at least ten (10) days prior to the applicable Remarketing Election Deadline, Issuer shall provide to Gas Purchaser a written notice setting forth the duration of such Reset Period and the estimated Available Discount for such Reset Period. In the event such estimated Available Discount for a Reset Period is not equal to or greater than the Minimum Discount for that Reset Period (a “Remarketing Event”), such notice shall also state (i) that a Remarketing Event has occurred, (ii) the applicable Remarketing Election Deadline, and (iii) that Gas Purchaser, and each other Project Participant, may (A) continue to purchase and receive its Daily Contract Quantity during such Reset Period at a Contract Price that reflects the Monthly Discount portion of the Available Discount (as finally determined as hereinafter described), plus Annual Refunds, if any, as described in Section 4.5, or (B) elect that such Daily Contract Quantity be remarketed for such Reset Period (a “Remarketing Election”) by providing a Remarketing Election Notice prior to the Remarketing Election Deadline. The Parties acknowledge that the determination of the Available Discount for a Reset Period under the Re-Pricing Agreement will be through an iterative process that may commence with informal, non-binding communications that shall not constitute a written notice as provided for above, when Issuer may provide preliminary non-binding estimates of the Available Discount for a Reset Period.

(b) Remarketing Election. If Gas Purchaser elects to have its Daily Contract Quantity remarketed for such Reset Period following the occurrence of a Remarketing Event, Gas Purchaser must provide written notice of such Remarketing Election to Issuer, MSCG and the Trustee (its “Remarketing Election Notice”) not later than the applicable Remarketing Election Deadline. A Remarketing Election Notice shall be in substantially the form attached hereto as Exhibit G. In the event Gas Purchaser provides a Remarketing Election Notice on or prior to the applicable Remarketing Election Deadline, the Parties’ obligations to deliver and receive Gas shall be suspended for the duration of such Reset Period and the Daily Contract Quantity for such Reset Period shall be zero MMBtu per day.

(c) Extension of Remarketing Election Deadline. If a Remarketing Event has occurred and Gas Purchaser has not made a Remarketing Election, but one or more of the other Project Participants has made a Remarketing Election, the estimated Available Discount may be required to be recalculated pursuant to the Re-Pricing Agreement. In such case Issuer shall provide such new estimated Available Discount to Gas Purchaser promptly in writing, and the Remarketing Election Deadline shall be extended to the third Business Day following the date of such notice.

(d) Final Determination of Available Discount. The Parties acknowledge and agree that the final Available Discount for any Reset Period following the Initial Period will be determined on the applicable Re-Pricing Date, and that such Available Discount may differ from the estimate or estimates of such Available Discount provided to Gas Purchaser and the other Project Participants prior to the applicable Remarketing Election Deadline. Accordingly, the Parties agree that:

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(i) the Available Discount for any Reset Period will not be less than the Minimum Discount applicable to such Reset Period, unless (A) Issuer has provided notice of such Remarketing Event to Gas Purchaser in accordance with paragraph (a) of this Section 5.3, and (B) Gas Purchaser has not provided a Remarketing Election Notice prior to the applicable Remarketing Election Deadline (as the same may be extended pursuant to paragraph (c) of this Section 5.3); and

(ii) if Gas Purchaser has not made a Remarketing Election prior to the applicable Remarketing Election Deadline (as the same may be extended pursuant to paragraph (c) of this Section 5.3), Gas Purchaser shall be deemed to have elected to continue to purchase and receive its Daily Contract Quantity at a Contract Price that reflects the Monthly Discount portion of the Available Discount as finally determined on the applicable Re-Pricing Date, plus the right to its share of Annual Refunds, if any, and all delivery and purchase obligations under this Contract shall continue in full force and effect for the applicable Reset Period.

(e) Resumption of Deliveries. In the event that Gas deliveries are suspended following a Remarketing Election made by Gas Purchaser in accordance with this Section 5.3, the Parties acknowledge and agree that deliveries shall resume if, in connection with any future Reset Period, (i) the Available Discount calculated for such Reset Period is equal to or exceeds the Minimum Discount applicable to such Reset Period, or (ii) Issuer and Gas Purchaser mutually agree to resume deliveries for such future Reset Period with a discount less than the applicable Minimum Discount. Issuer shall provide notice setting forth the duration of the Reset Period and the estimated Available Discount for such Reset Period no later than at least ten (10) days prior to the applicable Remarketing Election Deadline for such Reset Period. The Parties acknowledge and agree that the final Available Discount will be determined on the applicable Re-Pricing Date, and that such Available Discount may differ from the estimate or estimates of such Available Discount with the effect described in subsection (d) above.

5.4. Winding Up Arrangements. The expiration or termination of this Contract shall not relieve either Party of (a) any unfulfilled obligation or undischarged liability of such Party on the date of such termination, (b) the consequences of any breach or default of any warranty or covenant contained in this Contract, (c) its obligation to effectuate all winding up arrangements or (d) its obligation to take any other actions as may be necessary to effectuate all of the terms of this Contract. ~~For the avoidance of doubt, Gas Purchaser shall not be responsible for the payment of more than the Contract Price for Gas deliveries as a result of any winding up arrangements. All obligations and liabilities described in the preceding sentence of this Section 5.4, and the applicable provisions of this Contract creating or relating to such obligations and liabilities, shall survive such expiration or termination. For the avoidance of doubt, Gas Purchaser shall not be responsible for the payment of more than the Contract Price for Gas deliveries as a result of any winding up arrangements.~~

ARTICLE VI
FAILURE TO PERFORM

6.1. Cost of Replacement Gas. Except in cases of Force Majeure, for each MMBtu that Issuer is obligated to deliver to Gas Purchaser under this Contract but fails to deliver, Issuer shall

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pay to Gas Purchaser an amount equal to the difference between the price per MMBtu which would have been applicable to the undelivered Gas under ARTICLE IV and any higher ~~cost-price~~ per MMBtu which Gas Purchaser actually incurred to obtain an equivalent quantity of replacement Gas, including but not limited to any incremental charges associated with the transportation and storage of such replacement Gas, exercising Commercially Reasonable Efforts to obtain such replacement Gas and alternate transportation at a Commercially Reasonable price. For purposes of this Section 6.1, replacement Gas includes without limitation Gas withdrawn from storage, liquefied natural gas, and peak shaving, and costs associated with obtaining such Gas include without limitation storage withdrawal and injection costs, storage fuel, and liquefaction and vaporization costs for stored liquefied natural gas; provided, however, that for purposes of the foregoing the price of any such replacement Gas withdrawn from storage shall be the market price applicable to such Gas at the time of the withdrawal.

6.2. Obligation to Take the Daily Quantity. If on any Gas Day Issuer tenders the Daily Contract Quantity for delivery to Gas Purchaser and Gas Purchaser fails to take the Daily Contract Quantity, Gas Purchaser shall remain obligated to pay Issuer the Contract Price for the Daily Contract Quantity plus the Project Administration Fee. Issuer shall credit to Gas Purchaser's account any Net Remarketing Proceeds for such Gas.

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6.3. No Consequential or Special Damages. Neither Party shall be liable for consequential, incidental, special, or punitive damages or losses which may be suffered by the other as a result of the failure to deliver or take or pay for the required quantities of Gas under this Contract.

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6.4. Imbalances. The Parties shall use Commercially Reasonable Efforts to avoid the imposition of any Imbalance Charges. If Issuer or Gas Purchaser receives an invoice from a Transporter that includes Imbalance Charges related to the obligations of either Party under this Contract, the Parties shall determine the validity as well as the cause of such Imbalance Charges. If the Imbalance Charges were incurred as a result of Gas Purchaser's takes of quantities of Gas greater than or less than the Daily Contract Quantity at any Delivery Point, then Gas Purchaser shall pay for such Imbalance Charges or reimburse Issuer for such Imbalance Charges paid by Issuer. If the Imbalance Charges were incurred as a result of Issuer's deliveries of quantities of Gas greater than or less than the Daily Contract Quantities at any Delivery Point, then Issuer shall pay for such Imbalance Charges or reimburse Gas Purchaser for such Imbalance Charges paid by Gas Purchaser. Notwithstanding the provisions of Sections 6.1 and 6.2 the Parties may mutually agree to make up any differences between the Daily Contract Quantity and the quantity delivered or taken on any Gas Day in kind.

ARTICLE VII **RESPONSIBILITY FOR TRANSPORTATION**

Issuer shall make all arrangements for transportation services required to effect the delivery of the Daily Contract Quantity to the Delivery Points. Gas Purchaser shall take all actions and be responsible for making all arrangements required to effect the transportation of the Daily Contract Quantity from the Delivery Points, including but not limited to all nominations, scheduling, balancing, and associated management and administrative functions. Issuer shall bear all costs and expenses of transportation prior to the delivery of the Daily Contract Quantity at the Delivery

Points, except as provided in this Contract. Gas Purchaser shall bear all costs of transportation at and after the delivery of Gas to the Delivery Points.

ARTICLE VIII
DELIVERY REQUIREMENTS

8.1. Specifications. All Gas delivered under this Contract shall be merchantable and shall, upon delivery, conform to the quality specifications and heating value specified in Gas Purchaser's Transporter's FERC Gas Tariff.

8.2. Pressure. All Gas sold by Issuer to Gas Purchaser under this Contract shall be delivered to Gas Purchaser at the pressure maintained from time to time in Gas Purchaser's Transporter's facilities at the Delivery Points.

8.3. Measurement. Gas sold under this Contract shall be measured through Gas Purchaser's Transporter's existing measurement facilities at the Delivery Points in accordance with the provisions of such Transporter's FERC Gas Tariff. The unit of volume for measurement of Gas delivered under this Contract shall be one Mcf or otherwise as consistent with Transporter's measurement at the Delivery Points. The sales unit of the Gas shall be one MMBtu, established by converting Mcfs measured at the Delivery Points to MMBtus according to the Btu content determined by Transporter on a dry basis at the Delivery Points under Transporter's FERC Gas Tariff. With respect to any measurement of Gas delivered or received under this Contract at any Delivery Point, the measurement of such Gas (including the definition of Btu used in making such measurement) by the operator of such Delivery Point shall be conclusive.

ARTICLE IX
TITLE AND RISK OF LOSS

Issuer warrants the title to all Gas sold to Gas Purchaser under this Contract. Transfer of custody and title to Gas sold under this Contract shall pass to and vest in Gas Purchaser at the Delivery Point. As between the Parties, Issuer shall be deemed to be in exclusive control and possession of Gas delivered under this Contract prior to the time of delivery to Gas Purchaser at the Delivery Point, and Gas Purchaser shall be deemed to be in exclusive control and possession of Gas delivered under this Contract at and after delivery at the Delivery Point.

ARTICLE X
ROYALTIES AND TAXES

10.1. Royalties and Other Charges. Issuer shall pay or cause to be paid any royalties or other sums due on the gathering, handling, and transportation of Gas sold under this Contract prior to its delivery to Gas Purchaser at the Delivery Point.

10.2. Taxes. The price for Gas sold to Gas Purchaser under this Contract is inclusive of all production, severance, ad valorem, or similar taxes levied on the production or transportation of the Gas prior to its delivery to Gas Purchaser at the Delivery Point, and all such taxes shall be borne and paid exclusively by Issuer; provided, however, that if Gas Purchaser is required to remit such taxes to the collecting authority, Gas Purchaser shall do so and Issuer shall credit an amount equal to the taxes so paid against payments otherwise due to Issuer under this Contract. The price

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for Gas sold to Gas Purchaser under this Contract does not include any federal, tribal, state, or local sales, use, consumption, utility, storage, greenhouse gas, carbon, license, ad valorem, franchise, or similar taxes imposed by any taxing authority on the sale to, or use by, Gas Purchaser of Gas sold under this Contract, including without limitation ad valorem taxes on Gas held in storage by Gas Purchaser. Gas Purchaser shall be responsible for the payment of any such taxes and for completing and filing all required forms.

ARTICLE XI **BILLING AND PAYMENT**

11.1. **Timing.** Not later than ten days following the end of the Month of delivery, Issuer or its designee shall provide a Monthly billing statement to Gas Purchaser of the amount due for Gas tendered for delivery under this Contract. Such billing statement shall be provided to Gas Purchaser by hand delivery, first-class mail, express courier, electronic transmission, or facsimile transmission to the address or facsimile number set forth for Gas Purchaser in ARTICLE XVIII. Gas Purchaser shall remit such amounts due to Issuer by wire transfer or ACH in immediately available funds on or before the 20th day of the Month following the Month of delivery, or if such day is not a Business Day, the immediately preceding Business Day. If the Billing Statement indicates an amount due from Issuer, then Issuer shall remit such amount to Buyer by wire transfer (pursuant to Buyer's instructions), in immediately available funds, on or before the 28th day of the Month following delivery, or if such day is not a Business Day, the following Business Day.

11.2. **Late Payment.** In the event Gas Purchaser fails to pay an amount when due hereunder, interest thereon shall accrue at a rate of interest per annum equal to the lesser of (i) the Prime Rate plus three-two percent or (ii) the maximum rate permitted by law, in either case from the due date until paid. If Gas Purchaser disputes the appropriateness of any charge or calculation in any billing statement, Gas Purchaser, within the time provided for payment, shall notify Issuer of the existence of and basis for such dispute and shall pay all amounts billed by Issuer, including any amounts in dispute. If it is ultimately determined that Gas Purchaser did not owe the disputed amount, by agreement or by a final order of a court of competent jurisdiction which is not subject to appeal or concerning which any right to appeal has been waived or which the Parties have irrevocably agreed not to appeal, Issuer shall pay Gas Purchaser that amount plus interest as calculated in accordance with this Section 11.2.

11.3. **Audit Rights.** Each Party shall have the right, at its own expense, to examine and audit at any reasonable time the books, records, measurement data, charts, and telemetry data of the other Party to the extent, but only to the extent, necessary to verify the accuracy of any statements or charges made under or pursuant to this Contract. Any inaccuracy shall be corrected promptly when discovered; provided, however, that neither Party shall be required to maintain books, records, measurement data, charts, or telemetry data for a period of more than two calendar years following the end of the calendar year to which they are applicable. Neither Party shall have a right to question or contest any charge or credit if the matter is not called to the attention of the other Party in writing within 24 Months of the date of the charge or credit in question.

11.4. **Special Obligations and Covenants of Gas Purchaser.** Gas Purchaser's obligation to make the payments it is required to make under this Contract is a several obligation and not a

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joint obligation with the obligations of any other Project Participant under its contract with Issuer for the purchase of Gas under the Prepaid Project. Gas Purchaser further covenants and agrees:

(a) to make such payments from the ~~operating revenues of its municipal utility system~~ and as a charge against such revenues, as an operating expense ~~of its municipal system~~ and a cost of purchased Gas; provided, however, that Gas Purchaser, in its discretion, may apply any legally available monies to the payment of amounts due under this Contract;

(b) that it will establish, maintain, and collect rates and charges for the services furnished ~~by its municipal utility system~~ so as to provide revenues sufficient, together with other available ~~municipal utility~~ system revenues, to enable Gas Purchaser to pay to Issuer all amounts payable under this Contract and to pay all other amounts payable from ~~the its operating revenues of Gas Purchaser's municipal utility system~~, and to maintain any required reserves;

(c) that it shall not furnish or supply ~~Gas services from its municipal utility system~~ free of charge to any person, firm, corporation, association, or other entity, public or private, except any such service free of charge that Gas Purchaser is supplying as of the date of this Contract, as has been specifically identified by Gas Purchaser to Issuer in writing, and that it shall promptly enforce the payment of any and all material accounts owing to Gas Purchaser for the sale of Gas or the provision of services to its customers;

(d) that any future bond issue undertaken by Gas Purchaser, or in connection with any other financing or financial transaction, Gas Purchaser ~~shall provide that the amount payable by it under this Contract constitute a cost of purchased Gas and an operating expense of its municipal utility system payable, together with all other operating expenses, from a first charge on the revenues of its municipal utility system and~~ shall not pledge or encumber the revenues of its ~~municipal utility system~~ ~~business~~ through a gross revenue pledge or in any other way which creates a prior or superior obligation to its obligation to make payments under this Contract; and

(e) that it shall not take an action to institute an Event of Insolvency with respect to Gas Purchaser.

11.5. **Financial Responsibility.** When reasonable grounds for insecurity of payments due under this Contract arise, Issuer may demand, and Gas Purchaser shall provide within five Business Days if demanded, adequate assurance of performance. Reasonable grounds include but are not limited to the occurrence of an Event of Insolvency with respect to Gas Purchaser or the downgrading of Gas Purchaser's credit rating, if any, by a Rating Agency to a level below investment grade, and/or such facts and circumstances which would constitute reasonable grounds for insecurity under the Uniform Commercial Code in effect in the State of Alabama. Adequate assurance shall mean sufficient security in the form and for a term reasonably specified by Issuer, including but not limited to a standby irrevocable letter of credit, a prepayment, a deposit to an escrow account, or a performance bond or guaranty by a creditworthy entity. The Parties agree that in the event Gas Purchaser fails to provide such adequate assurance as demanded, Issuer shall have the right to suspend further deliveries of Gas to Gas Purchaser under this Contract on three ~~Business d~~Days written notice and shall not be obligated to restore such deliveries until the first day of the Month after such demand has been satisfied; provided, however, that Issuer shall not be obligated to restore such deliveries notwithstanding the satisfaction of such demand until the

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completion of the term of deliveries to any replacement sales customer to which MSCG has remarketed the Gas on behalf of Issuer. The Parties agree that once the event requiring adequate assurance is cured, the adequate assurance provided, if any, shall be returned to Gas Purchaser within a reasonable period and shall no longer be required.

11.6. No Set-Off. Payment for all amounts set forth in a billing statement provided to Gas Purchaser pursuant to Section 11.1 shall be made without set-off or counterclaim of any kind.

ARTICLE XII
LAWS AND REGULATIONS

This Contract is subject to all valid laws, orders, rules, regulations, or other governmental actions of any duly constituted federal, state, or local governmental authority, to the extent such laws, orders, rules, and regulations are applicable and effective from time to time; provided, however, that no such action by Gas Purchaser's or Issuer's governing body may affect that Party's obligations and rights under this Contract.

ARTICLE XIII
FORCE MAJEURE

13.1. Suspension of Obligations. Except with regard to a Party's obligation to make payments under this Contract, neither Party shall be liable to the other for failure to perform an obligation to the extent such failure was caused by Force Majeure, as defined in Section 13.2.

13.2. Force Majeure Defined. The term "Force Majeure" as employed herein means any cause not reasonably within the control of the Party claiming suspension, as further defined in this Section 13.2. The term "Force Majeure" shall include, but not be limited to, the following: (i) physical events such as acts of God, landslides, lightning, earthquakes, fires, storms or storm warnings, such as hurricanes or tornadoes, which result in evacuation of the affected area, floods, washouts, explosions, or breakage of or accident or necessity of repairs to machinery or equipment or lines of pipe; (ii) weather related events affecting an entire geographic region, such as low temperatures which cause freezing or failure of wells or lines of pipe; (iii) interruption and/or curtailment of transportation and/or storage by Transporters (provided that if the affected Party is using interruptible or secondary Firm transportation, only if primary, in-path, Firm transportation is also curtailed by the same event, or, if the relevant Transporter does not curtail based on path, if primary Firm transportation is also curtailed); (iv) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections, wars or acts of terror; (v) governmental actions, such as necessity for compliance with any court order, law, statute, ordinance, regulation, or policy having the effect of law promulgated by a Government Agency having jurisdiction; and (vi) any invocation of Force Majeure by MSCG under the Prepaid Gas Agreement. Issuer and Gas Purchaser shall make Commercially Reasonable Efforts to avoid the adverse impacts of a Force Majeure event or occurrence and to resolve the event or occurrence once it has occurred in order to resume performance.

13.3. Force Majeure Exclusions. Neither Party shall be entitled to the benefits of a claim of Force Majeure to the extent performance is affected by any or all of the following circumstances: (i) the Party claiming excuse failed to remedy the condition and to resume the performance of its

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obligations with reasonable dispatch; (ii) economic hardship, to include, without limitation, Issuer's ability to sell Gas at a higher or more advantageous price, Gas Purchaser's ability to purchase Gas at a lower or more advantageous price, or a Government Agency disallowing, in whole or in part, the pass-through of costs resulting from this Contract; or (iii) the loss of Gas Purchaser's markets or Gas Purchaser's inability to resell Gas purchased under this Contract, except, in either case, as provided in Section 13.2. Gas Purchaser shall not be entitled to the benefit of the provisions of Force Majeure to the extent performance is adversely affected by any action taken by Gas Purchaser in its governmental capacity. The Party claiming Force Majeure shall not be excused from its responsibility for Imbalance Charges.

13.4. Settlement of Labor Disputes. Notwithstanding anything to the contrary in this Contract, the Parties agree that the settlement of strikes, lockouts or other industrial disturbances shall be within the sole discretion of the Party experiencing such disturbance.

13.5. Force Majeure Procedure. The Party whose performance is prevented by Force Majeure must provide notice to the other Party as soon as practicable. Initial notice may be given orally; however, written notice with reasonably full particulars of the event or occurrence is required as soon as reasonably possible. Upon providing written notice of Force Majeure to the other Party, the affected Party will be relieved of its obligation, from the onset of Force Majeure, to make or accept delivery of Gas, as applicable, to the extent and for the duration of Force Majeure, and neither Party shall be deemed to have failed in such obligations to the other during such occurrence or event.

**ARTICLE XIV
DEFAULT**

14.1. Failure by Gas Purchaser to Make Payments Due. Failure by Gas Purchaser to make to Issuer when due any of the payments for which provision is made in this Contract shall constitute a default on the part of Gas Purchaser.

14.2. Enforcement and Right to Discontinue Service. In the event of any default under Section 14.1, Issuer shall have the right to recover from Gas Purchaser any amount in default. In enforcement of any such right of recovery, Issuer may bring any suit, action, or proceeding at law or in equity, including without limitation mandamus, injunction and action for specific performance, as may be available to Issuer to enforce any covenant, agreement, or obligation to make any payment for which provision is made in this Contract, and Issuer in its sole discretion may, upon three ~~Business d~~Days written notice to Gas Purchaser, cease and discontinue providing delivery of all or any portion of the Gas otherwise to be delivered to Gas Purchaser at the Delivery Points under this Contract. In the event Issuer takes all or any of the actions authorized by this Section 14.2, Gas Purchaser shall remain fully liable for payment of all amounts in default and shall not be relieved of any of its payment obligations under this Contract.

14.3. Reinstatement of Service. If Issuer exercises its right to discontinue providing Gas deliveries to Gas Purchaser under Section 14.2, such Gas deliveries may only be reinstated, at a time to be determined by Issuer, upon (i) payment in full by Gas Purchaser of all amounts then due and payable under this Contract and (ii) payment in advance by Gas Purchaser at the beginning of each Month of amounts estimated by Issuer to be due to Issuer for the future delivery of Gas under

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this Contract for such Month. Issuer may continue to require payment in advance after the reinstatement of service under this Contract for such period of time as Issuer in its sole discretion may determine is appropriate.

14.4. Other Default by Gas Purchaser. In the event of a failure by Gas Purchaser to establish, maintain, or collect rates or charges adequate to provide revenues sufficient to enable Gas Purchaser to pay all amounts due to Issuer under this Contract, or in the event of a failure by Gas Purchaser to take from Issuer its Gas supplies in accordance with the provisions of this Contract, or in the event of any default by Gas Purchaser under any other covenant, agreement, or obligation in this Contract, Issuer (without limiting the provisions of [14.6](#)) may bring any suit, action, or proceeding at law or in equity, including without limitation mandamus, injunction, and action for specific performance, as may be available to Issuer to enforce any covenant, agreement, or obligation of Gas Purchaser in this Contract. In addition to the foregoing remedies (and without limiting any other provisions of this Contract), if Gas Purchaser fails to accept from Issuer any of the Daily Contract Quantity tendered for delivery under this Contract, Issuer shall have the right to sell, or cause MSCG to sell, such Gas to third parties.

14.5. Default by Issuer. In the event of a default by Issuer under any covenant, agreement, or obligation in this Contract, Gas Purchaser (without limiting the provisions of Section 14.6) may bring any suit, action, or proceeding at law or in equity, including without limitation mandamus, injunction, and action for specific performance, as may be available to Gas Purchaser to enforce any covenant, agreement, or obligation in this Contract against Issuer.

14.6. Arbitration and Mediation. Notwithstanding any other provision of this Contract to the contrary, the Parties by mutual agreement may agree to mediate or arbitrate any dispute that arises under this Contract.

14.7. Third-Party Beneficiaries. Except as provided in this Section 14.7, it is specifically agreed that there are no third-party beneficiaries of this Contract and that this Contract shall not impart any rights enforceable by any Person not a party to this Contract. Gas Purchaser acknowledges and agrees that (i) Issuer will pledge and assign its rights, title and interest in this Contract and the amounts payable by Gas Purchaser under this Contract (other than amounts payable in respect of the Project Administration Fee under Section 4.3) to secure Issuer's obligations under the Bond Indenture, (ii) the Trustee shall be a third-party beneficiary of this Contract with the right to enforce Gas Purchaser's obligations under this Contract, (iii) the Trustee or any receiver appointed under the Bond Indenture shall have the right to perform all obligations of Issuer under this Contract, and (iv) in the event of a default in payments by Gas Purchaser under this Contract, (a) MSCG may, to the extent provided for in, and in accordance with, the Receivables Purchase Agreement (as defined in the Bond Indenture), take assignment from Issuer of receivables owed by Gas Purchaser to Issuer under this Contract, and shall thereafter have all rights of collection with respect to such receivables and interest accrued thereon, and (b) if such receivables are not so assigned, the Commodity Swap Counterparty shall have the right to pursue collection of such receivables to the extent of any non-payment by Issuer under the Commodity Swap that was caused by Gas Purchaser's payment default.

ARTICLE XV
PROJECT MANAGEMENT AND ADMINISTRATION

15.1. Administration of the Prepaid Project. Issuer covenants and agrees that it will use its best efforts to acquire, manage and administer the Prepaid Project for the benefit of all of the Project Participants. Gas Purchaser acknowledges and agrees that Issuer may from time to time enter into amendments of and supplements to the Bond Indenture and any or all of the other Project Agreements (in accordance with their respective terms) and that Issuer will not be required to obtain the consent or approval of Gas Purchaser in connection with any such supplement or amendment, as long as such amendments and supplements do not negatively affect the terms of this Contract.

15.2. Project Management Committee. Pursuant to Issuer's bylaws, Project Participants may appoint a representative to serve on the Project Management Committee (the "Project Management Committee"). The Project Management Committee is required to act in accordance with and is governed by Issuer's bylaws. In the event that a weighted vote is called for on any matter before the Project Management Committee, each Project Participant shall be entitled to cast a number of votes that is equal to its Daily Contract Quantity under its Gas Supply Contract.

ARTICLE XVI
WAIVERS

No waiver by either Issuer or Gas Purchaser of any default of the other under this Contract shall operate as a waiver of any future default, whether of like or different character or nature.

ARTICLE XVII
SUCCESSION AND ASSIGNMENT

The terms and provisions of this Contract shall extend to and be binding upon the Parties and their respective successors, assigns, and legal representatives; provided, however, that neither Party may assign this Contract or its rights and interests, in whole or in part, under this Contract as set forth in this ARTICLE XVII without the prior written consent of the other Party, not unreasonably withheld, except that Issuer may assign its interests under this Contract as described in Section 14.7. Prior to assigning this Contract, Gas Purchaser shall deliver to Issuer (i) written confirmation from each of the Applicable Rating Agencies, provided that such agency has rated and continues to rate the Bonds, that the assignment will not result in a reduction, qualification, or withdrawal of the then-current ratings assigned by the Applicable Rating Agencies to the Bonds; or (ii) written confirmation from each of the Applicable Rating Agencies, that the assignee has an outstanding long-term senior, unsecured, unenhanced debt rating equivalent to or higher than the ratings assigned by the Applicable Rating Agencies to the Bonds. Whenever an assignment or a transfer of a Party's interest in this Contract is requested to be made with the written consent of the other Party, the assigning or transferring Party's assignee or transferee shall expressly agree to assume, in writing, the duties and obligations under this Contract of the assigning or transferring Party. Upon the agreement of a Party to any such assignment or transfer, the assigning or transferring Party shall furnish or cause to be furnished to the other Party a true and correct copy of such assignment or transfer and assumption of duties and obligations.

ARTICLE XVIII
NOTICES

Except as is otherwise specifically provided in this Contract, any notice, request, demand, or statement provided for in this Contract must be given in writing and delivered in person, by United States mail, or by express courier to the respective Parties at the addresses shown below or at such other addresses as may hereafter be furnished to the other Party in writing, and all payments due from Gas Purchaser under this Contract shall be made by wire transfer to the account for payments set forth below:

Issuer:

The Black Belt Energy Gas District
P.O. Box 220
2003 College Avenue
Jackson, Alabama 36545
Attention: Kelly Henry
Telephone: (251) 751-8635
Fax: (251) 246-2479
Email: khenry@blackbeltenergy.com

Payments:

The Bank of New York Mellon Trust Company
ABA #: [____]
A/C #: [____]
Re: [____]
Attn: [____]¹

Gas Purchaser:

[____]
[____]
[____]
[____]²

Payments:

By Wire Transfer: [____]
Account No.: [____]
ABA No. [____]
Attn: [____]

¹ NTD: Trustee to provide.

² NTD: Gas Purchaser to provide.

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Any notice initially delivered orally as may be permitted under this Contract shall be confirmed in writing, and any notice initially delivered by facsimile transmission, email or other electronic means shall be followed by a hard copy sent by first-class mail or express courier within two days after transmission of the facsimile transmission, email or other electronic means.

**ARTICLE XIX
CHOICE OF LAW**

This Contract shall be interpreted and construed in accordance with the applicable laws of the State of Alabama, excluding conflicts of law principles which would refer to the laws of another jurisdiction; provided, however, that the authority of Gas Purchaser to enter into [and perform its obligations under](#) this Contract shall be governed by and interpreted in accordance with the laws of the state or commonwealth, as applicable, of its formation.

**ARTICLE XX
MODIFICATIONS**

No modifications of the terms and provisions of this Contract shall be or become effective except pursuant to and upon the due and mutual execution of a supplemental written amendment by the Parties.

**ARTICLE XXI
COMPUTATIONS**

Except as otherwise provided herein, all computations related to prices and indices performed under this Contract shall be rounded to four decimal places (\$0.0000).

**ARTICLE XXII
REPRESENTATIONS AND WARRANTIES**

22.1. Representations and Warranties of Issuer. Issuer hereby makes the following representations and warranties to Gas Purchaser:

(a) Issuer is a public corporation organized as a gas district under the laws of the State of Alabama, duly organized and validly existing under the laws of the State of Alabama, and has the power and authority to own its properties, to carry on its business as now being conducted, and to enter into and to perform its obligations under this Contract.

(b) The execution, delivery, and performance by Issuer of this Contract have been duly authorized by all necessary corporate action of Issuer and do not and will not require, subsequent to the execution of this Contract by Issuer, any consent or approval of the Board of Directors or any officers of Issuer.

(c) This Contract is the legal, valid, and binding obligation of Issuer, enforceable in accordance with its terms, except as such enforceability may be subject to (i) the exercise of judicial discretion in accordance with general principles of equity and (ii) bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights heretofore or hereafter enacted, to the extent constitutionally applicable.

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(d) As of the date of this Contract, there is no pending or, to Issuer's knowledge, threatened action or proceeding affecting Issuer which purports to affect the legality, validity, or enforceability of this Contract.

(e) Black Belt shall deliver to Gas Purchaser as a condition precedent to Gas Purchaser's execution of this Agreement an opinion letter of counsel to Black Belt, in substantially the form set forth in Exhibit ____.

22.2. Representations and Warranties of Gas Purchaser. Gas Purchaser hereby makes the following representations and warranties to Issuer:

(a) Gas Purchaser is a ~~{_____}~~, Florida public body corporate and politic, and joint action agency formed under the Florida Interlocal Cooperation Act, and has the power and authority to own its properties, to carry on its business as now being conducted, and to execute, deliver, and perform this Contract.

(b) The execution, delivery, and performance by Gas Purchaser of this Contract have been duly authorized by ~~the governing body~~ all necessary corporate actions of Gas Purchaser and do not and will not require, subsequent to the execution of this Contract by Gas Purchaser, any consent or approval of the governing body or any officers of Gas Purchaser.

(c) This Contract is the legal, valid, and binding obligation of Gas Purchaser, enforceable in accordance with its terms, except as such enforceability may be subject to (i) the exercise of judicial discretion in accordance with general principles of equity and (ii) bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights heretofore or hereafter enacted, to the extent constitutionally applicable.

(d) As of the date of this Contract, there is no pending or, to Gas Purchaser's knowledge, threatened action or proceeding affecting Gas Purchaser which purports to affect the legality, validity, or enforceability of this Contract.

(e) Gas Purchaser shall deliver to Issuer a Federal Tax Certificate in substantially the form set forth in Exhibit E on the Effective Date; provided that, if the Bond Closing Date occurs after December 31, 2019, Gas Purchaser shall deliver an updated Federal Tax Certificate, in substantially the form set forth in Exhibit E but utilizing data for the five calendar years ending December 31, 2018, on the Bond Closing Date.

(f) Gas Purchaser shall deliver to Issuer an opinion letter of counsel to Gas Purchaser in substantially the form set forth in Exhibit F on the Bond Closing Date.

(g) Gas Purchaser shall deliver to Issuer a Closing Certificate in substantially the form set forth in Exhibit H on the Bond Closing Date.

ARTICLE XXIII
CERTAIN OBLIGATIONS OF GAS PURCHASER

23.1. Tax-Exempt Status of Bonds. The Bonds will be issued with the intention that the interest thereon will be exempt from federal taxes under Section 103 of the Code. Accordingly, Gas Purchaser agrees that it will (a) provide such information with respect to its gas supply program as may be requested by Issuer in order to establish the tax-exempt status of the Bonds, and (b) act in accordance with such written instructions as Issuer may provide from time to time in order to maintain the tax-exempt status of the Bonds. Gas Purchaser further agrees that it will not at any time take any action, or fail to take any action, which would adversely affect the tax-exempt status of the Bonds. Subject to Section 23.3, Gas Purchaser agrees it will use all of the Gas purchased under this Agreement in compliance with the Qualifying Use Requirements. Gas Purchaser agrees that it will provide such additional information, records and certificates as Issuer may reasonably request to confirm Gas Purchaser's compliance with this Section 23.1.

23.2. Continuing Disclosure. Gas Purchaser agrees to provide to Issuer: (a) such financial and operating information as may be requested by Issuer including its most recent audited financial statements for use in Issuer's offering documents for the Bonds; and (b) annual updates to such information and statements to enable Issuer to comply with its continuing disclosure undertakings under Rule 15c2-12 of the United States Securities and Exchange Commission (the "Rule"). Failure by Gas Purchaser to comply with its agreement to provide such annual updates shall not be a default under this Contract, but any such failure shall entitle Issuer or an owner of the Bonds to take such actions and to initiate such proceedings as may be necessary and appropriate to cause Gas Purchaser to comply with such agreement, including without limitation the remedies of mandamus and specific performance.

23.3. Remediation. The Parties acknowledge that Gas Purchaser may at times need to remarket, or may at times inadvertently remarket, Gas received hereunder or, with respect to Electricity generated using Gas received hereunder, may sell or utilize the Electricity in a manner that does not comply with the Qualifying Use Requirements due to, *inter alia*, daily and hourly fluctuations in Gas Purchaser's Commodity needs. To the extent Gas Purchaser does so, Gas Purchaser shall, to the extent possible, use the proceeds of such remarketing to purchase Commodities (other than Priority Commodities) that Gas Purchaser uses in compliance with the Qualifying Use Requirements by not later than the end of the calendar quarter (each calendar quarter, a "Quarter") in which such proceeds were received. To track compliance with these requirements, Gas Purchaser will provide a quarterly report to Issuer (delivered not later than the 15th day of each April, July, October and January until the end of the Delivery Period) showing the following (each, a "Quarterly Report"):

(a) The total quantity of Priority Commodities received by Gas Purchaser during such Quarter;

(b) The total quantity of Priority Commodities sold or used not in compliance with the Qualifying Use Requirements (such quantity as units, "Disqualified Sale Units" and such quantity as value received, "Disqualified Sale Proceeds").

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(c) If, for any Quarter, Gas Purchaser had any Disqualified Sale Proceeds, then such Quarterly Report must also demonstrate whether such Disqualified Sale Proceeds were remediated through the purchase of Commodities (other than Priority Commodities) used in compliance with the Qualifying Use Requirements. In connection therewith, Gas Purchaser shall report the following for any Quarter in which it had Disqualified Sale Proceeds:

- (i) Gas Purchaser's aggregate system demand for the preceding Quarter;
- (ii) the total quantity (in units and dollars) of Electricity (other than Priority Commodities) purchased by Gas Purchaser during such Quarter from generation not owned or controlled by Gas Purchaser;
- (iii) the total quantity (in units) of Electricity (other than Priority Commodities) generated using capacity owned or controlled by Gas Purchaser during such Quarter;
- (iv) the total quantity (in units) of Gas (other than Priority Commodities) used by Gas Purchaser in generating the Electricity described in clause (c); and
- (v) the extent of any Disqualified Sale Proceeds received from a "governmental person" as defined in Treasury Regulations Section 1.141-1(b) that agreed in writing to not use any part of such Gas for a "private business use" as defined in Section 141 of the Code.

23.4. Remarketing Reserve Payment. To the extent any Quarterly Report delivered under Section 23.3 does not demonstrate that all Disqualified Sale Proceeds were remediated as described above, then:

(a) Issuer shall cause such unremediated Disqualified Sale Proceeds and the associated Disqualified Sale Units to be added to the appropriate remarketing ledgers maintained by MSCG under the Prepaid Agreement, with the ledger entries dated as of the end of the first Month of the relevant Quarter,

(b) Gas Purchaser shall pay to Issuer, for deposit into the Gas Remarketing Reserve Fund (as defined in the Bond Indenture) an amount equal to the applicable Monthly Discount multiplied by unremediated Disqualified Sale Units (the number of MMBtus) for such Quarter. This amount will be due in the Month following delivery of the Quarterly Report on which such Disqualified Sale Units were reported.

Commented [TAG2]: New language. Looks okay

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ARTICLE XXIV
EXCHANGES

24.1. General Rule. Gas Purchaser may effectuate an exchange of Delivery Points for Gas purchased under this Contract on a daily or Monthly basis under Section 24.2 or Section 24.3; provided, however, that any failure by a third party to perform its obligations under any such exchange arrangement shall not relieve Gas Purchaser of its obligations under this Contract.

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24.2. Description of Exchange Agreement. Gas Purchaser may enter into an exchange agreement with a third party under which Gas Purchaser implements synthetic transportation of the Gas delivered at a Delivery Point (“Point A”) to a delivery point on another pipeline on which connected with Gas Purchaser’s system has firm transportation receipt rights (“Point B”). Under such an exchange agreement, Gas Purchaser would deliver Gas at Point A to the exchange counterparty and receive delivery of an equivalent value of Gas at Point B from the exchange counterparty. The equivalent value of Gas at Point B may be taken by Gas Purchaser on the same Gas Day that Gas is delivered at Point A or at any time after such Gas Day within the same or the next succeeding Month. The transaction described in this Section 24.2 is not in itself a “disqualifying use” under federal tax law in effect on the date of this Contract.

24.3. Exchange Transactions Through a Third Party. In addition to an exchange agreement under Section 24.2, Gas Purchaser may effectuate an exchange of deliveries of Gas at Point A (as described in Section 24.2) for deliveries at Point B (as described in Section 24.2) by entering into an agreement to provide the exchange through a third party. Under such an agreement, Gas Purchaser would arrange for the delivery of Gas to one party (“Party 1”) at Point A, and the receipt of Gas from another party (“Party 2”) at Point B, either directly or through a commodity exchange such as the Intercontinental Exchange, and bring the arrangements with Party 1 and Party 2 to a third party for the third party to enter into. Gas Purchaser would then enter into an exchange agreement with the third party, as described in Section 24.2 above. The transaction described in this Section 24.3 is not in itself a “disqualifying use” under federal tax law in effect on the date of this Contract.

ARTICLE XXV INTERPRETATION

25.1. Entirety of Contract. This Contract constitutes the entire agreement between Issuer and Gas Purchaser with respect to the sale, delivery, purchase and receipt of the Daily Contract Quantity under the Prepaid Project, and supersedes any and all prior negotiations, understandings, or agreements by the Parties with respect to the foregoing, whether oral or in writing.

25.2. Headings. The headings used throughout this Contract are inserted for reference purposes only and shall not be construed or considered in interpreting the terms and provisions of any Section or Article or this Contract as a whole.

25.3. Severability. If any Article, Section, term, or provision of this Contract becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable, or void, this Contract shall continue in full force and effect without said Article, Section, term, or provision; provided, however, that if such severability materially changes the economic benefits of this Contract to either Party, the Parties agree to negotiate promptly an equitable adjustment to the provisions of this Contract in good faith so as to place the Parties in as close to the same position as is possible under the circumstances as they were prior to such declaration by the court or other action or event.

25.4. Limited Liability. Issuer and Gas Purchaser acknowledge and agree that Gas Purchaser’s obligations under this Contract are limited as expressly described in this Contract and that Issuer has no recourse to any other source of payment from Gas Purchaser except as set forth

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in Section 11.4 of this Contract. Issuer and Gas Purchaser acknowledge and agree that Gas Purchaser has no recourse to any source of payment from Issuer under this Contract except the Trust Estate as defined in the Bond Indenture, and only to the extent such funds are available to be applied for such purpose in accordance with the Bond Indenture.

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ARTICLE XXVI
COUNTERPARTS

This Contract may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument, and each of which shall be deemed to be an original instrument as against a Party that has signed it.

IN WITNESS WHEREOF, the Parties hereto have executed this Contract as of the date hereinabove first written.

[GAS PURCHASER]

By: _____ Attested By: _____

Printed Name: _____ Printed Name: _____

Title: _____ Title: _____

THE BLACK BELT ENERGY GAS DISTRICT

By: _____ Attested By: _____

Printed Name: _____ Printed Name: _____

Title: _____ Title: _____

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EXHIBIT A
PRIMARY DELIVERY POINTS

[To come.]

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EXHIBIT B
DAILY CONTRACT QUANTITIES

[] MMBtu per day

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EXHIBIT C
INDEX PRICE

[To come.]

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EXHIBIT D
MONTHLY DISCOUNT

[____] per MMBtu per for the period from and including [____] to and including [____]

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EXHIBIT E

FEDERAL TAX CERTIFICATE

[NOTE: To be prepared for power utility with self-generation capacity and remediation rights per input from Tax Counsel.]

_____, 2019

By: _____
[Name]

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EXHIBIT F

FORM OF OPINION OF COUNSEL TO GAS PURCHASER

[____], 2019

The Black Belt Energy Gas District
Jackson, AL

Morgan Stanley Capital Group Inc.
New York, NY

Morgan Stanley
New York, NY

Bank of New York Mellon Trust Company, N.A.
Birmingham, AL

BP Energy Company
Houston, TX

Re: Gas Supply Contract Between _____ and The
Black Belt Energy Gas District dated [____], 2019

Ladies and Gentlemen:

We are Counsel to _____ ("Gas Purchaser"). Gas Purchaser is a Project Participant in the Prepaid Project undertaken by The Black Belt Energy Gas District ("Issuer"). We are furnishing this opinion to you in connection with the Gas Supply Contract between Issuer and Gas Purchaser dated as of [____], 2019 (the "Supply Contract").

Unless otherwise specified herein, all terms used but not defined in this opinion shall have the same meaning as is ascribed to them in the Supply Contract.

In connection with this opinion, we have examined originals or copies, certified or otherwise identified to our satisfaction, of the following:

(a) The Constitution and laws of the State of _____ (the "State") including, as applicable, acts, ordinances, certificates, articles, charters, bylaws, and agreements pursuant to which Gas Purchaser was created and by which it is governed;

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(b) Resolution No. [___], duly adopted by Gas Purchaser on [_____] (the “Resolution”) and certified as true and correct by certificate and seal, authorizing Gas Purchaser to execute and deliver the Supply Contract;

(c) A copy of the Supply Contract executed by Gas Purchaser; and

(d) All outstanding instruments relating to bonds, notes, or other indebtedness of or relating to Gas Purchaser and Gas Purchaser's municipal utility system.

We have also examined and relied upon originals or copies, certified or otherwise authenticated to our satisfaction, of such records, documents, certificates, and other instruments, and made such investigations of law, as in our judgment we have deemed necessary or appropriate to enable us to render the opinions expressed below.

Based upon the foregoing, we are of the opinion that:

1. Gas Purchaser is a [public corporation/municipal corporation/etc.] of the State, duly organized and validly existing under the laws of the State, and has the power and authority to own its properties, to carry on its business as now being conducted, and to enter into and to perform its obligations under the Supply Contract.

2. The execution, delivery, and performance by Gas Purchaser of the Supply Contract have been duly authorized by the governing body of Gas Purchaser and do not and will not require, subsequent to the execution of the Supply Contract by Gas Purchaser, any consent or approval of the governing body or any officers of Gas Purchaser.

3. The Supply Contract is the legal, valid, and binding obligation of Gas Purchaser, enforceable in accordance with its terms, except as such enforceability may be subject to (i) the exercise of judicial discretion in accordance with general principles of equity and (ii) bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights heretofore or hereafter enacted, to the extent constitutionally applicable.

4. No approval, consent or authorization of any governmental or public agency, authority, commission or person, or, to our knowledge, of any holder of any outstanding bonds or other indebtedness of Gas Purchaser, is required with respect to the execution, delivery and performance by Gas Purchaser of the Supply Contract or Gas Purchaser's participation in the transactions contemplated thereby other than those approvals, consents and/or authorizations that have already been obtained.

5. The authorization, execution and delivery of the Supply Contract and compliance with the provisions thereof (a) will not conflict with or constitute a breach of, or default under, (i) any instrument relating to the organization, existence or operation of Gas Purchaser, (ii) any ruling, regulation, ordinance, judgment, order or decree to which Gas Purchaser (or any of its officers in their respective capacities as such) is subject or (iii) any provision of the laws of the State relating to Gas Purchaser and its affairs, and (b) to our knowledge will not result in, or require the creation or imposition of, any lien on any of the properties or revenues of Gas Purchaser pursuant to any of the foregoing.

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6. Gas Purchaser is not in breach of or default under any applicable constitutional provision or any law or administrative regulation of the State or the United States or any applicable judgment or decree or, to our knowledge, any loan or other agreement, resolution, indenture, bond, note, resolution, agreement or other instrument to which Gas Purchaser is a party or to which Gas Purchaser or any of its property or assets is otherwise subject, and to our knowledge no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument.

7. Payments to be made by Gas Purchaser under the Supply Contract shall constitute operating expenses of Gas Purchaser's utility system payable solely from the revenues and other available funds of Gas Purchaser's utility system as a cost of purchased gas. The application of the revenues and other available funds of Gas Purchaser's utility system to make such payments is not subject to any prior lien, encumbrance or other restriction.

8. As of the date of this opinion, to the best of our knowledge after due inquiry, there is no pending or threatened action or proceeding at law or in equity or by any court, government agency, public board or body affecting or questioning the existence of Gas Purchaser or the titles of its officers to their respective offices or affecting or questioning the legality, validity, or enforceability of this Supply Contract nor to our knowledge is there any basis therefor.

This opinion is rendered solely for the use and benefit of the addressees listed above in connection with the Supply Contract and may not be relied upon other than in connection with the transactions contemplated by the Supply Contract, or by any other person or entity for any purpose whatsoever, nor may this opinion be quoted in whole or in part or otherwise referred to in any document or delivered to any other person or entity, without the prior written consent of the undersigned.

Very truly yours,

EXHIBIT G

FORM OF REMARKETING ELECTION NOTICE

[Issuer]
[Address]

[MSCG]
[Address]

[Trustee]
[Address]

To the Addressees:

The undersigned, duly authorized representative of _____ (the “Gas Purchaser”), is providing this Gas Remarketing Election Notice pursuant to the Gas Supply Contract, dated as of _____, 2019 (the “Supply Contract”), between The Black Belt Energy Gas District and the Gas Purchaser. Capitalized terms used herein shall have the meanings set forth in the Supply Contract.

Pursuant to Section 5.3(b) of the Supply Contract, the Gas Purchaser has elected to have its DCQ for each Gas Day of each Month of the applicable Reset Period remarketed beginning with the month of [_____] 20[___], and that the resumption of deliveries in any future Reset Period shall be in accordance with Section 5.3(e) thereof.

Given this [___] day of [_____] 20[___].

[Name]

By: _____
Name:
Title:

EXHIBIT H

FORM OF CLOSING CERTIFICATE

CLOSING CERTIFICATE OF GAS PURCHASER

[____], 2019

Re: The Black Belt Energy Gas District
 Gas Project Revenue Bonds,
 Series _____

The undersigned [President/Chairman/Chief Executive Officer] of _____ (the "Gas Purchaser"), hereby certifies as follows in connection with the Gas Supply Contract dated as of _____, 2019 (the "Contract") between the Gas Purchaser and The Black Belt Energy Gas District ("Issuer") and the issuance and sale by Issuer of the above-referenced bonds (the "Bonds") (capitalized terms used and not defined herein shall have the meanings given to them in the Contract):

1. Gas Purchaser is a [public corporation/municipal corporation/etc.] duly created and validly existing and in good standing under the laws of the State of _____ (the "State"), and has the corporate power and authority to enter into and perform its obligations under the Contract.

2. By all necessary official action on its part, the Gas Purchaser has duly authorized and approved the execution and delivery of, and the performance by the Gas Purchaser of the obligations on its part contained in the Contract, and such authorization and approval has not been amended, supplemented, rescinded or modified in any respect since the date thereof.

3. The Contract constitutes the legal, valid and binding obligation of the Gas Purchaser.

4. The authorization, execution and delivery of the Contract and compliance with the provisions on the Gas Purchaser's part contained therein (a) will not conflict with or constitute a breach of or default in any material respect under (i) any instrument relating to the organization, existence or operation of Gas Purchaser, (ii) any ruling, regulation, ordinance, judgment, order or decree to which Gas Purchaser (or any of its officers in their respective capacities as such) is subject or (iii) any provision of the laws of the State relating to Gas Purchaser and its affairs, and (b) will not result in, or require the creation or imposition of, any lien on any of the properties or revenues of Gas Purchaser pursuant to any of the foregoing.

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5. The Gas Purchaser is not in breach of or default in any material respect under any applicable constitutional provision, law or administrative regulation of the State or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Gas Purchaser is a party or to which the Gas Purchaser or any of its property or assets are subject, and no event has occurred and is continuing which constitutes or with the passage of time or the giving of notice, or both, would constitute a default or event of default in any material respect by the Gas Purchaser under any of the foregoing.

6. Payments to be made by the Gas Purchaser under the Contract shall constitute operating expenses of the Gas Purchaser's utility system payable solely from the revenues and other available funds of Gas Purchaser's utility system as a cost of purchased gas. The application of the revenues and other available funds of the Gas Purchaser's utility system to make such payments is not subject to any prior lien, encumbrance or other restriction.

7. No litigation, proceeding or tax challenge is pending or, to its knowledge, threatened, against the Gas Purchaser in any court or administrative body which would (a) contest the right of the officials of the Gas Purchaser to hold and exercise their respective positions, (b) contest the due organization and valid existence of the Gas Purchaser, (c) contest the validity, due authorization and execution of the Contract or (d) attempt to limit, enjoin or otherwise restrict or prevent the Gas Purchaser from executing, delivering and performing the Contract, nor to the knowledge of the Gas Purchaser is there any basis therefor.

8. All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect the due performance by the Gas Purchaser of its obligations under the Contract have been duly obtained.

9. The representations and warranties of the Gas Purchaser contained in the Contract were true, complete and correct on and as of the date thereof and are true, complete and correct on and as of the date hereof.

10. The statements and information with respect to the Gas Purchaser, if any, contained in the Preliminary Official Statement dated _____, 2019 and the Official Statement dated _____, 2019 with respect to the Bonds, including Appendix B thereto (the "Official Statement"), fairly and accurately describe and summarize the financial and operating position of the Gas Purchaser for the periods shown therein, and such statements and information did not as of the date of the Preliminary Official Statement and the date of the Official Statement, respectively, and the Official Statement does not as of the date hereof contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make such statements and information, in the light of the circumstances under which they were made, not misleading.

11. No event affecting the Gas Purchaser has occurred since the date of the Official Statement which should be disclosed therein in order to make the statements and information with

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respect to the Gas Purchaser contained therein, in light of the circumstances under which they were made, not misleading in any material respect.

IN WITNESS WHEREOF the undersigned has executed this Certificate on and as of the date first written above.

[Name of Entity]

By _____
Name:
Title: