

RESOLUTION 100966
MAY 19, 2011

Execution Copy
March 25, 2011

This instrument prepared by
(and return to):

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**THIRD AMENDED AND RESTATED INTERLOCAL
AGREEMENT**

BY AND AMONG

FLORIDA GAS UTILITY

AND

**CITY OF BLOUNTSTOWN
CITY OF CHIPLEY
CITY OF CLEARWATER D/B/A CLEARWATER GAS SYSTEM
CITY OF CRESCENT CITY
CITY OF DEFUNIAK SPRINGS
FLORIDA MUNICIPAL POWER AGENCY
CITY OF FORT MEADE
FORT PIERCE UTILITIES AUTHORITY
CITY OF GAINESVILLE D/B/A GAINESVILLE REGIONAL UTILITIES
CITY OF HOMESTEAD
TOWN OF JAY
KISSIMMEE UTILITY AUTHORITY
CITY OF LAKE CITY
CITY OF LAKE WORTH
CITY OF LAKELAND
CITY OF LEESBURG
CITY OF LIVE OAK
CITY OF MARIANNA
ORLANDO UTILITIES COMMISSION
PALATKA GAS AUTHORITY
CITY OF PERRY
CITY OF STARKE
CITY OF SUNRISE
CITY OF VERO BEACH
CITY OF WILLISTON**

Dated as of March 25, 2011

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THIRD AMENDED AND RESTATED INTERLOCAL AGREEMENT

THIS THIRD AMENDED AND RESTATED INTERLOCAL AGREEMENT made and entered into as of this 25th day of March, 2011, by and among City of Blountstown, City of Chipley, City of Clearwater D/B/A Clearwater Gas System, City of Crescent City, City of DeFuniak Springs, Florida Municipal Power Agency, City of Fort Meade, Fort Pierce Utilities Authority, City of Gainesville D/B/A Gainesville Regional Utilities, City of Homestead, Town of Jay, Kissimmee Utility Authority, City of Lake City, City of Lake Worth, City of Lakeland, City of Leesburg, City of Live Oak, City of Marianna, Orlando Utilities Commission, Palatka Gas Authority, City of Perry, City of Starke, City of Sunrise, City of Vero Beach, City of Williston, and which may be subsequently entered into by assumption of the rights and responsibilities of this Third Amended and Restated Interlocal Agreement by other cities or utility authorities, commissions or similar entities from time to time, pursuant to Article III, Section 3 hereof (collectively, "Members").

WITNESSETH:

WHEREAS, Florida Gas Utility was formed by Interlocal Agreement on September 1, 1989, which was subsequently amended by the Amended Interlocal Agreement on June 1, 1992, and which was amended and restated by Amended and Restated Interlocal Agreement as of July 1, 1996 and on July 27, 1999 ("Interlocal Agreement"); and

WHEREAS, the parties to the Interlocal Agreement have agreed to modifications to reflect certain agreed upon changes thereto; and

WHEREAS, in addition and supplemental to their other powers, the undersigned parties, pursuant to Chapter 163, Part I, Florida Statutes, as amended, commonly known as the "Florida Interlocal Cooperation Act of 1969," are authorized and empowered to cooperate with each other on a basis of mutual advantage and thereby to provide services and facilities in a manner and pursuant to forms of government organization that will accord best with geographic, economic, population, and other factors influencing the needs and development of local communities.

NOW, THEREFORE, IN CONSIDERATION of the mutual benefits to flow to each other, and to the citizens of the State of Florida, and in consideration of the mutual covenants, promises and agreements herein contained, the Members hereby agree with each other to amend and restate in its entirety the Interlocal Agreement by this Third Amended and Restated Interlocal Agreement (herein, the "Agreement" or the "Interlocal Agreement") as follows:

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ARTICLE I
Purpose; Duration; Effective Date

Section 1. Purpose of this Agreement.

The purpose of this Agreement is to create a legal entity constituting a public body corporate and politic under Section 163.01 of Chapter 163, Part I, Florida Statutes, as amended, composed of the Members, to be known as Florida Gas Utility ("FGU").

FGU is formed to undertake the acquisition, financing, constructing, managing, operating, delivering, servicing, utilizing, owning, brokering, exchanging, and distributing natural gas, manufactured gas, fossil fuels or other energy and energy sources and interests therein, present and future, of whatever kind or nature, and to exercise all of the powers granted by this Agreement, either within or without the State of Florida.

FGU shall be governed by a Board of Directors and Executive Committee as provided in Article IV. FGU, as directed by its Board of Directors, shall adopt bylaws, rules, regulations, policies and procedures to govern its actions and procedures.

It is not the purpose of this Agreement to transfer ownership of any existing facility from any Member or other entity to FGU.

Section 2. Duration.

This Agreement shall continue in full force and effect, until its termination as provided herein, subject to the right to rescind this Agreement and dissolve FGU as provided by Section 3 of this Article I; provided, however, that termination hereof shall not occur earlier than the date all bonds, notes or other evidences of indebtedness of FGU and the interest thereon shall have been paid in full or adequate provision for such payment shall have been made in accordance with the instruments governing such bonds, notes or other evidences of indebtedness and all other contractual obligations undertaken by FGU, all obligations and liabilities, and all liens, charges and encumbrances to which property of FGU is subject, shall have been satisfied, released or adequately provided for; however, any Member, by written notice to FGU and each of the other Members, may terminate its participation in this Agreement subject to the continuing obligation with respect to any contractual obligations undertaken by such Member, including any obligations with respect to a gas services agreement, a gas supply contract or a project support contract between such Member and FGU, or any similar contract outstanding from time to time, as such contracts may be amended or supplemented from time to time.

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Section 3. Dissolution of FGU.

This Agreement shall continue in full force and effect, and FGU shall continue to possess the powers herein conferred upon it, until the parties shall have rescinded this Agreement (in accordance with this Section 3 or it shall terminate with respect to all Members (in accordance with Section 2 of this Article I. Any such termination or rescission of this Agreement shall constitute a dissolution of FGU. Rescission or termination of this Agreement by all Members may only be accomplished by a writing or writings executed by each Member and approved by resolution of each Member's governing body. In no event shall this Agreement or the powers herein granted to FGU be rescinded or terminated until (a) all bonds, notes and other evidences of indebtedness of FGU and the interest thereon shall have been paid or adequate provision for such payment shall have made in accordance with the instruments governing such bonds, notes and other evidences of indebtedness and (b) all contractual obligations undertaken by FGU, all obligations and liabilities, and all liens, charges and encumbrances to which property of FGU is subject shall have been satisfied, released or adequately provided for.

Section 4. Liquidation.

Upon dissolution of FGU, the Executive Committee, under the supervision of the Board of Directors, shall liquidate the business, assets and property of FGU, as expeditiously as possible, and all property of FGU, real, personal, tangible and intangible shall be distributed (a) in the case of property constituting a part of a project of FGU, to the Members participating in such project and in the manner set forth in Section 2 of Article VI hereof, and (b) in the case of all other property of FGU, distribution of the assets will be in accordance with a plan of dissolution approved by the Board of Directors.

Section 5. Effective Date.

This Agreement shall take effect immediately upon its being filed as provided in Section 163.01(11), Florida Statutes.

ARTICLE II
Powers

In order to accomplish the purposes set out above, FGU shall have the power, upon action taken by its Board of Directors, as may be delegated to its Executive Committee by such action, by its bylaws or by the powers granted by this Agreement to:

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A. Make and enter into contracts in its own name with its Members, the United States, the State of Florida, foreign states or countries, other public agencies and interlocal agencies and persons, both within and without the State of Florida;

B. Acquire, construct, obtain, receive, purchase, lease, sublease, import, hold, own, use, operate, manage, maintain, pledge, hypothecate, improve, retain, dispose of, sell, donate, trade, transfer, deliver and convey real property and both tangible and intangible personal property inside and outside the State of Florida;

C. Acquire, plan, finance, construct, obtain, receive, purchase, lease or sublease any property and acquire by lease or sublease any property and cause the rentals paid to be certificated and sold, share cost of, hold, own, use, operate, manage, maintain, pledge, hypothecate, improve, retain, dispose of, sell, donate, trade, transfer, deliver and convey any joint supply project or projects and any and all facilities, including all equipment, structures, machinery, and tangible and intangible property, real and personal, useful or incidental to explore for, produce, manufacture, acquire, receive, purchase, contract for, own, use, consume, possess, insure, store, transport, transmit, dispatch, sell, convey, broker, trade, exchange, interchange, deliver, distribute, import, export, encumber, pledge, engage in commodity swaps and otherwise deal in natural gas, manufactured gas, fossil fuels, and other energy and energy sources and interests therein, present and future, of whatsoever kind or nature (collectively, "energy");

D. Acquire, obtain, maintain, hold, own, or dispose of any interest in natural and manufactured gas, fossil fuels and other energy by exploration, production, lease, manufacture, importation, purchase, trade, contract, franchise, futures contract, exchange and interchange;

E. Dispose of supplies of natural and manufactured gas, fossil fuels and other energy by use, consumption, sale, gift, trade, exportation, contract, futures contract, exchange and interchange;

F. Explore for, produce, manufacture, acquire, receive, purchase, contract for, own, use, consume, hold, possess, insure, store, transport, transmit, dispatch, sell, convey, broker, trade, exchange, interchange, deliver, distribute, import, export, encumber, pledge and otherwise deal in natural gas, manufactured gas, fossil fuels, and other energy and interests therein, present and future;

G. Investigate the desirability of and necessity for additional sources of natural gas, manufactured gas, fossil fuels, and other energy, and transmission facilities therefor, and make studies, surveys and estimates as may be necessary to determine the feasibility and cost thereof;

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H. Acquire, purchase, lease, receive, trade, construct, manufacture, own, hold, use, operate, manage, maintain, repair, exchange, sell, donate, pledge, hypothecate, transfer, deliver, and convey facilities, systems, apparatus, devices, plants, conduits, pipelines and other real, personal and intangible personal property for the exploration, production, manufacture, importation, storage, transportation, transmission, purchase, receipt, delivery, distribution, sale, exchange and interchange of natural gas, manufactured gas, fossil fuels, and other energy;

I. Acquire, purchase, own, hold, use, broker, lend, borrow, aggregate, disaggregate, pool, relinquish and transfer rights, allocations, franchises, licenses, privileges and choses in action entitling the holder thereof to purchase, store, receive, transport, exchange and deliver natural gas, manufactured gas and fossil fuels and other energy in pipelines;

J. Cooperate with other persons or other entities, public or private, in the development of sources and supplies of natural gas, manufactured gas, fossil fuels, and other energy, and transmission facilities therefor, and give assistance, financial or otherwise, in any such development;

K. Apply to any person or entity, public or private, for consents, permits, authorizations or approvals required for any project undertaken in accordance with this Agreement, and to take all necessary actions to comply with the conditions thereof;

L. Enter into interlocal agreements with other entities, whether or not created by interlocal agreements themselves, if such agreements are useful in the furtherance of this Agreement, to the extent permissible under Florida law;

M. Acquire, hold, use, pledge and dispose of any or all receivables, income, revenues, funds and money;

N. Incur debts, liabilities or obligations which do not constitute debts, liabilities or obligations of the Members, unless specifically agreed by such Members, and, to the extent permissible under Florida law, grant a mortgage or security interest in property acquired through loan proceeds, provided that without each Member's consent, it shall be non-recourse with respect to such Members;

O. Establish, operate and manage a pooled loan project or projects for utilization by FGU or its Members or others duly authorized by FGU;

P. Exercise all powers in connection with the authorization, issuance and sale of bonds and bond anticipation notes as are conferred by Section 163.01(7)(d) of Chapter 163, Part I, Florida Statutes, as amended, and any other applicable provisions of law, and by any such other applicable statute hereafter

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adopted, which may include interest rate swaps, collars, caps and other derivative products;

Q. Invest money of FGU not required for immediate use, including, but not limited to, proceeds from the sale of bonds, in such obligations, securities, and other investments as authorized by the investment policies of FGU, any applicable laws and any applicable provisions of any bond resolution or other instruments governing the fund or funds in which the money is deposited;

R. Exercise the power of eminent domain, in the manner authorized by law;

S. Impose fees and charges necessary to discharge its duties and obligations hereunder, and adopt such rules and regulations, policies and procedures and enact bylaws to implement the powers and authorities granted hereby;

T. Procure insurance from such insurers as it deems desirable or to self insure, or both, against risk of loss or liability in connection with its property, operations or assets;

U. Employ, engage, discharge and compensate agents, employees and independent contractors;

V. Sue and be sued in its own name;

W. Enforce all rules, regulations, policies and procedures adopted under the authority of this Agreement, independently, or with the assistance of the Members, and resort to any necessary legal process for this purpose;

X. Grant indemnification to its Directors, members of its Executive Committee, other committees, officers, agents and employees, to the extent permitted by law and in the manner set forth in its bylaws; and

Y. Exercise all such other powers incidental and useful to the furtherance of the purposes of this Agreement and to the exercise of the powers specified herein, and which the Members may exercise in their individual capacities, and any other powers conferred presently or in the future under the laws of Florida.

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ARTICLE III
Members

Section 1. Membership.

Members shall be entitled to representation on the Board of Directors and will be entitled to vote as provided herein.

Section 2. Duties of Members.

To accomplish the purposes of this Agreement, the Members respectively and mutually agree with each other to comply with and abide by all policies as may be established by the Board and operating procedures as established by the Executive Committee. Membership in FGU shall not impair any Member's right to contract with third parties outside FGU for sales and purchases of gas or other energy, except as may otherwise be agreed by any Member.

Section 3. Addition or Withdrawal of Members.

New Members may be added to FGU as provided below, as otherwise provided by the bylaws, or as may be provided by the Board.

1. A prospective Member must be a public agency as defined by Section 163.01(2)(b), Florida Statutes, and qualify for membership under Section 163.01, Florida Statutes, as it may be amended;

2. A prospective Member must execute a document of assumption of all rights and responsibilities as are set forth in this Agreement;

3. A prospective Member must execute a gas services contract with FGU granting to FGU the appropriate powers to enable FGU to perform the services which the Member desires to receive;

4. A prospective Member must be accepted for membership by the Executive Committee which will be effective after fifteen (15) business days written notice to the Board of Directors; and

5. A prospective Member must agree to pay its costs as incurred pursuant to the schedule of rates and charges as established by the Board of Directors, the Executive Committee or as otherwise provided by this Agreement.

Any Member may resign as a member of FGU as provided in this Agreement, in the bylaws or as otherwise authorized by the Board, subject to such further restrictions or to then existing contractual obligations imposed upon such Member or as shall otherwise be agreed to by such Member and FGU.

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Upon compliance with the provisions for resignation as provided herein, in the bylaws and pursuant to all applicable regulatory requirements, and to the extent permitted by law or regulations, and as otherwise provided by the contractual obligations of the Members, including gas services agreements, gas supply contracts, project support contracts or similar contracts, or other contractual agreements between or among some or all of the Members, FGU will transfer or cede back to the departing Member the transportation entitlements that the Member transferred or ceded to FGU as well as the Member's proportional share of any new entitlements secured by FGU for all FGU Members, subject to the provisions of any agreement between the Members and FGU. Such resignation will not extinguish the Member's obligation to make payments to FGU for all expenses and contractual obligations incurred by FGU for the benefit of the Member as provided herein, and for such other obligations as shall be agreed to by such Member and FGU.

ARTICLE IV
Board of Directors; Executive Committee

Section 1. Board of Directors.

The Board of Directors shall be composed of one Director from each of the Members, from which the Board of Directors shall elect a Chair who shall serve at the will of the Board of Directors. The appointment of a Director to represent a Member (sometimes referred to as a "Director Representative") shall be determined by the governing body of each Member. An alternate Director may also be appointed by each Member who shall serve in the absence or inability of a Director to act or serve at any time during that Director's term. The appointment of a Director and an alternate Director shall be made in formal session, shall be reflected in the minutes of the meeting of such Member and a certified copy of such evidence of appointment shall be provided to FGU. Each Director and alternate Director shall serve at the pleasure of the governing body of the respective appointing Member and may be removed as Director and alternate Director at any time by action taken with the same formality as the appointment and with the same such notice to FGU. In case of removal of a Director before completion of the term of such Director, unless the alternate Director shall be available to serve, a successor shall be appointed by the Member to serve for the balance of the term. In the event that a Director has been removed, the alternate Director shall serve until a successor Director has been duly appointed. The membership of the Board shall be known as the Florida Gas Utility Board of Directors, herein called the "Board" or "Board of Directors" or an individual member may be known as a "Director." The Executive Committee, herein "Executive Committee," shall be selected by the Board of Directors as set forth in Section 7 of this Article IV.

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Section 2. Duties of the Board of Directors.

FGU shall be governed by the Board of Directors, subject to the powers and authorities delegated to the Executive Committee by this Agreement, the bylaws, or other action of the Board. The Board shall select the Chair in accordance with the voting procedures specified below and may replace the Chair by designating a new Chair. The Board shall establish policies and adopt bylaws necessary to accomplish the purposes of this Agreement. The Board shall also approve the annual budget, however the Executive Committee may approve any amendments to the annual budget to be effective after fifteen (15) business days written notice to each member of the Board of Directors of such proposed revision, together with a copy thereof. Any change to this Agreement, the schedule of fees and charges, the membership policy included in the FGU bylaws, the adoption and amendment of the bylaws to carry out the intent and purposes of this Agreement, and the issuance of any bonds, notes or other such debt obligations of FGU, other than current operating indebtedness shall be approved by the Board. The Executive Committee may carry out the issuance of such debt obligations after initial approval by the Board.

The Board of Directors may by general resolution, delegate to the Executive Committee, powers in addition to the powers set forth in this Agreement and the bylaws, it being the general intent of the bylaws and this Agreement that the Executive Committee shall be responsible for the executive duties and general management of the business, operations and affairs of FGU. The Directors may, by action taken at a duly called Board meeting, however, revoke the delegation of authority for any proposed action by the Executive Committee, including addition of new Members, approval of amendments to the annual budget and acceptance of the annual audit.

Section 3. Meetings of the Board of Directors.

The Chair's function will be to conduct all business meetings of the Board and preside over meetings of the Executive Committee and to perform other activities as directed by the Board or as provided by the bylaws.

The Board shall meet at least one time per year in accordance with the bylaws. Additional Board meetings may be called by the Chair or at the request of one Director, and with the concurrence of three (3) or more Directors polled by the General Manager, with evidence thereof recorded in the minutes of the meeting.

Section 4. Quorum and Voting.

Unless otherwise required by law, a quorum for the purpose of transacting business of FGU by the Board shall be a majority of the weighted voting rights of all

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Director Representatives, as determined below. The concurring vote of at least seventy per cent (70%) of such weighted voting rights of those Directors who are present, in person, shall be necessary to decide any question. The weighted votes to be exercised by the Director Representative for each Member, shall be determined as set forth below:

- (1) Membership in FGU will entitle the Director Representative for each Member to at least one (1) vote.
- (2) For each respective meeting of the Board, the Director Representative of a Member shall be entitled to an additional one to ten (1 – 10) vote(s) based on that Member's percentage share, as of the "Determination Time" described below, of total pipeline transportation capacity held by FGU for its Members or otherwise made available to FGU for the purpose of providing gas supply to Members in accordance with the following schedule:

0-2%	1 vote
2.01-6%	2 votes
6.01-15%	3 votes
15.01-30%	4 votes
30.01-50%	6 votes
50.01-75%	8 votes
>75%	10 votes

"Determination Time" shall mean the close of business on the business day next preceding the day on which notice of such meeting of Directors is properly given in accordance with the Bylaws.

- (3) In addition to the voting rights described in clauses (1) and (2) above, a Director Representative shall be entitled to an additional one to ten (1-10) vote(s) based on his or her respective Member's percentage share of the total gas throughput (usage) of FGU's Members for the 12 full calendar months preceding the Determination Time, as determined by FGU staff, subject to the adjustments described below, as allocated in accordance with the following schedule:

0-2%	1 vote
2.01-6%	2 votes
6.01-15%	3 votes
15.01-30%	4 votes
30.01-50%	6 votes
50.01-75%	8 votes
>75%	10 votes

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In determining a Member's percentage share of the total gas throughput (usage) for such 12 preceding months for purposes of the foregoing calculations, staff shall exclude historical gas deliveries to such Member that are not scheduled to continue at the same relative levels during the next succeeding 12 consecutive months under either the Member's standard Gas Services Agreement or under ongoing Special Projects.

Notwithstanding the other provisions of this Interlocal Agreement, the Chair or a majority of the Directors, present in person and entitled to vote at any meeting of the Board, whether or not a quorum is present, shall have the power to adjourn such meeting, from time to time, without any notice other than announcement at the meeting of the time and place of the holding of the adjourned meeting. If the adjournment is for more than thirty (30) days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each Director entitled to vote at such meeting. At such adjourned meeting at which a quorum shall be present or represented any business may be transacted which might have been transacted at the meeting as originally called. All notices required by law shall be given.

Notwithstanding the weighted voting procedures described above, the Board shall not approve any amendment to this Interlocal Agreement, except at the Annual Meeting or a special meeting duly called for such purpose, in each case upon at least twenty (20) business days prior written notice to each Member specifying in such notice the amendment or amendments to be approved. Approval of any such proposed amendment shall require the affirmative vote of not less than seventy percent (70%) of all Directors based on the weighted voting procedures set forth in this Section 4.

Section 5. Vacancies on the Board of Directors.

Any vacancy on the Board of Directors shall be filled by the Member who appointed the Director by written notice to FGU (Attention: the Secretary) in accordance with the provisions of Article IV, Section 1 hereof. The filling of any vacancy on the Board of Directors shall be effective upon receipt of such notice.

Section 6. Bylaws.

The Board of Directors shall adopt bylaws governing rules of order and other subjects required for the conduct of FGU's business in a manner not inconsistent with this Agreement.

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Section 7. Executive Committee.

The Board of Directors shall select the members of the Executive Committee and alternate members of the Executive Committee, based on nominations from a nominating committee selected by the Chair and on nominations from the floor. Each member of the Executive Committee and each alternate shall be a Director.

The terms of the Executive Committee members, and the method for recall of members shall be as designated in the bylaws. The Board shall select, recall and replace members of the Executive Committee in accordance with the bylaws. The Executive Committee shall be composed of the Chair of the Board, the Vice Chair (each of whom may be selected from any Member classification), two (2) Directors representing municipal gas distributors (LDCs), two (2) Directors representing municipal electric power generators, one (1) at large Director and three (3) or more alternate Directors (each of whom may be selected from any Member classification). Members of the Executive Committee shall serve at the will of the Board.

Concurrently with the selection of regular Executive Committee members, the Board shall designate three (3) or more alternate members of the Executive Committee (each an "alternate"), each of whom shall be a Director selected from any Member classification. Alternate members of the Executive Committee, in the order of priority designated by the Board, shall fill any vacancy on the Executive Committee if a member or members of the Executive Committee shall be unavailable to serve for a particular meeting. The alternates shall only serve upon the inability or failure of a regular member of the Executive Committee to attend a particular meeting for any reason.

Members of the Executive Committee and such alternates shall be subject to recall by the Board regardless of whether or not the member's or alternate's term has expired. If an individual ceases to be a Director for any reason, he or she shall also concurrently cease to be a member of the Executive Committee and will be succeeded in office by the first alternate described below. If a regular member of the Executive Committee resigns or ceases to be a Director, the first alternate member then remaining (based on the succession priority established by the Board) shall automatically become a regular member of the Executive Committee for the departing member's remaining term, or until a new regular member of the Executive Committee is elected by the Board.

The Executive Committee shall meet at least one time per quarter or more often if necessary upon call of the Chair, or upon request of two (2) or more members of the Executive Committee. Any such meeting may be cancelled as provided in the bylaws. Five (5) members of the Executive Committee shall

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constitute a quorum. Each member of the Executive Committee will have one (1) vote and the vote of a majority of those members of the Executive Committee who are present shall be necessary to decide any question.

Section 8. Duties and Powers of the Executive Committee.

The Executive Committee shall have the authority to manage the executive and business affairs of FGU directly or through a contract with a Member for management services, or through a combination of direct management and contractual services. The Executive Committee shall have all of the power and authority granted by this Agreement and as provided by the bylaws or other action of the Board, and not reserved exclusively to the Board. The Executive Committee may make revisions to the annual budget for FGU which will be effective after fifteen (15) business days written notice to each member of the Board of Directors of such proposed revision, together with a copy thereof. The Executive Committee shall establish all operating procedures necessary to conduct the daily business of FGU and shall have the authority to approve all contracts on behalf of the Board and to delegate the approval of operational contracts as necessary to facilitate the daily business of FGU. The Executive Committee shall approve all operating procedures used by FGU in carrying out its duties and obligations. The Executive Committee shall have the authority to direct the Chair of the Board or the General Manager to execute all contracts approved in accordance with this Agreement or the bylaws and to direct FGU's staff to execute all operational contracts whether specifically approved by the Executive Committee or approved by staff in accordance with operating procedures established by the Executive Committee.

The Executive Committee shall appoint a General Manager for FGU subject to approval by the Board of Directors. The General Manager may be a direct employee of FGU, an employee of a Member providing management services under contract to FGU, a contract employee of FGU or a contract employee of a Member providing management services under contract to FGU. The General Manager may select or hire agents or employees as the Executive Committee may from time to time determine to be necessary to follow the policies of the Board, but except for the General Manager, the Executive Committee shall have no direct supervisory authority over any direct employee of FGU, any employee of a Member providing management services under contract to FGU, or any contract employee of a Member or FGU.

The business and affairs of FGU shall be managed by the General Manager under the general direction of the Executive Committee through the Chair in accordance with policies established by the Board of Directors, and subject to the restrictions imposed by law and this Agreement. The General Manager shall receive direction from the Chair on behalf of the Executive Committee but shall not

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receive direction from any single member of the Executive Committee except through the Chair.

The Executive Committee may accept and disburse funds for FGU on behalf of the Board which are appropriated to FGU either by any governmental body or from whatever source.

The Executive Committee may apply for and receive grants and donations of all kinds on behalf of FGU, and it may expend all such funds for any lawful purpose consistent with the general purposes and policy of the Board.

Section 9. Meetings by Electronic Communications.

Meetings of the Board of Directors, except for the Annual Meeting, and meetings of the Executive Committee may be held by telephonic conference call or other electronic communications by means of which all persons participating in the meeting can hear the other at the same time. Participation by such means shall constitute presence in person at a meeting.

ARTICLE V
Officers

Section 1. Number, Titles and Term of Office.

The officers of FGU shall be a Chair of the Board, a Vice Chair of the Board, a General Manager, a Chief Financial Officer and a Secretary, and such other officers as the Board of Directors may from time to time elect or appoint or as provided by the bylaws. The Chair, the Vice Chair and the Secretary shall each hold office for a term of two (2) years or as such term may be extended by the Board of Directors until such officer's successor shall be duly elected and shall qualify or until such officer's death or until such officer shall resign or shall have been removed or as shall otherwise be provided by the bylaws. The Chair and Vice Chair shall not be entitled to serve a successive, consecutive term after serving for two (2) consecutive terms of two (2) years each. The offices of General Manager and Secretary may be held by the same person. Except for the Chair and the Vice Chair, no officer need be a Director.

Section 2. Powers and Duties of the Chair of the Board.

The Chair of the Board shall preside at meetings of the Board and the Executive Committee. In the event the Chair cannot be present at a meeting, the Vice Chair shall perform this responsibility, or in the absence of the Vice Chair, another Director designated by the Chair, or Vice Chair, as the case may be, shall preside. The Chair shall have the power and authority to execute all documents on

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behalf of and bind FGU for all lawful obligations, and shall have all other powers and authorities granted to the General Manager.

Section 3. Powers and Duties of the Vice Chair of the Board.

The Board of Directors may appoint and assign areas of responsibility to the Vice Chair of the Board, and, in such event, and subject to the overall direction of the Chair of the Board and the Board of Directors, the Vice Chair of the Board shall be responsible for supervising the management of the affairs of FGU assigned to the Vice Chair. In the absence of the Chair, or in the event of the Chair's inability or refusal to act, the Vice Chair of the Board shall perform the duties of the Chair, and, when so acting, shall have all the powers of and be subject to all the restrictions upon the Chair. Further, the Vice Chair of the Board shall have such other powers and duties as designated in accordance with the bylaws and as from time to time may be assigned to the Vice Chair of the Board by the Board of Directors or the Chair of the Board.

Section 4. General Manager.

The General Manager shall be the chief executive officer of FGU and, subject to the general direction of the Executive Committee and in accordance with its operating procedures, shall have general executive charge of the properties, business and operations of FGU with all such powers as may be reasonably incident to such responsibilities, shall execute all leases, contracts, bonds and other evidence of indebtedness and other obligations in the name of FGU and shall have such other powers and duties as designated in accordance with the bylaws or as are from time to time assigned or delegated to the General Manager by the Executive Committee.

Section 5. Chief Financial Officer.

The Chief Financial Officer shall have the custody of all funds and accounts of FGU and maintain complete and accurate financial records of all transactions, prepare financial statements, have the authority to execute all leases, contracts, bonds and other evidence of indebtedness and other obligations in the name of FGU and perform such other duties and have such other authority and powers as the Board may from time to time prescribe or as the General Manager may from time to time delegate. The Chief Financial Officer shall function under the general direction of the General Manager and in accordance with FGU policies and procedures.

Section 6. Secretary.

The Secretary shall keep the minutes of all meetings of the Board of Directors, the Executive Committee and all other committees of the Board of

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Directors in books provided for that purpose; shall attend to the giving and serving of all notices in the name of FGU; shall have charge of the books and papers of FGU as the Board of Directors may direct, all of which shall be open for inspection by any Director during normal business hours at the principal office of FGU, upon advance written request to the Chair; shall have such other powers and duties as designated in the bylaws and as from time to time may be assigned to the Secretary by the Board of Directors, the Chair of the Board, and the Vice Chair of the Board; and shall in general perform all acts incident to the office of Secretary, subject to the control of the Board of Directors, the Chair, or the Vice Chair.

Section 7. Resignation.

Any officer may at any time resign his office by the delivery of a resignation in writing to FGU (Attention: the Secretary). Such resignation shall be effective upon receipt or such later time as FGU shall approve, and acceptance thereof shall not be necessary to make it effective unless it so states.

Section 8. Removal of Officers.

Any officer may be removed from office at any time in accordance with the bylaws.

ARTICLE VI
Special Projects

Section 1. Special Projects.

The Board may agree to undertake a project involving investment of capital, other than minor capital expenditures, and for the investigations of the desirability of establishing a project or taking other action ("Study Project") and may elect to establish a separate budget or budgets for such projects. All Members shall be afforded an opportunity to participate on an equitable basis in any project and the Board may permit other public entities to participate. When a project is operational, if less than all Members, or if non-members, are participants, FGU may maintain a separate subsidiary operating account on each such project which will demonstrate the financial relationship between the project and FGU's general operating budget. Special projects shall be implemented and carried out as provided by the Executive Committee.

Section 2. Termination of Projects.

Upon the termination of any project of FGU (other than a Study Project) and after:

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A. all bonds, notes or other evidences of indebtedness of FGU with respect to such project, and the interest thereon, shall have been paid or adequate provision for such payment made in accordance with the provisions of such bonds, notes or other evidences of indebtedness, and

B. all contractual obligations undertaken by FGU with respect to such project and all liens, charges and encumbrances to which the property constituting a part of such project is subject shall have been satisfied, released or adequately provided for,

then all property, real, personal, tangible and intangible of FGU constituting a part of such project shall promptly be divided among and distributed to the parties participating in such project in the proportion that each party's participation in such project bears to the participation of all parties participating in such project, or in such other manner as such parties shall agree.

ARTICLE VII Miscellaneous

Section 1. Recovery of Costs.

FGU shall be a not-for-profit entity, whose actual operating costs will be reimbursed by the Members and customers in accordance with policies adopted by the Board. In addition, each Member will be obligated to reimburse FGU for its share of all gas or other energy supply, transportation and other costs incurred by FGU for the primary benefit of such Member in accordance with the bylaws and policies adopted by the Board.

Section 2. Accumulated Net Revenues.

After all expenses and obligations of FGU are provided for, any surplus revenue over and above expenses of FGU and any reserve fund established by the Board and funded by the budget will be proportionately returned to the Members or other entity in accordance with the bylaws and policies adopted by the Board, or as provided by any bond resolution or trust indenture adopted by FGU for the issuance of bonds or other indebtedness.

Section 3. Fiscal Control.

FGU shall maintain its financial records in accordance with generally accepted accounting principles. An annual budget shall be adopted by the Board. All financial activities shall be audited by a certified public accountant at the conclusion of each fiscal year. Members shall be furnished copies of the annual audit and all other financial records they may from time to time request.

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March 25, 2011

Section 4. Filing with Clerk of Circuit Court.

A copy of this Agreement and all subsequent amendments thereto shall be filed with the Clerk of the Circuit Court of the County where FGU maintains its principal place of business.

Section 5. Amendments.

This Agreement may be amended when initiated by any Director by notifying the Board and providing the text of the proposed change in writing to the Board at least twenty (20) business days prior to a vote thereon. No proposed amendment shall be effective unless approved by a weighted vote of seventy per cent (70%) of the Member votes of FGU as specified in Article IV, Section 4 hereof.

Section 6. Prohibited Transactions with Staff.

Except for routine communications dealing with service personnel pursuant to gas service or supply agreements, no Director, member of the Executive Committee, in each case, except for the Chair, or Member shall give orders or directives to the staff of FGU.

Section 7. Seal.

The Board of Directors may adopt a seal of FGU and shall have the authority to change or alter such seal.

Section 8. Effect on Prior Agreement.

This Agreement amends in its entirety and supersedes and shall take the place of the Interlocal Agreement dated September 1, 1989, the Amended Interlocal Agreement dated June 1, 1992, the Amended and Restated Interlocal Agreement dated as of July 1, 1996 and the Second Amended and Restated Interlocal Agreement dated as of July 27, 1999.

Section 9. Execution in Counterparts.

This Agreement may be executed in any number of counterparts and the counterparts collectively shall constitute the agreement of the parties.

Execution Copy
March 25, 2011

IN WITNESS WHEREOF, the Members have entered into this Agreement and have caused it to be executed by their duly authorized officers.

THE CITY OF BLOUNTSTOWN
a Municipal Corporation

ATTEST:

By: _____

Approved as to Form and Legality

By: _____

#9828727_v4

IN WITNESS WHEREOF, the Members have entered into this Agreement and have caused it to be executed by their duly authorized officers.

THE CITY OF CHIPLEY
a Municipal Corporation

ATTEST:

By: _____

Approved as to Form and Legality

By: _____

#9828727_v4

IN WITNESS WHEREOF, the Members have entered into this Agreement and have caused it to be executed by their duly authorized officers.

THE CITY OF CLEARWATER
a Municipal Corporation

ATTEST:

By: _____

Approved as to Form and Legality

By: _____

#9828727_v4

IN WITNESS WHEREOF, the Members have entered into this Agreement and have caused it to be executed by their duly authorized officers.

CITY OF CRESCENT CITY
a Municipal Corporation

ATTEST:

By: _____

Approved as to Form and Legality

By: _____

#9828727_v4

IN WITNESS WHEREOF, the Members have entered into this Agreement and have caused it to be executed by their duly authorized officers.

CITY OF DEFUNIAK SPRINGS
a Municipal Corporation

ATTEST:

By: _____

Approved as to Form and Legality

By: _____

#9828727_v4

IN WITNESS WHEREOF, the Members have entered into this Agreement and have caused it to be executed by their duly authorized officers.

FLORIDA MUNICIPAL POWER AGENCY

ATTEST:

By: _____

Approved as to Form and Legality

By: _____

#9828727_v4

IN WITNESS WHEREOF, the Members have entered into this Agreement and have caused it to be executed by their duly authorized officers.

THE CITY OF FORT MEADE
a Municipal Corporation

ATTEST:

By: _____

Approved as to Form and Legality

By: _____

#9828727_v4

IN WITNESS WHEREOF, the Members have entered into this Agreement and have caused it to be executed by their duly authorized officers.

ATTEST:

FORT PIERCE UTILITIES AUTHORITY

By: _____

Approved as to Form and Legality

#9828727_y4

By: _____

IN WITNESS WHEREOF, the Members have entered into this Agreement and have caused it to be executed by their duly authorized officers.

CITY OF GAINESVILLE, D/B/A
GAINESVILLE REGIONAL UTILITIES

ATTEST:

By: _____

Approved as to Form and Legality

By: _____

#9828727_v4

IN WITNESS WHEREOF, the Members have entered into this Agreement and have caused it to be executed by their duly authorized officers.

THE CITY OF HOMESTEAD
a Municipal Corporation

ATTEST:

By: _____

Approved as to Form and Legality

By: _____

#9828727_v4

IN WITNESS WHEREOF, the Members have entered into this Agreement and have caused it to be executed by their duly authorized officers.

THE TOWN OF JAY
a Municipal Corporation

ATTEST:

By: _____

Approved as to Form and Legality

By: _____

#9828727_v4

IN WITNESS WHEREOF, the Members have entered into this Agreement and have caused it to be executed by their duly authorized officers.

KISSIMMEE UTILITY AUTHORITY

ATTEST:

By: _____

Approved as to Form and Legality

By: _____

#9828727_v4

IN WITNESS WHEREOF, the Members have entered into this Agreement and have caused it to be executed by their duly authorized officers.

THE CITY OF LAKE CITY
a Municipal Corporation

ATTEST:

By: _____

Approved as to Form and Legality

By: _____

#9828727_v4

IN WITNESS WHEREOF, the Members have entered into this Agreement and have caused it to be executed by their duly authorized officers.

THE CITY OF LAKE WORTH
a Municipal Corporation

ATTEST:

By: _____

Approved as to Form and Legality

By: _____

#9828727_v4

IN WITNESS WHEREOF, the Members have entered into this Agreement and have caused it to be executed by their duly authorized officers.

ATTEST:

CITY OF LAKELAND
a Municipal Corporation

By: _____

Approved as to Form and Legality

#9828727_v4

By: _____

IN WITNESS WHEREOF, the Members have entered into this Agreement and have caused it to be executed by their duly authorized officers.

CITY OF LEESBURG
a Municipal Corporation

ATTEST:

By: _____

Approved as to Form and Legality

#9828727_v4

By: _____

IN WITNESS WHEREOF, the Members have entered into this Agreement and have caused it to be executed by their duly authorized officers.

CITY OF LIVE OAK
a Municipal Corporation

ATTEST:

By: _____

Approved as to Form and Legality

By: _____

#9828727_v4

IN WITNESS WHEREOF, the Members have entered into this Agreement and have caused it to be executed by their duly authorized officers.

THE CITY OF MARIANNA
a Municipal Corporation

ATTEST:

By: _____

Approved as to Form and Legality

By: _____

#9828727_v4

IN WITNESS WHEREOF, the Members have entered into this Agreement and have caused it to be executed by their duly authorized officers.

ORLANDO UTILITIES COMMISSION

ATTEST:

By: _____

Approved as to Form and Legality

By: _____

#9828727_v4

IN WITNESS WHEREOF, the Members have entered into this Agreement and have caused it to be executed by their duly authorized officers.

ATTEST:

PALATKA GAS AUTHORITY

By: _____

Approved as to Form and Legality

By: _____

#9828727_v4

IN WITNESS WHEREOF, the Members have entered into this Agreement and have caused it to be executed by their duly authorized officers.

CITY OF PERRY

ATTEST:

By: _____

Approved as to Form and Legality

By: _____

#9828727_v4

IN WITNESS WHEREOF, the Members have entered into this Agreement and have caused it to be executed by their duly authorized officers.

THE CITY OF STARKE
a Municipal Corporation

ATTEST:

By: _____

Approved as to Form and Legality

By: _____

#9828727_v4

IN WITNESS WHEREOF, the Members have entered into this Agreement and have caused it to be executed by their duly authorized officers.

CITY OF SUNRISE

ATTEST:

By: _____

Approved as to Form and Legality

By: _____

#9828727_v4

IN WITNESS WHEREOF, the Members have entered into this Agreement and have caused it to be executed by their duly authorized officers.

CITY OF VERO BEACH

ATTEST:

By: _____
City Clerk

By: _____
Mayor

By: _____
City Manager

Approved as to Form:

By: _____
City Attorney
Vero Beach, Florida

#9828727_v4

IN WITNESS WHEREOF, the Members have entered into this Agreement and have caused it to be executed by their duly authorized officers.

THE CITY OF WILLISTON
a Municipal Corporation

ATTEST:

By: _____

Approved as to Form and Legality

By: _____

#9828727_v4