



October 31, 2017

John Szerlag, City Manager
City of Cape Coral
P.O. Box 150027
Cape Coral, FL 33915-0027

Subject: Supplement to LCEC Franchise Agreement Final Offer

Dear John:

Based on the dialogue at the Cape Coral City Council meeting on October 23, 2017, LCEC is pleased to supplement the final Franchise Agreement offer that was presented to the City in my letter dated September 20. In addition to the final franchise and letter agreements that were offered to the City in that communication, LCEC is offering the City of Cape Coral three alternatives, namely a franchise agreement that contains the same terms and conditions as any singular franchise agreement that LCEC has entered into with (i) the City of Sanibel, (ii) the City of Marco Island or (iii) Lee County. The only changes to any one of those agreements would be the date, the name of the governmental entity involved, and minor format revisions to conform the agreement to the City's formatting standards for resolutions/ordinances. The letter agreement included in the September 20 LCEC offer is associated only with the franchise agreement included in that communication and does not apply to any of the franchise agreement alternatives being added in this supplemental offer.

As the City of Cape Coral has demonstrated familiarity with each of those agreements, this supplemental offer will not alter the December 20, 2017 deadline for acceptance. Should the City of Cape Coral decline to accept either the original or supplemental offer by December 20, 2017, all offers will be withdrawn, and there will be no commitment that any of the offered terms or conditions will be included in any future considerations. LCEC will continue to provide the citizens with electric service and will continue to collect and remit a 3% fee to the City of Cape Coral for LCEC's use of the City's rights-of-way.

Please let me know of any questions about this supplemental offer. I trust that the City Council will include these alternatives in its considerations.

Sincerely,

Dennie Hamilton
Executive Vice President and Chief Executive Officer

cc: Cape Coral Mayor and City Council
Trish Lassiter
Joe Mazurkiewicz
Brian Rist