

**ADDENDUM
TO
DEAD RIVER COMPANY
L. P. GAS SUPPLY AGREEMENT
WITH
THE SOUTH DOWN SHORES/LONG BAY FUEL BUYING CONSORTIUM**

In reference to Terms & Conditions item #4 Committed Gallons: Unless there is a fixed price agreement in effect, the price per gallon for the period of the above-mentioned supply agreement will float weekly at Seller's landed wholesale cost plus a fixed add-on. The fixed add-on for the year is \$.4750 per gallon. The Seller's landed wholesale cost plus the fixed add-on **price is referred to as the formula price**. The Seller's landed wholesale cost is based on the weekly Mt. Belvieu average plus rail infrastructure, terminal add-ons, transportation, and procurement fees. The per gallon price is measured from the Seller's delivery truck meter flowing into the Seller's on-site storage tank(s). The fixed price will be renegotiated annually, with both parties agreeing to the respective discounts for each price program. Prior to September 1 and after May 31 (shoulder months), the pricing will revert to the formula price, OR in the case where the fixed price gallons are used up during the contract period.

The formula price today, 6/10/25 is \$1.6916 per gallon.

In reference to Terms & Conditions item #8 Liquidated Damages: Homeowner's signing into a fixed price agreement is expected to purchase all of their fuel exclusively from Dead River Company; in that case, liquidated damages listed in the agreement are waived. In the event of a real estate sale the new Buyer must agree to continue to purchase their fuel exclusively from Dead River Company, and their fuel usage rate must be like that of Seller.

For Dead River Company not to have financial harm for waiving the Liquidated Damages, we will only contract for 80% of a homeowner heating season usage on all fixed price agreements; a new homeowner without delivery history from Dead River Company, will be asked to provide heating season usage form their current/previous supplier and we will contract only 90% of that volume.

Fixed Pricing Examples:

- a. **Overages** – Customer contracts for 1,000 gallons for Heating Season (Sept 1 to May 31) and uses 1,100 gallons. The last 100 gallons will be based on the formula price which is a floating daily wholesale price with delivery, and fixed markup calculation. (see above formula price on 06/06/26)
- b. **Underages** - Customer contracts for 1,000 gallons for Heating Season (Sept 1 to May 31) and uses 900 gallons, the customer will not be penalized or billed for liquidated damages providing they purchased all their fuel needs from Dead River Company and may extend their contract gallons to be used prior to the new season.