



June 27, 2025

Michael Mussomeli
Commonwealth of Virginia
Department of Environmental Quality
1111 East Main Street, Suite 1400
Richmond, Virginia 23228

Via Email: michael.mussomeli@deq.virginia.gov

Re: Individual Permit (25-1277) Request
Response to Additional Information Request 1
Southeast Supply Enhancement Project
Pittsylvania County, Virginia
WSSI #P.WSI0000778

Dear Mr. Mussomeli:

This letter is in response to the Virginia Department of Environmental Quality (DEQ) Additional Information Request, provided via email on June 20, 2025, regarding the Southeast Supply Enhancement Project (Project). Below are our responses to your comments:

1. *Section 2.2 of the JPA narrative notes project capacity would be provided along five (5) paths and long-term, binding agreements are in place. Pursuant to 9VAC25-210-80 B.1(f), please provide documentation of end user agreement, if available.*

Enclosed within Exhibit 1 are the twelve associated precedent agreements referenced in the Joint Permit Application (JPA).

2. *Pursuant to 9VAC25-210-80 B.1(g) please provide the following additional information for Section 3.5 (System Alternatives):*
 - a) *For Loop Intensive System Alternative, please provide additional data or a table comparing surface water impacts, cost, threatened/endangered species impacts. Please also provide mapping of loop locations.*

Enclosed within Exhibit 2 is the Station 165 System Alternative map that depicts system alternative loops F and G as well as a table outlining anticipated stream and wetland impacts. As noted in the JPA these loop alternatives would be in addition to the proposed Eden loop and would result in additional wetland and stream impacts as well as additional impacts to sensitive species and cultural resources. Compressor Station 165 as proposed does not result in any wetland or stream impacts or impact to sensitive resources. A section of the Eden loop extends into Compressor Station 165 limits of disturbance and includes stream and wetland crossings. Those impacts are accounted for in the JPA associated with Eden Loop.

- b) The narrative states consideration of the MVP Amendment Project as a potential system alternative; please advise if other existing system alternatives pipelines could be considered, what limitations (e.g. retrofits) would be necessary, cost, and potential surface water impacts.*

Transco completed an alternatives analysis that included evaluating the potential to utilize other existing systems to provide the necessary volume of incremental firm transportation of natural gas. After completing the analysis Transco determined that the proposed Mountain Valley Pipeline Southgate project could not replicate the SSE volumes or flow path. Additionally, Transco evaluated the East Tennessee Natural Gas, L.L.C (“East Tennessee”) pipeline system as a system alternative. In completing this analysis, Transco determined that East Tennessee cannot replicate SSE’s flow path, which serves Transco’s existing markets between Pittsylvania County, Virginia and Choctaw County, Alabama, and therefore cannot be considered as a system alternative.

- 3. Pursuant to 9VAC25-210-80 B.l(g), please provide the following additional information for Section 3.6 (Route Alternatives):*

- a) In review of the MP 1388.30 Alternative, the proposed route crosses two (2) streams (L-124-1 and L-130-1), with the confluence located within the limit of disturbance. Though the narrative notes a straight route would result in greater temporary impact, please advise if constructability, sequence of construction, and maintenance of streamflow are problematic at this crossing. Would a straight alignment that would avoid impacts to the confluence and result in less potential constructability and restoration issues than the proposed route?*

The current route was offset from the existing pipelines to prevent paralleling a segment of stream L124-1 with the proposed pipe trench. Additionally, Transco has minimized impacts by crossing streams as close to perpendicular as possible. If the suggested alternative pipeline alignment was selected, Transco would encounter construction and restoration challenges associated with paralleling a stream. Additionally, restoring a stream channel flowing parallel to the pipeline elevates concerns related to the long-term maintenance and operation of the pipeline due to erosion or scour potential and should be avoided where practicable. An updated Alternative 1388.30 map is enclosed within Exhibit 3 that depicts the suggested alternative. Therefore, given these logistical constraints and anticipated additional impact, the proposed route is the Least Environmentally Damaging Practicable Alternative (LEDPA). Also note, the current alignment and workspace layout allows for the crossing of the streams without requiring excavation within the confluence of the stream. As shown on the associated plan view included within the JPA, Attachment 21b, Sheet 8 of 80, the bridged

equipment crossing will be placed approximately over the confluence and excavation will be maintained outside of the confluence.

- b) *The proposed route at MP 1401.80 incurs higher wetland and open water impacts alternative. The narrative cites constructability concerns for selection of the proposed route. As the alternative impacts the fringe of the pond, please advise if sheet pile or bladder dams can be installed as a temporary measure to allow construction of the pipeline, with the dam then restored. As the dam appears to be comprised solely of dredged spoils, could it be restored in kind after installation of the pipeline? Additionally, given the proximity of the roadway, please advise if a horizontal directional drilling (HDD) crossing is feasible at this location.*

Please note, Transco believes the alternative route referenced in this question is MP 1404.80. As stated in the application, Transco sited the alignment to avoid impacting the dam of the pond. This avoids the need for Transco to reconstruct the dam or to be responsible for its current and future integrity. In addition to the logistical constraints related to construction and restoration, the proposed alignment avoids concerns with Transco's ability to conduct operational maintenance of the pipeline. Transco performs various integrity inspections to verify the continued safe operation of its pipelines. If those inspections noted the need to conduct maintenance activities in the vicinity of this dam, including direct inspection of the pipeline, then the dam would greatly complicate that inspection. If the pipeline was located under the dam of the pond, it could require draining the entire pond and reconstructing the dam again. Therefore, given the logistical constraints noted above, the proposed route is the LEDPA.

As detailed in the Pipeline Installation Alternatives Analysis (PIAA), Transco also evaluated an HDD construction method of the pond and adjacent resources. However, an HDD in this location was no longer considered due to the length (approximately 2500-ft minimum due to bend radius limitations, site topography, and depth of cover needed below the pond to prevent inadvertent returns) and potential impacts to nearby residences from prolonged noise, dust and traffic that would continue for approximately 6 months, given the challenging subsurface geologic conditions, including hard rock (quartzite, gneiss, and schist). Additionally, the cost of completing this HDD would add approximately 10-12 million dollars to the Project. Transco's current proposed route in this area is estimated to be completed in approximately 10 days and the risks and impacts associated with an HDD are avoided with the proposed construction methodology. Due to logistics and cost, an HDD is not a practicable alternative and therefore, the proposed route is the LEDPA.

- c) *Table 3.3 shows that the proposed route, in comparison to MP 1412.40, would incur over less than 250 linear feet of stream impacts. Attachment 18, Sheet 5*

shows the temporary easement approximately overlaying a parallel stream. Would impact to this stream be avoided?

While the proposed route corridor runs parallel to stream L122-1, as noted by DEQ, Transco will place perimeter erosion control devices above the top of the bank / ordinary high-water mark and avoid disturbance to that portion of the stream. Please note Transco shifted the timber mat crossings in this area to the working side of the pipeline, on the opposite side of this stream location, further minimizing any adjacent disturbance. The revised plan view sheets 76 and 77 depict this change and are enclosed within Exhibit 4.

4. *The proposed MVP Southgate Amendment Project, referenced in the JPA narrative and for which a JPA is currently under review by DEQ (25-0752), projects a concurrent construction schedule as the proposed project. These two (2) pipelines may be undergoing active construction immediately adjacent to each other simultaneously. Please describe, in detail, efforts to minimize impacts by sharing limits of disturbance, sequencing of construction activities so as not to incur greater, cumulative impacts, and any additional efforts to reduce impacts to surface waters between the two (2) projects.*

Transco acknowledges that its proposed Eden Loop may be under construction at the same time as the MVP Southgate Amendment project. To minimize cumulative impacts related to both projects, Transco and MVP will coordinate on erosion and sediment control plan designs so that BMPs function as intended.

Transco commits to coordinating with MVP on crew mobilization plans to avoid having both projects' crews working in the same place at the same time. Given that both the Eden Loop and the MVP Southgate Amendment project pipeline have an approximate length of 31 miles overall (including VA and NC), and that both projects are only on the same side of the existing Transco ROW for a total length of approximately 1.6 miles, Transco believes there's ample opportunity for both projects to coordinate on crew mobilizations that minimize interference where workspaces overlap. Assuming both projects are being constructed at the same time, Transco has expressed its willingness to send dedicated crews that can prioritize construction in the overlapping 1.6 miles such that work can be completed in this area while MVP Southgate Amendment project crews work elsewhere. Transco believes this can be achieved through continued coordination.

For crossover locations, where the MVP Southgate Amendment project pipeline is proposed to cross under Transco pipelines (either existing or the proposed Eden Loop), or where the proposed Eden Loop may cross under the MVP Southgate Amendment project pipeline, Transco will coordinate with MVP on inspection requirements and damage prevention practices to ensure that both parties' pipelines are adequately protected. Transco is committed to further engagement with MVP to

minimize construction impacts, construction interference concerns, and safety concerns.

5. *Sections 5.2.7 and 5.2.8 of the JPA narrative state that temporarily impacted resources will be restored to preconstruction contours. Profiles contained within Attachment 21D note elevation data was obtained with Airborne LIDAR Point Cloud. Will survey grade elevations be provided to restore streambank and wetlands to preconstruction elevations and contours, such that previous wetland acreage and functions or surface water functions are restored?*

Transco will rely on survey grade elevation for purposes of construction and restoration. In addition to the LIDAR, survey grade GPS data was collected for streams (i.e., top of bank, toe of slope, and centerlines) and wetlands and this data will be used for restoration.

6. *Pursuant to 9VAC25-210-80.m. 1, please address the following comments on the proposed permittee-responsible mitigation (PRM) site:*
- a) *In accordance with 9VAC25-210-90 m.1 (viii), "A conceptual planting scheme including suggested plant species and zonation of each vegetation type proposed;" On the Planting Plan (Sheets 16-18), the legend includes Planting Area. However, on the Seed Planting Zone (Sheet 19), it is unclear which areas will be planted with the "Upland Wetland Buffer Seed Mix." DEQ recommends the planting map matches with the planting list for consistency and to consider the label "Forested Buffer Vegetation."*

Labels on the Planting Plan and Planting Schedule sheets have been revised for clarity with the updated PRM plan set enclosed within Exhibit 5. Upland areas outside of the mitigation easement will receive the seed mix shown on the Upland Seeding Schedule.

All Wetland Creation and Enhancement areas (as shown on the Credit Analysis Plan, Sheet 22) will receive Palustrine Forested Wetland (PFO) plantings and seed mix. The Forested Buffer will also receive PFO plantings, and seed mix where it intersects with the limits of disturbance (LOD).

- b) *On the Planting Schedule (Sheet 19) white oak (*Quercus alba*), which is designated as facultative upland (FACU), is included on the PFO planting list. DEQ recommends this species be replaced with a facultative (FAC) or wetter species appropriate for the habitat type in this area.*

White oak (*Quercus alba*) has been replaced with willow oak (*Quercus phellos*), which has a wetland indicator status of FAC in the Piedmont region.

- c) *In accordance with 9VAC25-210-80.m (xi) "inclusion of buffer areas;" DEQ recommends revising the label of "Upland Buffer" to "Forested Buffer." This revision will need to be addressed within the narrative and credit tracking table. The current label is a point of confusion as the buffer area includes wetlands and has wetland woody stems planned for planting.*

The area formerly labeled "Upland Buffer Reforestation" is now labeled "Forested Buffer" on the Credit Analysis Plan (Exhibit 5, plan set Sheet 22).

- d) *In accordance with 9VAC25-210-80 m.1 (xiii) "the schedule for compensatory mitigation site construction", please clarify if time-of-year restrictions (TOYR) will be incorporated within the construction schedule.*

The PRM project is implementing a TOYR for tree felling from April 1 to November 15.

- e) *In accordance with 9VAC25-210-80 m.3, "[...] the conceptual compensatory mitigation plan shall also include a draft of the intended protective mechanism or mechanisms... ", please revise the draft conservation easement to remove all mention of the IRT and replace with USACE and DEQ. Additionally, replace all mention of an MBI within the Compensatory Mitigation Plan and Long-Tenn Management Plan.*

The draft conservation easement and Long-Term Management Plan have been revised as requested and are enclosed within Exhibit 7.

- f) *In accordance with 9VAC25-210-80 m3.b, "The following minimum restrictions: [...]; or DEQ- approved activities described in the approved final compensatory mitigation plan or long-term management plan;" the long-term management plan, Section IV.B indicates the site will be fenced. If so, please include the fence on the plan sheets and remove "or appropriately marked." DEQ recommends the mitigation site is fenced to prevent encroachment from adjacent, ongoing agricultural activities.*

Updated labeling and a fencing detail has been included within the revised plan set (Exhibit 5, Sheet 8 for detail).

- g) *The Sponsor Address on the Plan Cover Sheet differs from the Sponsor address on the Cherrystone Mitigation Site - Project Narrative.*

The address has been updated within the revised PRM Narrative enclosed within Exhibit 6.

- h) In the Monitoring Requirements, a Table 2 is referenced in the Wetland and Upland Buffer Vegetation Monitoring but is not attached. Please include this table.*

A screenshot of the 2018 Mitigation Banking Instrument Table 2. Minimum Number of Woody Sampling Plots is enclosed within the revised PRM narrative within Exhibit 5.

- i) Please update the Long-Term Management Plan signature page to reflect the current manager of the DEQ Office of Wetland and Stream Protection.*

The signature page has been updated to reflect the current manager of the DEQ Office of Wetland and Stream Protection (Exhibit 7).

- j) In the Long-Term Management Plan, Section VI Funding and Task Prioritization A. Funding, there remain blank spaces in the template. Please fill in the missing information.*

The updated Long-Term Management Plan document has been included herein as Exhibit 7.

- k) The Project Description and Location narrative describes two (2) proposed temporary impacts, which are described as impacts limited to the proposed wetland creation and for the in-kind replacement of an existing culvert. These impacts are depicted on Sheet 26 of the plan set. However, Sheet 11 shows a temporary diversion dike outside of the wetland creation/enhancement area. As a significant portion of the temporary diversion dike is located in wetlands outside of the proposed creation/enhancement area, please account for temporary impacts incurred by the temporary diversion dike both in the narrative and on Sheet 26. Also, please note how this area will be restored. The impact calculation should include temporary impacts from the boundary of the proposed wetland/creation/enhancement area to the limit of disturbance.*

The limits of disturbance (LOD) for the Cherrystone PRM site included the diversion dike and therefore, any temporary impacts associated with its installation are included in the calculations. Although the diversion dike is outside of the wetland creation/enhancement areas, it is within the proposed LOD. The entirety of the wetlands within the LOD, including those temporarily impacted by the proposed temporary diversion dike, are proposed as temporary impacts. A diversion dike label has been added to the impact map sheets within the revised plan set enclosed within Exhibit 5. The diversion dike will be removed during final restoration, and the entirety of the site will be graded, planted and seeded per the plans.

- l) In relation to the temporary diversion dike, please describe the impact to hydrology on and offsite during construction and if secondary impacts may be incurred.*

Under present conditions, water flows from the northwest side of the site to the southeast. The temporary diversion dike will divert clean water to run on around the LOD in the same general direction during construction, discharging and maintaining hydrology to existing wetlands. After construction is complete, water will continue to flow across the site from the northwest toward the southeast. Secondary impacts are not anticipated.

- 7. Pursuant to 9VAC25-210-80.B.1.p., a permit application fee is among items required to consider the application complete. DEQ has determined that the application fee is \$23,960. Please find attached Water Division Permit Application Fee Form. Please follow the instructions on the form and send to DEQ.*

The application fee form and check (USPS tracking #: 9488 8090 0027 6180 5086 43) in the amount of \$23,960 was sent to DEQ on June 27, 2025.

The following section contains additional information necessary to assist in DEQ's review of the application or advises on the status of application review:

- 1. The JPA narrative and Virginia Attachment 05 indicates coordination with the U.S. Fish and Wildlife Service (USFWS) is ongoing. Please provide updates and/or concurrences upon receipt.*

Updated USFWS correspondence will be provided as requested, upon receipt.

- 2. Section 4.2.4 requests a waiver for time-of-year restriction (TOYR) for warm water fisheries (15 April - 15 July). DEQ is in the process of requesting comments from The Department of Wildlife Resources (DWR). Additional TOYRs may be required, pending coordination with DWR and USFWS. DEQ is concurrently initiating coordination with Department of Conservation and Recreation, the Virginia Marine Resources Commission, and the Department of Health.*

The Project team continues to coordinate with DWR regarding potential TOYRs .

- 3. DEQ is in the process of review the impact maps, impact numbers, and associated documentation. DEQ will provide additional comments either as an addendum or within the next comment letter.*

Understood

Michael Mussomeli
June 27, 2025
DEQ #25-1277
WSSI #P.WSI0000778


Please feel free to contact me at ametcalf@wetlands.com; 703-679-5778 or Christie Blevins at cblevins@wetlands.com; 703-679-5671 if you need any additional information or have any questions.

Sincerely,

WETLAND STUDIES AND SOLUTIONS, INC.

A handwritten signature in blue ink, appearing to read 'Amanda Metcalf', with a stylized, flowing script.

Amanda Metcalf
Senior Regulatory Specialist

A handwritten signature in blue ink, appearing to read 'Christie Blevins', with a stylized, flowing script.

Christie Blevins, PWS, CESSWI, LEED AP
Director – Regulatory

Enclosures

cc: Mr. Steven Hardwick, DEQ (w/enc.) Via Email
Mr. Steven Vanderploeg, COE (w/enc.) Via Email
Mrs. Lou Atkins, VMRC (w/enc.) Via Email
Mr. Josh Henry, Transcontinental Gas Pipe Line Company, LLC (w/enc.) Via Email

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**PRECEDENT AGREEMENT
FOR
FIRM TRANSPORTATION SERVICE UNDER
SOUTHEAST SUPPLY ENHANCEMENT PROJECT**

This Precedent Agreement For Firm Transportation Service Under the Southeast Supply Enhancement Project (this “Precedent Agreement”) is made and entered into the 18th day of January, 2024, by and between TRANSCONTINENTAL GAS PIPE LINE COMPANY, LLC (“Seller”), a Delaware limited liability company, and ATLANTA GAS LIGHT COMPANY (“Buyer”), a Georgia Corporation (Seller and Buyer are sometimes referred to herein individually as a “Party” and collectively as the “Parties”).

WITNESSETH:

WHEREAS, Buyer has requested firm transportation service under Seller’s proposed “Southeast Supply Enhancement Project” (referred to herein as the “Project”), which is proposed to include the expansion of Seller’s pipeline system from its existing Station 165 Zone 5 Pool and the proposed interconnection between Seller’s mainline and Mountain Valley Pipeline, LLC’s (“MVP”) pipeline, both located at or near milepost 1,412.99 in Pittsylvania County, Virginia, to various delivery points on Seller’s mainline extending to the existing Station 85 Zone 4 Pool located at or near milepost 784.66 in Choctaw County, Alabama.

WHEREAS, Seller and Buyer now desire to enter into this Precedent Agreement to set forth the terms and conditions under which, among other things, Seller will seek the necessary approvals and authorizations for the construction and operation of the Project facilities and Seller and Buyer will execute a service agreement under Seller’s Rate Schedule FT, in substantially the form attached as Attachment B hereto, for firm transportation service under the Project.

NOW THEREFORE, in consideration of the mutual covenants herein assumed and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer agree as follows:

1. Approvals and Cooperation; Open Season; Anchor Shipper Status.

(a) Seller shall reasonably seek such contractual and property rights, financing arrangements, and regulatory approvals as may be necessary to construct and operate the Project facilities so as to provide firm transportation service to Buyer consistent with the terms and conditions of this Precedent Agreement, including the necessary authorizations from the Federal Energy Regulatory Commission ("FERC") under the Natural Gas Act ("NGA") for the Project ("FERC Authorization") and all other authorizations (including any authorizations or permits that may be required from other federal or state or local agencies) that may be necessary for Seller to proceed with construction and operation of the Project facilities (such other authorizations are referred to herein collectively as the "Other Governmental Authorizations"). Seller's application for the FERC Authorization is referred to herein as the "FERC Application."

(b) Seller reserves the right to file and prosecute all applications for the FERC Authorization and any Other Governmental Authorizations necessary or appropriate for the Project, including any supplements or amendments thereto and, if necessary, any court review in such manner as it deems to be in its best interest but that is consistent with the terms and conditions of this Precedent Agreement. In no event shall Seller be obligated to file a request for rehearing or an appeal if the FERC Authorization or any Other Governmental Authorization is denied or granted with conditions that are adverse to the interests of the Parties.

(c) Promptly following the issuance of the FERC order granting the certificate of public convenience and necessity for the Project, the Parties shall discuss in good faith any aspects of such FERC order that are inconsistent with the FERC Application. If either Party intends to seek rehearing

and/or appeal of such FERC order, such Party shall notify the other Party and reasonably consult with the other Party.

(d)



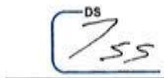
(e) The Parties acknowledge that they are executing this Precedent Agreement following the open season beginning on June 19, 2023, and ending on July 14, 2023, by Seller for the firm transportation capacity to be made available under the Project. The Parties agree that execution and delivery of this Precedent Agreement by both Parties shall reflect Buyer's request for firm transportation service for a transportation contract quantity of 75,000 dt/day ("TCQ") through the

primary firm transportation paths established by the Points of Receipt and Point of Delivery and associated maximum daily quantities at such points, all as further described in Attachment A hereto.

2. Service Agreement and Rate.

(a) Subject to the terms and conditions of this Precedent Agreement, Seller and Buyer shall, contemporaneously with the execution and delivery of this Precedent Agreement, execute and deliver the service agreement under Seller's Rate Schedule FT set forth in Attachment B hereto (referred to herein as the "Service Agreement"). The Service Agreement shall provide for, among other things, the TCQ, Primary Term, Points of Receipt and Point of Delivery, and, if elected by Buyer pursuant to Paragraph 2(b) below, the Negotiated Reservation Rate, all as defined and further described in Attachment A and subject to the terms and conditions hereof.

(b) Upon execution of this Precedent Agreement, Buyer shall elect one of the following rate options by having its duly authorized representative initial in the space provided below for the elected rate option.



For the firm transportation service under the Service Agreement, Buyer hereby agrees to pay the negotiated rate as set forth in Attachment A, Paragraph E hereto, including the Negotiated Reservation Rate (as defined therein) and all other applicable rates and charges as further described in Attachment A, Paragraph E.

_____ For the firm transportation service under the Service Agreement, Buyer hereby agrees to pay the total maximum cost-based recourse reservation rate and all electric power unit rates, commodity rates, and surcharges, and to be responsible for compressor fuel and line loss make-up retention, all as applicable under Rate Schedule FT of Seller's FERC Gas Tariff, as the same may be revised from time to time, for firm transportation service under the Project (collectively, the "Recourse Rate"). The initial Recourse Rate will be designed based on the straight fixed-variable rate design methodology and will be calculated using Seller's

estimated cost of the Project facilities, estimates for operation and maintenance expenses based on estimates for similar facilities, billing determinants under the Project, and other cost factors. Seller makes no representation or warranty of any kind whatsoever as to the actual recourse reservation rate that will be applicable to the firm transportation service under the Project.

The foregoing rate selection shall apply during the Primary Term. Unless otherwise determined in accordance with Paragraph 2(d) below or otherwise agreed to by the Parties, the applicable rate under the Service Agreement after the Primary Term shall be the Recourse Rate.

(c) Seller shall provide Buyer at least ten (10) days advance notice of its intent to begin providing service to Buyer ("In-service Notice"). If the In-service Notice is provided on or before the fifteenth day of the month, the Service Agreement shall be effective as of the first day of the month following the month in which the In-service Notice was provided ("Effective Date of the Service Agreement"), and shall remain in force and effect for the Primary Term and thereafter until terminated by either Party upon at least one (1) year's prior written notice to the other Party (subject to the term extension provisions set forth in Paragraph 2(d) below). If Seller does not provide the In-service Notice on or before the fifteenth day of the month, the Effective Date of the Service Agreement shall be the first day of the second month following the month in which the In-service Notice was provided. The firm transportation service under the Service Agreement will be provided in accordance with the applicable provisions of Seller's Rate Schedule FT and FERC Gas Tariff.

(d) If Buyer elects to pay the negotiated rate pursuant to Paragraph 2(b) above, then the following term extension provisions shall be included in Exhibit C to the Service Agreement as part of the negotiated rate agreement between the Parties:

(i) Seller will agree, upon written request ("First Extension Request") by Buyer at least thirteen (13) months prior to the end of the Primary Term, to extend the term of the

Service Agreement for an additional five (5) year period ("First Term Extension") at the TCQ in effect at the time Buyer makes the First Extension Request and, at the sole election of Buyer, at either (A) the Negotiated Reservation Rate and all other applicable rates and charges as further described in Attachment A hereto, or (B) the applicable Recourse Rate.

(ii) Seller will agree, upon written request ("Second Extension Request") by Buyer at least thirteen (13) months prior to the end of the First Term Extension, to extend the term of the Service Agreement for a second additional five (5) year period at the TCQ in effect at the time Buyer makes the Second Extension Request and, at the sole election of Buyer, at either (A) the Negotiated Reservation Rate and all other applicable rates and charges as further described in Attachment A hereto, or (B) the applicable Recourse Rate.

3. In-Service Date.

(a) After both Parties' execution of the Service Agreement pursuant to Paragraph 2 above and Seller's receipt and acceptance of all other necessary contract rights, property rights, financing arrangements, FERC Authorization, and Other Governmental Authorizations for the Project in a form and substance satisfactory to Seller in its sole determination, Seller shall proceed with the construction of the Project facilities so as to begin firm transportation service for Buyer by a target in-service date of November 1, 2027 ("Target ISD").

(b) Notwithstanding Paragraph 3(a) above, but subject to Paragraph 5 below, if Seller is unable to complete construction of the Project facilities necessary to provide firm transportation service to Buyer under the Service Agreement by the Target ISD despite its exercise of reasonable diligence, then Seller shall provide notice thereof to Buyer and Seller shall continue to proceed with reasonable diligence to complete construction of such Project facilities, place such facilities in operation, and commence service for Buyer at the earliest date thereafter commercially reasonable to Seller. Seller shall not be liable in any manner to Buyer, nor shall this Precedent Agreement or the

Service Agreement be subject to termination, other than as expressly provided in the other provisions of this Precedent Agreement or the Service Agreement, if for any reason Seller is unable to complete the construction of such facilities and commence the firm transportation service to Buyer as contemplated herein and in the Service Agreement.

(c) Seller shall keep Buyer reasonably apprised of the Target ISD and any changes thereto. Seller agrees to hold, quarterly, an update meeting at a mutually agreeable date and time, either in person or virtually, to give Buyer Project updates and answer any questions Buyer may have. Additionally, Seller shall make itself available to respond to reasonable requests by Buyer for additional or clarifying information.

4. Term of Precedent Agreement. This Precedent Agreement shall become effective on the date first written above and, unless terminated earlier, shall automatically terminate as of the Effective Date of the Service Agreement; provided, however, that (i) Paragraphs 5(a)(x) and 6 and Attachment C hereto shall survive termination of this Precedent Agreement for the Primary Term of the Service Agreement, (ii) Paragraph 9 shall survive for the period specified therein, and (iii) Paragraph 10 shall survive for any Dispute under this Precedent Agreement arising under Paragraphs 5(a)(x), 6 or 9.

5. Termination.

(a) In addition to any other termination rights set forth herein, this Precedent Agreement and, if executed, the Service Agreement shall be subject to termination as specified below:

(i)



[REDACTED]

(ii)

[REDACTED]

(iii)

[REDACTED]

(iv)

[REDACTED]

(v)

(vi)

(vii)



(viii)



[REDACTED]

(ix)

[REDACTED]

[REDACTED]

(x)

[REDACTED]

[REDACTED]

(b) If either this Precedent Agreement or the Service Agreement is terminated by Buyer pursuant to Paragraphs 5(a)(iv), (vi), (viii) or (ix) above or by Seller pursuant to Paragraph 5(a)(x) (each such termination contingency is referred to herein respectively as a “5(b) Termination”), then Buyer shall reimburse Seller for Buyer’s Proportionate Share (as hereinafter defined) of the Project costs reasonably incurred and/or committed to by Seller as of the date that Seller receives Buyer’s written notice of termination or the date that Seller provides written notice of termination to Buyer,

as the case may be ("Project Costs"). The Project Costs shall include, for purposes of illustration and without limitation, costs relating to planning, designing, procuring materials and seeking regulatory and environmental authorizations for the Project, constructing the Project, mobilization and demobilization of work in progress and cancellation charges related to materials ordered but no longer required. The Project Costs shall not include the mitigated costs described below. Subject to Paragraph 5(c) below, the term "Proportionate Share" shall mean a fraction, the numerator of which is Buyer's TCQ and the denominator of which is the total firm transportation capacity per day under the Project. Such reimbursement shall be made by Buyer within thirty (30) days of Buyer's receipt of an invoice from Seller setting forth Buyer's Proportionate Share of the Project Costs. Such invoice shall include reasonable support for such reimbursable costs. Seller shall make a good faith effort to mitigate the Project Costs to be reimbursed by Buyer hereunder, including by making good faith efforts to redeploy, return, sell or assign the materials and supplies, if any, that will not be used for the Project as a result of such termination of this Precedent Agreement or the Service Agreement. Seller shall net any such redeployment, return, sale or assignment amounts against the Project Costs.

(c) If a 5(b) Termination occurs but the Project is nevertheless placed in service (either before or after such termination), Seller shall, subject to the terms of Seller's FERC Gas Tariff and applicable FERC orders, rules and regulations, make a good faith effort to subscribe the firm transportation capacity under the Project from the Points of Receipt to the Point of Delivery with other shipper(s) on the same terms as set forth in this Precedent Agreement. If Seller is able to subscribe with other shipper(s) all or a portion of the capacity under the Project from the Points of Receipt to the Point of Delivery on the same terms as set forth in this Precedent Agreement (or on terms more favorable to Seller) ("Keep-Whole Subscription"), then the definition of the term "Proportionate Share" shall be modified to mean a fraction, the numerator of which is Buyer's TCQ minus the transportation contract quantity subscribed by Seller in accordance with the foregoing, and the denominator of which is the total firm transportation capacity per day under the Project. If Seller

is able to subscribe with other shipper(s) all or a portion of the capacity under the Project from the Points of Receipt to the Point of Delivery but on terms less favorable to Seller than as set forth in this Precedent Agreement ("Lesser Subscription"), then Buyer's Proportionate Share of the Project Costs shall be reduced by such amount, which shall be reasonably determined by Seller in equity and good faith, taking into consideration the reasonable value to Seller of such capacity subscription(s) (Seller shall provide reasonable, written support for such determination). If a Keep-Whole Subscription and/or Lesser Subscription occurs on or before the date that is six (6) months following the in-service date of the Project, then Seller shall refund the applicable amount of the mitigated Project Costs reimbursed by Buyer (as such mitigated amount is determined in accordance with the immediately preceding two sentences) within thirty (30) days after the date that the firm transportation service under such Keep-Whole Subscription and/or Lesser Subscription commences. Such refund shall include reasonable support for such refunded amounts. If Seller is unable to subscribe with other shipper(s) any of such capacity, then Buyer shall remain responsible for Buyer's Proportionate Share of the Project Costs in accordance with Paragraph 5(b).

(d) If Buyer is required to reimburse Seller for Project Costs pursuant to Paragraph 5(b) above, then Buyer shall have the right, upon at least twenty (20) days prior written notice to Seller, to audit books and records of Seller relating to the Project Costs (including, if applicable, reasonable information regarding any Keep-Whole Subscription and/or Lesser Subscription). Any such audit shall be conducted during normal business hours and at Buyer's sole cost and expense. Buyer shall have twelve (12) months after the date of receipt of an invoice for its Proportionate Share of the Project Costs (but in any event Buyer shall have at least three (3) months after Seller closes its books with respect thereto) in which to complete such an audit and submit any claims under this provision. After such period, Buyer's right to audit shall expire and Seller's records shall be presumed to be correct. If Buyer, after exercising such audit right, disputes Buyer's Proportionate Share of the Project

Costs for which Seller seeks reimbursement, then such dispute shall be resolved pursuant to Paragraph 10 of this Precedent Agreement.

(e) Except as otherwise stated herein, termination of this Precedent Agreement shall not relieve either Party from any obligation accruing or accrued prior to the date of such termination, nor shall such termination deprive a Party not in default of any remedy otherwise available to such Party.

(f) If at any time Seller reasonably determines that any of the target dates for filing the FERC Application, commencing construction of the Project facilities, or placing the Project in service will be materially delayed, then (i) Seller shall provide prompt, written notice thereof to Buyer, (ii) Seller shall present to Buyer a revised Project schedule and, (iii) if requested by Seller, the Parties shall commence good faith negotiations to revise the termination dates set forth in Paragraphs 5(a)(iii), (viii), and (ix) above. For the avoidance of doubt, the termination rights (and dates) set forth in Paragraphs 5(a)(iii), (viii), and (ix) shall remain in effect unless and until the Parties otherwise mutually agree in writing.

(g) If a Force Majeure event, as defined below, affects the deadlines triggering the termination rights set forth in 5(a)(iii), (viii), or (ix), such deadlines shall be extended by the same number of days as the Force Majeure event. For purposes of this Paragraph 5(g) only, a "Force Majeure" event shall mean acts beyond Seller's reasonable control, including but not limited to: acts of God, strikes, lockouts, acts of terrorists, wars, blockades resulting in delays obtaining goods or services necessary for the Project, insurrections, riots, epidemics, landslides, lightning causing significant damage at the Project site, earthquakes, fires, floods, explosions, or any other causes whether of the kind enumerated in this Precedent Agreement or otherwise, that are not reasonably within the control of Seller.

6. Credit Support.

(a) Buyer represents that, as of the effective date of this Precedent Agreement, in order for Seller to have been able to perform its required credit appraisal of Buyer, Buyer has provided to

Seller such of the information listed below as is applicable to Buyer (or its Guarantor (as such term is hereinafter defined), if applicable). As required by Seller's FERC Gas Tariff, Buyer shall furnish to Seller at least annually, and at such other times as may be requested by Seller, any updates to the credit information listed below that is applicable to Buyer for the purpose of enabling Seller to perform an updated credit appraisal; provided that Seller shall first use reasonable efforts to obtain such information from publicly available sources.

Financial information to be provided to Seller:

- Audited Financial Statements;
- Annual Report;
- List of Affiliates, Parent Companies and Subsidiaries;
- Publicly Available Information from Credit Reports of Credit and Bond Rating Agencies;
- Private Credit Ratings, if obtained by Buyer;
- Bank References;
- Trade References;
- Most recent filed statements with the Securities and Exchange Commission (or an equivalent authority) or other publicly available information of a similar nature;
- If Buyer is a public entity:
 - the most recent publicly available interim financial statements, with an attestation by its principal financial officers, controller or equivalent that, to such person's knowledge, such statements fairly present in all material aspects the financial condition of the entity in accordance with Generally Accepted Accounting Principles ("GAAP") or equivalent;
- If Buyer is a non-public entity, including if Buyer is a state-regulated utility:
 - the most recent available interim financial statements, with an attestation by its principal financial officers, controller or equivalent that, to such person's knowledge, such statements fairly present in all material aspects the financial condition of the entity in accordance with GAAP or equivalent; and
 - if applicable, an existing sworn filing, including the most recent available interim financial statements and annual financial reports filed with the respective regulatory authority, showing Buyer's current financial condition;
- If Buyer is a state-regulated utility local distribution company, documentation from its respective state regulatory commission (or an equivalent authority) of an authorized gas supply cost recovery mechanism which fully recovers both gas commodity and transportation capacity costs and is afforded regulatory asset accounting treatment in accordance with GAAP or equivalent;
- Such other information as may be mutually agreed to by the Parties; and
- Such other information as Seller may receive approval to include in its FERC Gas Tariff or general terms and conditions.

(b) Buyer (or its Guarantor, if applicable) will be deemed to be creditworthy if (i) it has a long term senior unsecured debt rating of Baa3 or better from Moody's Investor Services or BBB- or better from Standard and Poor's, or (ii) it is not rated but Seller determines that, notwithstanding the absence of such a rating, the financial position of Buyer (or its Guarantor, if applicable) is acceptable to Seller in its reasonable judgment (such determination of creditworthiness shall be based on the results of a thorough analysis of the financial information provided by Buyer (or its Guarantor, if applicable)). As of the Effective Date of this Agreement, Buyer represents and warrants it has a long term senior unsecured debt rating of BBB+ from Standard and Poor's. Based on this representation, Seller confirms that Buyer shall be deemed creditworthy as of the Effective Date of the Agreement. In the event Seller does not find Buyer (or its Guarantor, if applicable) to be creditworthy pursuant to this Paragraph 6, Seller shall provide a written explanation of the basis of its determination to Buyer.

(c) Subject to the terms of this Paragraph 6, if at any time during the term of this Precedent Agreement or the Service Agreement Buyer fails to meet Seller's creditworthiness requirements set forth herein, then, within ten (10) days after receipt of written notice from Seller that Buyer fails to meet such requirements, Buyer shall provide one or more of the following forms of credit support for any and all present and future covenants, agreements, obligations and liabilities of Buyer to Seller under this Precedent Agreement and, if executed, the Service Agreement (collectively, "Buyer's Obligations") for the period of time Buyer fails to meet Seller's creditworthiness requirements:

(i) a guaranty in substantially the form attached as Attachment C hereto, executed by a company meeting Seller's creditworthiness requirements as set forth in this Paragraph 6 ("Guarantor"), irrevocably and unconditionally guaranteeing the payment and performance of any and all of Buyer's Obligations;

(ii) a standby irrevocable letter of credit in form and substance satisfactory to Seller in the amount requested by Seller, which shall not exceed the credit support limit determined in accordance with Paragraph 6(f) hereto, drawn upon a U.S. bank or a foreign

bank with a branch office located in the United States, in each case having assets of at least US\$10 billion and with a credit rating of A or better from Standard and Poor's or A2 or better from Moody's Investor Services; or

(iii) such other form of credit support that is reasonably acceptable to Seller.

(d) If during the term of this Precedent Agreement and, if executed, the Service Agreement, there are material, adverse changes to the financial status of Buyer (or its Guarantor or the issuer of a letter of credit or the source of other credit support, as applicable) and, as a result of such changes Buyer (or its Guarantor or the issuer of a letter of credit or the source of other credit support, as applicable) is no longer creditworthy as reasonably determined by Seller pursuant to Paragraph 6(b), then Seller shall provide written notice to Buyer thereof and Buyer shall promptly (but in no event later than ten (10) business days after Seller's notice) provide qualifying credit support (or additional credit support, as the case may be) pursuant to this Paragraph 6.

(e)

As of the Effective Date of the Service Agreement, Seller may not require Buyer to provide credit support under Paragraph 6(c)(ii) in an amount exceeding the lesser of (i) twelve (12) months' worth of reservation charges under the Service Agreement, or (ii) the total reservation charges for all months remaining in the applicable term of the Service Agreement. If Buyer provides a guaranty in accordance with Paragraph 6(c)(i), such guaranty shall not be subject to the limits set forth in this Paragraph and shall cover all of Buyer's Obligations.

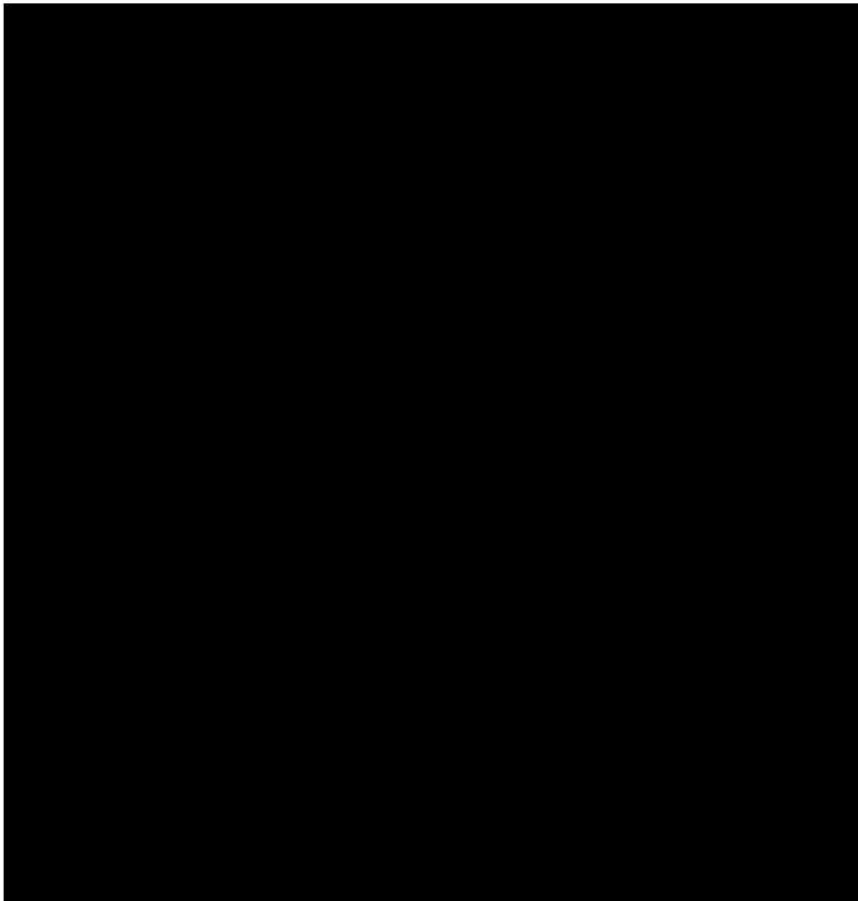
(f) Notwithstanding the foregoing, if Buyer is required to provide credit support in accordance with this Paragraph 6, in no event shall the level of credit support for Buyer's Obligations during the Primary Term or during any extension thereof be less than the minimum credit support that Seller may require under its FERC Gas Tariff.

(g) Buyer shall not be required to provide credit support pursuant to the foregoing Paragraphs prior to February 1, 2024.

(h) Buyer acknowledges and agrees that Buyer shall be responsible for all costs and expenses incurred by Buyer to obtain any credit support or additional credit support required to be obtained pursuant to this Paragraph 6. Seller will not reimburse or otherwise credit Buyer for any costs or expenses incurred by Buyer (or its Guarantor, if applicable) to obtain any credit support or additional credit support.

7. Notices.

(a) Except as otherwise expressly set forth herein, all notices and other communications by a Party shall be in writing and shall be sent by one (1) of the following means: electronic mail, hand delivery or courier to the other Party at the electronic or physical addresses as provided in this Paragraph:



or at any other electronic mail or physical address of which either Party shall have notified the other Party in any manner prescribed in this Paragraph.

(b) For all purposes of this Precedent Agreement, a notice or communication will be deemed effective on the day that the notification as set forth in subparagraph (a) above has occurred, as follows:

(i) if delivered by hand or sent by courier, on the day it is delivered unless (A) that day is not a day upon which commercial banks are open for the transaction of business in New York, New York (a "Business Day") or (B) it is delivered after the close of business on a Business Day, in either of which cases it is deemed effective on the next succeeding Business Day; and

(ii) if sent by electronic mail, on the date transmitted, provided that confirmation of receipt is obtained by the sender, unless (A) the date of transmission is not a Business Day or (B) it was received after the close of business on a Business Day, in either of which cases it is deemed effective on the next succeeding Business Day.

8. Assignment and Delegation.

(a) Subject to any applicable FERC orders, rules and regulations, either Party may, without the consent of the other Party, assign this Precedent Agreement to an affiliate of the assigning Party, but the assigning Party shall not be relieved of its obligations under this Precedent Agreement without the express written consent of the non-assigning Party. The assigning Party shall deliver notice of the assignment to the other Party as soon as practicable after such assignment.

(b) Except as provided in Paragraph 8(a), no assignment of this Precedent Agreement shall be made unless there first shall have been obtained the written consent of the other Party, which consent shall not be unreasonably withheld, conditioned or delayed.

(c) Any assignment in contravention of this Paragraph shall be void *ab initio*.

9. Confidentiality and Disclosures. The provisions in Paragraph 5(a) and the negotiated rate set forth in Paragraph E of Attachment A, including the Negotiated Reservation Rate and all other applicable rates and charges as further described in Paragraph E, are confidential (such confidential information is referred to herein as the “Confidential Information”). Either Party may disclose the Confidential Information to its or its affiliates’ members, managers, directors, officers, employees, representatives, agents, consultants, attorneys or auditors (collectively, “Representatives”) who have a need to know the Confidential Information. Seller and Buyer agree not to disclose or communicate, and shall cause their respective Representatives not to disclose or communicate, the Confidential Information to any other person, entity, firm or corporation without the prior written consent of the other Party; provided that either Party may disclose the Confidential Information as required by law, order, rule or regulation of any duly constituted governmental body or official authority having jurisdiction, subject to the condition that the disclosing Party first give the other Party two (2) Business Days’ notice of same, or as much notice as possible, if any, under the circumstances, so that a protective order or other protective arrangements may be sought. Notwithstanding the foregoing, Seller may make any disclosure of the Confidential Information without prior notice to or consent of Buyer if Seller (i) determines that such disclosure is required in connection with any FERC order, rule or regulation or (ii) discloses a copy of this Precedent Agreement to a requesting party pursuant to Section 388.112(b) of the FERC’s regulations if such party is a public utility commission (or its equivalent) or Seller otherwise determines that disclosure to such party would not cause competitive harm to Seller. This Paragraph 9 shall supersede that Confidentiality Agreement between the Parties dated October 9, 2023. If this Precedent Agreement is terminated pursuant to the terms and conditions hereof or otherwise by mutual agreement of the Parties, then this Paragraph 9 shall survive for a period of two (2) years from and after the effective date of such termination.

10. Dispute Resolution. Any dispute between the Parties arising under this Precedent Agreement (“Dispute”) shall be resolved in accordance with the provisions of this Paragraph. The

Parties shall initially attempt to resolve a Dispute by the following informal dispute resolution process. Each Party shall promptly designate in writing to the other Party a representative who shall be authorized to resolve any Dispute with due consideration of law, equity and good faith. Each Dispute shall be initially referred by written notice to such designated representative for resolution. If the designated representatives are unable to resolve any such Dispute within thirty (30) days of such referral, each Party shall promptly designate in writing to the other Party a more senior representative who shall be authorized to resolve the Dispute, and such representatives shall attempt to resolve such Dispute within a further period of fifteen (15) days. The Parties shall attempt to resolve all Disputes promptly, equitably and in good faith, and shall provide each other in a timely manner reasonable documentation relating to the Dispute. Neither Party shall be under an obligation to provide any privileged or confidential documents that it is not otherwise obligated to provide under this Precedent Agreement and each Party may seek equitable relief as it determines in its sole judgment is necessary. Unless the Parties otherwise agree, if the period of forty-five (45) days referred to above has expired and the Dispute remains unresolved, the Parties may, by mutual agreement, submit the Dispute to arbitration or, if no such agreement is reached, either Party may submit the Dispute to the appropriate court or governmental authority.

11. Further Assurances. Seller and Buyer agree to execute all other additional instruments and documents, and to do all other acts, as may be reasonably necessary to effectuate the terms and provisions of this Precedent Agreement.

12. Modification. Except as provided otherwise in this Precedent Agreement, no modification of the terms or provisions of this Precedent Agreement shall be effective unless contained in a written agreement executed by both Seller and Buyer.

13. Counterparts. This Precedent Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same agreement. Signature pages delivered by e-mail shall be binding with the same force and effect as

original signature pages. Any counterpart may be executed by “.pdf” signature and such “.pdf” signature shall be deemed an original.

14. Joint Preparation. The provisions of this Precedent Agreement shall be considered as prepared through the joint efforts of the Parties and shall not be construed against either Party as a result of the preparation or drafting thereof.

15. Savings Clause. If the FERC or a court of competent jurisdiction declares any provision of this Precedent Agreement unenforceable, then that provision shall be severed from this Precedent Agreement, which shall otherwise remain in full force and effect and be construed as if it did not contain the severed provision; provided, however, that if severing such provision from this Precedent Agreement has a material adverse effect on the rights or obligations of either Party as set forth in this Precedent Agreement or would substantially impair the respective benefits or expectations of the Parties to this Precedent Agreement, then, without limiting the rights of the Parties under Paragraph 5 hereof, the Parties agree to negotiate in good faith replacement terms that are consistent with the FERC’s or court’s declaration or directive and that maintain the relative economic positions of, and risks to, the Parties as reflected in this Precedent Agreement as of the date first set forth above. If, despite their good faith efforts, the Parties are unable to negotiate mutually agreeable replacement terms for this Precedent Agreement in accordance with the foregoing, then this Precedent Agreement shall otherwise remain in full force and effect and be construed as if it did not contain the severed provision.

16. Choice of Law. **THE LAWS OF THE STATE OF TEXAS, WITHOUT REGARD FOR ANY RULES FOR CONFLICTS OF LAW THAT WOULD REFER THE MATTER TO THE LAWS OF ANOTHER JURISDICTION, SHALL GOVERN THE VALIDITY, EFFECT, CONSTRUCTION AND INTERPRETATION OF THIS PRECEDENT AGREEMENT.**

17. Regulations. This Precedent Agreement and the obligations of the Parties hereunder are subject to all applicable laws, rules, orders and regulations of governmental authorities having

jurisdiction and, anything in this Precedent Agreement to the contrary notwithstanding, in the event of conflict among any such laws, rules, orders or regulations of governmental authorities having jurisdiction and this Precedent Agreement, such laws, rules, orders and regulations of governmental authorities having jurisdiction shall control.

18. Representations and Warranties. Each Party represents and warrants, on its own behalf, that (i) it is duly formed or organized, validly existing and in good standing under the laws of the jurisdiction of its formation or incorporation, is qualified to do business in the states in which it is required to operate in order to fulfill its obligations under this Precedent Agreement and has full company or corporate power to execute, deliver and perform this Precedent Agreement, (ii) except as otherwise expressly set forth herein, its execution, delivery and performance of this Precedent Agreement have been duly authorized by all necessary company or corporate and governmental action and do not contravene any applicable provision of law or of its constitutional documents or any contractual restriction binding on it or its assets, (iii) it is legally bound by the terms of this Precedent Agreement and the terms of this Precedent Agreement are enforceable against it in accordance with the terms hereof, subject, as to enforcement, to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting creditors' rights and to general equity principles, and (iv) there is no pending or, to the best of such Party's knowledge, threatened action or proceeding affecting such Party before any court, government authority or arbitrator that could reasonably be expected to materially and adversely affect the ability of such Party to perform its obligations hereunder, or that purports to affect the legality, validity or enforceability of this Precedent Agreement.

19. Entire Agreement. The terms and provisions contained herein, including the exhibits and attachments incorporated herein, constitute the entire agreement of the Parties, and there are no prior or contemporaneous agreements, understandings, warranties, representations, covenants,

obligations, promises, assurances or conditions precedent or subsequent or otherwise, except those expressly set out in this Precedent Agreement.

20. Waiver of Consequential Damages. **NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY UNDER THIS PRECEDENT AGREEMENT FOR ANY SPECIAL, INDIRECT, INCIDENTAL, PUNITIVE, EXEMPLARY, OR CONSEQUENTIAL DAMAGES OF ANY NATURE HOWSOEVER ARISING, INCLUDING WITHOUT LIMITATION ANY LOST PROFITS, EVEN IF SUCH PARTY HAS BEEN MADE AWARE OF THE POSSIBILITY OF SUCH DAMAGES.**

21. Remedies. Unless otherwise explicitly stated herein, wherever a remedy is specified in this Precedent Agreement (including, *e.g.*, the termination rights set forth in Paragraphs 5(a)(i) through (ix), whether or not exercised), the specified remedy shall be the sole and exclusive remedy available to the Parties with respect to the subject matter of such termination rights, to the exclusion of any other rights, powers, privileges or remedies provided by law. Notwithstanding the foregoing sentence, but subject to Paragraph 20 above, (i) Seller's exercise of the termination right set forth in Paragraph 5(a)(x) shall not deprive Seller of any other rights, powers, privileges or remedies provided by law, (ii) in addition to Seller's right to exercise of the termination right set forth in Paragraph 5(a)(x), if Buyer fails to provide adequate credit support in accordance with Paragraph 6 above, Seller shall be entitled to take all actions that it is permitted to take in accordance with Paragraph 6 above, and (iii) if a 5(b) Termination occurs, Seller shall have the right to be reimbursed by Buyer for Buyer's Proportionate Share of the Project Costs in accordance with Paragraphs 5(b) and 5(c) above.

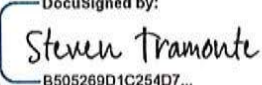
22. Waiver. No waiver by either Party of any one or more defaults by the other Party in the performance of any provision of this Precedent Agreement shall operate or be construed as a waiver of any other existing and/or future defaults under this Precedent Agreement, whether of a like or different character.

23. Captions; Titles; Interpretation. The captions and titles to the Articles and Paragraphs in this Precedent Agreement are included only for convenience of reference and shall have no effect on, or be deemed part of, the text of this Precedent Agreement. References herein to Articles, Paragraphs, Attachments, Exhibits and clauses are references to Articles of, Paragraphs of, attachments and exhibits to, and clauses of, this Precedent Agreement. Unless otherwise specified, “hereunder,” “herein,” “hereto,” “hereof” and words of similar import refer to this Precedent Agreement as a whole and not to any particular provision hereof. Words denoting the singular include the plural and vice versa. References to any Party or entity shall include such Party’s or entity’s successors and permitted assigns in that designated capacity. References to days, months and years are references to calendar days, months and years unless otherwise specified. Words not otherwise defined herein that have well known and generally accepted technical or trade meanings are used in accordance with such meanings. Any reference to “dollars” or “\$” or to “cents” or “¢” shall be to United States dollars or cents, respectively. The use of the words “include,” “includes” or “including” shall be by way of example only and shall not be considered in any way to limit the generality of the description preceding the use of any such word. The words “shall” and “will” have equal effect. Unless the context otherwise requires, the use of any of the words “action,” “claim,” “suit,” “proceeding” or “judgment” includes any and all such terms.

[Signature page follows.]

IN WITNESS WHEREOF, the Parties have caused this Precedent Agreement to be executed
by their duly authorized officers or representatives as of the date first written above.

TRANSCONTINENTAL GAS PIPE LINE COMPANY, LLC


By: 
Name: Steven Tramonte
Title: Vice President

DS
MM


DS
NT

DS
JB

ATLANTA GAS LIGHT COMPANY

By: 
Name: Tim Sherwood
Title: Vice President Gas Supply

ATTACHMENT A

- A. TCQ means a transportation contract quantity of seventy-five thousand (75,000) dekatherms of natural gas (“dt”) per day.
- B. Primary Term means twenty (20) years from and after the Effective Date of the Service Agreement.
- C. Points of Receipt means
- (i) Seller’s existing Station 165 Zone 5 Pool located at or near milepost 1,412.99 in Pittsylvania County, Virginia (“Station 165 Receipt Pool”), (the Station 165 Receipt Pool shall have a Maximum Daily Capacity Entitlement of 75,000 dt/day); and
 - (ii) the proposed Cherrystone Interconnect with Mountain Valley Pipeline located near milepost 1,413 in Pittsylvania County, Virginia (“MVP Receipt Point”), (the MVP Receipt Point shall have a Maximum Daily Capacity Entitlement of 75,000 dt/day). The MVP Receipt Point shall be added to the Service Agreement as of the date that the Mountain Valley Pipeline project and the Cherrystone Interconnect have been completed and placed into service.
- D. Point of Delivery means
- Seller’s existing Station 85 Zone 4 Pool, at or near milepost 784.66 in Choctaw County, Alabama (“Station 85 Zone 4 Pooling Point”), (the Station 85 Zone 4 Pooling Point shall have a Maximum Daily Capacity Entitlement of 75,000 dt/day).
- 

ATTACHMENT B
Form of Service Agreement

**FORM OF SERVICE AGREEMENT
(For Use Under Seller's Rate Schedule FT)**

THIS AGREEMENT entered into this _____ day of _____, _____ (year), by and between TRANSCONTINENTAL GAS PIPE LINE COMPANY, LLC, a Delaware limited liability company, hereinafter referred to as "Seller," first party, and _____, hereinafter referred to as "Buyer," second party,

[or, when applicable, THIS AGREEMENT entered into this _____ day of _____, _____ (year), by and between TRANSCONTINENTAL GAS PIPE LINE COMPANY, LLC, a Delaware limited liability company, hereinafter referred to as "Seller," first party, and _____, as "Agent," for _____ ("Principals"), hereinafter individually and collectively referred to as "Buyer," second party, which Principals meet the requirements set forth in Section 8.3 of Rate Schedule FT which is incorporated herein by reference.]

W I T N E S S E T H

WHEREAS,

NOW, THEREFORE, Seller and Buyer agree as follows:

ARTICLE I
GAS TRANSPORTATION SERVICE

1. Subject to the terms and provisions of this agreement and of Seller's Rate Schedule FT, Buyer agrees to deliver or cause to be delivered to Seller gas for transportation and Seller agrees to receive, transport and redeliver natural gas to Buyer or for the account of Buyer, on a firm basis, up to a Transportation Contract Quantity ("TCQ") of _____ dt per day.

2. Transportation service rendered hereunder shall not be subject to curtailment or interruption except as provided in Section 11 and, if applicable, Section 42 of the General Terms and Conditions of Seller's FERC Gas Tariff.

ARTICLE II
POINT(S) OF RECEIPT

Buyer shall deliver or cause to be delivered gas at the point(s) of receipt hereunder at a pressure sufficient to allow the gas to enter Seller's pipeline system at the varying pressures that may exist in such system from time to time; provided, however, the pressure of the gas delivered or caused to be delivered by Buyer shall not exceed the maximum operating pressure(s) of Seller's pipeline system at such point(s) of receipt. In the event the maximum operating pressure(s) of

Seller's pipeline system, at the point(s) of receipt hereunder, is from time to time increased or decreased, then the maximum allowable pressure(s) of the gas delivered or caused to be delivered by Buyer to Seller at the point(s) of receipt shall be correspondingly increased or decreased upon written notification of Seller to Buyer. The point(s) of receipt for natural gas received for transportation pursuant to this agreement shall be:

See Exhibit A, attached hereto, for points of receipt.

ARTICLE III POINT(S) OF DELIVERY

Seller shall redeliver to Buyer or for the account of Buyer the gas transported hereunder at the following point(s) of delivery and at a pressure(s) of:

See Exhibit B, attached hereto, for points of delivery and pressures.

ARTICLE IV TERM OF AGREEMENT

This agreement shall be effective as of _____, _____ (year) [or, when applicable, "This agreement shall be effective as of the later of _____, _____ (year) or the date that all of Seller's _____ (insert project name) facilities necessary to provide firm transportation service to Buyer have been constructed and are ready for service as determined in Seller's sole opinion"] and shall remain in force and effect until 9:00 a.m. Central Clock Time _____, _____ (year) [or, when applicable, "shall remain in force and effect for a primary term of _____"] and thereafter until terminated by Seller or Buyer upon at least _____ written notice; provided, however, this agreement shall terminate immediately and, subject to the receipt of necessary authorizations, if any, Seller may discontinue service hereunder if (a) Buyer, in Seller's reasonable judgment fails to demonstrate creditworthiness, and (b) Buyer fails to provide adequate security in accordance with Section 32 of the General Terms and Conditions of Seller's Volume No. 1 Tariff. [OPTION TO DELETE IF NOT APPLICABLE: As set forth in Section 8 of Article II of Seller's August 7, 1989 revised Stipulation and Agreement in Docket Nos. RP88-68 et.al., (a) pregranted abandonment under Section 284.221(d) of the Commission's regulations shall not apply to any long term conversions from firm sales service to transportation service under Seller's Rate Schedule FT and (b) Seller shall not exercise its right to terminate this service agreement as it applies to transportation service resulting from conversions from firm sales service so long as Buyer is willing to pay rates no less favorable than Seller is otherwise able to collect from third parties for such service.]

ARTICLE V RATE SCHEDULE AND PRICE

1. Buyer shall pay Seller for natural gas delivered to Buyer hereunder in accordance with Seller's Rate Schedule FT and the applicable provisions of the General Terms and Conditions of Seller's FERC Gas Tariff as filed with the Federal Energy Regulatory Commission, and as the same may be legally amended or superseded from time to time. Such rate schedule and General Terms and Conditions are by this reference made a part hereof. In the event Buyer and Seller mutually agree to a negotiated rate pursuant to the provisions in Section 53 of the General Terms and Conditions and specified term for service hereunder, provisions governing such negotiated rate (including surcharges) and term shall be set forth on Exhibit C to the service agreement.

[WHEN APPLICABLE: The credit support provisions set forth in that certain [*insert description of precedent* agreement(s)] dated _____ (including any amendments thereto) related to this agreement are hereby incorporated herein by reference and made a part of this agreement.]

2. Seller and Buyer agree that the quantity of gas that Buyer delivers or causes to be delivered to Seller shall include the quantity of gas retained by Seller for applicable compressor fuel, line loss make-up (and injection fuel under Seller's Rate Schedule GSS, if applicable) in providing the transportation service hereunder, which quantity may be changed from time to time and which will be specified in the currently effective Statement of Rates and Fuel in Part II, Section 12.1 of this tariff which relates to service under this agreement and which is incorporated herein.

3. In addition to the applicable charges for firm transportation service pursuant to Section 3 of Seller's Rate Schedule FT, Buyer shall reimburse Seller for any and all filing fees incurred as a result of Buyer's request for service under Seller's Rate Schedule FT, to the extent such fees are imposed upon Seller by the Federal Energy Regulatory Commission or any successor governmental authority having jurisdiction.

ARTICLE VI MISCELLANEOUS

1. This Agreement supersedes and cancels as of the effective date hereof the following contract(s):

2. No waiver by either party of any one or more defaults by the other in the performance of any provisions of this agreement shall operate or be construed as a waiver of any future default or defaults, whether of a like or different character.

3. The interpretation and performance of this agreement shall be in accordance with the laws of the State of _____, without recourse to the law governing conflict of laws, and to all present and future valid laws with respect to the subject matter, including present and future orders, rules and regulations of duly constituted authorities.

4. This agreement shall be binding upon, and inure to the benefit of the parties hereto and their respective successors and assigns.

5. Notices to either party shall be in writing and shall be considered as duly delivered when mailed to the other party at the following address:

(a) If to Seller:
Transcontinental Gas Pipe Line Company, LLC
P. O. Box 1396
Houston, Texas 77251
Attention:

(b) If to Buyer:

Such addresses may be changed from time to time by mailing appropriate notice thereof to the other party by certified or registered mail.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be signed by their respective officers or representatives thereunto duly authorized.

TRANSCONTINENTAL GAS PIPE LINE
COMPANY, LLC
(Seller)

By _____

Print Name _____

Title _____

(Buyer)

By _____

Print Name _____

Title _____

Exhibit A

Point(s) of Receipt

[OPTIONAL IF AGREED TO:
Maximum Daily Capacity Entitlement
at each Receipt Point (DT/day)*]

- * These quantities do not include the additional quantities of gas retained by Seller for applicable compressor fuel and line loss make-up provided for in Article V, 2 of this service agreement, which are subject to change as provided for in Article V, 2 hereof.

Exhibit B

<u>Point(s) of Delivery</u>	Maximum Daily Capacity Entitlement at each <u>Delivery Point (Dt/Day)</u>	<u>Pressure</u>
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Exhibit C

Specification of Negotiated Rate and Term

[OPTIONAL IF AGREED TO: Buyer agrees not to file or cause to be filed with the FERC any action, claim, complaint, or other pleading under Section 5 of the NGA, or support or participate in any such proceeding initiated by any other party, requesting a change to or in any way opposing the negotiated rate set forth above.]

[OPTIONAL IF AGREED TO: Seller agrees not to file or cause to be filed with the FERC under Section 4 of the NGA to seek to modify the negotiated rate set forth above.]

ATTACHMENT C

Form of Guaranty

GUARANTY

THIS GUARANTY is effective as of _____, 201_ and is entered into by _____ (“Guarantor”), a _____ [insert type of entity], in favor of and for the benefit of Transcontinental Gas Pipe Line Company, LLC (“Transco”), a Delaware limited liability company.

RECITALS:

WHEREAS, _____ (“Buyer”), a _____ [insert type of entity], and Transco have entered into a Precedent Agreement, dated as of [insert date of Precedent Agreement] (as amended, amended and restated, supplemented or otherwise modified from time to time in accordance with its provisions, the “Precedent Agreement”), which, together with the Service Agreement (as defined in the Precedent Agreement) and Transco’s FERC Gas Tariff, sets forth the terms and conditions under which Transco will provide firm transportation service to Buyer under Transco’s proposed “[INSERT PROJECT NAME]” (the Precedent Agreement, Service Agreement and Transco’s FERC Gas Tariff, and any other agreement, transaction or instrument related thereto or entered into in connection therewith, whether one or more, are collectively referred to herein as the “Agreements” and individually as an “Agreement”); and

WHEREAS, Guarantor will derive substantial direct and indirect benefits from the transactions contemplated by the Agreements; and

WHEREAS, Transco is willing to proceed with the development of the [INSERT PROJECT NAME] and the provision of gas transportation service for Buyer pursuant to the terms of, and subject to the conditions set forth in, the Agreements, provided that Guarantor guarantees payment and performance of Buyer’s covenants, agreements, obligations and liabilities under the Agreements.

NOW, THEREFORE, in consideration of the foregoing premises and other good and valuable consideration, the receipt and sufficiency of which Guarantor hereby acknowledges and affirms, and in order to induce Transco to enter into the Agreements and to provide gas transportation service for Buyer pursuant to the Agreements, Guarantor hereby agrees as follows:

1. Guaranty of Payment. Guarantor hereby irrevocably and unconditionally guarantees the payment and performance of any and all present and future covenants, agreements, obligations and liabilities of Buyer to Transco pursuant to the Agreements (collectively, the “Guaranteed Obligations”). Guarantor agrees, upon any failure by Buyer to pay any of the Guaranteed Obligations, that Guarantor will pay any amounts that Buyer has failed to pay Transco within five (5) days following written demand by Transco. Guarantor agrees that Transco may resort to Guarantor for payment or performance of any of the Guaranteed Obligations whether or not Transco shall have resorted to any collateral security or shall have proceeded against any other obligor principally or secondarily obligated with respect to any of the Guaranteed Obligations. Guarantor reserves the right to assert defenses that Buyer may have to

payment of any Guaranteed Obligations other than defenses arising from the bankruptcy or insolvency of Buyer and other defenses expressly waived hereby.

2. Guaranty Unconditional and Absolute. The obligations of Guarantor hereunder shall be unconditional and absolute and, without limiting the generality of the foregoing, shall not be released, discharged or otherwise affected by:

- (a) any extension, renewal, settlement, compromise, waiver, discharge or release in respect of any Guaranteed Obligations;
- (b) the existence, or extent of, any release, exchange, surrender, non-perfection or invalidity of any direct or indirect security for any of the Guaranteed Obligations;
- (c) any modification, amendment, waiver, extension of or supplement to any of the Agreements or the Guaranteed Obligations agreed to from time to time by Buyer and Transco;
- (d) any change in the corporate existence (including its constitution, laws, rules, regulations or powers), structure or ownership of Transco, Buyer or Guarantor, or any insolvency, bankruptcy, reorganization or other similar proceeding affecting Transco, Buyer or Guarantor;
- (e) the existence of any claim, set-off or other rights that Guarantor may have at any time against Transco, Buyer or any other corporation or person, whether in connection herewith or in connection with any unrelated transaction; provided, that nothing herein shall prevent the assertion of any such claim by separate suit or compulsory counterclaim;
- (f) the invalidity or unenforceability in whole or in part of any of the Agreements, any Guaranteed Obligations or any instrument evidencing any Guaranteed Obligations, or any provision of applicable law or regulation purporting to prohibit payment or performance by Buyer of amounts to be paid or performed by it under the Agreements or any of the Guaranteed Obligations; or
- (g) any other act or omission to act or delay of any kind by Transco that might, but for the provisions of this paragraph, constitute a legal or equitable discharge of Guarantor's obligations hereunder.

3. Term. This Guaranty shall be effective as of the date first above written and shall remain in force and effect until the date that the Guaranteed Obligations have been performed in full.

4. Waiver by Guarantor. Guarantor irrevocably waives acceptance hereof, diligence, presentment, demand, protest, notice of dishonor, notice of any sale of collateral and any notice not provided for herein, any right of subrogation to Buyer's rights against Transco under any Agreement or otherwise, and any requirement that at any time any person exhaust any right to take any action against Buyer or its assets or any other guarantor or person or its assets.

5. Subrogation. Upon making any payment hereunder, Guarantor shall be subrogated to the rights of Transco against Buyer with respect to such payment; provided, that Guarantor shall not enforce any right or receive any payment by way of subrogation until all of the Guaranteed Obligations then due shall have been paid in full. Transco agrees to take, at Guarantor's sole cost and expense, such steps as Guarantor may reasonably request to implement such subrogation.

6. Stay of Acceleration Ineffective with Respect to Guarantor. In the event that acceleration of the time for payment of any amount payable by Buyer under the Agreements is stayed upon the insolvency, bankruptcy or reorganization of Buyer, all such amounts otherwise subject to acceleration or required to be paid upon an early termination pursuant to the terms of the Agreements shall nonetheless be payable by Guarantor hereunder on written demand by Transco.

7. Successors and Assigns; Assignment. This Guaranty shall be binding upon and inure to the benefit of Guarantor and its successors and assigns and Transco and its successors and assigns. Guarantor may not assign its rights and obligations hereunder without the prior written consent of Transco, and any such purported assignment without such written consent shall be void.

8. Amendments and Waivers. No provision of this Guaranty may be amended, supplemented or modified, nor any of the terms and conditions hereof waived, except by a written instrument executed by Guarantor and Transco.

9. Remedies Cumulative. The rights, powers, remedies and privileges provided in this Guaranty are cumulative and not exclusive of any rights, powers, remedies and privileges provided by law and any other agreement.

10. Limitation. Guarantor's liability hereunder shall be, and is specifically limited to, payments expressly required to be made under the Agreements (even if such payments are deemed to be damages), and in no event shall Guarantor be subject hereunder to consequential, exemplary or punitive damages except as otherwise expressly provided for in the Agreements.

11. Representations and Warranties. Guarantor hereby represents and warrants to Transco as follows:

(a) Guarantor is duly organized, validly existing and in good standing under the laws of the jurisdiction of its [incorporation or formation] and has full [corporate] power to execute, deliver and perform this Guaranty.

(b) The execution, delivery and performance of this Guaranty have been and remain duly authorized by all necessary [corporate] action and do not contravene any provision of law or of Guarantor's constitutional documents or any contractual restriction binding on Guarantor or its assets.

(c) All consents, authorizations and approvals of, and registrations and declarations with, any governmental authority necessary for the due execution, delivery and performance of this Guaranty have been obtained and remain in full force and effect and all conditions thereof

have been duly complied with, and no other action by and no notice to or filing with, any governmental authority is required in connection with the execution, delivery or performance of this Guaranty. There are no conditions precedent to the effectiveness of this Guaranty that have not been satisfied or waived.

(d) This Guaranty constitutes the legal, valid and binding obligation of Guarantor enforceable against Guarantor in accordance with its terms, subject, as to enforcement, to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting creditors' rights and to general equity principles.

(e) This Guaranty provides substantial direct and indirect benefits to Guarantor.

12. Notices. All notices, demands or communications to Transco or Guarantor, as applicable, in connection with this Guaranty shall be in writing and shall be addressed as follows:

If to Transco: Transcontinental Gas Pipe Line Company, LLC
One Williams Center, MD 50th Floor
Tulsa, OK 74172
Attention: Credit Manager
Treasury Services
Facsimile: 918-732-0235

If to Guarantor: _____

Notices may be given by first class mail, courier, overnight delivery, facsimile, or hand delivery. Notices shall be deemed given on the day the notice is received by the receiving party if such day is a business day, or if such day is not a business day, the next succeeding business day. Either Transco or Guarantor may change its address for notices hereunder by providing written notice of such change to the other party.

13. GOVERNING LAW; WAIVER OF JURY TRIAL. **THIS GUARANTY SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REFERENCE TO ANY CHOICE OF LAW DOCTRINE OR CONFLICT OF LAW PRINCIPLES THEREOF THAT COULD REFER THE MATTER TO ANOTHER JURISDICTION. GUARANTOR HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES THE RIGHT TO A JURY TRIAL IN CONNECTION WITH ANY CLAIM ARISING OUT OF OR RELATED TO THIS GUARANTY.**

14. Miscellaneous. This Guaranty supersedes and terminates the following guaranty(ies) issued by Guarantor on behalf of Buyer for the benefit of Transco: [None.]

IN WITNESS WHEREOF, Guarantor has caused this Guaranty to be duly executed as of the date first above written.

[Guarantor]

By: _____
Name:
Title:

**PRECEDENT AGREEMENT
FOR
FIRM TRANSPORTATION SERVICE UNDER
SOUTHEAST SUPPLY ENHANCEMENT PROJECT**

This Precedent Agreement For Firm Transportation Service Under the Southeast Supply Enhancement Project (this "Precedent Agreement") is made and entered into the 29th day of September, 2023, by and between TRANSCONTINENTAL GAS PIPE LINE COMPANY, LLC ("Seller"), a Delaware limited liability company, and CITY OF DANVILLE ("Buyer"), a City (Seller and Buyer are sometimes referred to herein individually as a "Party" and collectively as the "Parties").

WITNESSETH:

WHEREAS, Buyer has requested firm transportation service under Seller's proposed "Southeast Supply Enhancement Project" (referred to herein as the "Project"), which is proposed to include the expansion of Seller's pipeline system from its existing Station 165 Zone 5 Pool and the proposed interconnection between Seller's mainline and Mountain Valley Pipeline, LLC's ("MVP") pipeline, both located at or near milepost 1,412.99 in Pittsylvania County, Virginia, to various delivery points on Seller's mainline extending to the existing Station 85 Zone 4 Pool located at or near milepost 784.66 in Choctaw County, Alabama.

WHEREAS, Seller and Buyer now desire to enter into this Precedent Agreement to set forth the terms and conditions under which, among other things, Seller will seek the necessary approvals and authorizations for the construction and operation of the Project facilities and Seller and Buyer will execute a service agreement under Seller's Rate Schedule FT, in substantially the form attached as Attachment B hereto, for firm transportation service under the Project.

NOW THEREFORE, in consideration of the mutual covenants herein assumed and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer agree as follows:

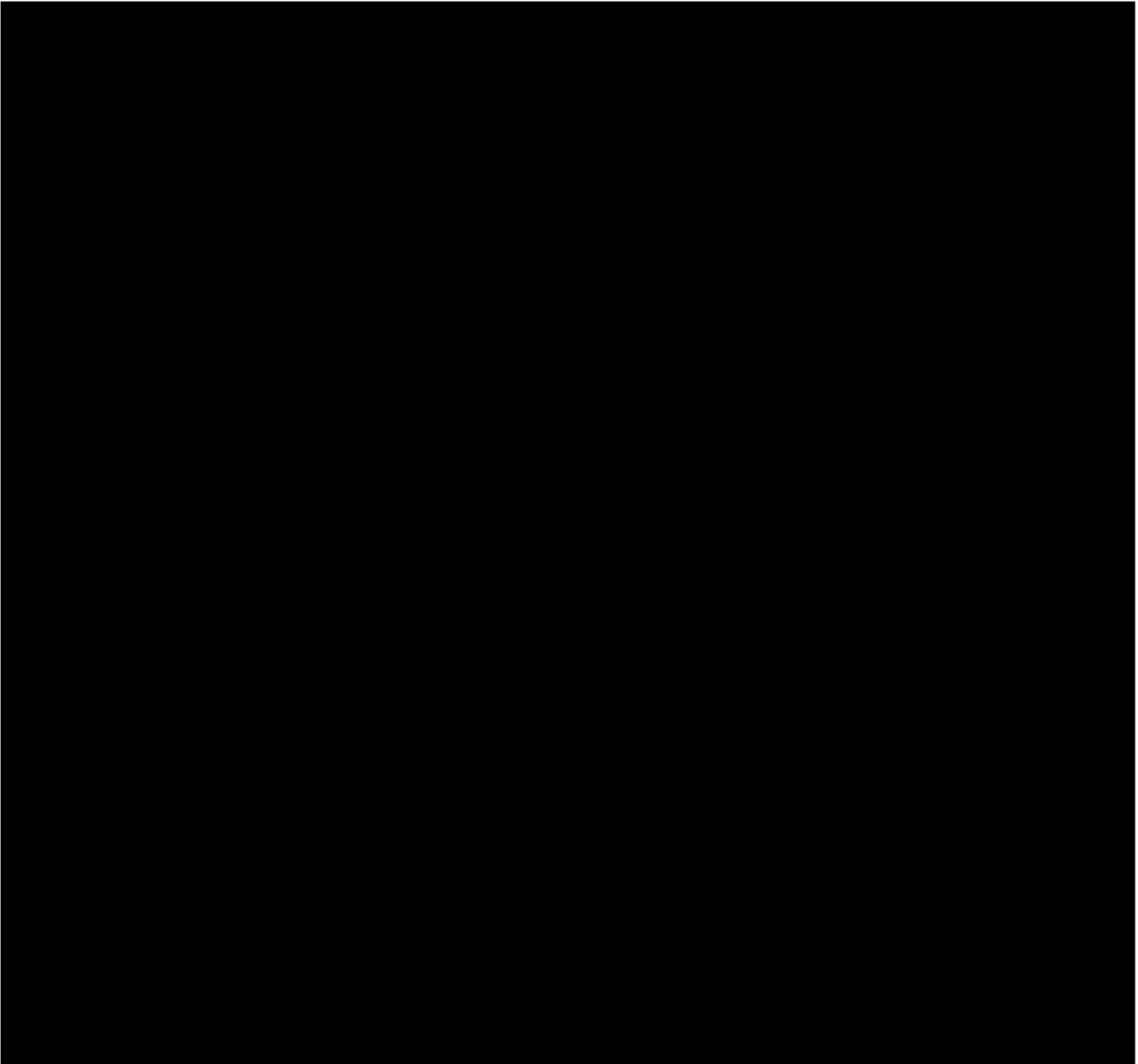
1. Approvals and Cooperation; Open Season; Anchor Shipper Status.

(a) Seller shall seek such contractual and property rights, financing arrangements, and regulatory approvals as may be necessary to construct and operate the Project facilities so as to provide firm transportation service to Buyer consistent with the terms and conditions of this Precedent Agreement, including the necessary authorizations from the Federal Energy Regulatory Commission ("FERC") under the Natural Gas Act ("NGA") for the Project ("FERC Authorization") and all other authorizations (including any authorizations or permits that may be required from other federal or state or local agencies) that may be necessary for Seller to proceed with construction and operation of the Project facilities (such other authorizations are referred to herein collectively as the "Other Governmental Authorizations"). Seller's application for the FERC Authorization is referred to herein as the "FERC Application."

(b) Seller reserves the right to file and prosecute all applications for the FERC Authorization and any Other Governmental Authorizations necessary or appropriate for the Project, including any supplements or amendments thereto and, if necessary, any court review in such manner as it deems to be in its best interest but that is consistent with the terms and conditions of this Precedent Agreement. In no event shall Seller be obligated to file a request for rehearing or an appeal if the FERC Authorization or any Other Governmental Authorization is denied or granted with conditions that are adverse to the interests of the Parties.

(c) Promptly following the issuance of the FERC order granting the certificate of public convenience and necessity for the Project, the Parties shall discuss in good faith any aspects of such FERC order that are inconsistent with the FERC Application. If either Party intends to seek rehearing and/or appeal of such FERC order, such Party shall notify the other Party and reasonably consult with the other Party.

(d) [REDACTED]



(e) The Parties acknowledge that they are executing this Precedent Agreement following the open season beginning on June 19, 2023 and ending on July 14, 2023, by Seller for the firm transportation capacity to be made available under the Project. The Parties agree that execution and delivery of this Precedent Agreement by both Parties shall fulfill Buyer's request under the Project open season for firm transportation service for a transportation contract quantity of 1,500 dt/day ("TCQ") through the primary firm transportation paths established by the Points of Receipt and Point of Delivery and associated maximum daily quantities at such points, all as further described in Attachment A hereto.

2. Service Agreement and Rate.

(a) Subject to the terms and conditions of this Precedent Agreement, Seller and Buyer shall, contemporaneously with the execution and delivery of this Precedent Agreement, execute and deliver the service agreement under Seller's Rate Schedule FT set forth in Attachment B hereto (referred to herein as the "Service Agreement"). The Service Agreement shall provide for, among other things, the TCQ, Primary Term, Points of Receipt and Point of Delivery, and, if elected by Buyer pursuant to Paragraph 2(b) below, the Negotiated Reservation Rate, all as defined and further described in Attachment A and subject to the terms and conditions hereof.

(b) Upon execution of this Precedent Agreement, Buyer shall elect one of the following rate options by having its duly authorized representative initial in the space provided below for the elected rate option.

KPL For the firm transportation service under the Service Agreement, Buyer hereby agrees to pay the negotiated rate as set forth in Attachment A, Paragraph E hereto, including the Negotiated Reservation Rate (as defined therein) and all other applicable rates and charges as further described in Attachment A, Paragraph E.

_____ For the firm transportation service under the Service Agreement, Buyer hereby agrees to pay the total maximum cost-based recourse reservation rate and all electric power unit rates, commodity rates, and surcharges, and to be responsible for compressor fuel and line loss make-up retention, all as applicable under Rate Schedule FT of Seller's FERC Gas Tariff, as the same may be revised from time to time, for firm transportation service under the Project (collectively, the "Recourse Rate"). The initial Recourse Rate will be designed based on the straight fixed-variable rate design methodology and will be calculated using Seller's estimated cost of the Project facilities, estimates for operation and maintenance expenses based on estimates for similar facilities, billing determinants under the Project, and other cost

factors. Seller makes no representation or warranty of any kind whatsoever as to the actual recourse reservation rate that will be applicable to the firm transportation service under the Project.

The foregoing rate selection shall apply during the Primary Term. Unless otherwise determined in accordance with Paragraph 2(d) below or otherwise agreed to by the Parties, the applicable rate under the Service Agreement after the Primary Term shall be the Recourse Rate.

(c) The Service Agreement shall be effective as of the date that all of Seller's Project facilities necessary to provide firm transportation service to Buyer under the Service Agreement have been constructed and are ready for service as determined in Seller's sole opinion (such date is referred to herein as the "Effective Date of the Service Agreement"), and shall remain in force and effect for the Primary Term and thereafter until terminated by either Party upon at least one (1) year's prior written notice to the other Party (subject to the term extension provisions set forth in Paragraph 2(d) below). The firm transportation service under the Service Agreement will be provided in accordance with the applicable provisions of Seller's Rate Schedule FT and FERC Gas Tariff.

(d) If Buyer elects to pay the negotiated rate pursuant to Paragraph 2(b) above, then the following term extension provisions shall be included in Exhibit C to the Service Agreement as part of the negotiated rate agreement between the Parties:

(i) Seller will agree, upon written request by Buyer at least eighteen (18) months prior to the end of the Primary Term, to extend the term of the Service Agreement for an additional five (5) year period ("First Term Extension") at the TCQ in effect during the Primary Term and, at the sole election of Buyer, at either (A) the Negotiated Reservation Rate and all other applicable rates and charges as further described in Attachment A hereto, or (B) the applicable Recourse Rate.

(ii) Seller will agree, upon written request by Buyer at least eighteen (18) months prior to the end of the First Term Extension, to extend the term of the Service Agreement for a second additional five (5) year period at the TCQ in effect at the end of the First Term Extension and, at the sole election of Buyer, at either (A) the Negotiated Reservation Rate and all other applicable rates and charges as further described in Attachment A hereto, or (B) the applicable Recourse Rate.

3. In-Service Date.

(a) After both Parties' execution of the Service Agreement pursuant to Paragraph 2 above and Seller's receipt and acceptance of all other necessary contract rights, property rights, financing arrangements, FERC Authorization, and Other Governmental Authorizations for the Project in a form and substance satisfactory to Seller in its sole determination, Seller shall proceed with the construction of the Project facilities so as to begin firm transportation service for Buyer by a target in-service date of November 1, 2027 ("Target ISD").

(b) Notwithstanding Paragraph 3(a) above, but subject to Paragraph 5 below, if Seller is unable to complete construction of the Project facilities necessary to provide firm transportation service to Buyer under the Service Agreement by the Target ISD despite its exercise of reasonable diligence, then Seller shall provide notice thereof to Buyer and Seller shall continue to proceed with reasonable diligence to complete construction of such Project facilities, place such facilities in operation, and commence service for Buyer at the earliest date thereafter commercially reasonable to Seller. Seller shall not be liable in any manner to Buyer, nor shall this Precedent Agreement or the Service Agreement be subject to termination, other than as expressly provided in the other provisions of this Precedent Agreement or the Service Agreement, if for any reason Seller is unable to complete the construction of such facilities and commence the firm transportation service to Buyer as contemplated herein and in the Service Agreement.

(c) Seller shall keep Buyer reasonably apprised of the Target ISD and any changes thereto.

4. Term of Precedent Agreement. This Precedent Agreement shall become effective on the date first written above and, unless terminated earlier, shall automatically terminate as of the Effective Date of the Service Agreement; provided, however, that (i) Paragraphs 5(a)(x) and 6 and Attachment C hereto shall survive termination of this Precedent Agreement for the Primary Term of the Service Agreement, (ii) Paragraph 9 shall survive for the period specified therein, and (iii) Paragraph 10 shall survive for any Dispute under this Precedent Agreement arising under Paragraphs 5(a)(x), 6 or 9.

5. Termination.

(a) In addition to any other termination rights set forth herein, this Precedent Agreement and, if executed, the Service Agreement shall be subject to termination as specified below:

(i)



(ii)



[REDACTED]

(iii)

[REDACTED]

[REDACTED]

(iv)

[REDACTED]

[REDACTED]

(v)

[REDACTED]

[REDACTED]

[REDACTED]

(vi)

[REDACTED]

[REDACTED]

(vii)

[REDACTED]

[REDACTED]

[REDACTED]

(viii)

[REDACTED]

(ix)

[REDACTED]

(x)

(b) If either this Precedent Agreement or the Service Agreement is terminated by Buyer pursuant to Paragraphs 5(a)(i), (iv), (vi), (viii), or (ix) above or by Seller pursuant to Paragraph 5(a)(x) (each such termination contingency is referred to herein respectively as a "5(b) Termination"), then Buyer shall reimburse Seller for Buyer's Proportionate Share (as hereinafter defined) of the Project costs reasonably incurred and/or committed to by Seller as of the date that Seller receives Buyer's written notice of termination or the date that Seller provides written notice of termination to Buyer, as the case may be ("Project Costs"). The Project Costs shall include, for purposes of illustration and without limitation, costs relating to planning, designing, procuring materials and seeking regulatory and environmental authorizations for the Project, constructing the Project, mobilization and demobilization of work in progress and cancellation charges related to materials ordered but no longer required. The Project Costs shall not include the mitigated costs described below. Subject to Paragraph 5(c) below, the term "Proportionate Share" shall mean a fraction, the numerator of which is Buyer's TCQ and the denominator of which is the total firm transportation capacity per day under the Project. Such reimbursement shall be made by Buyer within thirty (30) days of Buyer's receipt of an invoice from Seller setting forth Buyer's Proportionate Share of the Project Costs. Such invoice shall include reasonable support for such reimbursable costs. Seller shall make a good faith effort to mitigate the Project Costs to be reimbursed by Buyer hereunder, including by making good faith efforts to redeploy, return, sell or assign the materials and supplies, if any, that will not be used for

the Project as a result of such termination of this Precedent Agreement or the Service Agreement.

Seller shall net any such redeployment, return, sale or assignment amounts against the Project Costs.

(c) If a 5(b) Termination occurs but the Project is nevertheless placed in service (either before or after such termination), Seller shall, subject to the terms of Seller's FERC Gas Tariff and applicable FERC orders, rules and regulations, make a good faith effort to subscribe the firm transportation capacity under the Project from the Points of Receipt to the Point of Delivery with other shipper(s) on the same terms as set forth in this Precedent Agreement. If Seller is able to subscribe with other shipper(s) all or a portion of the capacity under the Project from the Points of Receipt to the Point of Delivery on the same terms as set forth in this Precedent Agreement (or on terms more favorable to Seller) ("Keep-Whole Subscription"), then the definition of the term "Proportionate Share" shall be modified to mean a fraction, the numerator of which is Buyer's TCQ minus the transportation contract quantity subscribed by Seller in accordance with the foregoing, and the denominator of which is the total firm transportation capacity per day under the Project. If Seller is able to subscribe with other shipper(s) all or a portion of the capacity under the Project from the Points of Receipt to the Point of Delivery but on terms less favorable to Seller than as set forth in this Precedent Agreement ("Lesser Subscription"), then Buyer's Proportionate Share of the Project Costs shall be reduced by such amount, which shall be reasonably determined by Seller in equity and good faith, taking into consideration the reasonable value to Seller of such capacity subscription(s) (Seller shall provide reasonable, written support for such determination). If a Keep-Whole Subscription and/or Lesser Subscription occurs on or before the date that is six (6) months following the in-service date of the Project, then Seller shall refund the applicable amount of the mitigated Project Costs reimbursed by Buyer (as such mitigated amount is determined in accordance with the immediately preceding two sentences) within thirty (30) days after the date that the firm transportation service under such Keep-Whole Subscription and/or Lesser Subscription commences. Such refund shall include reasonable support for such refunded amounts. If Seller is unable to subscribe with other

shipper(s) any of such capacity, then Buyer shall remain responsible for Buyer's Proportionate Share of the Project Costs in accordance with Paragraph 5(b).

(d) If Buyer is required to reimburse Seller for Project Costs pursuant to Paragraph 5(b) above, then Buyer shall have the right, upon at least twenty (20) days prior written notice to Seller, to audit books and records of Seller relating to the Project Costs (including, if applicable, reasonable information regarding any Keep-Whole Subscription and/or Lesser Subscription). Any such audit shall be conducted during normal business hours and at Buyer's sole cost and expense. Buyer shall have twelve (12) months after the date of receipt of an invoice for its Proportionate Share of the Project Costs (but in any event Buyer shall have at least three (3) months after Seller closes its books with respect thereto) in which to complete such an audit and submit any claims under this provision. After such period, Buyer's right to audit shall expire and Seller's records shall be presumed to be correct. If Buyer, after exercising such audit right, disputes Buyer's Proportionate Share of the Project Costs for which Seller seeks reimbursement, then such dispute shall be resolved pursuant to Paragraph 10 of this Precedent Agreement.

(e) Except as otherwise stated herein, termination of this Precedent Agreement shall not relieve either Party from any obligation accruing or accrued prior to the date of such termination, nor shall such termination deprive a Party not in default of any remedy otherwise available to such Party.

(f) If at any time Seller reasonably determines that any of the target dates for filing the FERC Application, commencing construction of the Project facilities, or placing the Project in service will be materially delayed, then (i) Seller shall provide prompt, written notice thereof to Buyer, (ii) Seller shall present to Buyer a revised Project schedule and, (iii) if requested by Seller, the Parties shall commence good faith negotiations to revise the termination dates set forth in Paragraphs 5(a)(iii), (viii), and (ix) above. For the avoidance of doubt, the termination rights (and dates) set forth in Paragraphs 5(a)(iii), (viii), and (ix) shall remain in effect unless and until the Parties otherwise mutually agree in writing.

(g) If a Force Majeure event, as defined below, affects the deadlines triggering the termination rights set forth in 5(a)(iii), (viii), or (ix), such deadlines shall be extended by the same number of days as the Force Majeure event. For purposes of this Paragraph 5(g) only, a "Force Majeure" event shall mean acts beyond Seller's reasonable control, including but not limited to: acts of God, strikes, lockouts, acts of terrorists, wars, blockades resulting in delays obtaining goods or services necessary for the Project, insurrections, riots, epidemics, landslides, lightning causing significant damage at the Project site, earthquakes, fires, floods, explosions, or any other causes whether of the kind enumerated in this Precedent Agreement or otherwise, that are not reasonably within the control of Seller. For purposes of this Precedent Agreement, a Force Majeure event shall also include (i) events, acts or causes arising out of or related to the novel coronavirus (COVID-19) global pandemic as declared by the World Health Organization on March 11, 2020, and (ii) any governmental action or inaction (including, without limitation, legislative, administrative or judicial action) that causes a delay in obtaining any necessary approval or otherwise delays the ability of Seller to render the services contemplated in the Precedent Agreement, including any amendments thereto, or the Service Agreement.

6. Credit Support.

(a) Buyer represents that, as of the effective date of this Precedent Agreement, in order for Seller to have been able to perform its required credit appraisal of Buyer, Buyer has provided to Seller such of the information listed below as is applicable to Buyer (or its Guarantor (as such term is hereinafter defined), if applicable). As required by Seller's FERC Gas Tariff, Buyer shall furnish to Seller at least annually, and at such other times as may be requested by Seller, any updates to the credit information listed below that is applicable to Buyer for the purpose of enabling Seller to perform an updated credit appraisal; provided that Seller shall first use reasonable efforts to obtain such information from publicly available sources.

Financial information to be provided to Seller:

- Audited Financial Statements;
- Annual Report;
- List of Affiliates, Parent Companies and Subsidiaries;
- Publicly Available Information from Credit Reports of Credit and Bond Rating Agencies;
- Private Credit Ratings, if obtained by Buyer;
- Bank References;
- Trade References;
- Most recent filed statements with the Securities and Exchange Commission (or an equivalent authority) or other publicly available information of a similar nature;
- If Buyer is a public entity:
 - the most recent publicly available interim financial statements, with an attestation by its principal financial officers, controller or equivalent that, to such person's knowledge, such statements fairly present in all material aspects the financial condition of the entity in accordance with Generally Accepted Accounting Principles ("GAAP") or equivalent;
- If Buyer is a non-public entity, including if Buyer is a state-regulated utility:
 - the most recent available interim financial statements, with an attestation by its principal financial officers, controller or equivalent that, to such person's knowledge, such statements fairly present in all material aspects the financial condition of the entity in accordance with GAAP or equivalent; and
 - if applicable, an existing sworn filing, including the most recent available interim financial statements and annual financial reports filed with the respective regulatory authority, showing Buyer's current financial condition;
- If Buyer is a state-regulated utility local distribution company, documentation from its respective state regulatory commission (or an equivalent authority) of an authorized gas supply cost recovery mechanism which fully recovers both gas commodity and transportation capacity costs and is afforded regulatory asset accounting treatment in accordance with GAAP or equivalent;
- Such other information as may be mutually agreed to by the Parties; and
- Such other information as Seller may receive approval to include in its FERC Gas Tariff or general terms and conditions.

(b) Buyer (or its Guarantor, if applicable) will be deemed to be creditworthy if (i) it has a long term senior unsecured debt rating of Baa3 or better from Moody's Investor Services or BBB- or better from Standard and Poor's, or (ii) it is not rated but Seller determines that, notwithstanding the absence of such a rating, the financial position of Buyer (or its Guarantor, if applicable) is acceptable to Seller in its reasonable judgment (such determination of creditworthiness shall be based on the results of a thorough analysis of the financial information provided by Buyer (or its Guarantor, if applicable)). In the event Seller does not find Buyer (or its Guarantor, if applicable) to be creditworthy

pursuant to this Paragraph 6, Seller shall provide a written explanation of the basis of its determination to Buyer.

(c) Subject to the terms of this Paragraph 6, if at any time during the term of this Precedent Agreement or the Service Agreement Buyer fails to meet Seller's creditworthiness requirements set forth herein, then, within ten (10) days after receipt of written notice from Seller that Buyer fails to meet such requirements, Buyer shall provide one or more of the following forms of credit support for any and all present and future covenants, agreements, obligations and liabilities of Buyer to Seller under this Precedent Agreement and, if executed, the Service Agreement (collectively, "Buyer's Obligations") for the period of time Buyer fails to meet Seller's creditworthiness requirements:

(i) a guaranty in substantially the form attached as Attachment C hereto, executed by a company meeting Seller's creditworthiness requirements as set forth in this Paragraph 6 ("Guarantor"), irrevocably and unconditionally guaranteeing the payment and performance of any and all of Buyer's Obligations;

(ii) a standby irrevocable letter of credit in form and substance satisfactory to Seller in the amount requested by Seller, which shall not exceed the credit support limit determined in accordance with Paragraph 6(f) hereto, drawn upon a U.S. bank or a foreign bank with a branch office located in the United States, in each case having assets of at least US\$10 billion and with a credit rating of A or better from Standard and Poor's or A2 or better from Moody's Investor Services; or

(iii) such other form of credit support that is reasonably acceptable to Seller.

(d) If during the term of this Precedent Agreement and, if executed, the Service Agreement, there are material, adverse changes to the financial status of Buyer (or its Guarantor or the issuer of a letter of credit or the source of other credit support, as applicable) and, as a result of such changes Buyer (or its Guarantor or the issuer of a letter of credit or the source of other credit support, as applicable) is no longer creditworthy as reasonably determined by Seller, then Seller shall

provide written notice to Buyer thereof and Buyer shall promptly (but in no event later than ten (10) days after Seller's notice) provide qualifying credit support (or additional credit support, as the case may be) pursuant to this Paragraph 6.

(e) [REDACTED]

[REDACTED] As of the Effective Date of the Service Agreement, Seller may not require Buyer to provide credit support under Paragraph 6(c)(ii) in an amount exceeding the lesser of (i) twelve (12) months' worth of reservation charges under the Service Agreement, or (ii) the total reservation charges for all months remaining in the applicable term of the Service Agreement. If Buyer provides a guaranty in accordance with Paragraph 6(c)(i), such guaranty shall not be subject to the limits set forth in this Paragraph and shall cover all of Buyer's Obligations.

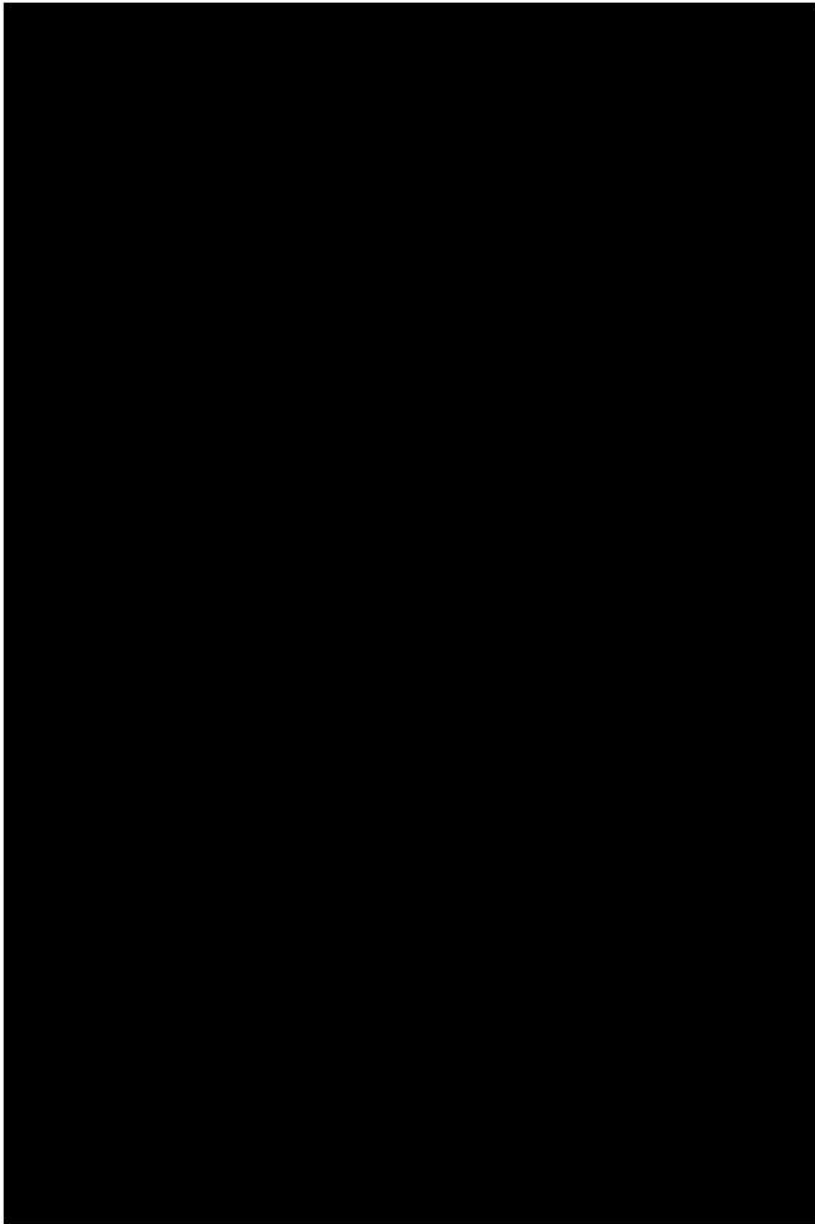
(f) Notwithstanding the foregoing, if Buyer is required to provide credit support in accordance with this Paragraph 6, in no event shall the level of credit support for Buyer's Obligations during the Primary Term or during any extension thereof be less than the minimum credit support that Seller may require under its FERC Gas Tariff.

(g) Buyer shall not be required to provide credit support pursuant to the foregoing Paragraphs prior to October 1, 2023.

(h) Buyer acknowledges and agrees that Buyer shall be responsible for all costs and expenses incurred by Buyer to obtain any credit support or additional credit support required to be obtained pursuant to this Paragraph 6. Seller will not reimburse or otherwise credit Buyer for any costs or expenses incurred by Buyer (or its Guarantor, if applicable) to obtain any credit support or additional credit support.

7. Notices.

(a) Except as otherwise expressly set forth herein, all notices and other communications by a Party shall be in writing and shall be sent by one (1) of the following means: electronic mail, hand delivery or courier to the other Party at the electronic or physical addresses as provided in this Paragraph:



or at any other electronic mail or physical address of which either Party shall have notified the other Party in any manner prescribed in this Paragraph.

(b) For all purposes of this Precedent Agreement, a notice or communication will be deemed effective on the day that the notification as set forth in subparagraph (a) above has occurred, as follows:

(i) if delivered by hand or sent by courier, on the day it is delivered unless (A) that day is not a day upon which commercial banks are open for the transaction of business in New York, New York (a "Business Day") or (B) it is delivered after the close of business on a Business Day, in either of which cases it is deemed effective on the next succeeding Business Day; and

(ii) if sent by electronic mail or facsimile transmission, on the date transmitted, provided that confirmation of receipt is obtained by the sender, unless (A) the date of transmission is not a Business Day or (B) it was received after the close of business on a Business Day, in either of which cases it is deemed effective on the next succeeding Business Day.

8. Assignment and Delegation.

(a) Subject to any applicable FERC orders, rules and regulations, either Party may, without the consent of the other Party, assign this Precedent Agreement to an affiliate of the assigning Party, but the assigning Party shall not be relieved of its obligations under this Precedent Agreement without the express written consent of the non-assigning Party. The assigning Party shall deliver notice of the assignment to the other Party as soon as practicable after such assignment.

(b) Except as provided in subparagraph (a) above, no assignment of this Precedent Agreement shall be made unless there first shall have been obtained the written consent of the other Party, which consent shall not be unreasonably withheld, conditioned or delayed.

(c) Any assignment in contravention of this Paragraph shall be void *ab initio*.

9. Confidentiality and Disclosures. The provisions in Paragraph 5(a) and the negotiated rate set forth in Paragraph E of Attachment A, including the Negotiated Reservation Rate and all other

applicable rates and charges as further described in Paragraph E, are confidential (such confidential information is referred to herein as the "Confidential Information"). Either Party may disclose the Confidential Information to its or its affiliates' members, managers, directors, officers, employees, representatives, agents, consultants, attorneys or auditors (collectively, "Representatives") who have a need to know the Confidential Information. Seller and Buyer agree not to disclose or communicate, and shall cause their respective Representatives not to disclose or communicate, the Confidential Information to any other person, entity, firm or corporation without the prior written consent of the other Party; provided that either Party may disclose the Confidential Information as required by law, order, rule or regulation of any duly constituted governmental body or official authority having jurisdiction, subject to the condition that the disclosing Party first give the other Party two (2) Business Days' notice of same, or as much notice as possible, if any, under the circumstances, so that a protective order or other protective arrangements may be sought. Notwithstanding the foregoing, Seller may make any disclosure of the Confidential Information without prior notice to or consent of Buyer if Seller (i) determines that such disclosure is required in connection with any FERC order, rule or regulation or (ii) discloses a copy of this Precedent Agreement to a requesting party pursuant to Section 388.112(b) of the FERC's regulations if such party is a public utility commission (or its equivalent) or Seller otherwise determines that disclosure to such party would not cause competitive harm to Seller. If this Precedent Agreement is terminated pursuant to the terms and conditions hereof or otherwise by mutual agreement of the Parties, then this Paragraph 9 shall survive for a period of two (2) years from and after the effective date of such termination.

10. Dispute Resolution. Any dispute between the Parties arising under this Precedent Agreement ("Dispute") shall be resolved in accordance with the provisions of this Paragraph. The Parties shall initially attempt to resolve a Dispute by the following informal dispute resolution process. Each Party shall promptly designate in writing to the other Party a representative who shall be authorized to resolve any Dispute with due consideration of law, equity and good faith. Each

Dispute shall be initially referred by written notice to such designated representative for resolution.

If the designated representatives are unable to resolve any such Dispute within thirty (30) days of such referral, each Party shall promptly designate in writing to the other Party a more senior representative who shall be authorized to resolve the Dispute, and such representatives shall attempt to resolve such Dispute within a further period of fifteen (15) days. The Parties shall attempt to resolve all Disputes promptly, equitably and in good faith, and shall provide each other in a timely manner reasonable documentation relating to the Dispute. Neither Party shall be under an obligation to provide any privileged or confidential documents that it is not otherwise obligated to provide under this Precedent Agreement and each Party may seek equitable relief as it determines in its sole judgment is necessary. Unless the Parties otherwise agree, if the period of forty-five (45) days referred to above has expired and the Dispute remains unresolved, the Parties may, by mutual agreement, submit the Dispute to arbitration or, if no such agreement is reached, either Party may submit the Dispute to the appropriate court or governmental authority.

11. Further Assurances. Seller and Buyer agree to execute all other additional instruments and documents, and to do all other acts, as may be reasonably necessary to effectuate the terms and provisions of this Precedent Agreement.

12. Modification. Except as provided otherwise in this Precedent Agreement, no modification of the terms or provisions of this Precedent Agreement shall be effective unless contained in a written agreement executed by both Seller and Buyer.

13. Counterparts. This Precedent Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same agreement. Signature pages delivered by facsimile or e-mail shall be binding with the same force and effect as original signature pages. Any counterpart may be executed by facsimile or “.pdf” signature and such facsimile or “.pdf” signature shall be deemed an original.

14. Joint Preparation. The provisions of this Precedent Agreement shall be considered as prepared through the joint efforts of the Parties and shall not be construed against either Party as a result of the preparation or drafting thereof.

15. Savings Clause. If the FERC or a court of competent jurisdiction declares any provision of this Precedent Agreement unenforceable, then that provision shall be severed from this Precedent Agreement, which shall otherwise remain in full force and effect and be construed as if it did not contain the severed provision; provided, however, that if severing such provision from this Precedent Agreement has a material adverse effect on the rights or obligations of either Party as set forth in this Precedent Agreement or would substantially impair the respective benefits or expectations of the Parties to this Precedent Agreement, then, without limiting the rights of the Parties under Paragraph 5 hereof, the Parties agree to negotiate in good faith replacement terms that are consistent with the FERC's or court's declaration or directive and that maintain the relative economic positions of, and risks to, the Parties as reflected in this Precedent Agreement as of the date first set forth above. If, despite their good faith efforts, the Parties are unable to negotiate mutually agreeable replacement terms for this Precedent Agreement in accordance with the foregoing, then this Precedent Agreement shall otherwise remain in full force and effect and be construed as if it did not contain the severed provision.

16. Choice of Law. **THE LAWS OF THE STATE OF VIRGINIA, WITHOUT REGARD FOR ANY RULES FOR CONFLICTS OF LAW THAT WOULD REFER THE MATTER TO THE LAWS OF ANOTHER JURISDICTION, SHALL GOVERN THE VALIDITY, EFFECT, CONSTRUCTION AND INTERPRETATION OF THIS PRECEDENT AGREEMENT.**

17. Regulations. This Precedent Agreement and the obligations of the Parties hereunder are subject to all applicable laws, rules, orders and regulations of governmental authorities having jurisdiction and, anything in this Precedent Agreement to the contrary notwithstanding, in the event

of conflict among any such laws, rules, orders or regulations of governmental authorities having jurisdiction and this Precedent Agreement, such laws, rules, orders and regulations of governmental authorities having jurisdiction shall control.

18. Representations and Warranties. Each Party represents and warrants, on its own behalf, that (i) it is duly formed or organized, validly existing and in good standing under the laws of the jurisdiction of its formation or incorporation, is qualified to do business in the states in which it is required to operate in order to fulfill its obligations under this Precedent Agreement and has full company or corporate power to execute, deliver and perform this Precedent Agreement, (ii) except as otherwise expressly set forth herein, its execution, delivery and performance of this Precedent Agreement have been duly authorized by all necessary company or corporate and governmental action and do not contravene any applicable provision of law or of its constitutional documents or any contractual restriction binding on it or its assets, (iii) it is legally bound by the terms of this Precedent Agreement and the terms of this Precedent Agreement are enforceable against it in accordance with the terms hereof, subject, as to enforcement, to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting creditors' rights and to general equity principles, and (iv) there is no pending or, to the best of such Party's knowledge, threatened action or proceeding affecting such Party before any court, government authority or arbitrator that could reasonably be expected to materially and adversely affect the ability of such Party to perform its obligations hereunder, or that purports to affect the legality, validity or enforceability of this Precedent Agreement.

19. Entire Agreement. The terms and provisions contained herein, including the exhibits and attachments incorporated herein, constitute the entire agreement of the Parties, and there are no prior or contemporaneous agreements, understandings, warranties, representations, covenants, obligations, promises, assurances or conditions precedent or subsequent or otherwise, except those expressly set out in this Precedent Agreement.

20. Waiver of Consequential Damages. NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY UNDER THIS PRECEDENT AGREEMENT FOR ANY SPECIAL, INDIRECT, INCIDENTAL, PUNITIVE, EXEMPLARY, OR CONSEQUENTIAL DAMAGES OF ANY NATURE HOWSOEVER ARISING, INCLUDING WITHOUT LIMITATION ANY LOST PROFITS, EVEN IF SUCH PARTY HAS BEEN MADE AWARE OF THE POSSIBILITY OF SUCH DAMAGES.

21. Remedies. Unless otherwise explicitly stated herein, wherever a remedy is specified in this Precedent Agreement (including, e.g., the termination rights set forth in Paragraphs 5(a)(i) through (ix), whether or not exercised), the specified remedy shall be the sole and exclusive remedy available to the Parties with respect to the subject matter of such termination rights, to the exclusion of any other rights, powers, privileges or remedies provided by law. Notwithstanding the foregoing sentence, but subject to Paragraph 20 above, (i) Seller's exercise of the termination right set forth in Paragraph 5(a)(x) shall not deprive Seller of any other rights, powers, privileges or remedies provided by law, (ii) in addition to Seller's right to exercise of the termination right set forth in Paragraph 5(a)(x), if Buyer fails to provide adequate credit support in accordance with Paragraph 6 above, Seller shall be entitled to take all actions that it is permitted to take in accordance with Paragraph 6 above, and (iii) if a 5(b) Termination occurs, Seller shall have the right to be reimbursed by Buyer for Buyer's Proportionate Share of the Project Costs in accordance with Paragraphs 5(b) and 5(c) above.

22. Waiver. No waiver by either Party of any one or more defaults by the other Party in the performance of any provision of this Precedent Agreement shall operate or be construed as a waiver of any other existing and/or future defaults under this Precedent Agreement, whether of a like or different character.

23. Captions; Titles; Interpretation. The captions and titles to the Articles and Paragraphs in this Precedent Agreement are included only for convenience of reference and shall have no effect on, or be deemed part of, the text of this Precedent Agreement. References herein to Articles,

Paragraphs, Attachments, Exhibits and clauses are references to Articles of, Paragraphs of, attachments and exhibits to, and clauses of, this Precedent Agreement. Unless otherwise specified, "hereunder," "herein," "hereto," "hereof" and words of similar import refer to this Precedent Agreement as a whole and not to any particular provision hereof. Words denoting the singular include the plural and vice versa. References to any Party or entity shall include such Party's or entity's successors and permitted assigns in that designated capacity. References to days, months and years are references to calendar days, months and years unless otherwise specified. Words not otherwise defined herein that have well known and generally accepted technical or trade meanings are used in accordance with such meanings. Any reference to "dollars" or "\$" or to "cents" or "¢" shall be to United States dollars or cents, respectively. The use of the words "include," "includes" or "including" shall be by way of example only and shall not be considered in any way to limit the generality of the description preceding the use of any such word. The words "shall" and "will" have equal effect. Unless the context otherwise requires, the use of any of the words "action," "claim," "suit," "proceeding" or "judgment" includes any and all such terms.

[Signature page follows.]

IN WITNESS WHEREOF, the Parties have caused this Precedent Agreement to be executed

by their duly authorized officers or representatives as of the date first written above:

TRANSCONTINENTAL GAS PIPE LINE COMPANY, LLC

DocuSigned by:

By: Steven Tramonte

Name: Steven Tramonte

Title: Vice President

CITY OF DANVILLE

By: Ken Lacking

Name: Ken Lacking

Title: City Manager

DS

MM

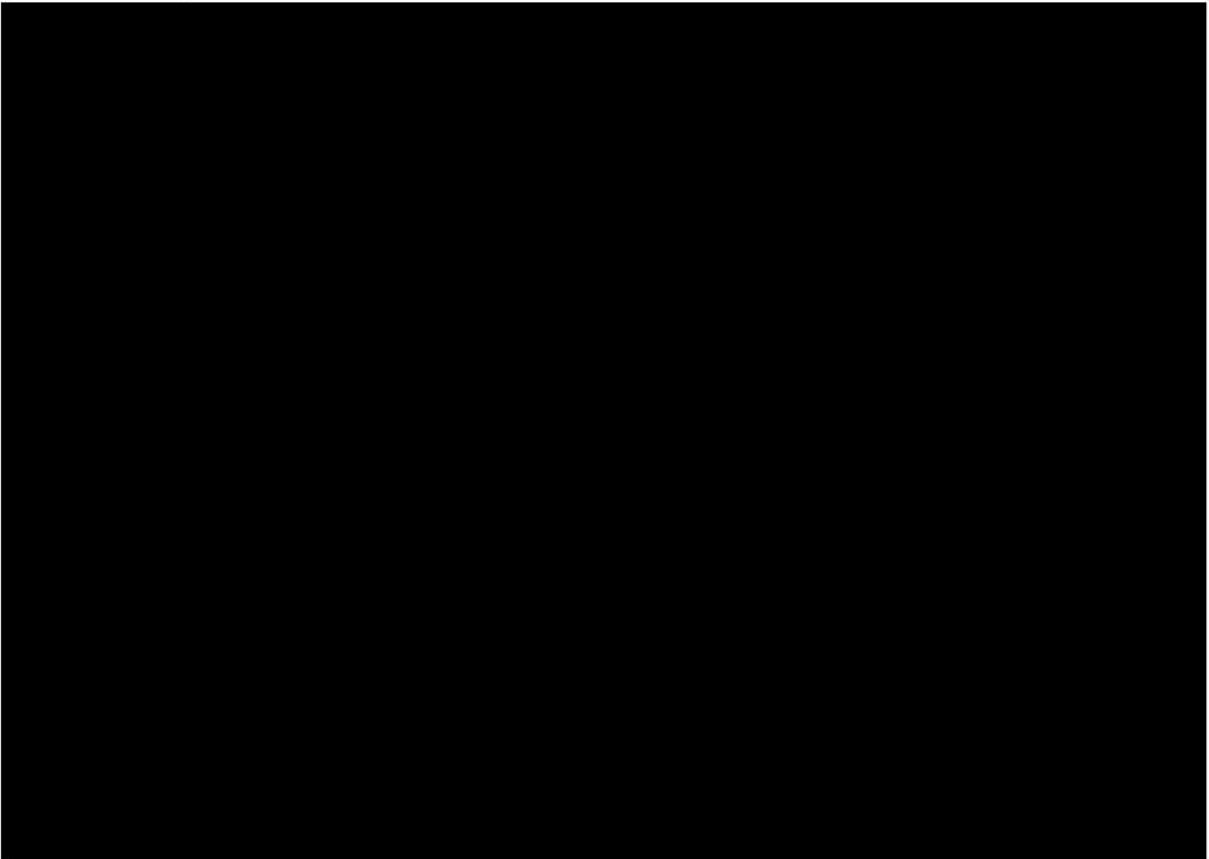
DS

NT

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JB

ATTACHMENT A

- A. TCQ means a transportation contract quantity of 1,500 dekatherms of natural gas ("dt") per day
- B. Primary Term means 20 years from and after the Effective Date of the Service Agreement.
- C. Points of Receipt means
- (i) Seller's existing Station 165 Zone 5 Pool located at or near milepost 1,412.99 in Pittsylvania County, Virginia ("Station 165 Receipt Pool"), (the Station 165 Receipt Pool shall have a Maximum Daily Capacity Entitlement of 1,500 dt/day); and
 - (ii) the proposed Cherrystone Interconnect with Mountain Valley Pipeline located near milepost 1,413 in Pittsylvania County, Virginia ("MVP Receipt Point"), (the MVP Receipt Point shall have a Maximum Daily Capacity Entitlement of 1,500 dt/day). The MVP Receipt Point shall be added to the Service Agreement as of the date that the Mountain Valley Pipeline project and the Cherrystone Interconnect have been completed and placed into service.
- D. Point of Delivery means
- (i) Seller's existing Danville Meter Station located at or near milepost 1,393.33 in Pittsylvania County, Virginia ("Danville Meter Station"), (the Danville Meter Station shall have a Maximum Daily Capacity Entitlement of 1,500 dt/day); and
- E. 

ATTACHMENT B

Form of Service Agreement

FORM OF SERVICE AGREEMENT
(For Use Under Seller's Rate Schedule FT)

THIS AGREEMENT entered into this _____ day of _____, _____ (year), by and between TRANSCONTINENTAL GAS PIPE LINE COMPANY, LLC, a Delaware limited liability company, hereinafter referred to as "Seller," first party, and _____, hereinafter referred to as "Buyer," second party,

[or, when applicable, THIS AGREEMENT entered into this _____ day of _____, _____ (year), by and between TRANSCONTINENTAL GAS PIPE LINE COMPANY, LLC, a Delaware limited liability company, hereinafter referred to as "Seller," first party, and _____, as "Agent," for _____ ("Principals"), hereinafter individually and collectively referred to as "Buyer," second party, which Principals meet the requirements set forth in Section 8.3 of Rate Schedule FT which is incorporated herein by reference.]

WITNESSETH

WHEREAS,

NOW, THEREFORE, Seller and Buyer agree as follows:

ARTICLE I
GAS TRANSPORTATION SERVICE

1. Subject to the terms and provisions of this agreement and of Seller's Rate Schedule FT, Buyer agrees to deliver or cause to be delivered to Seller gas for transportation and Seller agrees to receive, transport and redeliver natural gas to Buyer or for the account of Buyer, on a firm basis, up to a Transportation Contract Quantity ("TCQ") of _____ dt per day.

2. Transportation service rendered hereunder shall not be subject to curtailment or interruption except as provided in Section 11 and, if applicable, Section 42 of the General Terms and Conditions of Seller's FERC Gas Tariff.

ARTICLE II
POINT(S) OF RECEIPT

Buyer shall deliver or cause to be delivered gas at the point(s) of receipt hereunder at a pressure sufficient to allow the gas to enter Seller's pipeline system at the varying pressures that may exist in such system from time to time; provided, however, the pressure of the gas delivered or caused to be delivered by Buyer shall not exceed the maximum operating pressure(s) of Seller's pipeline system at such point(s) of receipt. In the event the maximum operating pressure(s) of

Seller's pipeline system, at the point(s) of receipt hereunder, is from time to time increased or decreased, then the maximum allowable pressure(s) of the gas delivered or caused to be delivered by Buyer to Seller at the point(s) of receipt shall be correspondingly increased or decreased upon written notification of Seller to Buyer. The point(s) of receipt for natural gas received for transportation pursuant to this agreement shall be:

See Exhibit A, attached hereto, for points of receipt.

ARTICLE III POINT(S) OF DELIVERY

Seller shall redeliver to Buyer or for the account of Buyer the gas transported hereunder at the following point(s) of delivery and at a pressure(s) of:

See Exhibit B, attached hereto, for points of delivery and pressures.

ARTICLE IV TERM OF AGREEMENT

This agreement shall be effective as of _____, _____ (year) [or, when applicable, "This agreement shall be effective as of the later of _____, _____ (year) or the date that all of Seller's _____ (insert project name) facilities necessary to provide firm transportation service to Buyer have been constructed and are ready for service as determined in Seller's sole opinion"] and shall remain in force and effect until 9:00 a.m. Central Clock Time _____, _____ (year) [or, when applicable, "shall remain in force and effect for a primary term of _____"] and thereafter until terminated by Seller or Buyer upon at least _____ written notice; provided, however, this agreement shall terminate immediately and, subject to the receipt of necessary authorizations, if any, Seller may discontinue service hereunder if (a) Buyer, in Seller's reasonable judgment fails to demonstrate creditworthiness, and (b) Buyer fails to provide adequate security in accordance with Section 32 of the General Terms and Conditions of Seller's Volume No. 1 Tariff. [OPTION TO DELETE IF NOT APPLICABLE: As set forth in Section 8 of Article II of Seller's August 7, 1989 revised Stipulation and Agreement in Docket Nos. RP88-68 et.al., (a) pregranted abandonment under Section 284.221(d) of the Commission's regulations shall not apply to any long term conversions from firm sales service to transportation service under Seller's Rate Schedule FT and (b) Seller shall not exercise its right to terminate this service agreement as it applies to transportation service resulting from conversions from firm sales service so long as Buyer is willing to pay rates no less favorable than Seller is otherwise able to collect from third parties for such service.]

ARTICLE V
RATE SCHEDULE AND PRICE

1. Buyer shall pay Seller for natural gas delivered to Buyer hereunder in accordance with Seller's Rate Schedule FT and the applicable provisions of the General Terms and Conditions of Seller's FERC Gas Tariff as filed with the Federal Energy Regulatory Commission, and as the same may be legally amended or superseded from time to time. Such rate schedule and General Terms and Conditions are by this reference made a part hereof. In the event Buyer and Seller mutually agree to a negotiated rate pursuant to the provisions in Section 53 of the General Terms and Conditions and specified term for service hereunder, provisions governing such negotiated rate (including surcharges) and term shall be set forth on Exhibit C to the service agreement.

[WHEN APPLICABLE: The credit support provisions set forth in that certain *[insert description of precedent agreement(s)]* dated _____ (including any amendments thereto) related to this agreement are hereby incorporated herein by reference and made a part of this agreement.]

2. Seller and Buyer agree that the quantity of gas that Buyer delivers or causes to be delivered to Seller shall include the quantity of gas retained by Seller for applicable compressor fuel, line loss make-up (and injection fuel under Seller's Rate Schedule GSS, if applicable) in providing the transportation service hereunder, which quantity may be changed from time to time and which will be specified in the currently effective Statement of Rates and Fuel in Part II, Section 12.1 of this tariff which relates to service under this agreement and which is incorporated herein.

3. In addition to the applicable charges for firm transportation service pursuant to Section 3 of Seller's Rate Schedule FT, Buyer shall reimburse Seller for any and all filing fees incurred as a result of Buyer's request for service under Seller's Rate Schedule FT, to the extent such fees are imposed upon Seller by the Federal Energy Regulatory Commission or any successor governmental authority having jurisdiction.

ARTICLE VI
MISCELLANEOUS

1. This Agreement supersedes and cancels as of the effective date hereof the following contract(s):

2. No waiver by either party of any one or more defaults by the other in the performance of any provisions of this agreement shall operate or be construed as a waiver of any future default or defaults, whether of a like or different character.

3. The interpretation and performance of this agreement shall be in accordance with the laws of the State of _____, without recourse to the law governing conflict of laws, and to all present and future valid laws with respect to the subject matter, including present and future orders, rules and regulations of duly constituted authorities.

4. This agreement shall be binding upon, and inure to the benefit of the parties hereto and their respective successors and assigns.

5. Notices to either party shall be in writing and shall be considered as duly delivered when mailed to the other party at the following address:

(a) If to Seller:
Transcontinental Gas Pipe Line Company, LLC
P. O. Box 1396
Houston, Texas 77251
Attention:

(b) If to Buyer:

Such addresses may be changed from time to time by mailing appropriate notice thereof to the other party by certified or registered mail.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be signed by their respective officers or representatives thereunto duly authorized.

TRANSCONTINENTAL GAS PIPE LINE
COMPANY, LLC
(Seller)

By _____

Print Name _____

Title _____

(Buyer)

By _____

Print Name _____

Title _____

Exhibit A

[OPTIONAL IF AGREED TO:
Maximum Daily Capacity Entitlement
Point(s) of Receipt at each Receipt Point (DT/day)*]

- * These quantities do not include the additional quantities of gas retained by Seller for applicable compressor fuel and line loss make-up provided for in Article V, 2 of this service agreement, which are subject to change as provided for in Article V, 2 hereof.

Exhibit B

Point(s) of Delivery

Maximum Daily Capacity

Pressure

Entitlement at each

Delivery Point (Dt/Day)

Exhibit C

Specification of Negotiated Rate and Term

[OPTIONAL IF AGREED TO: Buyer agrees not to file or cause to be filed with the FERC any action, claim, complaint, or other pleading under Section 5 of the NGA, or support or participate in any such proceeding initiated by any other party, requesting a change to or in any way opposing the negotiated rate set forth above.]

[OPTIONAL IF AGREED TO: Seller agrees not to file or cause to be filed with the FERC under Section 4 of the NGA to seek to modify the negotiated rate set forth above.]

ATTACHMENT C

Form of Guaranty

GUARANTY

THIS GUARANTY is effective as of _____, 201_ and is entered into by _____ ("Guarantor"), a _____ [insert type of entity], in favor of and for the benefit of Transcontinental Gas Pipe Line Company, LLC ("Transco"), a Delaware limited liability company.

RECITALS:

WHEREAS, _____ ("Buyer"), a _____ [insert type of entity], and Transco have entered into a Precedent Agreement, dated as of [insert date of Precedent Agreement] (as amended, amended and restated, supplemented or otherwise modified from time to time in accordance with its provisions, the "Precedent Agreement"), which, together with the Service Agreement (as defined in the Precedent Agreement) and Transco's FERC Gas Tariff, sets forth the terms and conditions under which Transco will provide firm transportation service to Buyer under Transco's proposed "[INSERT PROJECT NAME]" (the Precedent Agreement, Service Agreement and Transco's FERC Gas Tariff, and any other agreement, transaction or instrument related thereto or entered into in connection therewith, whether one or more, are collectively referred to herein as the "Agreements" and individually as an "Agreement"); and

WHEREAS, Guarantor will derive substantial direct and indirect benefits from the transactions contemplated by the Agreements; and

WHEREAS, Transco is willing to proceed with the development of the [INSERT PROJECT NAME] and the provision of gas transportation service for Buyer pursuant to the terms of, and subject to the conditions set forth in, the Agreements, provided that Guarantor guarantees payment and performance of Buyer's covenants, agreements, obligations and liabilities under the Agreements.

NOW, THEREFORE, in consideration of the foregoing premises and other good and valuable consideration, the receipt and sufficiency of which Guarantor hereby acknowledges and affirms, and in order to induce Transco to enter into the Agreements and to provide gas transportation service for Buyer pursuant to the Agreements, Guarantor hereby agrees as follows:

1. Guaranty of Payment. Guarantor hereby irrevocably and unconditionally guarantees the payment and performance of any and all present and future covenants, agreements, obligations and liabilities of Buyer to Transco pursuant to the Agreements (collectively, the "Guaranteed Obligations"). Guarantor agrees, upon any failure by Buyer to pay any of the Guaranteed Obligations, that Guarantor will pay any amounts that Buyer has failed to pay Transco within five (5) days following written demand by Transco. Guarantor agrees that Transco may resort to Guarantor for payment or performance of any of the Guaranteed Obligations whether or not Transco shall have resorted to any collateral security or shall have proceeded against any other obligor principally or secondarily obligated with respect to any of the Guaranteed Obligations. Guarantor reserves the right to assert defenses that Buyer may have to

payment of any Guaranteed Obligations other than defenses arising from the bankruptcy or insolvency of Buyer and other defenses expressly waived hereby.

2. Guaranty Unconditional and Absolute. The obligations of Guarantor hereunder shall be unconditional and absolute and, without limiting the generality of the foregoing, shall not be released, discharged or otherwise affected by:

(a) any extension, renewal, settlement, compromise, waiver, discharge or release in respect of any Guaranteed Obligations;

(b) the existence, or extent of, any release, exchange, surrender, non-perfection or invalidity of any direct or indirect security for any of the Guaranteed Obligations;

(c) any modification, amendment, waiver, extension of or supplement to any of the Agreements or the Guaranteed Obligations agreed to from time to time by Buyer and Transco;

(d) any change in the corporate existence (including its constitution, laws, rules, regulations or powers), structure or ownership of Transco, Buyer or Guarantor, or any insolvency, bankruptcy, reorganization or other similar proceeding affecting Transco, Buyer or Guarantor;

(e) the existence of any claim, set-off or other rights that Guarantor may have at any time against Transco, Buyer or any other corporation or person, whether in connection herewith or in connection with any unrelated transaction; provided, that nothing herein shall prevent the assertion of any such claim by separate suit or compulsory counterclaim;

(f) the invalidity or unenforceability in whole or in part of any of the Agreements, any Guaranteed Obligations or any instrument evidencing any Guaranteed Obligations, or any provision of applicable law or regulation purporting to prohibit payment or performance by Buyer of amounts to be paid or performed by it under the Agreements or any of the Guaranteed Obligations; or

(g) any other act or omission to act or delay of any kind by Transco that might, but for the provisions of this paragraph, constitute a legal or equitable discharge of Guarantor's obligations hereunder.

3. Term. This Guaranty shall be effective as of the date first above written and shall remain in force and effect until the date that the Guaranteed Obligations have been performed in full.

4. Waiver by Guarantor. Guarantor irrevocably waives acceptance hereof, diligence, presentment, demand, protest, notice of dishonor, notice of any sale of collateral and any notice not provided for herein, any right of subrogation to Buyer's rights against Transco under any Agreement or otherwise, and any requirement that at any time any person exhaust any right to take any action against Buyer or its assets or any other guarantor or person or its assets.

5. Subrogation. Upon making any payment hereunder, Guarantor shall be subrogated to the rights of Transco against Buyer with respect to such payment; provided, that Guarantor shall not enforce any right or receive any payment by way of subrogation until all of the Guaranteed Obligations then due shall have been paid in full. Transco agrees to take, at Guarantor's sole cost and expense, such steps as Guarantor may reasonably request to implement such subrogation.

6. Stay of Acceleration Ineffective with Respect to Guarantor. In the event that acceleration of the time for payment of any amount payable by Buyer under the Agreements is stayed upon the insolvency, bankruptcy or reorganization of Buyer, all such amounts otherwise subject to acceleration or required to be paid upon an early termination pursuant to the terms of the Agreements shall nonetheless be payable by Guarantor hereunder on written demand by Transco.

7. Successors and Assigns; Assignment. This Guaranty shall be binding upon and inure to the benefit of Guarantor and its successors and assigns and Transco and its successors and assigns. Guarantor may not assign its rights and obligations hereunder without the prior written consent of Transco, and any such purported assignment without such written consent shall be void.

8. Amendments and Waivers. No provision of this Guaranty may be amended, supplemented or modified, nor any of the terms and conditions hereof waived, except by a written instrument executed by Guarantor and Transco.

9. Remedies Cumulative. The rights, powers, remedies and privileges provided in this Guaranty are cumulative and not exclusive of any rights, powers, remedies and privileges provided by law and any other agreement.

10. Limitation. Guarantor's liability hereunder shall be, and is specifically limited to, payments expressly required to be made under the Agreements (even if such payments are deemed to be damages), and in no event shall Guarantor be subject hereunder to consequential, exemplary or punitive damages except as otherwise expressly provided for in the Agreements.

11. Representations and Warranties. Guarantor hereby represents and warrants to Transco as follows:

(a) Guarantor is duly organized, validly existing and in good standing under the laws of the jurisdiction of its [incorporation or formation] and has full [corporate] power to execute, deliver and perform this Guaranty.

(b) The execution, delivery and performance of this Guaranty have been and remain duly authorized by all necessary [corporate] action and do not contravene any provision of law or of Guarantor's constitutional documents or any contractual restriction binding on Guarantor or its assets.

(c) All consents, authorizations and approvals of, and registrations and declarations with, any governmental authority necessary for the due execution, delivery and performance of this Guaranty have been obtained and remain in full force and effect and all conditions thereof

have been duly complied with, and no other action by and no notice to or filing with, any governmental authority is required in connection with the execution, delivery or performance of this Guaranty. There are no conditions precedent to the effectiveness of this Guaranty that have not been satisfied or waived.

(d) This Guaranty constitutes the legal, valid and binding obligation of Guarantor enforceable against Guarantor in accordance with its terms, subject, as to enforcement, to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting creditors' rights and to general equity principles.

(e) This Guaranty provides substantial direct and indirect benefits to Guarantor.

12. Notices. All notices, demands or communications to Transco or Guarantor, as applicable, in connection with this Guaranty shall be in writing and shall be addressed as follows:

If to Transco: Transcontinental Gas Pipe Line Company, LLC
One Williams Center, MD 50th Floor
Tulsa, OK 74172
Attention: Credit Manager
Treasury Services
Facsimile: 918-732-0235

If to Guarantor:

Notices may be given by first class mail, courier, overnight delivery, facsimile, or hand delivery. Notices shall be deemed given on the day the notice is received by the receiving party if such day is a business day, or if such day is not a business day, the next succeeding business day. Either Transco or Guarantor may change its address for notices hereunder by providing written notice of such change to the other party.

13. GOVERNING LAW; WAIVER OF JURY TRIAL. **THIS GUARANTY SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF VIRGINIA, WITHOUT REFERENCE TO ANY CHOICE OF LAW DOCTRINE OR CONFLICT OF LAW PRINCIPLES THEREOF THAT COULD REFER THE MATTER TO ANOTHER JURISDICTION. GUARANTOR HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES THE RIGHT TO A JURY TRIAL IN CONNECTION WITH ANY CLAIM ARISING OUT OF OR RELATED TO THIS GUARANTY.**

14. Miscellaneous. This Guaranty supersedes and terminates the following guaranty(ies) issued by Guarantor on behalf of Buyer for the benefit of Transco: [None.]

IN WITNESS WHEREOF, Guarantor has caused this Guaranty to be duly executed as of the date first above written.

[Guarantor]

By: _____

Name:

Title:

**PRECEDENT AGREEMENT
FOR
FIRM TRANSPORTATION SERVICE UNDER
SOUTHEAST SUPPLY ENHANCEMENT PROJECT**

This Precedent Agreement For Firm Transportation Service Under the Southeast Supply Enhancement Project (this "Precedent Agreement") is made and entered into the 29 day of September, 2023, by and between TRANSCONTINENTAL GAS PIPE LINE COMPANY, LLC ("Seller"), a Delaware limited liability company, and THE CITY OF FOUNTAIN INN ("Buyer"), a City, (Seller and Buyer are sometimes referred to herein individually as a "Party" and collectively as the "Parties").

WITNESSETH:

WHEREAS, Buyer has requested firm transportation service under Seller's proposed "Southeast Supply Enhancement Project" (referred to herein as the "Project"), which is proposed to include the expansion of Seller's pipeline system from its existing Station 165 Zone 5 Pool and the proposed interconnection between Seller's mainline and Mountain Valley Pipeline, LLC's ("MVP") pipeline, both located at or near milepost 1,412.99 in Pittsylvania County, Virginia, to various delivery points on Seller's mainline extending to the existing Station 85 Zone 4 Pool located at or near milepost 784.66 in Choctaw County, Alabama.

WHEREAS, Seller and Buyer now desire to enter into this Precedent Agreement to set forth the terms and conditions under which, among other things, Seller will seek the necessary approvals and authorizations for the construction and operation of the Project facilities and Seller and Buyer will execute a service agreement under Seller's Rate Schedule FT, in substantially the form attached as Attachment B hereto, for firm transportation service under the Project.

NOW THEREFORE, in consideration of the mutual covenants herein assumed and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer agree as follows:

1. Approvals and Cooperation; Open Season; Anchor Shipper Status.

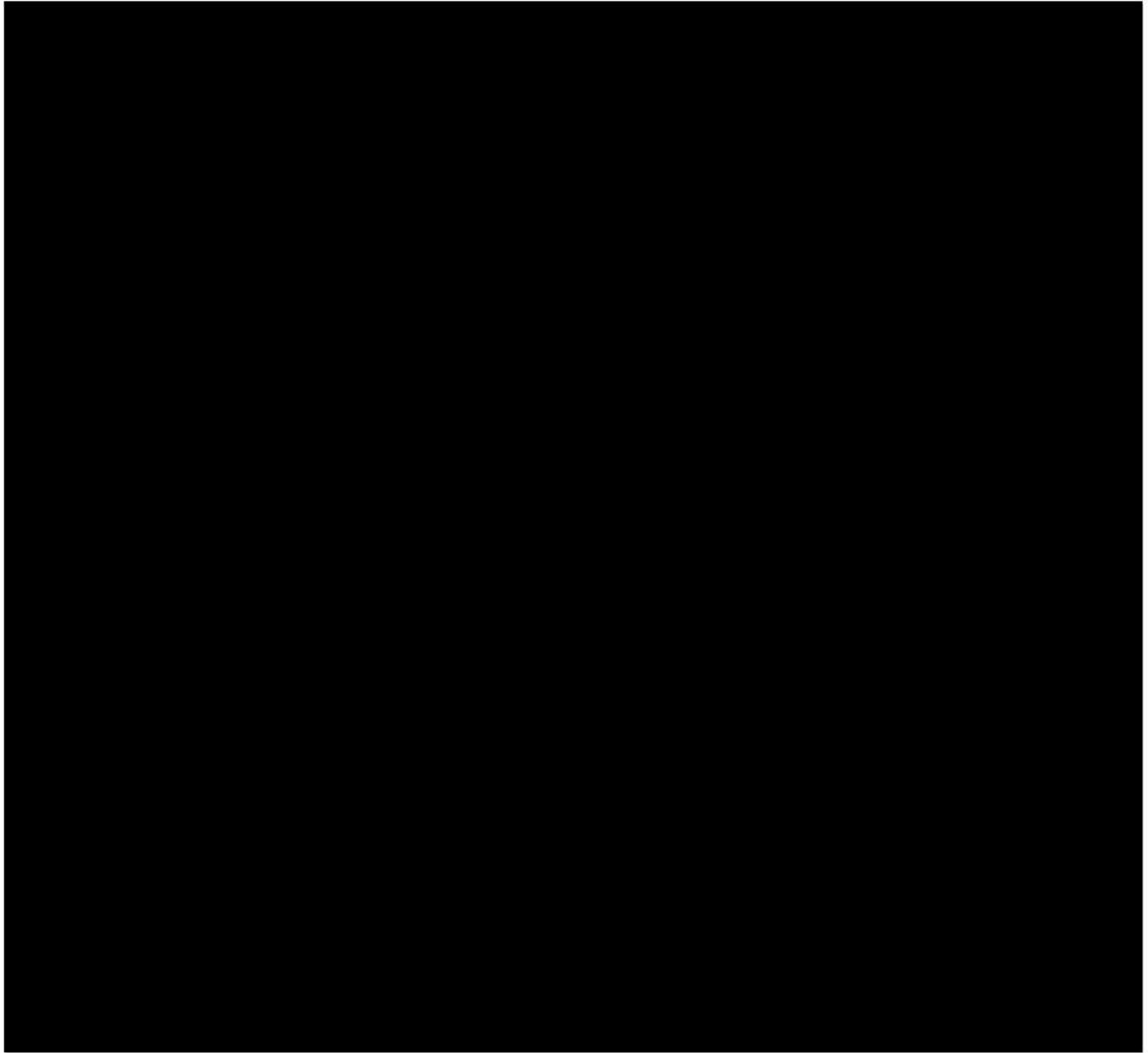
(a) Seller shall seek such contractual and property rights, financing arrangements, and regulatory approvals as may be necessary to construct and operate the Project facilities so as to provide firm transportation service to Buyer consistent with the terms and conditions of this Precedent Agreement, including the necessary authorizations from the Federal Energy Regulatory Commission (“FERC”) under the Natural Gas Act (“NGA”) for the Project (“FERC Authorization”) and all other authorizations (including any authorizations or permits that may be required from other federal or state or local agencies) that may be necessary for Seller to proceed with construction and operation of the Project facilities (such other authorizations are referred to herein collectively as the “Other Governmental Authorizations”). Seller’s application for the FERC Authorization is referred to herein as the “FERC Application.”

(b) Seller reserves the right to file and prosecute all applications for the FERC Authorization and any Other Governmental Authorizations necessary or appropriate for the Project, including any supplements or amendments thereto and, if necessary, any court review in such manner as it deems to be in its best interest but that is consistent with the terms and conditions of this Precedent Agreement. In no event shall Seller be obligated to file a request for rehearing or an appeal if the FERC Authorization or any Other Governmental Authorization is denied or granted with conditions that are adverse to the interests of the Parties.

(c) Promptly following the issuance of the FERC order granting the certificate of public convenience and necessity for the Project, the Parties shall discuss in good faith any aspects of such FERC order that are inconsistent with the FERC Application. If either Party intends to seek rehearing and/or appeal of such FERC order, such Party shall notify the other Party and reasonably consult with the other Party.

(d) [REDACTED]

[REDACTED]




(e) The Parties acknowledge that they are executing this Precedent Agreement following the open season beginning on June 19, 2023 and ending on July 14, 2023, by Seller for the firm transportation capacity to be made available under the Project. The Parties agree that execution and delivery of this Precedent Agreement by both Parties shall fulfill Buyer's request under the Project open season for firm transportation service for a transportation contract quantity of 2,400 dt/day ("TCQ") through the primary firm transportation paths established by the Points of Receipt and Point of Delivery and associated maximum daily quantities at such points, all as further described in Attachment A hereto.

2. Service Agreement and Rate.

(a) Subject to the terms and conditions of this Precedent Agreement, Seller and Buyer shall, contemporaneously with the execution and delivery of this Precedent Agreement, execute and deliver the service agreement under Seller's Rate Schedule FT set forth in Attachment B hereto (referred to herein as the "Service Agreement"). The Service Agreement shall provide for, among other things, the TCQ, Primary Term, Points of Receipt and Points of Delivery, and, if elected by Buyer pursuant to Paragraph 2(b) below, the Negotiated Reservation Rate, all as defined and further described in Attachment A and subject to the terms and conditions hereof.

(b) Upon execution of this Precedent Agreement, Buyer shall elect one of the following rate options by having its duly authorized representative initial in the space provided below for the elected rate option.

 For the firm transportation service under the Service Agreement, Buyer hereby agrees to pay the negotiated rate as set forth in Attachment A, Paragraph E hereto, including the Negotiated Reservation Rate (as defined therein) and all other applicable rates and charges as further described in Attachment A, Paragraph E.

_____ For the firm transportation service under the Service Agreement, Buyer hereby agrees to pay the total maximum cost-based recourse reservation rate and all electric power unit rates, commodity rates, and surcharges, and to be responsible for compressor fuel and line loss make-up retention, all as applicable under Rate Schedule FT of Seller's FERC Gas Tariff, as the same may be revised from time to time, for firm transportation service under the Project (collectively, the "Recourse Rate"). The initial Recourse Rate will be designed based on the straight fixed-variable rate design methodology and will be calculated using Seller's estimated cost of the Project facilities, estimates for operation and maintenance expenses based on estimates for similar facilities, billing determinants under the Project, and other cost

factors. Seller makes no representation or warranty of any kind whatsoever as to the actual recourse reservation rate that will be applicable to the firm transportation service under the Project.

The foregoing rate selection shall apply during the Primary Term. Unless otherwise determined in accordance with Paragraph 2(d) below or otherwise agreed to by the Parties, the applicable rate under the Service Agreement after the Primary Term shall be the Recourse Rate.

(c) The Service Agreement shall be effective as of the date that all of Seller's Project facilities necessary to provide firm transportation service to Buyer under the Service Agreement have been constructed and are ready for service as determined in Seller's sole opinion (such date is referred to herein as the "Effective Date of the Service Agreement"), and shall remain in force and effect for the Primary Term and thereafter until terminated by either Party upon at least one (1) year's prior written notice to the other Party (subject to the term extension provisions set forth in Paragraph 2(d) below). The firm transportation service under the Service Agreement will be provided in accordance with the applicable provisions of Seller's Rate Schedule FT and FERC Gas Tariff.

(d) If Buyer elects to pay the negotiated rate pursuant to Paragraph 2(b) above, then the following term extension provisions shall be included in Exhibit C to the Service Agreement as part of the negotiated rate agreement between the Parties:

(i) Seller will agree, upon written request by Buyer at least eighteen (18) months prior to the end of the Primary Term, to extend the term of the Service Agreement for an additional five (5) year period ("First Term Extension") at the TCQ in effect during the Primary Term and, at the sole election of Buyer, at either (A) the Negotiated Reservation Rate and all other applicable rates and charges as further described in Attachment A hereto, or (B) the applicable Recourse Rate.

(ii) Seller will agree, upon written request by Buyer at least eighteen (18) months prior to the end of the First Term Extension, to extend the term of the Service Agreement for a second additional five (5) year period at the TCQ in effect at the end of the First Term Extension and, at the sole election of Buyer, at either (A) the Negotiated Reservation Rate and all other applicable rates and charges as further described in Attachment A hereto, or (B) the applicable Recourse Rate.

3. In-Service Date.

(a) After both Parties' execution of the Service Agreement pursuant to Paragraph 2 above and Seller's receipt and acceptance of all other necessary contract rights, property rights, financing arrangements, FERC Authorization, and Other Governmental Authorizations for the Project in a form and substance satisfactory to Seller in its sole determination, Seller shall proceed with the construction of the Project facilities so as to begin firm transportation service for Buyer by a target in-service date of November 1, 2027 ("Target ISD").

(b) Notwithstanding Paragraph 3(a) above, but subject to Paragraph 5 below, if Seller is unable to complete construction of the Project facilities necessary to provide firm transportation service to Buyer under the Service Agreement by the Target ISD despite its exercise of reasonable diligence, then Seller shall provide notice thereof to Buyer and Seller shall continue to proceed with reasonable diligence to complete construction of such Project facilities, place such facilities in operation, and commence service for Buyer at the earliest date thereafter commercially reasonable to Seller. Seller shall not be liable in any manner to Buyer, nor shall this Precedent Agreement or the Service Agreement be subject to termination, other than as expressly provided in the other provisions of this Precedent Agreement or the Service Agreement, if for any reason Seller is unable to complete the construction of such facilities and commence the firm transportation service to Buyer as contemplated herein and in the Service Agreement.

(c) Seller shall keep Buyer reasonably apprised of the Target ISD and any changes thereto.

4. Term of Precedent Agreement. This Precedent Agreement shall become effective on the date first written above and, unless terminated earlier, shall automatically terminate as of the Effective Date of the Service Agreement; provided, however, that (i) Paragraphs 5(a)(x) and 6 and Attachment C hereto shall survive termination of this Precedent Agreement for the Primary Term of the Service Agreement, (ii) Paragraph 9 shall survive for the period specified therein, and (iii) Paragraph 10 shall survive for any Dispute under this Precedent Agreement arising under Paragraphs 5(a)(x), 6 or 9.

5. Termination.

(a) In addition to any other termination rights set forth herein, this Precedent Agreement and, if executed, the Service Agreement shall be subject to termination as specified below:

(i)

(ii)

[REDACTED]

(iii)

[REDACTED]

[REDACTED]

(iv)

[REDACTED]

[REDACTED]

(v)

[REDACTED]

[REDACTED]

[REDACTED]

(vi)

[REDACTED]

[REDACTED]

(vii)

[REDACTED]

[REDACTED]

[REDACTED]

(viii)

[REDACTED]

(ix)

[REDACTED]

[REDACTED]

(x) [REDACTED]

[REDACTED]

(b) If either this Precedent Agreement or the Service Agreement is terminated by Buyer pursuant to Paragraphs 5(a)(i), (iv), (vi), (viii) or (ix) above or by Seller pursuant to Paragraph 5(a)(x) (each such termination contingency is referred to herein respectively as a “5(b) Termination”), then Buyer shall reimburse Seller for Buyer’s Proportionate Share (as hereinafter defined) of the Project costs reasonably incurred and/or committed to by Seller as of the date that Seller receives Buyer’s written notice of termination or the date that Seller provides written notice of termination to Buyer, as the case may be (“Project Costs”). The Project Costs shall include, for purposes of illustration and without limitation, costs relating to planning, designing, procuring materials and seeking regulatory and environmental authorizations for the Project, constructing the Project, mobilization and demobilization of work in progress and cancellation charges related to materials ordered but no longer required. The Project Costs shall not include the mitigated costs described below. Subject to Paragraph 5(c) below, the term “Proportionate Share” shall mean a fraction, the numerator of which is Buyer’s TCQ and the denominator of which is the total firm transportation capacity per day under the Project. Such reimbursement shall be made by Buyer within thirty (30) days of Buyer’s receipt of an invoice from Seller setting forth Buyer’s Proportionate Share of the Project Costs. Such invoice shall include reasonable support for such reimbursable costs. Seller shall make a good faith effort to mitigate the Project Costs to be reimbursed by Buyer hereunder, including by making good faith efforts to redeploy, return, sell or assign the materials and supplies, if any, that will not be used for

the Project as a result of such termination of this Precedent Agreement or the Service Agreement. Seller shall net any such redeployment, return, sale or assignment amounts against the Project Costs.

(c) If a 5(b) Termination occurs but the Project is nevertheless placed in service (either before or after such termination), Seller shall, subject to the terms of Seller's FERC Gas Tariff and applicable FERC orders, rules and regulations, make a good faith effort to subscribe the firm transportation capacity under the Project from the Points of Receipt to the Points of Delivery with other shipper(s) on the same terms as set forth in this Precedent Agreement. If Seller is able to subscribe with other shipper(s) all or a portion of the capacity under the Project from the Points of Receipt to the Points of Delivery on the same terms as set forth in this Precedent Agreement (or on terms more favorable to Seller) ("Keep-Whole Subscription"), then the definition of the term "Proportionate Share" shall be modified to mean a fraction, the numerator of which is Buyer's TCQ minus the transportation contract quantity subscribed by Seller in accordance with the foregoing, and the denominator of which is the total firm transportation capacity per day under the Project. If Seller is able to subscribe with other shipper(s) all or a portion of the capacity under the Project from the Points of Receipt to the Points of Delivery but on terms less favorable to Seller than as set forth in this Precedent Agreement ("Lesser Subscription"), then Buyer's Proportionate Share of the Project Costs shall be reduced by such amount, which shall be reasonably determined by Seller in equity and good faith, taking into consideration the reasonable value to Seller of such capacity subscription(s) (Seller shall provide reasonable, written support for such determination). If a Keep-Whole Subscription and/or Lesser Subscription occurs on or before the date that is six (6) months following the in-service date of the Project, then Seller shall refund the applicable amount of the mitigated Project Costs reimbursed by Buyer (as such mitigated amount is determined in accordance with the immediately preceding two sentences) within thirty (30) days after the date that the firm transportation service under such Keep-Whole Subscription and/or Lesser Subscription commences. Such refund shall include reasonable support for such refunded amounts. If Seller is unable to subscribe with

other shipper(s) any of such capacity, then Buyer shall remain responsible for Buyer's Proportionate Share of the Project Costs in accordance with Paragraph 5(b).

(d) If Buyer is required to reimburse Seller for Project Costs pursuant to Paragraph 5(b) above, then Buyer shall have the right, upon at least twenty (20) days prior written notice to Seller, to audit books and records of Seller relating to the Project Costs (including, if applicable, reasonable information regarding any Keep-Whole Subscription and/or Lesser Subscription). Any such audit shall be conducted during normal business hours and at Buyer's sole cost and expense. Buyer shall have twelve (12) months after the date of receipt of an invoice for its Proportionate Share of the Project Costs (but in any event Buyer shall have at least three (3) months after Seller closes its books with respect thereto) in which to complete such an audit and submit any claims under this provision. After such period, Buyer's right to audit shall expire and Seller's records shall be presumed to be correct. If Buyer, after exercising such audit right, disputes Buyer's Proportionate Share of the Project Costs for which Seller seeks reimbursement, then such dispute shall be resolved pursuant to Paragraph 10 of this Precedent Agreement.

(e) Except as otherwise stated herein, termination of this Precedent Agreement shall not relieve either Party from any obligation accruing or accrued prior to the date of such termination, nor shall such termination deprive a Party not in default of any remedy otherwise available to such Party.

(f) If at any time Seller reasonably determines that any of the target dates for filing the FERC Application, commencing construction of the Project facilities, or placing the Project in service will be materially delayed, then (i) Seller shall provide prompt, written notice thereof to Buyer, (ii) Seller shall present to Buyer a revised Project schedule and, (iii) if requested by Seller, the Parties shall commence good faith negotiations to revise the termination dates set forth in Paragraphs 5(a)(iii), (viii), and (ix) above. For the avoidance of doubt, the termination rights (and dates) set forth in Paragraphs 5(a)(iii), (viii), and (ix) shall remain in effect unless and until the Parties otherwise mutually agree in writing.

(g) If a Force Majeure event, as defined below, affects the deadlines triggering the termination rights set forth in 5(a)(iii), (viii), or (ix), such deadlines shall be extended by the same number of days as the Force Majeure event. For purposes of this Paragraph 5(g) only, a “Force Majeure” event shall mean acts beyond Seller’s reasonable control, including but not limited to: acts of God, strikes, lockouts, acts of terrorists, wars, blockades resulting in delays obtaining goods or services necessary for the Project, insurrections, riots, epidemics, landslides, lightning causing significant damage at the Project site, earthquakes, fires, floods, explosions, or any other causes whether of the kind enumerated in this Precedent Agreement or otherwise, that are not reasonably within the control of Seller. For purposes of this Precedent Agreement, a Force Majeure event shall also include (i) events, acts or causes arising out of or related to the novel coronavirus (COVID-19) global pandemic as declared by the World Health Organization on March 11, 2020, and (ii) any governmental action or inaction (including, without limitation, legislative, administrative or judicial action) that causes a delay in obtaining any necessary approval or otherwise delays the ability of Seller to render the services contemplated in the Precedent Agreement, including any amendments thereto, or the Service Agreement.

6. Credit Support.

(a) Buyer represents that, as of the effective date of this Precedent Agreement, in order for Seller to have been able to perform its required credit appraisal of Buyer, Buyer has provided to Seller such of the information listed below as is applicable to Buyer (or its Guarantor (as such term is hereinafter defined), if applicable). As required by Seller’s FERC Gas Tariff, Buyer shall furnish to Seller at least annually, and at such other times as may be requested by Seller, any updates to the credit information listed below that is applicable to Buyer for the purpose of enabling Seller to perform an updated credit appraisal; provided that Seller shall first use reasonable efforts to obtain such information from publicly available sources.

Financial information to be provided to Seller:

- Audited Financial Statements;
- Annual Report;
- List of Affiliates, Parent Companies and Subsidiaries;
- Publicly Available Information from Credit Reports of Credit and Bond Rating Agencies;
- Private Credit Ratings, if obtained by Buyer;
- Bank References;
- Trade References;
- Most recent filed statements with the Securities and Exchange Commission (or an equivalent authority) or other publicly available information of a similar nature;
- If Buyer is a public entity:
 - the most recent publicly available interim financial statements, with an attestation by its principal financial officers, controller or equivalent that, to such person's knowledge, such statements fairly present in all material aspects the financial condition of the entity in accordance with Generally Accepted Accounting Principles ("GAAP") or equivalent;
- If Buyer is a non-public entity, including if Buyer is a state-regulated utility:
 - the most recent available interim financial statements, with an attestation by its principal financial officers, controller or equivalent that, to such person's knowledge, such statements fairly present in all material aspects the financial condition of the entity in accordance with GAAP or equivalent; and
 - if applicable, an existing sworn filing, including the most recent available interim financial statements and annual financial reports filed with the respective regulatory authority, showing Buyer's current financial condition;
- If Buyer is a state-regulated utility local distribution company, documentation from its respective state regulatory commission (or an equivalent authority) of an authorized gas supply cost recovery mechanism which fully recovers both gas commodity and transportation capacity costs and is afforded regulatory asset accounting treatment in accordance with GAAP or equivalent;
- Such other information as may be mutually agreed to by the Parties; and
- Such other information as Seller may receive approval to include in its FERC Gas Tariff or general terms and conditions.

(b) Buyer (or its Guarantor, if applicable) will be deemed to be creditworthy if (i) it has a long term senior unsecured debt rating of Baa3 or better from Moody's Investor Services or BBB- or better from Standard and Poor's, or (ii) it is not rated but Seller determines that, notwithstanding the absence of such a rating, the financial position of Buyer (or its Guarantor, if applicable) is acceptable to Seller in its reasonable judgment (such determination of creditworthiness shall be based on the results of a thorough analysis of the financial information provided by Buyer (or its Guarantor, if applicable)). In the event Seller does not find Buyer (or its Guarantor, if applicable) to be creditworthy

pursuant to this Paragraph 6, Seller shall provide a written explanation of the basis of its determination to Buyer.

(c) Subject to the terms of this Paragraph 6, if at any time during the term of this Precedent Agreement or the Service Agreement Buyer fails to meet Seller's creditworthiness requirements set forth herein, then, within ten (10) days after receipt of written notice from Seller that Buyer fails to meet such requirements, Buyer shall provide one or more of the following forms of credit support for any and all present and future covenants, agreements, obligations and liabilities of Buyer to Seller under this Precedent Agreement and, if executed, the Service Agreement (collectively, "Buyer's Obligations") for the period of time Buyer fails to meet Seller's creditworthiness requirements:

(i) a guaranty in substantially the form attached as Attachment C hereto, executed by a company meeting Seller's creditworthiness requirements as set forth in this Paragraph 6 ("Guarantor"), irrevocably and unconditionally guaranteeing the payment and performance of any and all of Buyer's Obligations;

(ii) a standby irrevocable letter of credit in form and substance satisfactory to Seller in the amount requested by Seller, which shall not exceed the credit support limit determined in accordance with Paragraph 6(f) hereto, drawn upon a U.S. bank or a foreign bank with a branch office located in the United States, in each case having assets of at least US\$10 billion and with a credit rating of A or better from Standard and Poor's or A2 or better from Moody's Investor Services; or

(iii) such other form of credit support that is reasonably acceptable to Seller.

(d) If during the term of this Precedent Agreement and, if executed, the Service Agreement, there are material, adverse changes to the financial status of Buyer (or its Guarantor or the issuer of a letter of credit or the source of other credit support, as applicable) and, as a result of such changes Buyer (or its Guarantor or the issuer of a letter of credit or the source of other credit support, as applicable) is no longer creditworthy as reasonably determined by Seller, then Seller shall

provide written notice to Buyer thereof and Buyer shall promptly (but in no event later than ten (10) days after Seller's notice) provide qualifying credit support (or additional credit support, as the case may be) pursuant to this Paragraph 6.

(e)

[REDACTED] As of the Effective Date of the Service Agreement, Seller may not require Buyer to provide credit support under Paragraph 6(c)(ii) in an amount exceeding the lesser of (i) twelve (12) months' worth of reservation charges under the Service Agreement, or (ii) the total reservation charges for all months remaining in the applicable term of the Service Agreement. If Buyer provides a guaranty in accordance with Paragraph 6(c)(i), such guaranty shall not be subject to the limits set forth in this Paragraph and shall cover all of Buyer's Obligations.

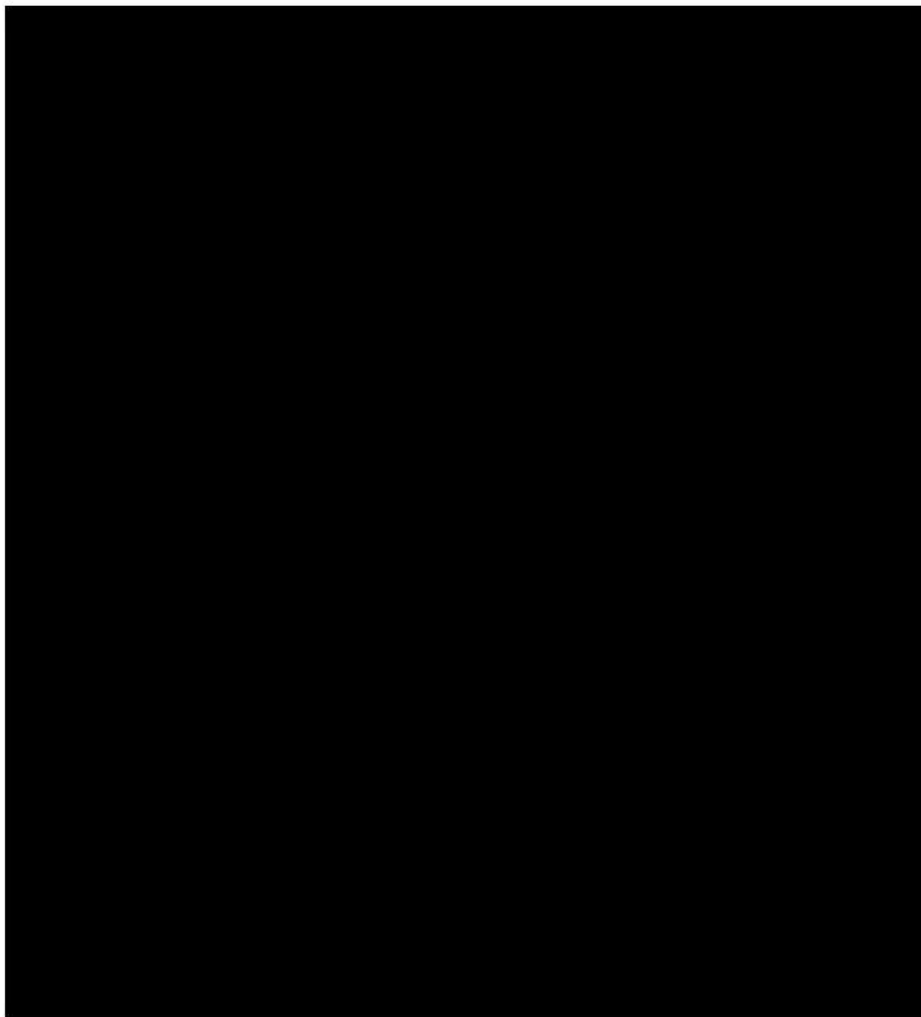
(f) Notwithstanding the foregoing, if Buyer is required to provide credit support in accordance with this Paragraph 6, in no event shall the level of credit support for Buyer's Obligations during the Primary Term or during any extension thereof be less than the minimum credit support that Seller may require under its FERC Gas Tariff.

(g) Buyer shall not be required to provide credit support pursuant to the foregoing Paragraphs prior to October 1, 2023.

(h) Buyer acknowledges and agrees that Buyer shall be responsible for all costs and expenses incurred by Buyer to obtain any credit support or additional credit support required to be obtained pursuant to this Paragraph 6. Seller will not reimburse or otherwise credit Buyer for any costs or expenses incurred by Buyer (or its Guarantor, if applicable) to obtain any credit support or additional credit support.

7. Notices.

(a) Except as otherwise expressly set forth herein, all notices and other communications by a Party shall be in writing and shall be sent by one (1) of the following means: electronic mail, hand delivery or courier to the other Party at the electronic or physical addresses as provided in this Paragraph:



or at any other electronic mail or physical address of which either Party shall have notified the other Party in any manner prescribed in this Paragraph.

(b) For all purposes of this Precedent Agreement, a notice or communication will be deemed effective on the day that the notification as set forth in subparagraph (a) above has occurred, as follows:

(i) if delivered by hand or sent by courier, on the day it is delivered unless (A) that day is not a day upon which commercial banks are open for the transaction of business in New York, New York (a "Business Day") or (B) it is delivered after the close of business on a Business Day, in either of which cases it is deemed effective on the next succeeding Business Day; and

(ii) if sent by electronic mail or facsimile transmission, on the date transmitted, provided that confirmation of receipt is obtained by the sender, unless (A) the date of transmission is not a Business Day or (B) it was received after the close of business on a Business Day, in either of which cases it is deemed effective on the next succeeding Business Day.

8. Assignment and Delegation.

(a) Subject to any applicable FERC orders, rules and regulations, either Party may, without the consent of the other Party, assign this Precedent Agreement to an affiliate of the assigning Party, but the assigning Party shall not be relieved of its obligations under this Precedent Agreement without the express written consent of the non-assigning Party. The assigning Party shall deliver notice of the assignment to the other Party as soon as practicable after such assignment.

(b) Except as provided in subparagraph (a) above, no assignment of this Precedent Agreement shall be made unless there first shall have been obtained the written consent of the other Party, which consent shall not be unreasonably withheld, conditioned or delayed.

(c) Any assignment in contravention of this Paragraph shall be void *ab initio*.

9. Confidentiality and Disclosures. The provisions in Paragraph 5(a) and the negotiated rate set forth in Paragraph E of Attachment A, including the Negotiated Reservation Rate and all other applicable rates and charges as further described in Paragraph E, are confidential (such confidential information is referred to herein as the "Confidential Information"). Either Party may disclose the Confidential Information to its or its affiliates' members, managers, directors, officers, employees,

representatives, agents, consultants, attorneys or auditors (collectively, "Representatives") who have a need to know the Confidential Information. Seller and Buyer agree not to disclose or communicate, and shall cause their respective Representatives not to disclose or communicate, the Confidential Information to any other person, entity, firm or corporation without the prior written consent of the other Party; provided that either Party may disclose the Confidential Information as required by law, order, rule or regulation of any duly constituted governmental body or official authority having jurisdiction, subject to the condition that the disclosing Party first give the other Party two (2) Business Days' notice of same, or as much notice as possible, if any, under the circumstances, so that a protective order or other protective arrangements may be sought. Notwithstanding the foregoing, Seller may make any disclosure of the Confidential Information without prior notice to or consent of Buyer if Seller (i) determines that such disclosure is required in connection with any FERC order, rule or regulation or (ii) discloses a copy of this Precedent Agreement to a requesting party pursuant to Section 388.112(b) of the FERC's regulations if such party is a public utility commission (or its equivalent) or Seller otherwise determines that disclosure to such party would not cause competitive harm to Seller. If this Precedent Agreement is terminated pursuant to the terms and conditions hereof or otherwise by mutual agreement of the Parties, then this Paragraph 9 shall survive for a period of two (2) years from and after the effective date of such termination.

10. Dispute Resolution. Any dispute between the Parties arising under this Precedent Agreement ("Dispute") shall be resolved in accordance with the provisions of this Paragraph. The Parties shall initially attempt to resolve a Dispute by the following informal dispute resolution process. Each Party shall promptly designate in writing to the other Party a representative who shall be authorized to resolve any Dispute with due consideration of law, equity and good faith. Each Dispute shall be initially referred by written notice to such designated representative for resolution. If the designated representatives are unable to resolve any such Dispute within thirty (30) days of such referral, each Party shall promptly designate in writing to the other Party a more senior

representative who shall be authorized to resolve the Dispute, and such representatives shall attempt to resolve such Dispute within a further period of fifteen (15) days. The Parties shall attempt to resolve all Disputes promptly, equitably and in good faith, and shall provide each other in a timely manner reasonable documentation relating to the Dispute. Neither Party shall be under an obligation to provide any privileged or confidential documents that it is not otherwise obligated to provide under this Precedent Agreement and each Party may seek equitable relief as it determines in its sole judgment is necessary. Unless the Parties otherwise agree, if the period of forty-five (45) days referred to above has expired and the Dispute remains unresolved, the Parties may, by mutual agreement, submit the Dispute to arbitration or, if no such agreement is reached, either Party may submit the Dispute to the appropriate court or governmental authority.

11. Further Assurances. Seller and Buyer agree to execute all other additional instruments and documents, and to do all other acts, as may be reasonably necessary to effectuate the terms and provisions of this Precedent Agreement.

12. Modification. Except as provided otherwise in this Precedent Agreement, no modification of the terms or provisions of this Precedent Agreement shall be effective unless contained in a written agreement executed by both Seller and Buyer.

13. Counterparts. This Precedent Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same agreement. Signature pages delivered by facsimile or e-mail shall be binding with the same force and effect as original signature pages. Any counterpart may be executed by facsimile or “.pdf” signature and such facsimile or “.pdf” signature shall be deemed an original.

14. Joint Preparation. The provisions of this Precedent Agreement shall be considered as prepared through the joint efforts of the Parties and shall not be construed against either Party as a result of the preparation or drafting thereof.

15. Savings Clause. If the FERC or a court of competent jurisdiction declares any provision of this Precedent Agreement unenforceable, then that provision shall be severed from this Precedent Agreement, which shall otherwise remain in full force and effect and be construed as if it did not contain the severed provision; provided, however, that if severing such provision from this Precedent Agreement has a material adverse effect on the rights or obligations of either Party as set forth in this Precedent Agreement or would substantially impair the respective benefits or expectations of the Parties to this Precedent Agreement, then, without limiting the rights of the Parties under Paragraph 5 hereof, the Parties agree to negotiate in good faith replacement terms that are consistent with the FERC's or court's declaration or directive and that maintain the relative economic positions of, and risks to, the Parties as reflected in this Precedent Agreement as of the date first set forth above. If, despite their good faith efforts, the Parties are unable to negotiate mutually agreeable replacement terms for this Precedent Agreement in accordance with the foregoing, then this Precedent Agreement shall otherwise remain in full force and effect and be construed as if it did not contain the severed provision.

16. Choice of Law. **THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD FOR ANY RULES FOR CONFLICTS OF LAW THAT WOULD REFER THE MATTER TO THE LAWS OF ANOTHER JURISDICTION, SHALL GOVERN THE VALIDITY, EFFECT, CONSTRUCTION AND INTERPRETATION OF THIS PRECEDENT AGREEMENT.**

17. Regulations. This Precedent Agreement and the obligations of the Parties hereunder are subject to all applicable laws, rules, orders and regulations of governmental authorities having jurisdiction and, anything in this Precedent Agreement to the contrary notwithstanding, in the event of conflict among any such laws, rules, orders or regulations of governmental authorities having jurisdiction and this Precedent Agreement, such laws, rules, orders and regulations of governmental authorities having jurisdiction shall control.

18. Representations and Warranties. Each Party represents and warrants, on its own behalf, that (i) it is duly formed or organized, validly existing and in good standing under the laws of the jurisdiction of its formation or incorporation, is qualified to do business in the states in which it is required to operate in order to fulfill its obligations under this Precedent Agreement and has full company or corporate power to execute, deliver and perform this Precedent Agreement, (ii) except as otherwise expressly set forth herein, its execution, delivery and performance of this Precedent Agreement have been duly authorized by all necessary company or corporate and governmental action and do not contravene any applicable provision of law or of its constitutional documents or any contractual restriction binding on it or its assets, (iii) it is legally bound by the terms of this Precedent Agreement and the terms of this Precedent Agreement are enforceable against it in accordance with the terms hereof, subject, as to enforcement, to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting creditors' rights and to general equity principles, and (iv) there is no pending or, to the best of such Party's knowledge, threatened action or proceeding affecting such Party before any court, government authority or arbitrator that could reasonably be expected to materially and adversely affect the ability of such Party to perform its obligations hereunder, or that purports to affect the legality, validity or enforceability of this Precedent Agreement.

19. Entire Agreement. The terms and provisions contained herein, including the exhibits and attachments incorporated herein, constitute the entire agreement of the Parties, and there are no prior or contemporaneous agreements, understandings, warranties, representations, covenants, obligations, promises, assurances or conditions precedent or subsequent or otherwise, except those expressly set out in this Precedent Agreement.

20. Waiver of Consequential Damages. **NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY UNDER THIS PRECEDENT AGREEMENT FOR ANY SPECIAL, INDIRECT, INCIDENTAL, PUNITIVE, EXEMPLARY, OR CONSEQUENTIAL**

DAMAGES OF ANY NATURE HOWSOEVER ARISING, INCLUDING WITHOUT LIMITATION ANY LOST PROFITS, EVEN IF SUCH PARTY HAS BEEN MADE AWARE OF THE POSSIBILITY OF SUCH DAMAGES.

21. Remedies. Unless otherwise explicitly stated herein, wherever a remedy is specified in this Precedent Agreement (including, *e.g.*, the termination rights set forth in Paragraphs 5(a)(i) through (ix), whether or not exercised), the specified remedy shall be the sole and exclusive remedy available to the Parties with respect to the subject matter of such termination rights, to the exclusion of any other rights, powers, privileges or remedies provided by law. Notwithstanding the foregoing sentence, but subject to Paragraph 20 above, (i) Seller's exercise of the termination right set forth in Paragraph 5(a)(ix) shall not deprive Seller of any other rights, powers, privileges or remedies provided by law, (ii) in addition to Seller's right to exercise of the termination right set forth in Paragraph 5(a)(ix), if Buyer fails to provide adequate credit support in accordance with Paragraph 6 above, Seller shall be entitled to take all actions that it is permitted to take in accordance with Paragraph 6 above, and (iii) if a 5(b) Termination occurs, Seller shall have the right to be reimbursed by Buyer for Buyer's Proportionate Share of the Project Costs in accordance with Paragraphs 5(b) and 5(c) above.

22. Waiver. No waiver by either Party of any one or more defaults by the other Party in the performance of any provision of this Precedent Agreement shall operate or be construed as a waiver of any other existing and/or future defaults under this Precedent Agreement, whether of a like or different character.

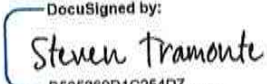
23. Captions; Titles; Interpretation. The captions and titles to the Articles and Paragraphs in this Precedent Agreement are included only for convenience of reference and shall have no effect on, or be deemed part of, the text of this Precedent Agreement. References herein to Articles, Paragraphs, Attachments, Exhibits and clauses are references to Articles of, Paragraphs of, attachments and exhibits to, and clauses of, this Precedent Agreement. Unless otherwise specified, "hereunder," "herein," "hereto," "hereof" and words of similar import refer to this Precedent

Agreement as a whole and not to any particular provision hereof. Words denoting the singular include the plural and vice versa. References to any Party or entity shall include such Party's or entity's successors and permitted assigns in that designated capacity. References to days, months and years are references to calendar days, months and years unless otherwise specified. Words not otherwise defined herein that have well known and generally accepted technical or trade meanings are used in accordance with such meanings. Any reference to "dollars" or "\$" or to "cents" or "¢" shall be to United States dollars or cents, respectively. The use of the words "include," "includes" or "including" shall be by way of example only and shall not be considered in any way to limit the generality of the description preceding the use of any such word. The words "shall" and "will" have equal effect. Unless the context otherwise requires, the use of any of the words "action," "claim," "suit," "proceeding" or "judgment" includes any and all such terms.

[Signature page follows.]

IN WITNESS WHEREOF, the Parties have caused this Precedent Agreement to be executed
by their duly authorized officers or representatives as of the date first written above.

TRANSCONTINENTAL GAS PIPE LINE COMPANY, LLC

By: 
Name: Steven Tramonte
Title: Vice President

DocuSigned by:


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DS
MM

DS
MT

DS
JB

THE CITY OF FOUNTAIN INN

By: 
Name: Shawn M. Bell
Title: City Administrator

ATTACHMENT A

- A. TCQ means a transportation contract quantity of 2,400 dekatherms of natural gas ("dt") per day
- B. Primary Term means 20 years from and after the Effective Date of the Service Agreement.
- C. Points of Receipt means
- (i) Seller's existing Station 165 Zone 5 Pool located at or near milepost 1,412.99 in Pittsylvania County, Virginia ("Station 165 Receipt Pool"), (the Station 165 Receipt Pool shall have a Maximum Daily Capacity Entitlement of 2,400 dt/day); and
- (ii) the proposed Cherrystone Interconnect with Mountain Valley Pipeline located near milepost 1,413 in Pittsylvania County, Virginia ("MVP Receipt Point"), (the MVP Receipt Point shall have a Maximum Daily Capacity Entitlement of 2,400 dt/day). The MVP Receipt Point shall be added to the Service Agreement as of the date that the Mountain Valley Pipeline project and the Cherrystone Interconnect have been completed and placed into service.
- D. Points of Delivery means
- (i) Seller's existing Station 85 Zone 4 Pool, at or near milepost 784.66 in Choctaw County, Alabama ("Station 85 Zone 4 Pooling Point"), (the Station 85 Zone 4 Pooling Point shall have a Maximum Daily Capacity Entitlement of 2,400 dt/day).

E.



ATTACHMENT B

Form of Service Agreement

**FORM OF SERVICE AGREEMENT
(For Use Under Seller's Rate Schedule FT)**

THIS AGREEMENT entered into this _____ day of _____, _____ (year), by and between TRANSCONTINENTAL GAS PIPE LINE COMPANY, LLC, a Delaware limited liability company, hereinafter referred to as "Seller," first party, and _____, hereinafter referred to as "Buyer," second party,

[or, when applicable, THIS AGREEMENT entered into this _____ day of _____, _____ (year), by and between TRANSCONTINENTAL GAS PIPE LINE COMPANY, LLC, a Delaware limited liability company, hereinafter referred to as "Seller," first party, and _____, as "Agent," for _____ ("Principals"), hereinafter individually and collectively referred to as "Buyer," second party, which Principals meet the requirements set forth in Section 8.3 of Rate Schedule FT which is incorporated herein by reference.]

WITNESSETH

WHEREAS,

NOW, THEREFORE, Seller and Buyer agree as follows:

**ARTICLE I
GAS TRANSPORTATION SERVICE**

1. Subject to the terms and provisions of this agreement and of Seller's Rate Schedule FT, Buyer agrees to deliver or cause to be delivered to Seller gas for transportation and Seller agrees to receive, transport and redeliver natural gas to Buyer or for the account of Buyer, on a firm basis, up to a Transportation Contract Quantity ("TCQ") of _____ dt per day.

2. Transportation service rendered hereunder shall not be subject to curtailment or interruption except as provided in Section 11 and, if applicable, Section 42 of the General Terms and Conditions of Seller's FERC Gas Tariff.

**ARTICLE II
POINT(S) OF RECEIPT**

Buyer shall deliver or cause to be delivered gas at the point(s) of receipt hereunder at a pressure sufficient to allow the gas to enter Seller's pipeline system at the varying pressures that may exist in such system from time to time; provided, however, the pressure of the gas delivered or caused to be delivered by Buyer shall not exceed the maximum operating pressure(s) of Seller's pipeline system at such point(s) of receipt. In the event the maximum operating pressure(s) of

Seller's pipeline system, at the point(s) of receipt hereunder, is from time to time increased or decreased, then the maximum allowable pressure(s) of the gas delivered or caused to be delivered by Buyer to Seller at the point(s) of receipt shall be correspondingly increased or decreased upon written notification of Seller to Buyer. The point(s) of receipt for natural gas received for transportation pursuant to this agreement shall be:

See Exhibit A, attached hereto, for points of receipt.

ARTICLE III POINT(S) OF DELIVERY

Seller shall redeliver to Buyer or for the account of Buyer the gas transported hereunder at the following point(s) of delivery and at a pressure(s) of:

See Exhibit B, attached hereto, for points of delivery and pressures.

ARTICLE IV TERM OF AGREEMENT

This agreement shall be effective as of _____, _____ (year) [or, when applicable, "This agreement shall be effective as of the later of _____, _____ (year) or the date that all of Seller's _____ (insert project name) facilities necessary to provide firm transportation service to Buyer have been constructed and are ready for service as determined in Seller's sole opinion"] and shall remain in force and effect until 9:00 a.m. Central Clock Time _____, _____ (year) [or, when applicable, "shall remain in force and effect for a primary term of _____"] and thereafter until terminated by Seller or Buyer upon at least _____ written notice; provided, however, this agreement shall terminate immediately and, subject to the receipt of necessary authorizations, if any, Seller may discontinue service hereunder if (a) Buyer, in Seller's reasonable judgment fails to demonstrate creditworthiness, and (b) Buyer fails to provide adequate security in accordance with Section 32 of the General Terms and Conditions of Seller's Volume No. 1 Tariff. [OPTION TO DELETE IF NOT APPLICABLE: As set forth in Section 8 of Article II of Seller's August 7, 1989 revised Stipulation and Agreement in Docket Nos. RP88-68 et.al., (a) pregranted abandonment under Section 284.221(d) of the Commission's regulations shall not apply to any long term conversions from firm sales service to transportation service under Seller's Rate Schedule FT and (b) Seller shall not exercise its right to terminate this service agreement as it applies to transportation service resulting from conversions from firm sales service so long as Buyer is willing to pay rates no less favorable than Seller is otherwise able to collect from third parties for such service.]

ARTICLE V RATE SCHEDULE AND PRICE

1. Buyer shall pay Seller for natural gas delivered to Buyer hereunder in accordance with Seller's Rate Schedule FT and the applicable provisions of the General Terms and Conditions of Seller's FERC Gas Tariff as filed with the Federal Energy Regulatory Commission, and as the same may be legally amended or superseded from time to time. Such rate schedule and General Terms and Conditions are by this reference made a part hereof. In the event Buyer and Seller mutually agree to a negotiated rate pursuant to the provisions in Section 53 of the General Terms and Conditions and specified term for service hereunder, provisions governing such negotiated rate (including surcharges) and term shall be set forth on Exhibit C to the service agreement.

[WHEN APPLICABLE: The credit support provisions set forth in that certain *[insert description of precedent agreement(s)]* dated _____ (including any amendments thereto) related to this agreement are hereby incorporated herein by reference and made a part of this agreement.]

2. Seller and Buyer agree that the quantity of gas that Buyer delivers or causes to be delivered to Seller shall include the quantity of gas retained by Seller for applicable compressor fuel, line loss make-up (and injection fuel under Seller's Rate Schedule GSS, if applicable) in providing the transportation service hereunder, which quantity may be changed from time to time and which will be specified in the currently effective Statement of Rates and Fuel in Part II, Section 12.1 of this tariff which relates to service under this agreement and which is incorporated herein.

3. In addition to the applicable charges for firm transportation service pursuant to Section 3 of Seller's Rate Schedule FT, Buyer shall reimburse Seller for any and all filing fees incurred as a result of Buyer's request for service under Seller's Rate Schedule FT, to the extent such fees are imposed upon Seller by the Federal Energy Regulatory Commission or any successor governmental authority having jurisdiction.

ARTICLE VI MISCELLANEOUS

1. This Agreement supersedes and cancels as of the effective date hereof the following contract(s):

2. No waiver by either party of any one or more defaults by the other in the performance of any provisions of this agreement shall operate or be construed as a waiver of any future default or defaults, whether of a like or different character.

3. The interpretation and performance of this agreement shall be in accordance with the laws of the State of _____, without recourse to the law governing conflict of laws, and to all present and future valid laws with respect to the subject matter, including present and future orders, rules and regulations of duly constituted authorities.

4. This agreement shall be binding upon, and inure to the benefit of the parties hereto and their respective successors and assigns.

5. Notices to either party shall be in writing and shall be considered as duly delivered when mailed to the other party at the following address:

(a) If to Seller:
Transcontinental Gas Pipe Line Company, LLC
P. O. Box 1396
Houston, Texas 77251
Attention:

(b) If to Buyer:

Such addresses may be changed from time to time by mailing appropriate notice thereof to the other party by certified or registered mail.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be signed by their respective officers or representatives thereunto duly authorized.

TRANSCONTINENTAL GAS PIPE LINE
COMPANY, LLC
(Seller)

By _____

Print Name _____

Title _____

(Buyer)

By _____

Print Name _____

Title _____

Exhibit A

Point(s) of Receipt

[OPTIONAL IF AGREED TO:
Maximum Daily Capacity Entitlement
at each Receipt Point (DT/day)*]

- * These quantities do not include the additional quantities of gas retained by Seller for applicable compressor fuel and line loss make-up provided for in Article V, 2 of this service agreement, which are subject to change as provided for in Article V, 2 hereof.

Exhibit B

<u>Point(s) of Delivery</u>	<u>Maximum Daily Capacity Entitlement at each Delivery Point (Dt/Day)</u>	<u>Pressure</u>
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Exhibit C

Specification of Negotiated Rate and Term

[OPTIONAL IF AGREED TO: Buyer agrees not to file or cause to be filed with the FERC any action, claim, complaint, or other pleading under Section 5 of the NGA, or support or participate in any such proceeding initiated by any other party, requesting a change to or in any way opposing the negotiated rate set forth above.]

[OPTIONAL IF AGREED TO: Seller agrees not to file or cause to be filed with the FERC under Section 4 of the NGA to seek to modify the negotiated rate set forth above.]

ATTACHMENT C

Form of Guaranty

GUARANTY

THIS GUARANTY is effective as of _____, 201_ and is entered into by _____ (“Guarantor”), a _____ [insert type of entity], in favor of and for the benefit of Transcontinental Gas Pipe Line Company, LLC (“Transco”), a Delaware limited liability company.

RECITALS:

WHEREAS, _____ (“Buyer”), a _____ [insert type of entity], and Transco have entered into a Precedent Agreement, dated as of [insert date of Precedent Agreement] (as amended, amended and restated, supplemented or otherwise modified from time to time in accordance with its provisions, the “Precedent Agreement”), which, together with the Service Agreement (as defined in the Precedent Agreement) and Transco’s FERC Gas Tariff, sets forth the terms and conditions under which Transco will provide firm transportation service to Buyer under Transco’s proposed “[INSERT PROJECT NAME]” (the Precedent Agreement, Service Agreement and Transco’s FERC Gas Tariff, and any other agreement, transaction or instrument related thereto or entered into in connection therewith, whether one or more, are collectively referred to herein as the “Agreements” and individually as an “Agreement”); and

WHEREAS, Guarantor will derive substantial direct and indirect benefits from the transactions contemplated by the Agreements; and

WHEREAS, Transco is willing to proceed with the development of the [INSERT PROJECT NAME] and the provision of gas transportation service for Buyer pursuant to the terms of, and subject to the conditions set forth in, the Agreements, provided that Guarantor guarantees payment and performance of Buyer’s covenants, agreements, obligations and liabilities under the Agreements.

NOW, THEREFORE, in consideration of the foregoing premises and other good and valuable consideration, the receipt and sufficiency of which Guarantor hereby acknowledges and affirms, and in order to induce Transco to enter into the Agreements and to provide gas transportation service for Buyer pursuant to the Agreements, Guarantor hereby agrees as follows:

1. Guaranty of Payment. Guarantor hereby irrevocably and unconditionally guarantees the payment and performance of any and all present and future covenants, agreements, obligations and liabilities of Buyer to Transco pursuant to the Agreements (collectively, the “Guaranteed Obligations”). Guarantor agrees, upon any failure by Buyer to pay any of the Guaranteed Obligations, that Guarantor will pay any amounts that Buyer has failed to pay Transco within five (5) days following written demand by Transco. Guarantor agrees that Transco may resort to Guarantor for payment or performance of any of the Guaranteed Obligations whether or not Transco shall have resorted to any collateral security or shall have proceeded against any other obligor principally or secondarily obligated with respect to any of the Guaranteed Obligations. Guarantor reserves the right to assert defenses that Buyer may have to

payment of any Guaranteed Obligations other than defenses arising from the bankruptcy or insolvency of Buyer and other defenses expressly waived hereby.

2. Guaranty Unconditional and Absolute. The obligations of Guarantor hereunder shall be unconditional and absolute and, without limiting the generality of the foregoing, shall not be released, discharged or otherwise affected by:

(a) any extension, renewal, settlement, compromise, waiver, discharge or release in respect of any Guaranteed Obligations;

(b) the existence, or extent of, any release, exchange, surrender, non-perfection or invalidity of any direct or indirect security for any of the Guaranteed Obligations;

(c) any modification, amendment, waiver, extension of or supplement to any of the Agreements or the Guaranteed Obligations agreed to from time to time by Buyer and Transco;

(d) any change in the corporate existence (including its constitution, laws, rules, regulations or powers), structure or ownership of Transco, Buyer or Guarantor, or any insolvency, bankruptcy, reorganization or other similar proceeding affecting Transco, Buyer or Guarantor;

(e) the existence of any claim, set-off or other rights that Guarantor may have at any time against Transco, Buyer or any other corporation or person, whether in connection herewith or in connection with any unrelated transaction; provided, that nothing herein shall prevent the assertion of any such claim by separate suit or compulsory counterclaim;

(f) the invalidity or unenforceability in whole or in part of any of the Agreements, any Guaranteed Obligations or any instrument evidencing any Guaranteed Obligations, or any provision of applicable law or regulation purporting to prohibit payment or performance by Buyer of amounts to be paid or performed by it under the Agreements or any of the Guaranteed Obligations; or

(g) any other act or omission to act or delay of any kind by Transco that might, but for the provisions of this paragraph, constitute a legal or equitable discharge of Guarantor's obligations hereunder.

3. Term. This Guaranty shall be effective as of the date first above written and shall remain in force and effect until the date that the Guaranteed Obligations have been performed in full.

4. Waiver by Guarantor. Guarantor irrevocably waives acceptance hereof, diligence, presentment, demand, protest, notice of dishonor, notice of any sale of collateral and any notice not provided for herein, any right of subrogation to Buyer's rights against Transco under any Agreement or otherwise, and any requirement that at any time any person exhaust any right to take any action against Buyer or its assets or any other guarantor or person or its assets.

5. Subrogation. Upon making any payment hereunder, Guarantor shall be subrogated to the rights of Transco against Buyer with respect to such payment; provided, that Guarantor shall not enforce any right or receive any payment by way of subrogation until all of the Guaranteed Obligations then due shall have been paid in full. Transco agrees to take, at Guarantor's sole cost and expense, such steps as Guarantor may reasonably request to implement such subrogation.

6. Stay of Acceleration Ineffective with Respect to Guarantor. In the event that acceleration of the time for payment of any amount payable by Buyer under the Agreements is stayed upon the insolvency, bankruptcy or reorganization of Buyer, all such amounts otherwise subject to acceleration or required to be paid upon an early termination pursuant to the terms of the Agreements shall nonetheless be payable by Guarantor hereunder on written demand by Transco.

7. Successors and Assigns; Assignment. This Guaranty shall be binding upon and inure to the benefit of Guarantor and its successors and assigns and Transco and its successors and assigns. Guarantor may not assign its rights and obligations hereunder without the prior written consent of Transco, and any such purported assignment without such written consent shall be void.

8. Amendments and Waivers. No provision of this Guaranty may be amended, supplemented or modified, nor any of the terms and conditions hereof waived, except by a written instrument executed by Guarantor and Transco.

9. Remedies Cumulative. The rights, powers, remedies and privileges provided in this Guaranty are cumulative and not exclusive of any rights, powers, remedies and privileges provided by law and any other agreement.

10. Limitation. Guarantor's liability hereunder shall be, and is specifically limited to, payments expressly required to be made under the Agreements (even if such payments are deemed to be damages), and in no event shall Guarantor be subject hereunder to consequential, exemplary or punitive damages except as otherwise expressly provided for in the Agreements.

11. Representations and Warranties. Guarantor hereby represents and warrants to Transco as follows:

(a) Guarantor is duly organized, validly existing and in good standing under the laws of the jurisdiction of its [incorporation or formation] and has full [corporate] power to execute, deliver and perform this Guaranty.

(b) The execution, delivery and performance of this Guaranty have been and remain duly authorized by all necessary [corporate] action and do not contravene any provision of law or of Guarantor's constitutional documents or any contractual restriction binding on Guarantor or its assets.

(c) All consents, authorizations and approvals of, and registrations and declarations with, any governmental authority necessary for the due execution, delivery and performance of this Guaranty have been obtained and remain in full force and effect and all conditions thereof

have been duly complied with, and no other action by and no notice to or filing with, any governmental authority is required in connection with the execution, delivery or performance of this Guaranty. There are no conditions precedent to the effectiveness of this Guaranty that have not been satisfied or waived.

(d) This Guaranty constitutes the legal, valid and binding obligation of Guarantor enforceable against Guarantor in accordance with its terms, subject, as to enforcement, to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting creditors' rights and to general equity principles.

(e) This Guaranty provides substantial direct and indirect benefits to Guarantor.

12. Notices. All notices, demands or communications to Transco or Guarantor, as applicable, in connection with this Guaranty shall be in writing and shall be addressed as follows:

If to Transco: Transcontinental Gas Pipe Line Company, LLC
One Williams Center, MD 50th Floor
Tulsa, OK 74172
Attention: Credit Manager
Treasury Services
Facsimile: 918-732-0235

If to Guarantor: _____

Notices may be given by first class mail, courier, overnight delivery, facsimile, or hand delivery. Notices shall be deemed given on the day the notice is received by the receiving party if such day is a business day, or if such day is not a business day, the next succeeding business day. Either Transco or Guarantor may change its address for notices hereunder by providing written notice of such change to the other party.

13. GOVERNING LAW; WAIVER OF JURY TRIAL. **THIS GUARANTY SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REFERENCE TO ANY CHOICE OF LAW DOCTRINE OR CONFLICT OF LAW PRINCIPLES THEREOF THAT COULD REFER THE MATTER TO ANOTHER JURISDICTION. GUARANTOR HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES THE RIGHT TO A JURY TRIAL IN CONNECTION WITH ANY CLAIM ARISING OUT OF OR RELATED TO THIS GUARANTY.**

14. Miscellaneous. This Guaranty supersedes and terminates the following guaranty(ies) issued by Guarantor on behalf of Buyer for the benefit of Transco: [None.]

IN WITNESS WHEREOF, Guarantor has caused this Guaranty to be duly executed as of the date first above written.

[Guarantor]

By: _____
Name:
Title:

**PRECEDENT AGREEMENT
FOR
FIRM TRANSPORTATION SERVICE UNDER
SOUTHEAST SUPPLY ENHANCEMENT PROJECT**

This Precedent Agreement For Firm Transportation Service Under the Southeast Supply Enhancement Project (this “Precedent Agreement”) is made and entered into the 26 day of September, 2023, by and between TRANSCONTINENTAL GAS PIPE LINE COMPANY, LLC (“Seller”), a Delaware limited liability company, and CITY OF WILSON (“Buyer”), (Seller and Buyer are sometimes referred to herein individually as a “Party” and collectively as the “Parties”).

WITNESSETH:

WHEREAS, Buyer has requested firm transportation service under Seller’s proposed “Southeast Supply Enhancement Project” (referred to herein as the “Project”), which is proposed to include the expansion of Seller’s pipeline system from its existing Station 165 Zone 5 Pool and the proposed interconnection between Seller’s mainline and Mountain Valley Pipeline, LLC’s (“MVP”) pipeline, both located at or near milepost 1,412.99 in Pittsylvania County, Virginia, to various delivery points on Seller’s mainline extending to the existing Station 85 Zone 4 Pool located at or near milepost 784.66 in Choctaw County, Alabama.

WHEREAS, Seller and Buyer now desire to enter into this Precedent Agreement to set forth the terms and conditions under which, among other things, Seller will seek the necessary approvals and authorizations for the construction and operation of the Project facilities and Seller and Buyer will execute a service agreement under Seller’s Rate Schedule FT, in substantially the form attached as Attachment B hereto, for firm transportation service under the Project.

NOW THEREFORE, in consideration of the mutual covenants herein assumed and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer agree as follows:

1. Approvals and Cooperation; Open Season; Anchor Shipper Status.

(a) Seller shall seek such contractual and property rights, financing arrangements, and regulatory approvals as may be necessary to construct and operate the Project facilities so as to provide firm transportation service to Buyer consistent with the terms and conditions of this Precedent Agreement, including the necessary authorizations from the Federal Energy Regulatory Commission (“FERC”) under the Natural Gas Act (“NGA”) for the Project (“FERC Authorization”) and all other authorizations (including any authorizations or permits that may be required from other federal or state or local agencies) that may be necessary for Seller to proceed with construction and operation of the Project facilities (such other authorizations are referred to herein collectively as the “Other Governmental Authorizations”). Seller’s application for the FERC Authorization is referred to herein as the “FERC Application.”

(b) Seller reserves the right to file and prosecute all applications for the FERC Authorization and any Other Governmental Authorizations necessary or appropriate for the Project, including any supplements or amendments thereto and, if necessary, any court review in such manner as it deems to be in its best interest but that is consistent with the terms and conditions of this Precedent Agreement. In no event shall Seller be obligated to file a request for rehearing or an appeal if the FERC Authorization or any Other Governmental Authorization is denied or granted with conditions that are adverse to the interests of the Parties.

(c) Promptly following the issuance of the FERC order granting the certificate of public convenience and necessity for the Project, the Parties shall discuss in good faith any aspects of such FERC order that are inconsistent with the FERC Application. If either Party intends to seek rehearing and/or appeal of such FERC order, such Party shall notify the other Party and reasonably consult with the other Party.

(d)



(e) The Parties acknowledge that they are executing this Precedent Agreement following the open season beginning on June 19, 2023 and ending on July 14, 2023, by Seller for the firm transportation capacity to be made available under the Project. The Parties agree that execution and delivery of this Precedent Agreement by both Parties shall fulfill Buyer's request under the Project open season for firm transportation service for a transportation contract quantity of 2,000 dt/day

("TCQ") through the primary firm transportation paths established by the Points of Receipt and Point of Delivery and associated maximum daily quantities at such points, all as further described in Attachment A hereto.

2. Service Agreement and Rate.

(a) Subject to the terms and conditions of this Precedent Agreement, Seller and Buyer shall, contemporaneously with the execution and delivery of this Precedent Agreement, execute and deliver the service agreement under Seller's Rate Schedule FT set forth in Attachment B hereto (referred to herein as the "Service Agreement"). The Service Agreement shall provide for, among other things, the TCQ, Primary Term, Points of Receipt and the Point of Delivery, and, if elected by Buyer pursuant to Paragraph 2(b) below, the Negotiated Reservation Rate, all as defined and further described in Attachment A and subject to the terms and conditions hereof.

(b) Upon execution of this Precedent Agreement, Buyer shall elect one of the following rate options by having its duly authorized representative initial in the space provided below for the elected rate option.

X For the firm transportation service under the Service Agreement, Buyer hereby agrees to pay the negotiated rate as set forth in Attachment A, Paragraph E hereto, including the Negotiated Reservation Rate (as defined therein) and all other applicable rates and charges as further described in Attachment A, Paragraph E.

_____ For the firm transportation service under the Service Agreement, Buyer hereby agrees to pay the total maximum cost-based recourse reservation rate and all electric power unit rates, commodity rates, and surcharges, and to be responsible for compressor fuel and line loss make-up retention, all as applicable under Rate Schedule FT of Seller's FERC Gas Tariff, as the same may be revised from time to time, for firm transportation service under the Project (collectively, the "Recourse Rate"). The initial Recourse Rate will be designed based

on the straight fixed-variable rate design methodology and will be calculated using Seller's estimated cost of the Project facilities, estimates for operation and maintenance expenses based on estimates for similar facilities, billing determinants under the Project, and other cost factors. Seller makes no representation or warranty of any kind whatsoever as to the actual recourse reservation rate that will be applicable to the firm transportation service under the Project.

The foregoing rate selection shall apply during the Primary Term. Unless otherwise determined in accordance with Paragraph 2(d) below or otherwise agreed to by the Parties, the applicable rate under the Service Agreement after the Primary Term shall be the Recourse Rate.

(c) The Service Agreement shall be effective as of the date that all of Seller's Project facilities necessary to provide firm transportation service to Buyer under the Service Agreement have been constructed and are ready for service as determined in Seller's sole opinion (such date is referred to herein as the "Effective Date of the Service Agreement"), and shall remain in force and effect for the Primary Term and thereafter until terminated by either Party upon at least one (1) year's prior written notice to the other Party (subject to the term extension provisions set forth in Paragraph 2(d) below). The firm transportation service under the Service Agreement will be provided in accordance with the applicable provisions of Seller's Rate Schedule FT and FERC Gas Tariff.

(d) If Buyer elects to pay the negotiated rate pursuant to Paragraph 2(b) above, then the following term extension provisions shall be included in Exhibit C to the Service Agreement as part of the negotiated rate agreement between the Parties:

(i) Seller will agree, upon written request by Buyer at least eighteen (18) months prior to the end of the Primary Term, to extend the term of the Service Agreement for an additional five (5) year period ("First Term Extension") at the TCQ in effect during the Primary Term and, at the sole election of Buyer, at either (A) the Negotiated Reservation Rate

and all other applicable rates and charges as further described in Attachment A hereto, or (B) the applicable Recourse Rate.

(ii) Seller will agree, upon written request by Buyer at least eighteen (18) months prior to the end of the First Term Extension, to extend the term of the Service Agreement for a second additional five (5) year period at the TCQ in effect at the end of the First Term Extension and, at the sole election of Buyer, at either (A) the Negotiated Reservation Rate and all other applicable rates and charges as further described in Attachment A hereto, or (B) the applicable Recourse Rate.

3. In-Service Date.

(a) After both Parties' execution of the Service Agreement pursuant to Paragraph 2 above and Seller's receipt and acceptance of all other necessary contract rights, property rights, financing arrangements, FERC Authorization, and Other Governmental Authorizations for the Project in a form and substance satisfactory to Seller in its sole determination, Seller shall proceed with the construction of the Project facilities so as to begin firm transportation service for Buyer by a target in-service date of November 1, 2027 ("Target ISD").

(b) Notwithstanding Paragraph 3(a) above, but subject to Paragraph 5 below, if Seller is unable to complete construction of the Project facilities necessary to provide firm transportation service to Buyer under the Service Agreement by the Target ISD despite its exercise of reasonable diligence, then Seller shall provide notice thereof to Buyer and Seller shall continue to proceed with reasonable diligence to complete construction of such Project facilities, place such facilities in operation, and commence service for Buyer at the earliest date thereafter commercially reasonable to Seller. Seller shall not be liable in any manner to Buyer, nor shall this Precedent Agreement or the Service Agreement be subject to termination, other than as expressly provided in the other provisions of this Precedent Agreement or the Service Agreement, if for any reason Seller is unable to complete

the construction of such facilities and commence the firm transportation service to Buyer as contemplated herein and in the Service Agreement.

(c) Seller shall keep Buyer reasonably apprised of the Target ISD and any changes thereto.

4. Term of Precedent Agreement. This Precedent Agreement shall become effective on the date first written above and, unless terminated earlier, shall automatically terminate as of the Effective Date of the Service Agreement; provided, however, that (i) Paragraphs 5(a)(x) and 6 and Attachment C hereto shall survive termination of this Precedent Agreement for the Primary Term of the Service Agreement, (ii) Paragraph 9 shall survive for the period specified therein, and (iii) Paragraph 10 shall survive for any Dispute under this Precedent Agreement arising under Paragraphs 5(a)(x), 6 or 9.

5. Termination.

(a) In addition to any other termination rights set forth herein, this Precedent Agreement and, if executed, the Service Agreement shall be subject to termination as specified below:

(i)



(ii)



[REDACTED]

(iii)

[REDACTED]

[REDACTED]

(iv)

[REDACTED]

[REDACTED]

(v)

[REDACTED]

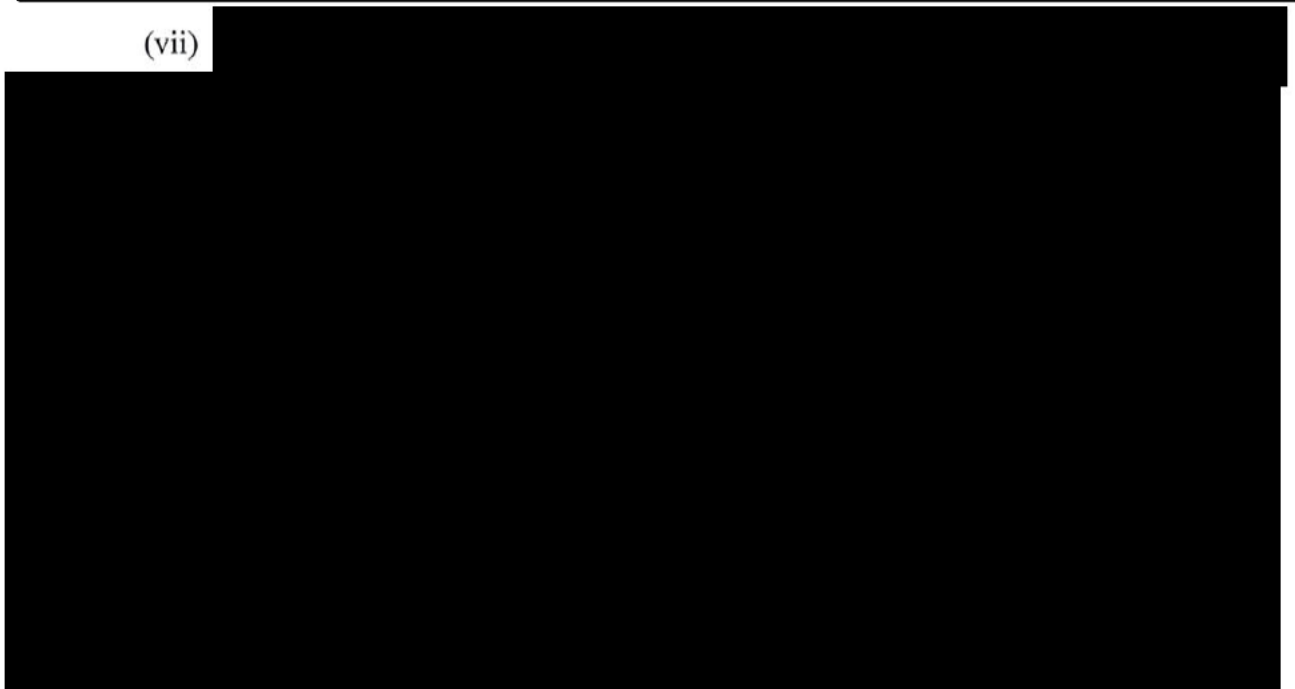
[REDACTED]



(vi)



(vii)



(viii)

(ix)



(x)



(b) If either this Precedent Agreement or the Service Agreement is terminated by Buyer pursuant to Paragraphs 5(a)(i), (iv), (vi), (viii), or (ix) above or by Seller pursuant to Paragraph 5(a)(x) (each such termination contingency is referred to herein respectively as a “5(b) Termination”), then Buyer shall reimburse Seller for Buyer’s Proportionate Share (as hereinafter defined) of the Project costs reasonably incurred and/or committed to by Seller as of the date that Seller receives Buyer’s written notice of termination or the date that Seller provides written notice of termination to Buyer, as the case may be (“Project Costs”), subject to Buyer’s Cost Cap, as defined in Paragraph 5(h). The Project Costs shall include, for purposes of illustration and without limitation, costs relating to planning, designing, procuring materials and seeking regulatory and environmental authorizations for the Project, constructing the Project, mobilization and demobilization of work in progress and cancellation charges related to materials ordered but no longer required. The Project Costs shall not include the mitigated costs described below. Subject to Paragraph 5(c) below, the term “Proportionate Share” shall mean a fraction, the numerator of which is Buyer’s TCQ and the denominator of which is the total firm transportation capacity per day under the Project. Such reimbursement shall be made

by Buyer within thirty (30) days of Buyer's receipt of an invoice from Seller setting forth Buyer's Proportionate Share of the Project Costs. Such invoice shall include reasonable support for such reimbursable costs. Seller shall make a good faith effort to mitigate the Project Costs to be reimbursed by Buyer hereunder, including by making good faith efforts to redeploy, return, sell or assign the materials and supplies, if any, that will not be used for the Project as a result of such termination of this Precedent Agreement or the Service Agreement. Seller shall net any such redeployment, return, sale or assignment amounts against the Project Costs.

(c) If a 5(b) Termination occurs but the Project is nevertheless placed in service (either before or after such termination), Seller shall, subject to the terms of Seller's FERC Gas Tariff and applicable FERC orders, rules and regulations, make a good faith effort to subscribe the firm transportation capacity under the Project from the Points of Receipt to the Point of Delivery with other shipper(s) on the same terms as set forth in this Precedent Agreement. If Seller is able to subscribe with other shipper(s) all or a portion of the capacity under the Project from the Points of Receipt to the Point of Delivery on the same terms as set forth in this Precedent Agreement (or on terms more favorable to Seller) ("Keep-Whole Subscription"), then the definition of the term "Proportionate Share" shall be modified to mean a fraction, the numerator of which is Buyer's TCQ minus the transportation contract quantity subscribed by Seller in accordance with the foregoing, and the denominator of which is the total firm transportation capacity per day under the Project. If Seller is able to subscribe with other shipper(s) all or a portion of the capacity under the Project from the Points of Receipt to the Point of Delivery but on terms less favorable to Seller than as set forth in this Precedent Agreement ("Lesser Subscription"), then Buyer's Proportionate Share of the Project Costs shall be reduced by such amount, which shall be reasonably determined by Seller in equity and good faith, taking into consideration the reasonable value to Seller of such capacity subscription(s) (Seller shall provide reasonable, written support for such determination). If a Keep-Whole Subscription

and/or Lesser Subscription occurs on or before the date that is six (6) months following the in-service date of the Project, then Seller shall refund the applicable amount of the mitigated Project Costs reimbursed by Buyer (as such mitigated amount is determined in accordance with the immediately preceding two sentences) within thirty (30) days after the date that the firm transportation service under such Keep-Whole Subscription and/or Lesser Subscription commences. Such refund shall include reasonable support for such refunded amounts. If Seller is unable to subscribe with other shipper(s) any of such capacity, then Buyer shall remain responsible for Buyer's Proportionate Share of the Project Costs in accordance with Paragraph 5(b).

(d) If Buyer is required to reimburse Seller for Project Costs pursuant to Paragraph 5(b) above, then Buyer shall have the right, upon at least twenty (20) days prior written notice to Seller, to audit books and records of Seller relating to the Project Costs (including, if applicable, reasonable information regarding any Keep-Whole Subscription and/or Lesser Subscription). Any such audit shall be conducted during normal business hours and at Buyer's sole cost and expense. Buyer shall have twelve (12) months after the date of receipt of an invoice for its Proportionate Share of the Project Costs (but in any event Buyer shall have at least three (3) months after Seller closes its books with respect thereto) in which to complete such an audit and submit any claims under this provision. After such period, Buyer's right to audit shall expire and Seller's records shall be presumed to be correct. If Buyer, after exercising such audit right, disputes Buyer's Proportionate Share of the Project Costs for which Seller seeks reimbursement, then such dispute shall be resolved pursuant to Paragraph 10 of this Precedent Agreement.

(e) Except as otherwise stated herein, termination of this Precedent Agreement shall not relieve either Party from any obligation accruing or accrued prior to the date of such termination, nor shall such termination deprive a Party not in default of any remedy otherwise available to such Party.

(f) If at any time Seller reasonably determines that any of the target dates for filing the

FERC Application, commencing construction of the Project facilities, or placing the Project in service will be materially delayed, then (i) Seller shall provide prompt, written notice thereof to Buyer, (ii) Seller shall present to Buyer a revised Project schedule and, (iii) if requested by Seller, the Parties shall commence good faith negotiations to revise the termination dates set forth in Paragraphs 5(a)(iii), (viii), and (ix) above. For the avoidance of doubt, the termination rights (and dates) set forth in Paragraphs 5(a)(iii), (viii), and (ix) shall remain in effect unless and until the Parties otherwise mutually agree in writing.

(g) If a Force Majeure event, as defined below, affects the deadlines triggering the termination rights set forth in 5(a)(iii), (viii), or (ix), such deadlines shall be extended by the same number of days as the Force Majeure event. For purposes of this Paragraph 5(g) only, a “Force Majeure” event shall mean acts beyond Seller’s reasonable control, including but not limited to: acts of God, strikes, lockouts, acts of terrorists, wars, blockades resulting in delays obtaining goods or services necessary for the Project, insurrections, riots, epidemics, landslides, lightning causing significant damage at the Project site, earthquakes, fires, floods, explosions, or any other causes whether of the kind enumerated in this Precedent Agreement or otherwise, that are not reasonably within the control of Seller. For purposes of this Precedent Agreement, a Force Majeure event shall also include (i) events, acts or causes arising out of or related to the novel coronavirus (COVID-19) global pandemic as declared by the World Health Organization on March 11, 2020, and (ii) any governmental action or inaction (including, without limitation, legislative, administrative or judicial action) that causes a delay in obtaining any necessary approval or otherwise delays the ability of Seller to render the services contemplated in the Precedent Agreement, including any amendments thereto, or the Service Agreement.

(h) Notwithstanding any other provision of this Precedent Agreement, if either this Precedent Agreement or the Service Agreement is terminated by Buyer pursuant to Paragraphs

5(a)(iv), (vi), (viii), or (ix), Buyer's Proportionate Share of the Project Costs shall not exceed \$2 million ("Buyer's Cost Cap").

6. Credit Support.

(a) Buyer represents that, as of the effective date of this Precedent Agreement, in order for Seller to have been able to perform its required credit appraisal of Buyer, Buyer has provided to Seller such of the information listed below as is applicable to Buyer (or its Guarantor (as such term is hereinafter defined), if applicable). As required by Seller's FERC Gas Tariff, Buyer shall furnish to Seller at least annually, and at such other times as may be requested by Seller, any updates to the credit information listed below that is applicable to Buyer for the purpose of enabling Seller to perform an updated credit appraisal; provided that Seller shall first use reasonable efforts to obtain such information from publicly available sources.

Financial information to be provided to Seller:

- Audited Financial Statements;
- Annual Report;
- List of Affiliates, Parent Companies and Subsidiaries;
- Publicly Available Information from Credit Reports of Credit and Bond Rating Agencies;
- Private Credit Ratings, if obtained by Buyer;
- Bank References;
- Trade References;
- Most recent filed statements with the Securities and Exchange Commission (or an equivalent authority) or other publicly available information of a similar nature;
- If Buyer is a public entity:
 - the most recent publicly available interim financial statements, with an attestation by its principal financial officers, controller or equivalent that, to such person's knowledge, such statements fairly present in all material aspects the financial condition of the entity in accordance with Generally Accepted Accounting Principles ("GAAP") or equivalent;
- If Buyer is a non-public entity, including if Buyer is a state-regulated utility:
 - the most recent available interim financial statements, with an attestation by its principal financial officers, controller or equivalent that, to such person's knowledge, such statements fairly present in all material aspects the financial condition of the entity in accordance with GAAP or equivalent; and
 - if applicable, an existing sworn filing, including the most recent available interim financial statements and annual financial reports filed with the respective regulatory authority, showing Buyer's current financial condition;

- If Buyer is a state-regulated utility local distribution company, documentation from its respective state regulatory commission (or an equivalent authority) of an authorized gas supply cost recovery mechanism which fully recovers both gas commodity and transportation capacity costs and is afforded regulatory asset accounting treatment in accordance with GAAP or equivalent;
- Such other information as may be mutually agreed to by the Parties; and
- Such other information as Seller may receive approval to include in its FERC Gas Tariff or general terms and conditions.

(b) Buyer (or its Guarantor, if applicable) will be deemed to be creditworthy if (i) it has a long term senior unsecured debt rating of Baa3 or better from Moody's Investor Services or BBB- or better from Standard and Poor's, or (ii) it is not rated but Seller determines that, notwithstanding the absence of such a rating, the financial position of Buyer (or its Guarantor, if applicable) is acceptable to Seller in its reasonable judgment (such determination of creditworthiness shall be based on the results of a thorough analysis of the financial information provided by Buyer (or its Guarantor, if applicable)). In the event Seller does not find Buyer (or its Guarantor, if applicable) to be creditworthy pursuant to this Paragraph 6, Seller shall provide a written explanation of the basis of its determination to Buyer.

(c) Subject to the terms of this Paragraph 6, if at any time during the term of this Precedent Agreement or the Service Agreement Buyer fails to meet Seller's creditworthiness requirements set forth herein, then, within ten (10) days after receipt of written notice from Seller that Buyer fails to meet such requirements, Buyer shall provide one or more of the following forms of credit support for any and all present and future covenants, agreements, obligations and liabilities of Buyer to Seller under this Precedent Agreement and, if executed, the Service Agreement (collectively, "Buyer's Obligations") for the period of time Buyer fails to meet Seller's creditworthiness requirements:

(i) a guaranty in substantially the form attached as Attachment C hereto, executed by a company meeting Seller's creditworthiness requirements as set forth in this Paragraph 6 ("Guarantor"), irrevocably and unconditionally guaranteeing the payment and performance of any and all of Buyer's Obligations;

(ii) a standby irrevocable letter of credit in form and substance satisfactory to Seller in the amount requested by Seller, which shall not exceed the credit support limit determined in accordance with Paragraph 6(f) hereto, drawn upon a U.S. bank or a foreign bank with a branch office located in the United States, in each case having assets of at least US\$10 billion and with a credit rating of A or better from Standard and Poor's or A2 or better from Moody's Investor Services; or

(iii) such other form of credit support that is reasonably acceptable to Seller.

(d) If during the term of this Precedent Agreement and, if executed, the Service Agreement, there are material, adverse changes to the financial status of Buyer (or its Guarantor or the issuer of a letter of credit or the source of other credit support, as applicable) and, as a result of such changes Buyer (or its Guarantor or the issuer of a letter of credit or the source of other credit support, as applicable) is no longer creditworthy as reasonably determined by Seller, then Seller shall provide written notice to Buyer thereof and Buyer shall promptly (but in no event later than ten (10) days after Seller's notice) provide qualifying credit support (or additional credit support, as the case may be) pursuant to this Paragraph 6.

(e)

[REDACTED]

[REDACTED]

[REDACTED] As of the Effective Date of the Service Agreement, Seller may not require Buyer to provide credit support under Paragraph 6(c)(ii) in an amount exceeding the lesser of (i) twelve (12) months' worth of reservation charges under the Service Agreement, or (ii) the total reservation charges for all months remaining in the applicable term of the Service Agreement. If Buyer provides a guaranty in accordance with Paragraph 6(c)(i), such guaranty shall not be subject to the limits set forth in this Paragraph and shall cover all of Buyer's Obligations.

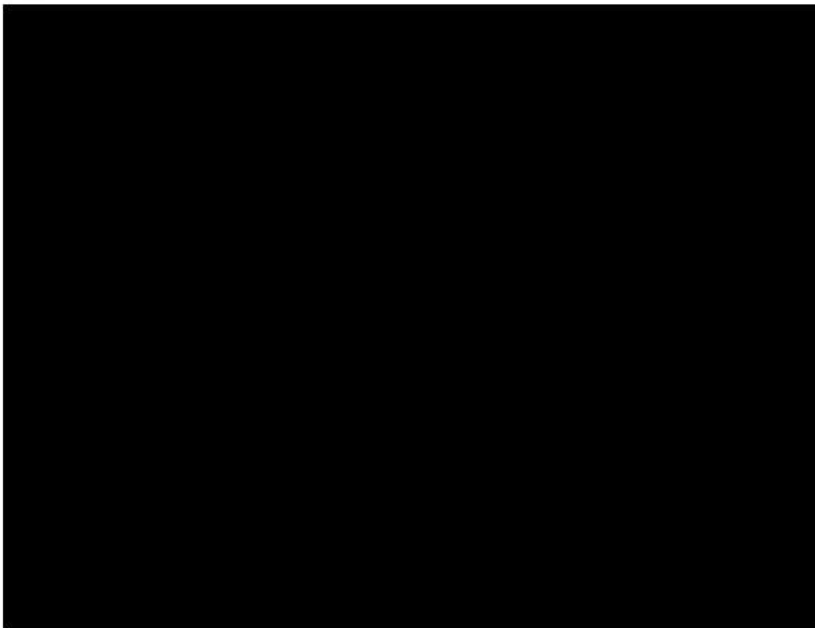
(f) Notwithstanding the foregoing, if Buyer is required to provide credit support in accordance with this Paragraph 6, in no event shall the level of credit support for Buyer's Obligations during the Primary Term or during any extension thereof be less than the minimum credit support that Seller may require under its FERC Gas Tariff.

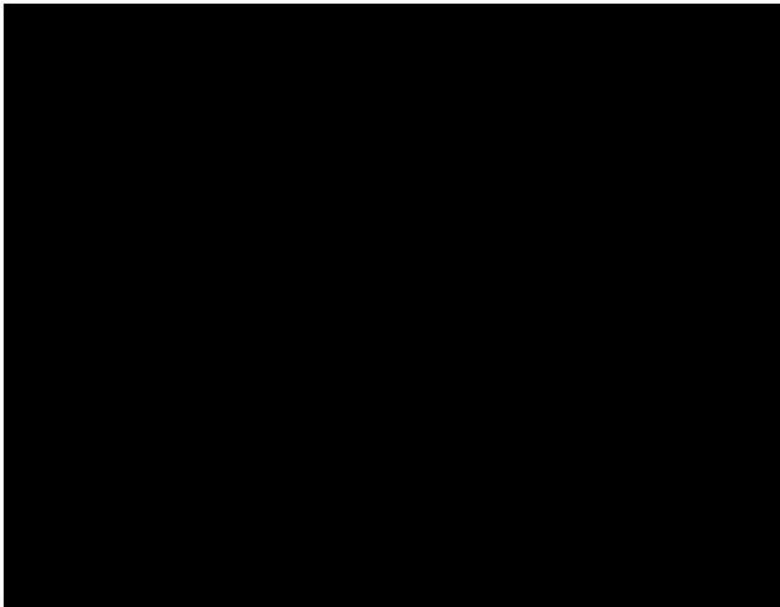
(g) Buyer shall not be required to provide credit support pursuant to the foregoing Paragraphs prior to October 1, 2023.

(h) Buyer acknowledges and agrees that Buyer shall be responsible for all costs and expenses incurred by Buyer to obtain any credit support or additional credit support required to be obtained pursuant to this Paragraph 6. Seller will not reimburse or otherwise credit Buyer for any costs or expenses incurred by Buyer (or its Guarantor, if applicable) to obtain any credit support or additional credit support.

7. Notices.

(a) Except as otherwise expressly set forth herein, all notices and other communications by a Party shall be in writing and shall be sent by one (1) of the following means: electronic mail, hand delivery or courier to the other Party at the electronic or physical addresses as provided in this Paragraph:





or at any other electronic mail or physical address of which either Party shall have notified the other Party in any manner prescribed in this Paragraph.

(b) For all purposes of this Precedent Agreement, a notice or communication will be deemed effective on the day that the notification as set forth in subparagraph (a) above has occurred, as follows:

(i) if delivered by hand or sent by courier, on the day it is delivered unless (A) that day is not a day upon which commercial banks are open for the transaction of business in New York, New York (a "Business Day") or (B) it is delivered after the close of business on a Business Day, in either of which cases it is deemed effective on the next succeeding Business Day; and

(ii) if sent by electronic mail or facsimile transmission, on the date transmitted, provided that confirmation of receipt is obtained by the sender, unless (A) the date of transmission is not a Business Day or (B) it was received after the close of business on a Business Day, in either of which cases it is deemed effective on the next succeeding Business Day.

8. Assignment and Delegation.

(a) Subject to any applicable FERC orders, rules and regulations, either Party may, without the consent of the other Party, assign this Precedent Agreement to an affiliate of the assigning Party, but the assigning Party shall not be relieved of its obligations under this Precedent Agreement without the express written consent of the non-assigning Party. The assigning Party shall deliver notice of the assignment to the other Party as soon as practicable after such assignment.

(b) Except as provided in subparagraph (a) above, no assignment of this Precedent Agreement shall be made unless there first shall have been obtained the written consent of the other Party, which consent shall not be unreasonably withheld, conditioned or delayed.

(c) Any assignment in contravention of this Paragraph shall be void *ab initio*.

9. Confidentiality and Disclosures. The provisions in Paragraph 5(a) and the negotiated rate set forth in Paragraph E of Attachment A, including the Negotiated Reservation Rate and all other applicable rates and charges as further described in Paragraph E, are confidential (such confidential information is referred to herein as the "Confidential Information"). Either Party may disclose the Confidential Information to its or its affiliates' members, managers, directors, officers, employees, representatives, agents, consultants, attorneys or auditors (collectively, "Representatives") who have a need to know the Confidential Information. Seller and Buyer agree not to disclose or communicate, and shall cause their respective Representatives not to disclose or communicate, the Confidential Information to any other person, entity, firm or corporation without the prior written consent of the other Party; provided that either Party may disclose the Confidential Information as required by law, order, rule or regulation of any duly constituted governmental body or official authority having jurisdiction, subject to the condition that the disclosing Party first give the other Party two (2) Business Days' notice of same, or as much notice as possible, if any, under the circumstances, so that a protective order or other protective arrangements may be sought. Notwithstanding the foregoing,

Seller may make any disclosure of the Confidential Information without prior notice to or consent of Buyer if Seller (i) determines that such disclosure is required in connection with any FERC order, rule or regulation or (ii) discloses a copy of this Precedent Agreement to a requesting party pursuant to Section 388.112(b) of the FERC's regulations if such party is a public utility commission (or its equivalent) or Seller otherwise determines that disclosure to such party would not cause competitive harm to Seller. If this Precedent Agreement is terminated pursuant to the terms and conditions hereof or otherwise by mutual agreement of the Parties, then this Paragraph 9 shall survive for a period of two (2) years from and after the effective date of such termination.

10. Dispute Resolution. Any dispute between the Parties arising under this Precedent Agreement ("Dispute") shall be resolved in accordance with the provisions of this Paragraph. The Parties shall initially attempt to resolve a Dispute by the following informal dispute resolution process. Each Party shall promptly designate in writing to the other Party a representative who shall be authorized to resolve any Dispute with due consideration of law, equity and good faith. Each Dispute shall be initially referred by written notice to such designated representative for resolution. If the designated representatives are unable to resolve any such Dispute within thirty (30) days of such referral, each Party shall promptly designate in writing to the other Party a more senior representative who shall be authorized to resolve the Dispute, and such representatives shall attempt to resolve such Dispute within a further period of fifteen (15) days. The Parties shall attempt to resolve all Disputes promptly, equitably and in good faith, and shall provide each other in a timely manner reasonable documentation relating to the Dispute. Neither Party shall be under an obligation to provide any privileged or confidential documents that it is not otherwise obligated to provide under this Precedent Agreement and each Party may seek equitable relief as it determines in its sole judgment is necessary. Unless the Parties otherwise agree, if the period of forty-five (45) days referred to above has expired and the Dispute remains unresolved, the Parties may, by mutual

agreement, submit the Dispute to arbitration or, if no such agreement is reached, either Party may submit the Dispute to the appropriate court or governmental authority.

11. Further Assurances. Seller and Buyer agree to execute all other additional instruments and documents, and to do all other acts, as may be reasonably necessary to effectuate the terms and provisions of this Precedent Agreement.

12. Modification. Except as provided otherwise in this Precedent Agreement, no modification of the terms or provisions of this Precedent Agreement shall be effective unless contained in a written agreement executed by both Seller and Buyer.

13. Counterparts. This Precedent Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same agreement. Signature pages delivered by facsimile or e-mail shall be binding with the same force and effect as original signature pages. Any counterpart may be executed by facsimile or “.pdf” signature and such facsimile or “.pdf” signature shall be deemed an original.

14. Joint Preparation. The provisions of this Precedent Agreement shall be considered as prepared through the joint efforts of the Parties and shall not be construed against either Party as a result of the preparation or drafting thereof.

15. Savings Clause. If the FERC or a court of competent jurisdiction declares any provision of this Precedent Agreement unenforceable, then that provision shall be severed from this Precedent Agreement, which shall otherwise remain in full force and effect and be construed as if it did not contain the severed provision; provided, however, that if severing such provision from this Precedent Agreement has a material adverse effect on the rights or obligations of either Party as set forth in this Precedent Agreement or would substantially impair the respective benefits or expectations of the Parties to this Precedent Agreement, then, without limiting the rights of the Parties under Paragraph 5 hereof, the Parties agree to negotiate in good faith replacement terms that are

consistent with the FERC's or court's declaration or directive and that maintain the relative economic positions of, and risks to, the Parties as reflected in this Precedent Agreement as of the date first set forth above. If, despite their good faith efforts, the Parties are unable to negotiate mutually agreeable replacement terms for this Precedent Agreement in accordance with the foregoing, then this Precedent Agreement shall otherwise remain in full force and effect and be construed as if it did not contain the severed provision.

16. Choice of Law. **THE LAWS OF THE STATE OF NORTH CAROLINA, WITHOUT REGARD FOR ANY RULES FOR CONFLICTS OF LAW THAT WOULD REFER THE MATTER TO THE LAWS OF ANOTHER JURISDICTION, SHALL GOVERN THE VALIDITY, EFFECT, CONSTRUCTION AND INTERPRETATION OF THIS PRECEDENT AGREEMENT. NOTWITHSTANDING ANY OTHER PROVISIONS OF THIS AGREEMENT, THE POWERS AND OBLIGATIONS OF BUYER AS A NORTH CAROLINA MUNICIPAL CORPORATION SHALL BE GOVERNED BY NORTH CAROLINA LAW.**

17. Regulations. This Precedent Agreement and the obligations of the Parties hereunder are subject to all applicable laws, rules, orders and regulations of governmental authorities having jurisdiction and, anything in this Precedent Agreement to the contrary notwithstanding, in the event of conflict among any such laws, rules, orders or regulations of governmental authorities having jurisdiction and this Precedent Agreement, such laws, rules, orders and regulations of governmental authorities having jurisdiction shall control.

18. Representations and Warranties. Each Party represents and warrants, on its own behalf, that (i) it is duly formed or organized, validly existing and in good standing under the laws of the jurisdiction of its formation or incorporation, is qualified to do business in the states in which it is required to operate in order to fulfill its obligations under this Precedent Agreement and has full

company or corporate power to execute, deliver and perform this Precedent Agreement, (ii) except as otherwise expressly set forth herein, its execution, delivery and performance of this Precedent Agreement have been duly authorized by all necessary company or corporate and governmental action and do not contravene any applicable provision of law or of its constitutional documents or any contractual restriction binding on it or its assets, (iii) it is legally bound by the terms of this Precedent Agreement and the terms of this Precedent Agreement are enforceable against it in accordance with the terms hereof, subject, as to enforcement, to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting creditors' rights and to general equity principles, and (iv) there is no pending or, to the best of such Party's knowledge, threatened action or proceeding affecting such Party before any court, government authority or arbitrator that could reasonably be expected to materially and adversely affect the ability of such Party to perform its obligations hereunder, or that purports to affect the legality, validity or enforceability of this Precedent Agreement.

19. Entire Agreement. The terms and provisions contained herein, including the exhibits and attachments incorporated herein, constitute the entire agreement of the Parties, and there are no prior or contemporaneous agreements, understandings, warranties, representations, covenants, obligations, promises, assurances or conditions precedent or subsequent or otherwise, except those expressly set out in this Precedent Agreement.

20. Waiver of Consequential Damages. **NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY UNDER THIS PRECEDENT AGREEMENT FOR ANY SPECIAL, INDIRECT, INCIDENTAL, PUNITIVE, EXEMPLARY, OR CONSEQUENTIAL DAMAGES OF ANY NATURE HOWSOEVER ARISING, INCLUDING WITHOUT LIMITATION ANY LOST PROFITS, EVEN IF SUCH PARTY HAS BEEN MADE AWARE OF THE POSSIBILITY OF SUCH DAMAGES.**

21. Remedies. Unless otherwise explicitly stated herein, wherever a remedy is specified in this Precedent Agreement (including, *e.g.*, the termination rights set forth in Paragraphs 5(a)(i) through (ix), whether or not exercised), the specified remedy shall be the sole and exclusive remedy available to the Parties with respect to the subject matter of such termination rights, to the exclusion of any other rights, powers, privileges or remedies provided by law. Notwithstanding the foregoing sentence, but subject to Paragraph 20 above, (i) Seller's exercise of the termination right set forth in Paragraph 5(a)(x) shall not deprive Seller of any other rights, powers, privileges or remedies provided by law, (ii) in addition to Seller's right to exercise of the termination right set forth in Paragraph 5(a)(x), if Buyer fails to provide adequate credit support in accordance with Paragraph 6 above, Seller shall be entitled to take all actions that it is permitted to take in accordance with Paragraph 6 above, and (iii) if a 5(b) Termination occurs, Seller shall have the right to be reimbursed by Buyer for Buyer's Proportionate Share of the Project Costs in accordance with Paragraphs 5(b) and 5(c) above.

22. Waiver. No waiver by either Party of any one or more defaults by the other Party in the performance of any provision of this Precedent Agreement shall operate or be construed as a waiver of any other existing and/or future defaults under this Precedent Agreement, whether of a like or different character.

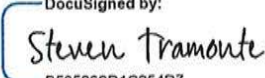
23. Captions; Titles; Interpretation. The captions and titles to the Articles and Paragraphs in this Precedent Agreement are included only for convenience of reference and shall have no effect on, or be deemed part of, the text of this Precedent Agreement. References herein to Articles, Paragraphs, Attachments, Exhibits and clauses are references to Articles of, Paragraphs of, attachments and exhibits to, and clauses of, this Precedent Agreement. Unless otherwise specified, "hereunder," "herein," "hereto," "hereof" and words of similar import refer to this Precedent Agreement as a whole and not to any particular provision hereof. Words denoting the singular include the plural and vice versa. References to any Party or entity shall include such Party's or entity's

successors and permitted assigns in that designated capacity. References to days, months and years are references to calendar days, months and years unless otherwise specified. Words not otherwise defined herein that have well known and generally accepted technical or trade meanings are used in accordance with such meanings. Any reference to “dollars” or “\$” or to “cents” or “¢” shall be to United States dollars or cents, respectively. The use of the words “include,” “includes” or “including” shall be by way of example only and shall not be considered in any way to limit the generality of the description preceding the use of any such word. The words “shall” and “will” have equal effect. Unless the context otherwise requires, the use of any of the words “action,” “claim,” “suit,” “proceeding” or “judgment” includes any and all such terms.

[Signature page follows.]

IN WITNESS WHEREOF, the Parties have caused this Precedent Agreement to be executed by their duly authorized officers or representatives as of the date first written above.

TRANSCONTINENTAL GAS PIPE LINE COMPANY, LLC

By: 
Name: Steven Tramonte
Title: Vice President

DS
MM
DS
MT
DS
JB

CITY OF WILSON

By: 
Name: Grant Roberson
Title: Energy Services Manager

ATTACHMENT A

- A. TCQ means a transportation contract quantity of 2,000 dekatherms of natural gas ("dt") per day
- B. Primary Term means 20 years from and after the Effective Date of the Service Agreement.
- C. Points of Receipt means
- (i) Seller's existing Station 165 Zone 5 Pool located at or near milepost 1,412.99 in Pittsylvania County, Virginia ("Station 165 Receipt Pool"), (the Station 165 Receipt Pool shall have a Maximum Daily Capacity Entitlement of 2,000 dt/day); and
- (ii) the proposed Cherrystone Interconnect with Mountain Valley Pipeline located near milepost 1,413 in Pittsylvania County, Virginia ("MVP Receipt Point"), (the MVP Receipt Point shall have a Maximum Daily Capacity Entitlement of 2,000 dt/day). The MVP Receipt Point shall be added to the Service Agreement as of the date that the Mountain Valley Pipeline project and the Cherrystone Interconnect have been completed and placed into service.
- D. Point of Delivery means
- Seller's existing Reidsville Meter Station located at or near milepost 1,377.73 in Rockingham County, North Carolina ("Reidsville Meter Station"), (the Reidsville Meter Station shall have a Maximum Daily Capacity Entitlement of 2,000 dt/day).

E.



ATTACHMENT B

Form of Service Agreement

**FORM OF SERVICE AGREEMENT
(For Use Under Seller's Rate Schedule FT)**

THIS AGREEMENT entered into this _____ day of _____, _____ (year), by and between TRANSCONTINENTAL GAS PIPE LINE COMPANY, LLC, a Delaware limited liability company, hereinafter referred to as "Seller," first party, and _____, hereinafter referred to as "Buyer," second party,

[or, when applicable, THIS AGREEMENT entered into this _____ day of _____, _____ (year), by and between TRANSCONTINENTAL GAS PIPE LINE COMPANY, LLC, a Delaware limited liability company, hereinafter referred to as "Seller," first party, and _____, as "Agent," for _____ ("Principals"), hereinafter individually and collectively referred to as "Buyer," second party, which Principals meet the requirements set forth in Section 8.3 of Rate Schedule FT which is incorporated herein by reference.]

W I T N E S S E T H

WHEREAS,

NOW, THEREFORE, Seller and Buyer agree as follows:

ARTICLE I
GAS TRANSPORTATION SERVICE

1. Subject to the terms and provisions of this agreement and of Seller's Rate Schedule FT, Buyer agrees to deliver or cause to be delivered to Seller gas for transportation and Seller agrees to receive, transport and redeliver natural gas to Buyer or for the account of Buyer, on a firm basis, up to a Transportation Contract Quantity ("TCQ") of _____ dt per day.

2. Transportation service rendered hereunder shall not be subject to curtailment or interruption except as provided in Section 11 and, if applicable, Section 42 of the General Terms and Conditions of Seller's FERC Gas Tariff.

ARTICLE II
POINT(S) OF RECEIPT

Buyer shall deliver or cause to be delivered gas at the point(s) of receipt hereunder at a pressure sufficient to allow the gas to enter Seller's pipeline system at the varying pressures that may exist in such system from time to time; provided, however, the pressure of the gas delivered or caused to be delivered by Buyer shall not exceed the maximum operating pressure(s) of Seller's pipeline system at such point(s) of receipt. In the event the maximum operating pressure(s) of

Seller's pipeline system, at the point(s) of receipt hereunder, is from time to time increased or decreased, then the maximum allowable pressure(s) of the gas delivered or caused to be delivered by Buyer to Seller at the point(s) of receipt shall be correspondingly increased or decreased upon written notification of Seller to Buyer. The point(s) of receipt for natural gas received for transportation pursuant to this agreement shall be:

See Exhibit A, attached hereto, for points of receipt.

ARTICLE III POINT(S) OF DELIVERY

Seller shall redeliver to Buyer or for the account of Buyer the gas transported hereunder at the following point(s) of delivery and at a pressure(s) of:

See Exhibit B, attached hereto, for points of delivery and pressures.

ARTICLE IV TERM OF AGREEMENT

This agreement shall be effective as of _____, _____ (year) [or, when applicable, "This agreement shall be effective as of the later of _____, _____ (year) or the date that all of Seller's _____ (insert project name) facilities necessary to provide firm transportation service to Buyer have been constructed and are ready for service as determined in Seller's sole opinion"] and shall remain in force and effect until 9:00 a.m. Central Clock Time _____, _____ (year) [or, when applicable, "shall remain in force and effect for a primary term of _____"] and thereafter until terminated by Seller or Buyer upon at least _____ written notice; provided, however, this agreement shall terminate immediately and, subject to the receipt of necessary authorizations, if any, Seller may discontinue service hereunder if (a) Buyer, in Seller's reasonable judgment fails to demonstrate creditworthiness, and (b) Buyer fails to provide adequate security in accordance with Section 32 of the General Terms and Conditions of Seller's Volume No. 1 Tariff. [OPTION TO DELETE IF NOT APPLICABLE: As set forth in Section 8 of Article II of Seller's August 7, 1989 revised Stipulation and Agreement in Docket Nos. RP88-68 et.al., (a) pregranted abandonment under Section 284.221(d) of the Commission's regulations shall not apply to any long term conversions from firm sales service to transportation service under Seller's Rate Schedule FT and (b) Seller shall not exercise its right to terminate this service agreement as it applies to transportation service resulting from conversions from firm sales service so long as Buyer is willing to pay rates no less favorable than Seller is otherwise able to collect from third parties for such service.]

ARTICLE V RATE SCHEDULE AND PRICE

1. Buyer shall pay Seller for natural gas delivered to Buyer hereunder in accordance with Seller's Rate Schedule FT and the applicable provisions of the General Terms and Conditions of Seller's FERC Gas Tariff as filed with the Federal Energy Regulatory Commission, and as the same may be legally amended or superseded from time to time. Such rate schedule and General Terms and Conditions are by this reference made a part hereof. In the event Buyer and Seller mutually agree to a negotiated rate pursuant to the provisions in Section 53 of the General Terms and Conditions and specified term for service hereunder, provisions governing such negotiated rate (including surcharges) and term shall be set forth on Exhibit C to the service agreement.

[WHEN APPLICABLE: The credit support provisions set forth in that certain [*insert description of precedent* agreement(s)] dated _____ (including any amendments thereto) related to this agreement are hereby incorporated herein by reference and made a part of this agreement.]

2. Seller and Buyer agree that the quantity of gas that Buyer delivers or causes to be delivered to Seller shall include the quantity of gas retained by Seller for applicable compressor fuel, line loss make-up (and injection fuel under Seller's Rate Schedule GSS, if applicable) in providing the transportation service hereunder, which quantity may be changed from time to time and which will be specified in the currently effective Statement of Rates and Fuel in Part II, Section 12.1 of this tariff which relates to service under this agreement and which is incorporated herein.

3. In addition to the applicable charges for firm transportation service pursuant to Section 3 of Seller's Rate Schedule FT, Buyer shall reimburse Seller for any and all filing fees incurred as a result of Buyer's request for service under Seller's Rate Schedule FT, to the extent such fees are imposed upon Seller by the Federal Energy Regulatory Commission or any successor governmental authority having jurisdiction.

ARTICLE VI MISCELLANEOUS

1. This Agreement supersedes and cancels as of the effective date hereof the following contract(s):

2. No waiver by either party of any one or more defaults by the other in the performance of any provisions of this agreement shall operate or be construed as a waiver of any future default or defaults, whether of a like or different character.

3. The interpretation and performance of this agreement shall be in accordance with the laws of the State of _____, without recourse to the law governing conflict of laws, and to all present and future valid laws with respect to the subject matter, including present and future orders, rules and regulations of duly constituted authorities.

4. This agreement shall be binding upon, and inure to the benefit of the parties hereto and their respective successors and assigns.

5. Notices to either party shall be in writing and shall be considered as duly delivered when mailed to the other party at the following address:

(a) If to Seller:
Transcontinental Gas Pipe Line Company, LLC
P. O. Box 1396
Houston, Texas 77251
Attention:

(b) If to Buyer:

Such addresses may be changed from time to time by mailing appropriate notice thereof to the other party by certified or registered mail.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be signed by their respective officers or representatives thereunto duly authorized.

TRANSCONTINENTAL GAS PIPE LINE
COMPANY, LLC
(Seller)

By _____

Print Name _____

Title _____

(Buyer)

By _____

Print Name _____

Title _____

Exhibit A

Point(s) of Receipt

[OPTIONAL IF AGREED TO:
Maximum Daily Capacity Entitlement
at each Receipt Point (DT/day)*]

- * These quantities do not include the additional quantities of gas retained by Seller for applicable compressor fuel and line loss make-up provided for in Article V, 2 of this service agreement, which are subject to change as provided for in Article V, 2 hereof.

Exhibit B

Point(s) of Delivery

Maximum Daily Capacity
Entitlement at each
Delivery Point (Dt/Day)

Pressure

Exhibit C

Specification of Negotiated Rate and Term

[OPTIONAL IF AGREED TO: Buyer agrees not to file or cause to be filed with the FERC any action, claim, complaint, or other pleading under Section 5 of the NGA, or support or participate in any such proceeding initiated by any other party, requesting a change to or in any way opposing the negotiated rate set forth above.]

[OPTIONAL IF AGREED TO: Seller agrees not to file or cause to be filed with the FERC under Section 4 of the NGA to seek to modify the negotiated rate set forth above.]

ATTACHMENT C

Form of Guaranty

GUARANTY

THIS GUARANTY is effective as of _____, 201_ and is entered into by _____ (“Guarantor”), a _____ [insert type of entity], in favor of and for the benefit of Transcontinental Gas Pipe Line Company, LLC (“Transco”), a Delaware limited liability company.

RECITALS:

WHEREAS, _____ (“Buyer”), a _____ [insert type of entity], and Transco have entered into a Precedent Agreement, dated as of [insert date of Precedent Agreement] (as amended, amended and restated, supplemented or otherwise modified from time to time in accordance with its provisions, the “Precedent Agreement”), which, together with the Service Agreement (as defined in the Precedent Agreement) and Transco’s FERC Gas Tariff, sets forth the terms and conditions under which Transco will provide firm transportation service to Buyer under Transco’s proposed “[INSERT PROJECT NAME]” (the Precedent Agreement, Service Agreement and Transco’s FERC Gas Tariff, and any other agreement, transaction or instrument related thereto or entered into in connection therewith, whether one or more, are collectively referred to herein as the “Agreements” and individually as an “Agreement”); and

WHEREAS, Guarantor will derive substantial direct and indirect benefits from the transactions contemplated by the Agreements; and

WHEREAS, Transco is willing to proceed with the development of the [INSERT PROJECT NAME] and the provision of gas transportation service for Buyer pursuant to the terms of, and subject to the conditions set forth in, the Agreements, provided that Guarantor guarantees payment and performance of Buyer’s covenants, agreements, obligations and liabilities under the Agreements.

NOW, THEREFORE, in consideration of the foregoing premises and other good and valuable consideration, the receipt and sufficiency of which Guarantor hereby acknowledges and affirms, and in order to induce Transco to enter into the Agreements and to provide gas transportation service for Buyer pursuant to the Agreements, Guarantor hereby agrees as follows:

1. Guaranty of Payment. Guarantor hereby irrevocably and unconditionally guarantees the payment and performance of any and all present and future covenants, agreements, obligations and liabilities of Buyer to Transco pursuant to the Agreements (collectively, the “Guaranteed Obligations”). Guarantor agrees, upon any failure by Buyer to pay any of the Guaranteed Obligations, that Guarantor will pay any amounts that Buyer has failed to pay Transco within five (5) days following written demand by Transco. Guarantor agrees that Transco may resort to Guarantor for payment or performance of any of the Guaranteed Obligations whether or not Transco shall have resorted to any collateral security or shall have proceeded against any other obligor principally or secondarily obligated with respect to any of the Guaranteed Obligations. Guarantor reserves the right to assert defenses that Buyer may have to

payment of any Guaranteed Obligations other than defenses arising from the bankruptcy or insolvency of Buyer and other defenses expressly waived hereby.

2. Guaranty Unconditional and Absolute. The obligations of Guarantor hereunder shall be unconditional and absolute and, without limiting the generality of the foregoing, shall not be released, discharged or otherwise affected by:

(a) any extension, renewal, settlement, compromise, waiver, discharge or release in respect of any Guaranteed Obligations;

(b) the existence, or extent of, any release, exchange, surrender, non-perfection or invalidity of any direct or indirect security for any of the Guaranteed Obligations;

(c) any modification, amendment, waiver, extension of or supplement to any of the Agreements or the Guaranteed Obligations agreed to from time to time by Buyer and Transco;

(d) any change in the corporate existence (including its constitution, laws, rules, regulations or powers), structure or ownership of Transco, Buyer or Guarantor, or any insolvency, bankruptcy, reorganization or other similar proceeding affecting Transco, Buyer or Guarantor;

(e) the existence of any claim, set-off or other rights that Guarantor may have at any time against Transco, Buyer or any other corporation or person, whether in connection herewith or in connection with any unrelated transaction; provided, that nothing herein shall prevent the assertion of any such claim by separate suit or compulsory counterclaim;

(f) the invalidity or unenforceability in whole or in part of any of the Agreements, any Guaranteed Obligations or any instrument evidencing any Guaranteed Obligations, or any provision of applicable law or regulation purporting to prohibit payment or performance by Buyer of amounts to be paid or performed by it under the Agreements or any of the Guaranteed Obligations; or

(g) any other act or omission to act or delay of any kind by Transco that might, but for the provisions of this paragraph, constitute a legal or equitable discharge of Guarantor's obligations hereunder.

3. Term. This Guaranty shall be effective as of the date first above written and shall remain in force and effect until the date that the Guaranteed Obligations have been performed in full.

4. Waiver by Guarantor. Guarantor irrevocably waives acceptance hereof, diligence, presentment, demand, protest, notice of dishonor, notice of any sale of collateral and any notice not provided for herein, any right of subrogation to Buyer's rights against Transco under any Agreement or otherwise, and any requirement that at any time any person exhaust any right to take any action against Buyer or its assets or any other guarantor or person or its assets.

5. Subrogation. Upon making any payment hereunder, Guarantor shall be subrogated to the rights of Transco against Buyer with respect to such payment; provided, that Guarantor shall not enforce any right or receive any payment by way of subrogation until all of the Guaranteed Obligations then due shall have been paid in full. Transco agrees to take, at Guarantor's sole cost and expense, such steps as Guarantor may reasonably request to implement such subrogation.

6. Stay of Acceleration Ineffective with Respect to Guarantor. In the event that acceleration of the time for payment of any amount payable by Buyer under the Agreements is stayed upon the insolvency, bankruptcy or reorganization of Buyer, all such amounts otherwise subject to acceleration or required to be paid upon an early termination pursuant to the terms of the Agreements shall nonetheless be payable by Guarantor hereunder on written demand by Transco.

7. Successors and Assigns; Assignment. This Guaranty shall be binding upon and inure to the benefit of Guarantor and its successors and assigns and Transco and its successors and assigns. Guarantor may not assign its rights and obligations hereunder without the prior written consent of Transco, and any such purported assignment without such written consent shall be void.

8. Amendments and Waivers. No provision of this Guaranty may be amended, supplemented or modified, nor any of the terms and conditions hereof waived, except by a written instrument executed by Guarantor and Transco.

9. Remedies Cumulative. The rights, powers, remedies and privileges provided in this Guaranty are cumulative and not exclusive of any rights, powers, remedies and privileges provided by law and any other agreement.

10. Limitation. Guarantor's liability hereunder shall be, and is specifically limited to, payments expressly required to be made under the Agreements (even if such payments are deemed to be damages), and in no event shall Guarantor be subject hereunder to consequential, exemplary or punitive damages except as otherwise expressly provided for in the Agreements.

11. Representations and Warranties. Guarantor hereby represents and warrants to Transco as follows:

(a) Guarantor is duly organized, validly existing and in good standing under the laws of the jurisdiction of its [incorporation or formation] and has full [corporate] power to execute, deliver and perform this Guaranty.

(b) The execution, delivery and performance of this Guaranty have been and remain duly authorized by all necessary [corporate] action and do not contravene any provision of law or of Guarantor's constitutional documents or any contractual restriction binding on Guarantor or its assets.

(c) All consents, authorizations and approvals of, and registrations and declarations with, any governmental authority necessary for the due execution, delivery and performance of this Guaranty have been obtained and remain in full force and effect and all conditions thereof

have been duly complied with, and no other action by and no notice to or filing with, any governmental authority is required in connection with the execution, delivery or performance of this Guaranty. There are no conditions precedent to the effectiveness of this Guaranty that have not been satisfied or waived.

(d) This Guaranty constitutes the legal, valid and binding obligation of Guarantor enforceable against Guarantor in accordance with its terms, subject, as to enforcement, to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting creditors' rights and to general equity principles.

(e) This Guaranty provides substantial direct and indirect benefits to Guarantor.

12. Notices. All notices, demands or communications to Transco or Guarantor, as applicable, in connection with this Guaranty shall be in writing and shall be addressed as follows:

If to Transco: Transcontinental Gas Pipe Line Company, LLC
One Williams Center, MD 50th Floor
Tulsa, OK 74172
Attention: Credit Manager
Treasury Services
Facsimile: 918-732-0235

If to Guarantor: _____

Notices may be given by first class mail, courier, overnight delivery, facsimile, or hand delivery. Notices shall be deemed given on the day the notice is received by the receiving party if such day is a business day, or if such day is not a business day, the next succeeding business day. Either Transco or Guarantor may change its address for notices hereunder by providing written notice of such change to the other party.

13. GOVERNING LAW; WAIVER OF JURY TRIAL. **THIS GUARANTY SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REFERENCE TO ANY CHOICE OF LAW DOCTRINE OR CONFLICT OF LAW PRINCIPLES THEREOF THAT COULD REFER THE MATTER TO ANOTHER JURISDICTION. GUARANTOR HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES THE RIGHT TO A JURY TRIAL IN CONNECTION WITH ANY CLAIM ARISING OUT OF OR RELATED TO THIS GUARANTY.**

14. Miscellaneous. This Guaranty supersedes and terminates the following guaranty(ies) issued by Guarantor on behalf of Buyer for the benefit of Transco: [None.]

IN WITNESS WHEREOF, Guarantor has caused this Guaranty to be duly executed as of the date first above written.

[Guarantor]

By: _____
Name:
Title:

**PRECEDENT AGREEMENT
FOR
FIRM TRANSPORTATION SERVICE UNDER
SOUTHEAST SUPPLY ENHANCEMENT PROJECT**

This Precedent Agreement For Firm Transportation Service Under the Southeast Supply Enhancement Project (this “Precedent Agreement”) is made and entered into the 28th day of September, 2023, by and between TRANSCONTINENTAL GAS PIPE LINE COMPANY, LLC (“Seller”), a Delaware limited liability company, and DUKE ENERGY CAROLINAS, LLC (“Buyer”), a North Carolina limited liability company (Seller and Buyer are sometimes referred to herein individually as a “Party” and collectively as the “Parties”).

WITNESSETH:

WHEREAS, Buyer has requested firm transportation service under Seller’s proposed “Southeast Supply Enhancement Project” (referred to herein as the “Project”), which is proposed to include the expansion of Seller’s pipeline system from its existing Station 165 Zone 5 Pool and the proposed interconnection between Seller’s mainline and Mountain Valley Pipeline, LLC’s (“MVP”) pipeline, both located at or near milepost 1,412.99 in Pittsylvania County, Virginia, to various delivery points on Seller’s mainline extending to the existing Station 85 Zone 4 Pool located at or near milepost 784.66 in Choctaw County, Alabama.

WHEREAS, Seller and Buyer now desire to enter into this Precedent Agreement to set forth the terms and conditions under which, among other things, Seller will seek the necessary approvals and authorizations for the construction and operation of the Project facilities and Seller and Buyer will execute a service agreement under Seller’s Rate Schedule FT, in the form attached as Attachment B hereto, for firm transportation service under the Project.

NOW THEREFORE, in consideration of the mutual covenants herein assumed and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer agree as follows:

1. Approvals and Cooperation; Open Season.

(a) Seller shall seek such contractual and property rights, financing arrangements, and regulatory approvals as may be necessary to construct and operate the Project facilities so as to provide firm transportation service to Buyer consistent with the terms and conditions of this Precedent Agreement and the Service Agreement (as defined further herein), including the necessary authorizations from the Federal Energy Regulatory Commission ("FERC") under the Natural Gas Act ("NGA") for the Project ("FERC Authorization") and all other authorizations (including any authorizations or permits that may be required from other federal or state or local agencies) that may be necessary for Seller to proceed with construction and operation of the Project facilities (such other authorizations are referred to herein collectively as the "Other Governmental Authorizations"). The FERC Authorizations, Other Governmental Authorizations, and FERC's issuance of the notice to proceed with construction of the Project ("FERC Notice to Proceed") shall be referred to collectively as the "Required Project Approvals", which such Required Project Approvals, at the state and federal level, that are known by Seller as of the execution date of the Precedent Agreement shall be listed in Attachment D. Seller's application for the FERC Authorization is referred to herein as the "FERC Application."

(b) Seller targets to file the FERC Application no later than October 1, 2024, and shall use all commercially reasonable efforts to file the FERC Application by February 1, 2025, or any mutually agreed upon later date and shall provide written notice of its intent to file the FERC Application to Buyer at least thirty (30) days prior to filing the FERC Application. Seller shall provide Buyer with a draft copy of FERC Application (and applicable Resource Reports) at least ten (10) Business Days prior to the date Seller intends to file the FERC Application. Buyer shall notify Seller within five (5) Business Days after receipt of the draft FERC Application whether Buyer has any material objections to the FERC Application (and applicable Resource Reports), in which case Buyer shall describe the

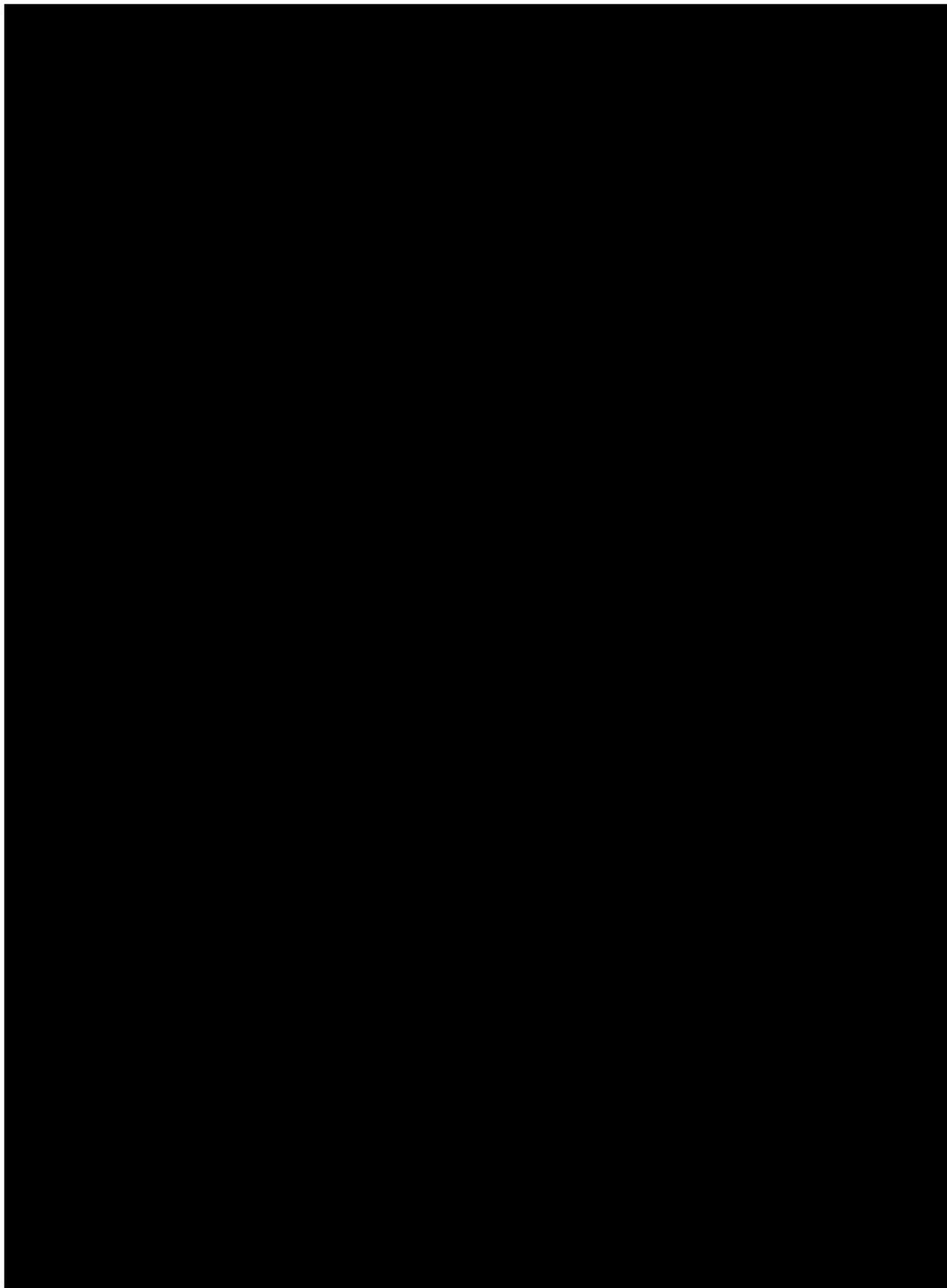
specific objectionable language. Seller shall consider Buyer's objections and, in its reasonable judgment, may revise such draft FERC Application to address Buyer's objections; provided, however, Seller must accept any comments or edits from Buyer that would serve to correct a statement or fact about Buyer or any of Buyer's Affiliates, or the terms of the Precedent Agreement and Service Agreement. Seller shall provide thirty (30) days prior written notice to Buyer in the event that Seller requests the use of FERC's pre-filing process ("Pre-Filing") prior to filing the FERC pre-filing application, and upon such notice, Buyer shall have the opportunity to review and provide comment on Seller's Pre-Filing request submitted to FERC. Seller shall keep Buyer reasonably apprised of the status and discussions, including those with FERC staff, held during the Pre-Filing.

(c) Seller reserves the right to file and prosecute all applications for the FERC Authorization and any Other Governmental Authorizations necessary or appropriate for the Project, including any supplements or amendments thereto and, if necessary, any court review in such manner as it deems to be in its best interest but that is consistent with the terms and conditions of this Precedent Agreement. In no event shall Seller be obligated to file a request for rehearing or an appeal if the FERC Authorization or any Other Governmental Authorization is denied or granted with conditions that are adverse to the interests of the Parties.

(d) Promptly following the issuance of the FERC order granting the certificate of public convenience and necessity for the Project, the Parties shall discuss in good faith any aspects of such FERC order that are inconsistent with the FERC Application or the terms and conditions of this Precedent Agreement. If either Party intends to seek rehearing and/or appeal of such FERC order, such Party shall notify the other Party and reasonably consult with the other Party.

(e)





(f) The Parties acknowledge that they are executing this Precedent Agreement following the open season beginning on June 19, 2023, and ending on July 14, 2023, by Seller for the firm transportation capacity to be made available under the Project. The Parties agree that execution and delivery of this Precedent Agreement by both Parties shall fulfill Buyer's request under the Project open season for firm transportation service for a transportation contract quantity of one million dekatherms per day (1,000,000 dt/day) ("TCQ") through the primary firm transportation paths established by the Points of Receipt and Points of Delivery and associated maximum daily quantities at such points, all as further described in Attachment A hereto.


(g) Planned Construction and Update Meetings. Seller shall use due diligence to maintain and regularly update its intended timeline for the development and construction of the Project, including any material Required Project Approvals in Seller's reasonable determination. The Parties recognize that both the planned Project facilities to be constructed and the intended timeline for completion may change as the Project proceeds; provided, however, no such change shall modify any of the terms or obligations of either Party as set forth in the Precedent Agreement or the Service Agreement, except as may be otherwise expressly provided for herein. Seller shall provide Buyer with regularly scheduled Project update meetings throughout the Project's development and construction ("Update Meetings"). These Update Meetings will occur at mutually agreeable physical or virtual locations no less frequently than once each month unless mutually agreed otherwise, until all Project facilities are placed in-service. Prior to such monthly Update Meeting, Seller shall provide to Buyer a "Progress Report" which the Parties shall review and discuss during the subsequent Update Meeting. Each Progress Report will, at a minimum, provide the following information: (i) the status of Required Project Approvals and, if requested by Buyer, copies of the specifically requested Required Project Approvals that are not otherwise publicly available; (ii) a discussion of Seller's planned community and public relation activities; (iii) information about any material changes in the

planned Project facilities to be constructed; (iv) information about revisions or potential revisions to the intended timeline for permitting and/or construction; and (v) any other significant developments related to the Project. In the event of any significant delay in the Project's intended timeline for permitting and/or construction, Seller shall describe during the Update Meeting the actions being taken to address the delay, Buyer shall raise any questions or concerns regarding Seller's schedule expectations, and the Parties shall discuss in good faith other additional actions that might be taken. For the avoidance of doubt, such Update Meetings, Progress Reports, and related discussions shall not limit Seller's authority to design, construct, and operate the Project in its sole discretion, consistent with its rights and obligations under this Precedent Agreement, as well as all applicable laws, rules, regulations, and industry standards consistent with a prudent operator.

2. Service Agreement and Rate.

(a) Subject to the terms and conditions of this Precedent Agreement, Seller and Buyer shall, contemporaneously with the execution and delivery of this Precedent Agreement, execute and deliver the service agreement under Seller's Rate Schedule FT set forth in Attachment B hereto (referred to herein as the "Service Agreement"), which such Service Agreement will become effective in accordance with Paragraph 2(c) below; provided, however, the Parties shall revise the Service Agreement to the extent necessary to comply with any FERC order that would require an amendment to the Service Agreement. Notwithstanding the foregoing, the Parties' obligation to amend the Service Agreement in this Paragraph 2(a) does not impact either Party's right to terminate the Precedent Agreement or Service Agreement as provided for in Section 5 herein. The Service Agreement shall provide for, among other things, the TCQ, Primary Term, Points of Receipt and Points of Delivery, Minimum Pressure Guarantee and, if elected by Buyer pursuant to Paragraph 2(b) below, the Negotiated Reservation Rate, all as defined and further described in Attachment A and subject to the terms and conditions hereof.

(b) Upon execution of this Precedent Agreement, Buyer shall elect one of the following rate options by having its duly authorized representative initial in the space provided below for the elected rate option.

X 

For the firm transportation service under the Service Agreement, Buyer hereby agrees to pay the negotiated rate as set forth in Attachment A, Paragraph E hereto, including the Negotiated Reservation Rate (as defined therein) and all other applicable rates and charges as further described in Attachment A, Paragraph E.

_____ For the firm transportation service under the Service Agreement, Buyer hereby agrees to pay the total maximum cost-based recourse reservation rate and all electric power unit rates, commodity rates, and surcharges, and to be responsible for compressor fuel and line loss make-up retention, all as applicable under Rate Schedule FT of Seller's FERC Gas Tariff, as the same may be revised from time to time, for firm transportation service under the Project (collectively, the "Recourse Rate"). The initial Recourse Rate will be designed based on the straight fixed-variable rate design methodology and will be calculated using Seller's estimated cost of the Project facilities, estimates for operation and maintenance expenses based on estimates for similar facilities, billing determinants under the Project, and other cost factors. Seller makes no representation or warranty of any kind whatsoever as to the actual recourse reservation rate that will be applicable to the firm transportation service under the Project.

The foregoing rate selection shall apply during the Primary Term. Unless otherwise determined in accordance with Paragraph 2(d) below or otherwise agreed to by the Parties, the applicable rate under the Service Agreement after the Primary Term shall be the Recourse Rate.

(c) The Service Agreement shall be effective as of the first (1st) day of the month following the date that all of Seller's Project facilities necessary to provide firm transportation service to Buyer under the Service Agreement have been constructed and are ready for service as determined in Seller's sole opinion (such date is referred to herein as the "Effective Date of the Service Agreement"), and shall remain in force and effect for the Primary Term and thereafter until terminated by either Party upon at least one (1) year's prior written notice to the other Party (subject to the term extension provisions set forth in Paragraph 2(d) below). The firm transportation service under the Service Agreement will be provided in accordance with the applicable provisions of Seller's Rate Schedule FT and FERC Gas Tariff.

(d) If Buyer elects to pay the Negotiated Reservation Rate pursuant to Paragraph 2(b) above, then the following term extension provisions shall be included in Exhibit C to the Service Agreement as part of the negotiated rate agreement between the Parties:

(i) Seller will agree, upon written request by Buyer at least thirteen (13) months prior to the end of the Primary Term, to extend the term of the Service Agreement for an additional one (1) to five (5) year period ("First Term Extension") up to the TCQ in effect during the Primary Term and, at the sole election of Buyer, at either (A) the Negotiated Reservation Rate and all other applicable rates and charges as further described in Attachment A hereto, or (B) the applicable Recourse Rate.

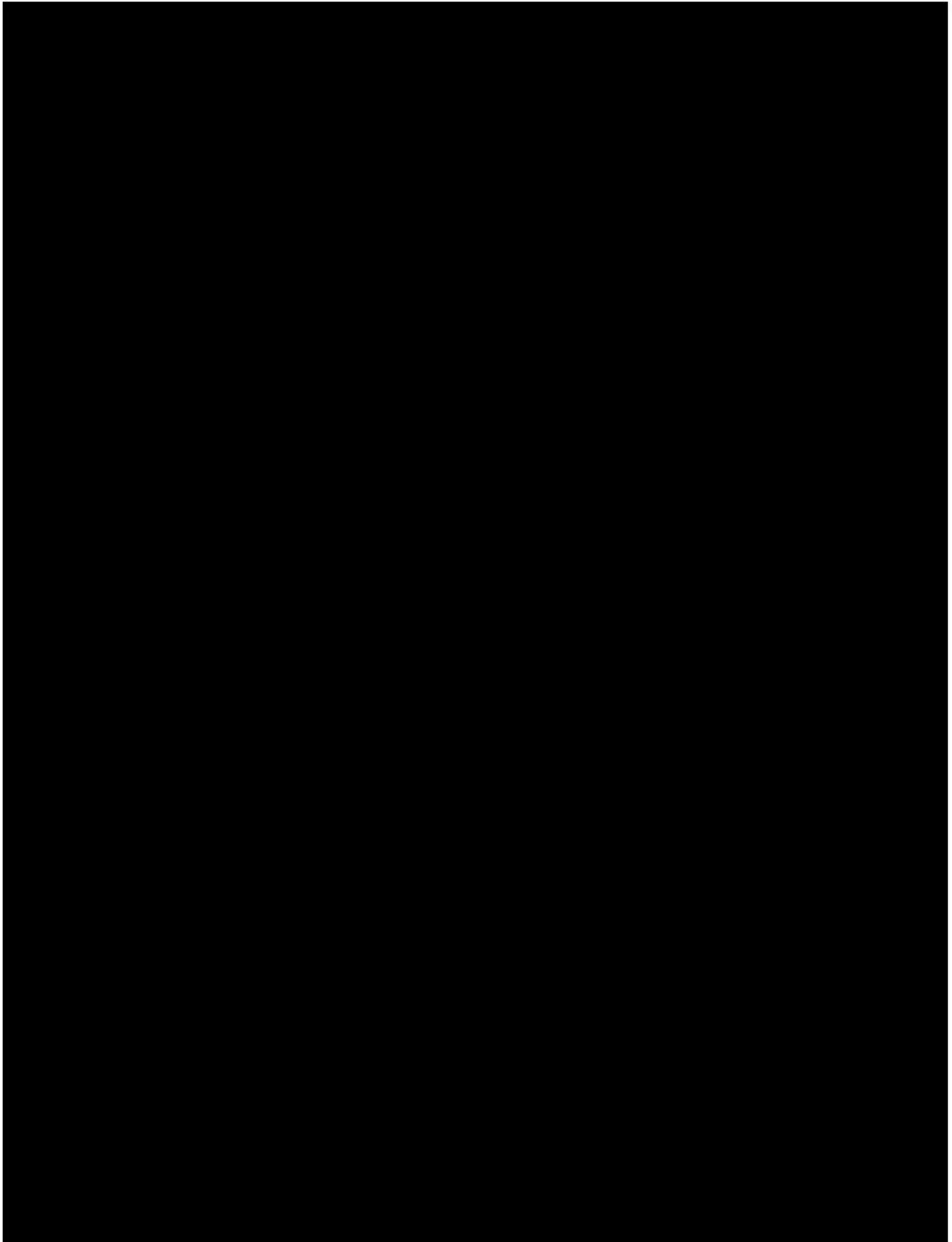
(ii) Seller will agree, upon written request by Buyer at least thirteen (13) months prior to the end of the First Term Extension, to extend the term of the Service Agreement for a second additional one (1) to five (5) year period up to the TCQ in effect at the end of the First Term Extension ("Second Term Extension") and, at the sole election of Buyer, at either

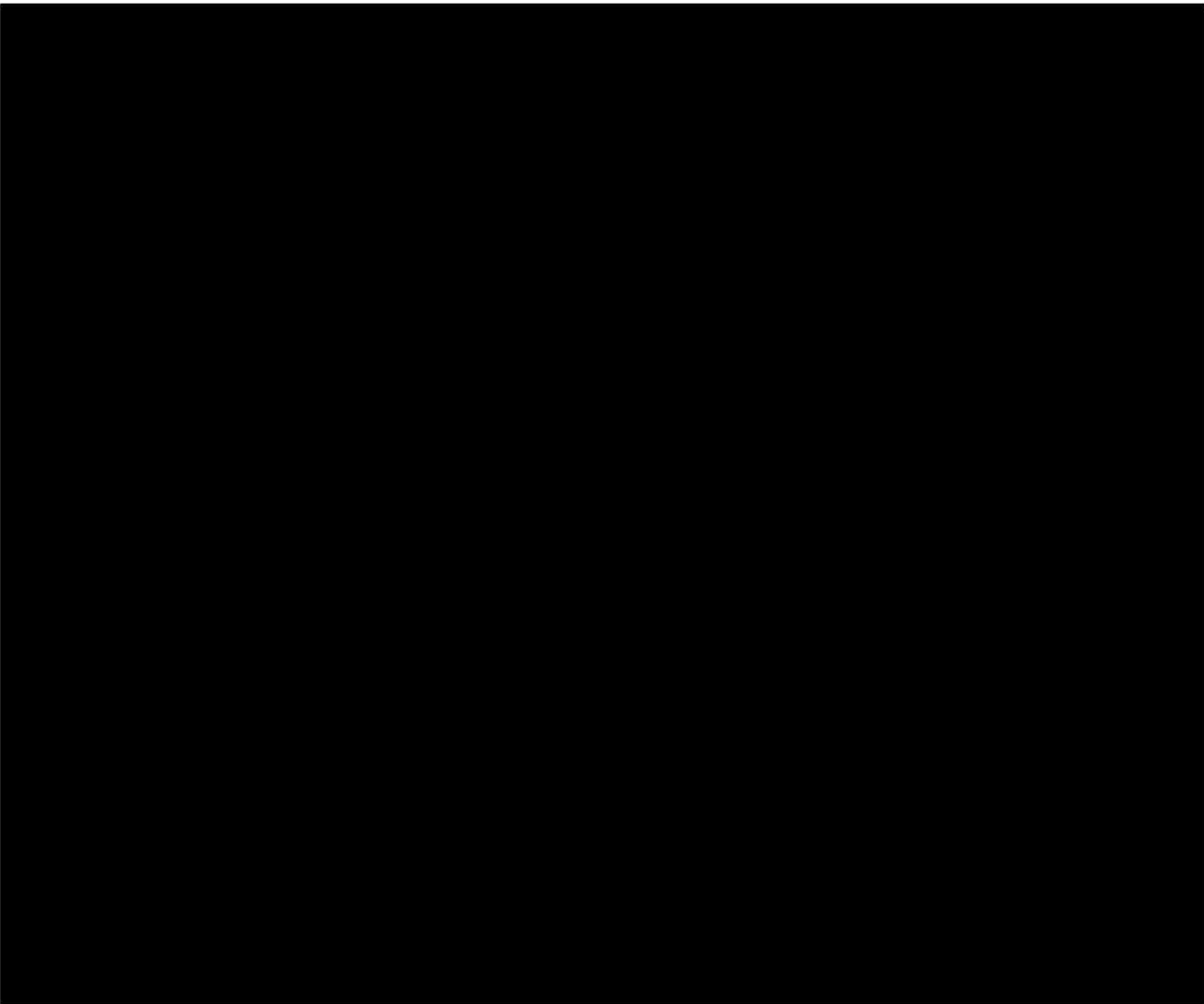
(A) the Negotiated Reservation Rate and all other applicable rates and charges as further described in Attachment A hereto, or (B) the applicable Recourse Rate.

(iii) Seller will agree, upon written request by Buyer at least thirteen (13) months prior to the end of the Second Term Extension, to extend the term of the Service Agreement for a third additional one (1) to five (5) year period up to the TCQ in effect at the end of the Second Term Extension and, at the sole election of Buyer, at either (A) the Negotiated Reservation Rate and all other applicable rates and charges as further described in Attachment A hereto, or (B) the applicable Recourse Rate.

(e)







(g) Delivery Point Entitlements. Attachment E includes three (3) draft tariff sheets that reflect Buyer's DPEs. Because the draft tariff sheets affect third-parties, Seller's obligation to submit the draft tariff sheets for FERC approval and inclusion in Seller's FERC Gas Tariff shall be conditioned upon agreement of the respective delivery point operators. Upon such agreement of the respective delivery point operators, Seller agrees to submit final versions of such draft tariff sheets for FERC approval and inclusion in Seller's FERC Gas Tariff to be effective upon the in-service date of the Project.

(h)





3. In-Service Date.

(a) After Seller's receipt and acceptance of all other necessary contract rights, property rights, financing arrangements, FERC Authorization, and Other Governmental Authorizations for the Project in a form and substance satisfactory to Seller in its sole determination, Seller shall proceed

with the construction of the Project facilities so as to begin firm transportation service for Buyer by a target in-service date of November 1, 2027 ("Target ISD").

(b) Notwithstanding Paragraph 3(a) above, but subject to Section 5 below, if Seller is unable to complete construction of the Project facilities necessary to provide firm transportation service to Buyer under the Service Agreement by the Target ISD despite its exercise of reasonable diligence, then Seller shall provide prompt written notice thereof to Buyer and Seller shall continue to proceed with reasonable diligence to complete construction of such Project facilities, place such facilities in operation, and commence service for Buyer at the earliest date thereafter commercially reasonable to Seller. Seller shall not be liable in any manner to Buyer, nor shall this Precedent Agreement or the Service Agreement be subject to termination, other than as expressly provided in the other provisions of this Precedent Agreement or the Service Agreement, if for any reason Seller is unable to complete the construction of such facilities and commence the firm transportation service to Buyer as contemplated herein and in the Service Agreement.

(c) Seller shall keep Buyer reasonably apprised of the Target ISD and any changes thereto.

4. Term of Precedent Agreement. This Precedent Agreement shall become effective on the date first written above and, unless terminated earlier, shall automatically terminate as of the Effective Date of the Service Agreement; provided, however, that (i) Paragraph 5(a)(x) and Section 6 and Attachment C hereto shall survive termination of this Precedent Agreement for the Primary Term of the Service Agreement, (ii) Section 9 shall survive for the period specified therein, and (iii) Section 10 shall survive for any Dispute under this Precedent Agreement arising under Paragraph 5(a)(x), or Sections 6 or 9.

5. Termination.

(a) In addition to any other termination rights set forth herein, this Precedent Agreement and, if executed, the Service Agreement shall be subject to termination as specified below. For sake of clarity, failure to exercise any other termination right provided for in this Precedent Agreement or any termination right in this Paragraph 5(a) does not constitute a waiver of any other termination right set forth in this Paragraph 5(a).

(i)



(ii)



[REDACTED]

(iii)

[REDACTED]

[REDACTED]

(iv)

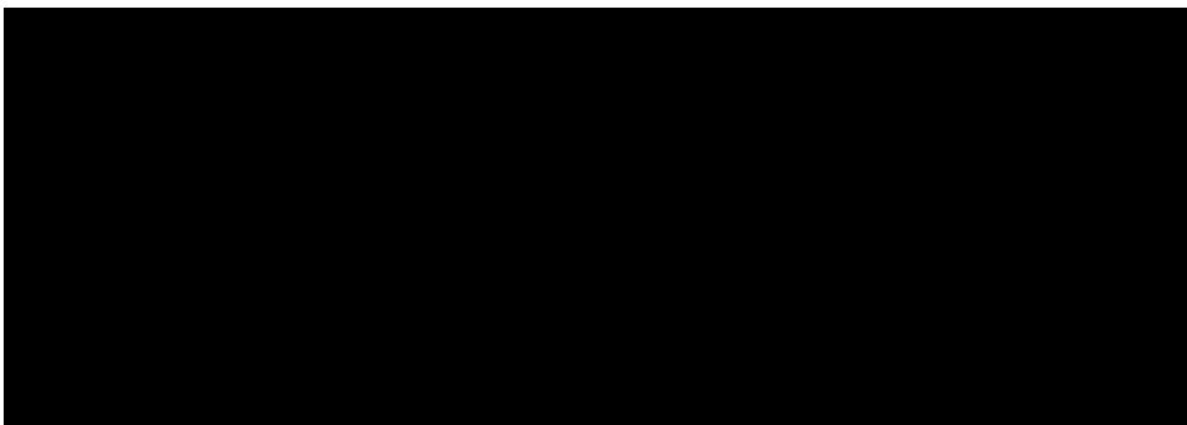
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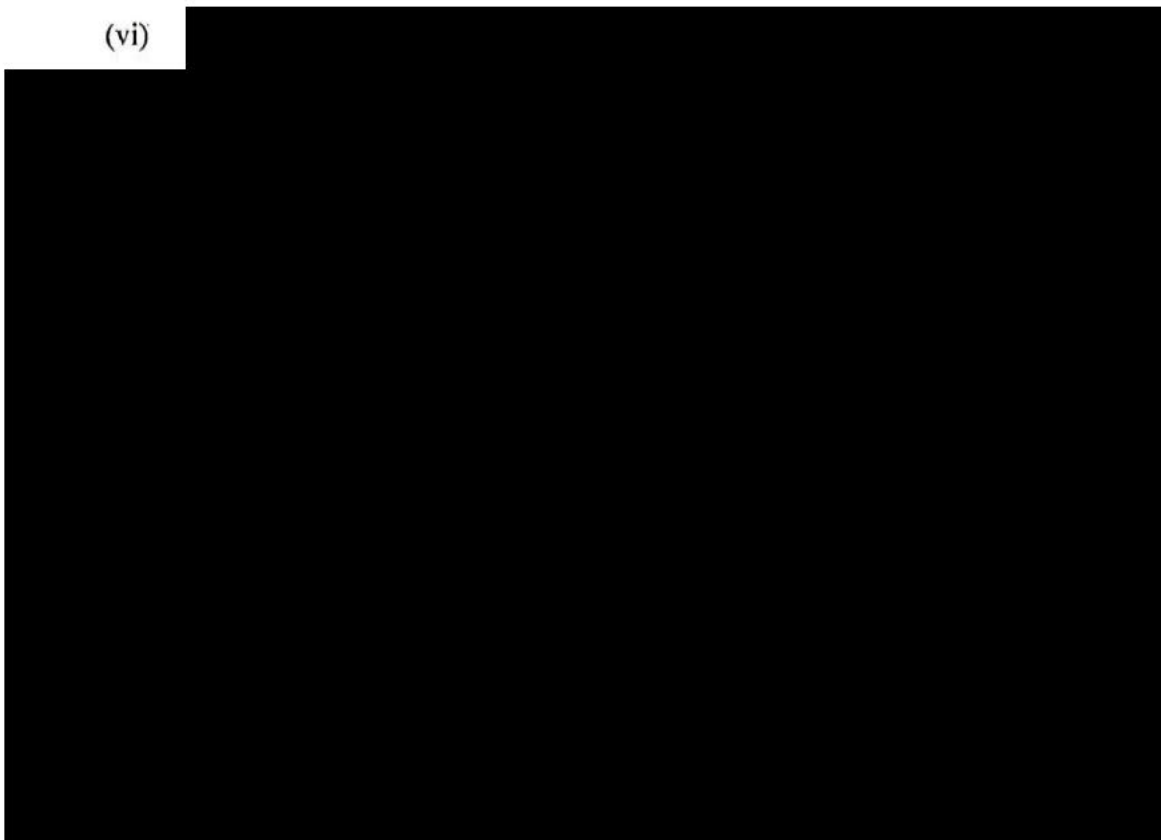
(v)

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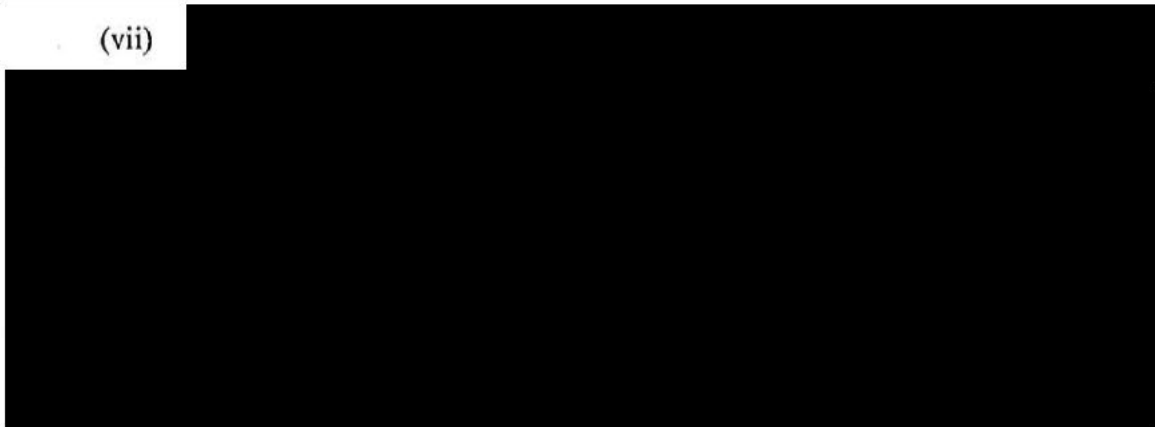
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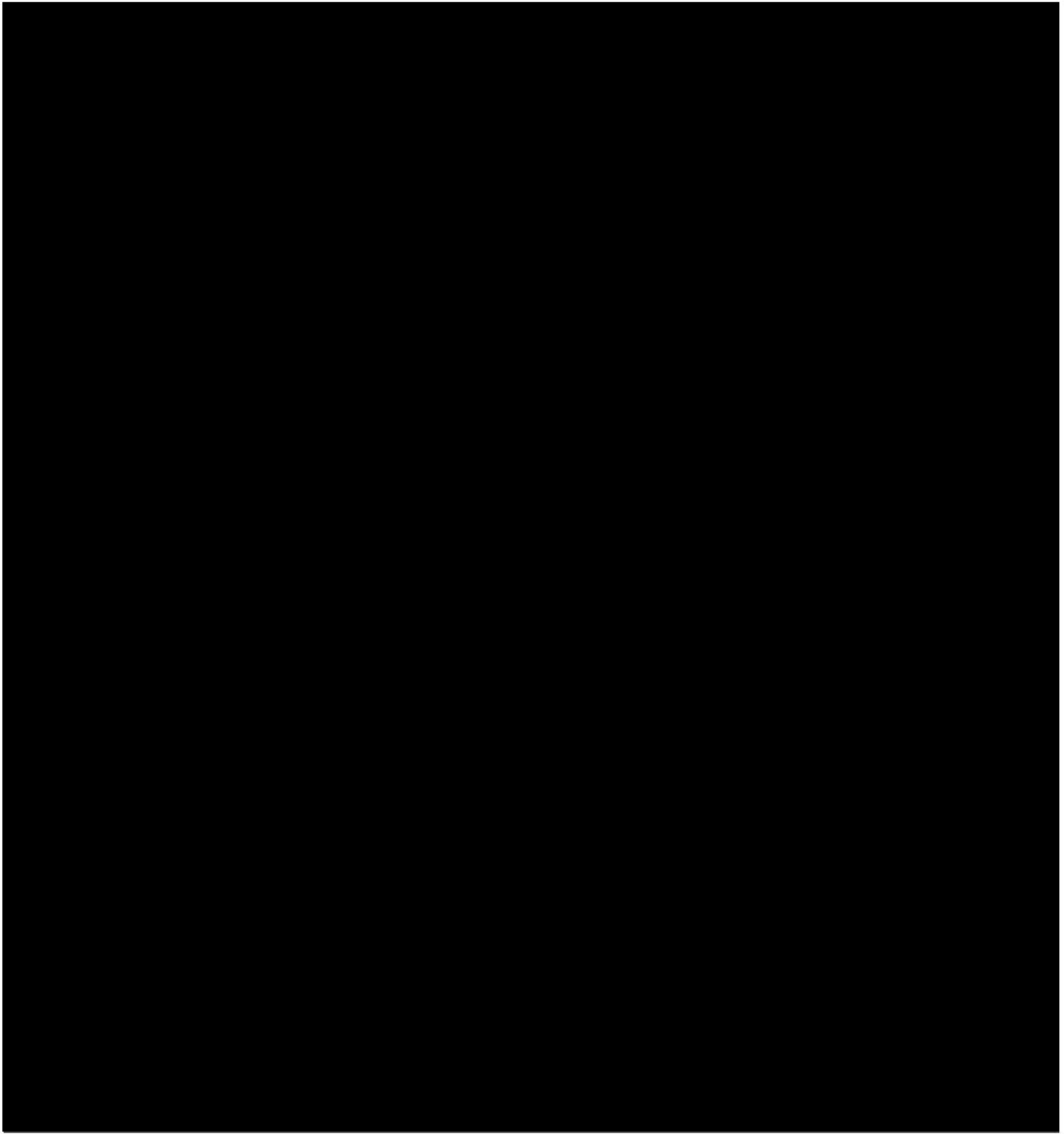


(vi)

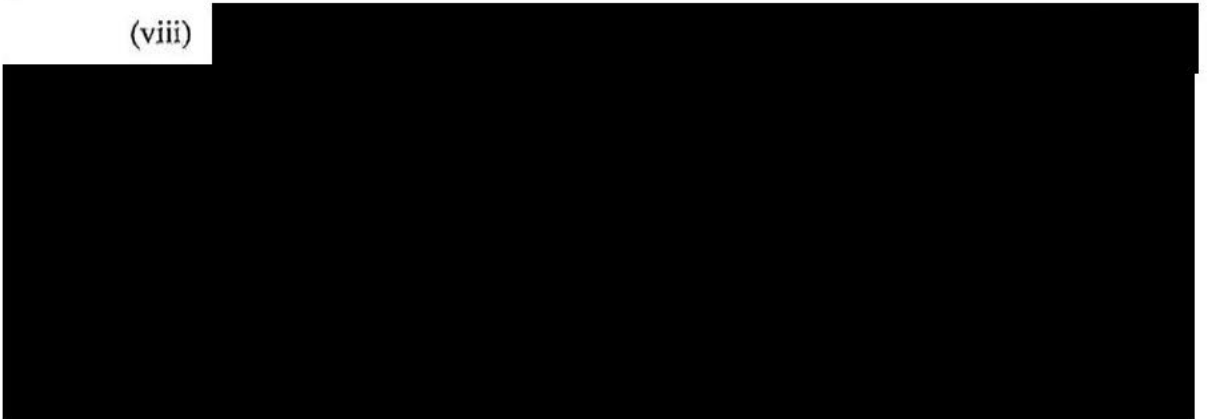


(vii)





(viii)



(ix)

(x)

(b) If either this Precedent Agreement or the Service Agreement is terminated by Seller pursuant to Paragraph 5(a)(x), then Buyer shall reimburse Seller for Buyer's Proportionate Share (as hereinafter defined) of the Project costs reasonably incurred and/or committed to by Seller as of the date that Seller receives Buyer's written notice of termination or the date that Seller provides written notice of termination to Buyer, as the case may be ("Project Costs"). The Project Costs shall include, for purposes of illustration and without limitation, costs relating to planning, designing, procuring materials and seeking regulatory and environmental authorizations for the Project, constructing the Project, mobilization and demobilization of work in progress and cancellation charges related to materials ordered but no longer required. The Project Costs shall not include the mitigated costs

described below. Subject to Paragraph 5(c) below, the term "Proportionate Share" shall mean a fraction, the numerator of which is Buyer's TCQ and the denominator of which is the total firm transportation capacity per day under the Project. Unless subject to a good faith billing dispute, such reimbursement shall be made by Buyer within thirty (30) days of Buyer's receipt of an invoice from Seller setting forth Buyer's Proportionate Share of the Project Costs. Such invoice shall include reasonable support for such reimbursable costs. Seller shall make a good faith effort to mitigate the Project Costs to be reimbursed by Buyer hereunder, including by making good faith efforts to redeploy, return, sell or assign the materials and supplies, if any, that will not be used for the Project as a result of such termination of this Precedent Agreement or the Service Agreement. Seller shall net any such redeployment, return, sale or assignment amounts against the Project Costs.

(c) If this Precedent Agreement is terminated in accordance with Paragraph 5(b) but the Project is nevertheless placed in service (either before or after such termination), Seller shall, subject to the terms of Seller's FERC Gas Tariff and applicable FERC orders, rules and regulations, make a good faith effort to subscribe the firm transportation capacity under the Project from or within the path of the Points of Receipt to the Points of Delivery with other shipper(s) on the same terms as set forth in this Precedent Agreement. If Seller is able to subscribe with other shipper(s) all or a portion of the capacity under the Project from or within the path of the Points of Receipt to the Points of Delivery on the same terms as set forth in this Precedent Agreement (or on terms more favorable to Seller) ("Keep-Whole Subscription"), then the definition of the term "Proportionate Share" shall be modified to mean a fraction, the numerator of which is Buyer's TCQ minus the transportation contract quantity subscribed by Seller in accordance with the foregoing, and the denominator of which is the total firm transportation capacity per day under the Project. If Seller is able to subscribe with other shipper(s) all or a portion of the capacity under the Project from or within the path of the Points of Receipt to the Points of Delivery but on terms less favorable to Seller than as set forth in this Precedent

Agreement ("Lesser Subscription"), then Buyer's Proportionate Share of the Project Costs shall be reduced by such amount, which shall be reasonably determined by Seller in equity and good faith, taking into consideration the reasonable value to Seller of such capacity subscription(s) (Seller shall provide reasonable, written support for such determination). If a Keep-Whole Subscription and/or Lesser Subscription occurs on or before the date that is six (6) months following the in-service date of the Project, then Seller shall refund the applicable amount of the mitigated Project Costs reimbursed by Buyer (as such mitigated amount is determined in accordance with the immediately preceding two sentences) within thirty (30) days after the date that the firm transportation service under such Keep-Whole Subscription and/or Lesser Subscription commences. Such refund shall include reasonable support for such refunded amounts. If Seller is unable to subscribe with other shipper(s) any of such capacity, then Buyer shall remain responsible for Buyer's Proportionate Share of the Project Costs in accordance with Paragraph 5(b).

(d) If Buyer is required to reimburse Seller for Project Costs pursuant to Paragraph 5(b) above, then Buyer shall have the right, upon at least twenty (20) days prior written notice to Seller, to audit books and records of Seller relating to the Project Costs (including, if applicable, reasonable information regarding any Keep-Whole Subscription and/or Lesser Subscription). Any such audit shall be conducted during normal business hours and at Buyer's sole cost and expense. Buyer shall have twelve (12) months after the date of receipt of an invoice for its Proportionate Share of the Project Costs (but in any event Buyer shall have at least three (3) months after Seller closes its books with respect thereto) in which to complete such an audit and submit any claims under this provision. After such period, Buyer's right to audit shall expire and Seller's records shall be presumed to be correct. If Buyer, after exercising such audit right, disputes Buyer's Proportionate Share of the Project Costs for which Seller seeks reimbursement, then such dispute shall be resolved pursuant to Section 10 of this Precedent Agreement.

(e) Except as otherwise stated herein, termination of this Precedent Agreement shall not relieve either Party from any obligation accruing or accrued prior to the date of such termination, nor shall such termination deprive a Party not in default of any remedy otherwise available to such Party.

(f) If at any time Seller reasonably determines that any of the target dates for filing the FERC Application, commencing construction of the Project facilities, or placing the Project in service will be materially delayed, then Seller shall provide prompt, written notice thereof to Buyer and present to Buyer a revised Project schedule.

6. Credit Support.

(a) Buyer represents that, as of the effective date of this Precedent Agreement, in order for Seller to have been able to perform its required credit appraisal of Buyer, Buyer has provided or made available to Seller such of the information listed below as is applicable to Buyer (or its Guarantor (as such term is hereinafter defined), if applicable) and has been requested by Seller for purposes of its review. As required by Seller's FERC Gas Tariff, Buyer shall furnish to Seller at least annually, and at such other times as may be reasonably requested by Seller, any updates to the credit information listed below that is applicable to Buyer for the purpose of enabling Seller to perform an updated credit appraisal; provided that Seller shall first use reasonable efforts to obtain such information from publicly available sources.

Financial information to be provided to Seller:

- Audited Financial Statements;
- Annual Report;
- List of Parent Companies and Subsidiaries;
- Publicly Available Information from Credit Reports of Credit and Bond Rating Agencies;
- Private Credit Ratings, if obtained by Buyer;
- Bank References;
- Trade References;
- Most recent filed statements with the Securities and Exchange Commission (or an equivalent authority) or other publicly available information of a similar nature;
- If Buyer is a public entity:

- the most recent publicly available interim financial statements, with an attestation by its principal financial officers, controller or equivalent that, to such person's knowledge, such statements fairly present in all material aspects the financial condition of the entity in accordance with Generally Accepted Accounting Principles ("GAAP") or equivalent;
- If Buyer is a non-public entity, including if Buyer is a state-regulated utility:
 - the most recent available interim financial statements, with an attestation by its principal financial officers, controller or equivalent that, to such person's knowledge, such statements fairly present in all material aspects the financial condition of the entity in accordance with GAAP or equivalent; and
 - if applicable, an existing sworn filing, including the most recent available interim financial statements and annual financial reports filed with the respective regulatory authority, showing Buyer's current financial condition;
- If Buyer is a state-regulated utility local distribution company, documentation from its respective state regulatory commission (or an equivalent authority) of an authorized gas supply cost recovery mechanism which fully recovers both gas commodity and transportation capacity costs and is afforded regulatory asset accounting treatment in accordance with GAAP or equivalent;
- Such other information as may be mutually agreed to by the Parties; and
- Such other information as Seller may receive approval to include in its FERC Gas Tariff or general terms and conditions.

(b) Buyer (or its Guarantor, if applicable) will be deemed to be creditworthy if (i) it has a long term senior unsecured debt rating of Baa3 or better from Moody's Investor Services or BBB- or better from Standard and Poor's, or (ii) it is not rated but Seller determines that, notwithstanding the absence of such a rating, the financial position of Buyer (or its Guarantor, if applicable) is acceptable to Seller in its reasonable judgment (such determination of creditworthiness shall be based on the results of a thorough analysis of the financial information provided by Buyer (or its Guarantor, if applicable)). In the event Seller does not find Buyer (or its Guarantor, if applicable) to be creditworthy pursuant to this Section 6, Seller shall provide a written explanation of the basis of its determination to Buyer.

(c) Subject to the terms of this Section 6, if at any time during the term of this Precedent Agreement or the Service Agreement Buyer fails to meet Seller's creditworthiness requirements set forth herein, then, within ten (10) Business Days after receipt of written notice from Seller that Buyer fails to meet such requirements, Buyer shall provide one or more of the following forms of credit

support for any and all present and future covenants, agreements, obligations and liabilities of Buyer to Seller under this Precedent Agreement and, if executed, the Service Agreement (collectively, "Buyer's Obligations") for the period of time Buyer fails to meet Seller's creditworthiness requirements:

(i) a guaranty in substantially the form attached as Attachment C hereto, executed by a company meeting Seller's creditworthiness requirements as set forth in this Section 6 ("Guarantor"), irrevocably and unconditionally guaranteeing the payment and performance of any and all of Buyer's Obligations;

(ii) a standby irrevocable letter of credit in form and substance satisfactory to Seller in the amount requested by Seller, which shall not exceed the credit support limit determined in accordance with Sections 6(e) and/or 6(f) hereto, drawn upon a U.S. bank or a foreign bank with a branch office located in the United States, in each case having assets of at least US\$10 billion and with a credit rating of A or better from Standard and Poor's or A2 or better from Moody's Investor Services; or

(iii) such other form of credit support that is reasonably acceptable to Seller in an amount requested by Seller, which shall not exceed the credit support limit determined in accordance with the applicable provisions of Paragraphs 6(e) and/or 6(f) hereto.

(d) If during the term of this Precedent Agreement and, if executed, the Service Agreement, there are material, adverse changes to the financial status of Buyer (or its Guarantor or the issuer of a letter of credit or the source of other credit support, as applicable) and, as a result of such changes Buyer (or its Guarantor or the issuer of a letter of credit or the source of other credit support, as applicable) is no longer creditworthy as reasonably determined by Seller, then Seller shall provide written notice to Buyer thereof and Buyer shall promptly (but in no event later than ten (10)

days after Seller's notice) provide qualifying credit support (or additional credit support, as the case may be) pursuant to this Section 6.

(e)

[REDACTED]

The term "Buyer's Proportionate Share" shall mean a fraction, the numerator of which is Buyer's TCQ under the Service Agreement and the denominator of which is the total firm transportation capacity per dekatherm per Day under the Project. As of the Effective Date of the Service Agreement, Seller may not require Buyer to provide credit support under Paragraph 6(c)(ii) in an amount exceeding the lesser of (i) twelve (12) months' worth of reservation charges under the Service Agreement, or (ii) the total reservation charges for all months remaining in the applicable term of the Service Agreement; provided, however, when the reservation charges due Seller under such Service Agreement for the remaining portion of the Primary Term, as it may be extended, is less than an amount equal to twelve (12) months' worth of reservation charges under such Service Agreement, then Buyer shall provide credit support to Seller in an amount no less than the minimum credit support that Seller may be require under its FERC Gas Tariff. If Buyer provides a guaranty in accordance with Paragraph 6(c)(i), such guaranty shall not be subject to the limits set forth in this Section and shall cover all of Buyer's Obligations.

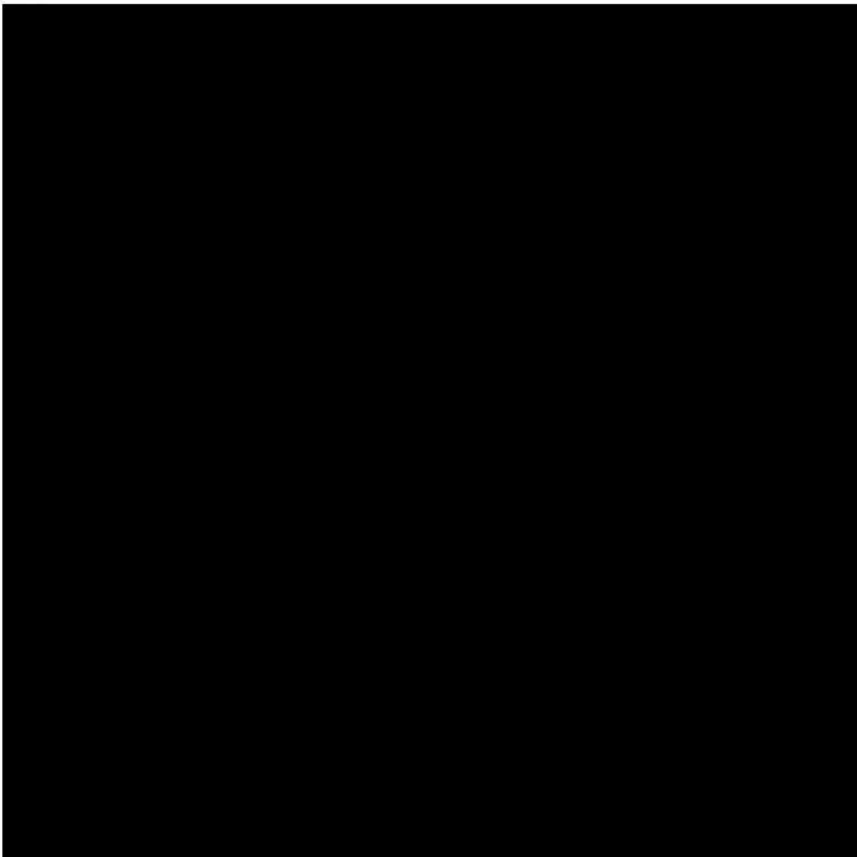
(f) Notwithstanding the foregoing, or anything to the contrary herein, if Buyer is required to provide credit support in accordance with this Section 6, in no event shall the level of credit support for Buyer's Obligations during the Primary Term or during any extension thereof be less than the minimum credit support that Seller may require under its FERC Gas Tariff.


(g) Buyer shall not be required to provide credit support pursuant to the foregoing Paragraphs prior to December 31, 2023.

(h) Buyer acknowledges and agrees that Buyer shall be responsible for all costs and expenses incurred by Buyer to obtain any credit support or additional credit support required to be obtained pursuant to this Section 6. Seller will not reimburse or otherwise credit Buyer for any costs or expenses incurred by Buyer (or its Guarantor, if applicable) to obtain any credit support or additional credit support.

7. Notices.

(a) Except as otherwise expressly set forth herein, all notices and other communications by a Party shall be in writing and shall be sent by one (1) of the following means: electronic mail, hand delivery or courier to the other Party at the electronic or physical addresses as provided in this Paragraph:





or at any other electronic mail or physical address of which either Party shall have notified the other Party in any manner prescribed in this Paragraph.

(b) For all purposes of this Precedent Agreement, a notice or communication will be deemed effective on the day that the notification as set forth in Paragraph (a) above has occurred, as follows:

(i) if delivered by hand or sent by courier, on the day it is delivered unless (A) that day is not a day upon which commercial banks are open for the transaction of business in New York, New York (a "Business Day") or (B) it is delivered after the close of business on a Business Day, in either of which cases it is deemed effective on the next succeeding Business Day; and

(ii) if sent by electronic mail, on the date transmitted, provided that confirmation of receipt is obtained by the sender, unless (A) the date of transmission is not a Business Day or (B) it was received after the close of business on a Business Day, in either of which cases it is deemed effective on the next succeeding Business Day.

8. Assignment and Delegation.(a) Subject to any applicable FERC orders, rules and regulations, either Party may, without the consent of the other Party, assign this Precedent Agreement to an affiliate of the assigning Party, but the assigning Party shall not be relieved of its obligations under this Precedent Agreement without the express written consent of the non-assigning Party. The assigning Party shall deliver notice of the assignment to the other Party as soon as practicable after such assignment. For purposes of this Section, "Affiliate" shall mean another person that controls, is controlled by or is under common control with, the specified entity. An Affiliate

includes a division of the specified entity that operates as a functional unit. A “Person” as used in this definition shall mean any individual, company, corporation, partnership, joint venture, association, joint stock company, limited liability company, or unincorporated organization. “Control” as used in this definition means the direct or indirect authority, whether acting alone or in conjunction with others, to direct or cause to direct the management policies of an entity. For the avoidance of doubt, Duke Energy Progress, LLC shall be considered an Affiliate of Buyer for purposes of this Section 8. Subject to the foregoing, this Precedent Agreement and the Service Agreement(s) is binding upon, inures to the benefit of and is enforceable by the Parties and their respective successors and assigns.

(b) Except as provided in Paragraph (a) above, no assignment of this Precedent Agreement shall be made unless there first shall have been obtained the written consent of the other Party, which consent shall not be unreasonably withheld, conditioned or delayed.

(c) Any assignment in contravention of this Section shall be void *ab initio*.

9. Confidentiality and Disclosures. The provisions in Paragraph 5(a) and the negotiated rate set forth in Paragraph E of Attachment A, including the Negotiated Reservation Rate and all other applicable rates and charges as further described in Paragraph E, are confidential (such confidential information is referred to herein as the “Confidential Information”). For purposes of this Precedent Agreement, the “Disclosing Party” is the Party that provides the Confidential Information to the other Party (the “Receiving Party”). Either Party may disclose the Confidential Information to its Affiliates or its Affiliates’ members, managers, directors, officers, employees, representatives, agents, consultants, attorneys and auditors (collectively, “Representatives”) who have a need to know the Confidential Information; provided, however, that Seller may not make any disclosure of the substance or terms of this Precedent Agreement that would violate FERC’s Standards of Conduct set forth in Part 358 of FERC’s regulation. Seller and Buyer each agree not to disclose or communicate,

and shall each cause its Representatives not to disclose or communicate, the Confidential Information to any other person, entity, firm, corporation or other business entity without the prior written consent of the other Party; [REDACTED]

[REDACTED] The Parties acknowledge that Seller will (i) file a copy of this Precedent Agreement with the FERC in connection with the FERC Application, and (ii) place on public file with the FERC a description of the terms of any negotiated rate(s) prior to the commencement of firm transportation service under the Service Agreement(s), such filings shall not constitute a breach of this confidentiality provision and shall not require compliance with the foregoing two (2) Business Days' notice requirement. The Parties agree that Seller and Buyer may communicate the substance and terms of and/or provide a copy of this Precedent Agreement and related attachments, including the Service Agreement, to the North Carolina Utilities Commission (and its staff), the North Carolina Utilities Commission Public Staff, the South Carolina Public Service Commission (and its staff), and the South Carolina Office of Regulatory Staff (and any other state regulatory authority exercising authority over Buyer as the Buyer deems necessary) without providing notice. Notwithstanding anything to the contrary, Buyer may not communicate the substance and terms of this Precedent Agreement to any supplier(s) of natural gas for Buyer's firm transportation service under the Project, as well as to proposed and actual counterparties to any asset management agreements for Buyer's firm transportation service under the Project without Seller's

consent. In the event that Buyer provides Buyer Non-Public Information to Seller, Buyer shall have the right to seek confidential treatment or otherwise protect the status for such Buyer Non-Public Information or require Seller to seek the same confidentiality protection for such Buyer Non-Public Information that Seller intends to provide to FERC or any other federal, state or local agency or authority. If this Precedent Agreement is terminated prior to the Effective Date of the Service Agreement, either pursuant to the terms and conditions hereof or otherwise by mutual agreement of the Parties, then this Section 9 shall survive for a period of two (2) years from and after the effective date of such termination.

(b) No Warranty of Accuracy. The Parties have made no representation or warranty as to the accuracy or completeness of the Confidential Information.

(c) Return of Confidential Information. The Confidential Information shall remain the property of the Disclosing Party, and upon written request from the Disclosing Party to the Receiving Party, all written Confidential Information (including all copies thereof) then in the possession of the Receiving Party or its Representatives, except for that portion of the Confidential Information that may be found in analyses, compilations, studies or other documents prepared by or for the Receiving Party in connection with the Project, shall immediately be returned to the Disclosing Party or destroyed, at the election of the Receiving Party. No copies of such written Confidential Information including any transcripts, notes or other recordation of oral information, derived from the Confidential Information, whether recorded on paper or electronic medium of any form, shall be retained by the Receiving Party or its Representatives except to the extent that (i) the Receiving Party is required by applicable law to retain; (ii) the Receiving Party's customary or written recordkeeping policies to retain any materials based on or otherwise incorporating all or any portion of the Confidential Information; (iii) any such Confidential Information that was contained in submissions to its Board of Directors, Board Committee, or similar organization governing body in connection with evaluating

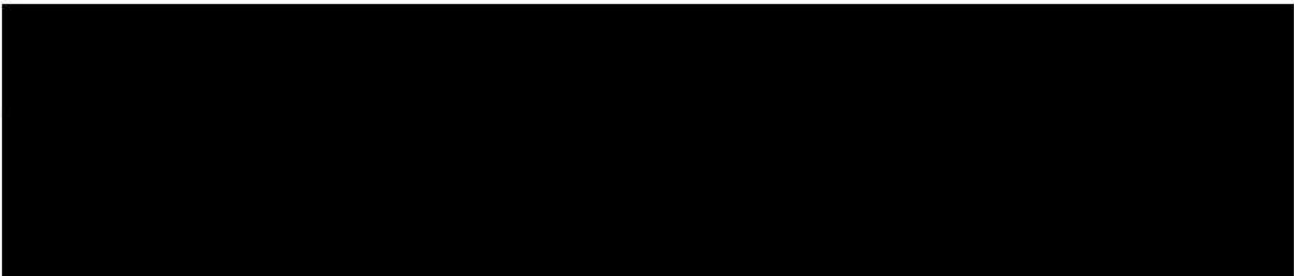
or considering the transaction and (iv) documents containing Confidential Information stored on the Receiving Party's electronic records storage system as a result of automated back-up systems, in each such case the Receiving Party will keep and maintain such materials subject to the terms and conditions of this Section 9. At Disclosing Party's written request, the Receiving Party must provide the Disclosing Party with written certification following the destruction of any Confidential Information by the Receiving Party.

(d) Remedies for Breach of Section 9. The Parties acknowledge and agree that money damages would not be a sufficient remedy for any breach of this Section 9, and the non-breaching Party shall be entitled to seek specific performance and/or injunctive relief as remedies for any such breach without opposition from the other Party. Such remedies shall not be deemed to be the exclusive remedies for breach of this Section 9 but shall be in addition to all other remedies available at law or in equity. Notwithstanding the foregoing, no Party will be liable to any other Party any special, punitive, exemplary or consequential damages, including without limitation lost profits, arising out of or in connection with this Section 9, whether based on contract or tort, including negligence or otherwise.

(e) No License. It is understood and agreed that neither the execution of this Precedent Agreement nor disclosure of any Confidential Information by a Disclosing Party to a Receiving Party shall be construed as granting to the Receiving Party or any of its Representatives any license or rights in respect of any part of the Confidential Information disclosed to it, including any trade secrets included in such Confidential Information.

(f)





10. Dispute Resolution. Any dispute between the Parties arising under this Precedent Agreement ("Dispute") shall be resolved in accordance with the provisions of this Section. The Parties shall initially attempt to resolve a Dispute by the following informal dispute resolution process. Each Party shall promptly designate in writing to the other Party a representative who shall be authorized to resolve any Dispute with due consideration of law, equity and good faith. Each Dispute shall be initially referred by written notice to such designated representative for resolution. If the designated representatives are unable to resolve any such Dispute within thirty (30) days of such referral, each Party shall promptly designate in writing to the other Party a more senior representative who shall be authorized to resolve the Dispute, and such representatives shall attempt to resolve such Dispute within a further period of fifteen (15) days. The Parties shall attempt to resolve all Disputes promptly, equitably and in good faith, and shall provide each other in a timely manner reasonable documentation relating to the Dispute. Neither Party shall be under an obligation to provide any privileged or confidential documents that it is not otherwise obligated to provide under this Precedent Agreement and each Party may seek equitable relief as it determines in its sole judgment is necessary. Unless the Parties otherwise agree, if the period of forty-five (45) days referred to above has expired and the Dispute remains unresolved, the Parties may, by mutual agreement, submit the Dispute to arbitration or, if no such agreement is reached, either Party may submit the Dispute to the appropriate court or governmental authority.

11. Further Assurances. Seller and Buyer agree to execute all other additional instruments and documents, and to do all other acts, as may be reasonably necessary to effectuate the terms and provisions of this Precedent Agreement.

12. Modification. Except as provided otherwise in this Precedent Agreement, no modification of the terms or provisions of this Precedent Agreement shall be effective unless contained in a written agreement executed by both Seller and Buyer.

13. Counterparts. This Precedent Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same agreement. Signature pages delivered by electronic mail shall be binding with the same force and effect as original signature pages. Any counterpart may be executed by electronic mail or “.pdf” signature and such electronic mail or “.pdf” signature shall be deemed an original.

14. Joint Preparation. The provisions of this Precedent Agreement shall be considered as prepared through the joint efforts of the Parties and shall not be construed against either Party as a result of the preparation or drafting thereof.

15. Savings Clause. If the FERC or a court of competent jurisdiction declares any provision of this Precedent Agreement, or Service Agreement, unenforceable, then that provision shall be severed from this Precedent Agreement or Service Agreement, which shall otherwise remain in full force and effect and be construed as if it did not contain the severed provision; provided, however, that if severing such provision from this Precedent Agreement or Service Agreement has a material adverse effect on the rights or obligations of either Party as set forth in this Precedent Agreement or Service Agreement or would substantially impair the respective benefits or expectations of the Parties to this Precedent Agreement or Service Agreement, then, without limiting the rights of the Parties under Section 5 hereof, the Parties agree to negotiate in good faith replacement terms that are consistent with the FERC’s or court’s declaration or directive and that maintain the relative economic positions of, and risks to, the Parties as reflected in this Precedent Agreement or Service Agreement as of the date first set forth above. If, despite their good faith efforts, the Parties are unable to negotiate mutually agreeable replacement terms for this Precedent Agreement or Service

Agreement in accordance with the foregoing, then this Precedent Agreement or Service Agreement shall otherwise remain in full force and effect and be construed as if it did not contain the severed provision.

16. Choice of Law. **THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD FOR ANY RULES FOR CONFLICTS OF LAW THAT WOULD REFER THE MATTER TO THE LAWS OF ANOTHER JURISDICTION, SHALL GOVERN THE VALIDITY, EFFECT, CONSTRUCTION AND INTERPRETATION OF THIS PRECEDENT AGREEMENT.**

17. Regulations. This Precedent Agreement and the obligations of the Parties hereunder are subject to all applicable laws, rules, orders and regulations of governmental authorities having jurisdiction and, anything in this Precedent Agreement to the contrary notwithstanding, in the event of conflict among any such laws, rules, orders or regulations of governmental authorities having jurisdiction and this Precedent Agreement, such laws, rules, orders and regulations of governmental authorities having jurisdiction shall control.

18. Representations and Warranties. Each Party represents and warrants, on its own behalf, that (i) it is duly formed or organized, validly existing and in good standing under the laws of the jurisdiction of its formation or incorporation, is qualified to do business in the states in which it is required to operate in order to fulfill its obligations under this Precedent Agreement and has full company or corporate power to execute, deliver and perform this Precedent Agreement, (ii) except as otherwise expressly set forth herein, its execution, delivery and performance of this Precedent Agreement have been duly authorized by all necessary company or corporate and governmental action and do not contravene any applicable provision of law or of its constitutional documents or any contractual restriction binding on it or its assets, (iii) it is legally bound by the terms of this Precedent Agreement and the terms of this Precedent Agreement are enforceable against it in accordance with

the terms hereof, subject, as to enforcement, to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting creditors' rights and to general equity principles, and (iv) there is no pending or, to the best of such Party's knowledge, threatened action or proceeding affecting such Party before any court, government authority or arbitrator that could reasonably be expected to materially and adversely affect the ability of such Party to perform its obligations hereunder, or that purports to affect the legality, validity or enforceability of this Precedent Agreement.

19. Entire Agreement. The terms and provisions contained herein, including the exhibits and attachments incorporated herein, constitute the entire agreement of the Parties, and there are no prior or contemporaneous agreements, understandings, warranties, representations, covenants, obligations, promises, assurances or conditions precedent or subsequent or otherwise, except those expressly set out in this Precedent Agreement.

20. Waiver of Consequential Damages. **EXCLUDING ACTS OF GROSS NEGLIGENCE, WILLFUL MISCONDUCT OR ILLEGAL ACTS, NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY UNDER THIS PRECEDENT AGREEMENT FOR ANY SPECIAL, INDIRECT, INCIDENTAL, PUNITIVE, EXEMPLARY, OR CONSEQUENTIAL DAMAGES OF ANY NATURE HOWSOEVER ARISING, INCLUDING WITHOUT LIMITATION ANY LOST PROFITS, EVEN IF SUCH PARTY HAS BEEN MADE AWARE OF THE POSSIBILITY OF SUCH DAMAGES.**

21. Remedies. Unless otherwise explicitly stated herein, wherever a remedy is specified in this Precedent Agreement (including, *e.g.*, the termination rights set forth in Paragraphs 5(a)(i) through (x), whether or not exercised), the specified remedy shall be the sole and exclusive remedy available to the Parties with respect to the subject matter of such termination rights, to the exclusion of any other rights, powers, privileges or remedies provided by law.

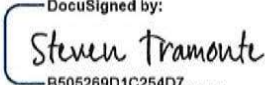
22. Waiver. No waiver by either Party of any one or more defaults by the other Party in the performance of any provision of this Precedent Agreement shall operate or be construed as a waiver of any other existing and/or future defaults under this Precedent Agreement, whether of a like or different character.

23. Captions; Titles; Interpretation. The captions and titles to the Articles and Paragraphs in this Precedent Agreement are included only for convenience of reference and shall have no effect on, or be deemed part of, the text of this Precedent Agreement. References herein to Articles, Paragraphs, Attachments, Exhibits and clauses are references to Articles of, Paragraphs of, attachments and exhibits to, and clauses of, this Precedent Agreement. Unless otherwise specified, "hereunder," "herein," "hereto," "hereof" and words of similar import refer to this Precedent Agreement as a whole and not to any particular provision hereof. Words denoting the singular include the plural and vice versa. References to any Party or entity shall include such Party's or entity's successors and permitted assigns in that designated capacity. References to days, months and years are references to calendar days, months and years unless otherwise specified. Words not otherwise defined herein that have well known and generally accepted technical or trade meanings are used in accordance with such meanings. Any reference to "dollars" or "\$" or to "cents" or "¢" shall be to United States dollars or cents, respectively. The use of the words "include," "includes" or "including" shall be by way of example only and shall not be considered in any way to limit the generality of the description preceding the use of any such word. The words "shall" and "will" have equal effect. Unless the context otherwise requires, the use of any of the words "action," "claim," "suit," "proceeding" or "judgment" includes any and all such terms.

[Signature page follows.]

IN WITNESS WHEREOF, the Parties have caused this Precedent Agreement to be executed
by their duly authorized officers or representatives as of the date first written above.

TRANSCONTINENTAL GAS PIPE LINE COMPANY, LLC

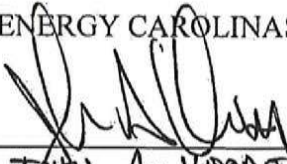
By: 
Name: Steven Tramonte
Title: Vice President

DS
MM

DS
NT

DS
JB

DUKE ENERGY CAROLINAS, LLC

By: 
Name: John A. Verderame
Title: U.P. FUELS & SYSTEMS OPTIMIZATION

ATTACHMENT A

- A. TCQ means a transportation contract quantity of one million (1,000,000) dekatherms of natural gas ("dt") per day.
- B. Primary Term means twenty (20) years from and after the Effective Date of the Service Agreement.
- C. Points of Receipt means
- (i) Seller's existing Station 165 Zone 5 Pool located at or near milepost 1,412.99 in Pittsylvania County, Virginia ("Station 165 Receipt Pool"), (the Station 165 Receipt Pool shall have a Maximum Daily Capacity Entitlement of one million (1,000,000) dt/day); and
 - (ii) the proposed Cherrystone Interconnect with Mountain Valley Pipeline located near milepost 1,413 in Pittsylvania County, Virginia consisting of a single meter station and multiple taps into the Transco mainline both south and north of Station 165 ("MVP Receipt Point"), (the MVP Receipt Point shall have a Maximum Daily Capacity Entitlement of one million (1,000,000) dt/day); and
 - (iii) Seller's existing Cascade Creek interconnect with East Tennessee Natural Gas Pipeline located near milepost 1,384.8 in Rockingham County, North Carolina ("ETN Receipt Point"), (the ETN Receipt Point shall have a Maximum Daily Capacity Entitlement of one million (1,000,000) dt/day).
- D. Points of Delivery means
- (i) Seller's existing Cascade Creek Delivery Meter Station, at or near milepost 1384.86 in Rockingham County, North Carolina ("Cascade Creek Delivery Point"), (the Cascade Creek Delivery Point shall have a Maximum Daily Capacity Entitlement of one million (1,000,000) dt/day); and
 - (ii) Seller's existing Dan River #2 Delivery Meter Station, at or near milepost 1382.70 in Rockingham County, North Carolina ("Dan River #2 Delivery Point"), (the Dan River #2 Delivery Point shall have a Maximum Daily Capacity Entitlement of one million (1,000,000) dt/day); and
 - (iii) Seller's existing Eden Delivery Meter Station, at or near milepost 1382.5 in Rockingham County, North Carolina ("Eden Delivery Point"), (the Eden Delivery Point shall have a Maximum Daily Capacity Entitlement of one million (1,000,000) dt/day); and
 - (iv) Seller's existing Capacity Placeholder at milepost 1382.5 in Rockingham County, North Carolina ("SSE Capacity Placeholder"), (the SSE Capacity Placeholder shall have a Maximum Daily Capacity Entitlement of one million (1,000,000) dt/day); and

(v) Seller's existing Cardinal Delivery Meter Station, at or near milepost 1369.44 in Rockingham County, North Carolina ("Cardinal Delivery Point"), (the Cardinal Delivery Point shall have a Maximum Daily Capacity Entitlement of seven hundred thousand (700,000) dt/day); and

(vi) Seller's existing Rockingham Delivery Meter Station, at or near milepost 1368.36 in Rockingham County, North Carolina ("Rockingham Delivery Point"), (the Rockingham Delivery Point shall have a Maximum Daily Capacity Entitlement of seven hundred thousand (700,000) dt/day); and

(vii) Seller's existing Belews Creek Delivery Meter Station, at or near milepost 1360.1 in Guilford County, North Carolina ("Belews Creek Delivery Point"), (the Belews Creek Delivery Point shall have a Maximum Daily Capacity Entitlement of seven hundred thousand (700,000) dt/day); and

(viii) Seller's existing Spencer Buck Delivery Meter Station, at or near milepost 1312.72 in Rowan County, North Carolina ("Spencer Buck Delivery Point"), (the Spencer Buck Delivery Point shall have a Maximum Daily Capacity Entitlement of seven hundred thousand (700,000) dt/day); and

(ix) Seller's existing Iredell Delivery Meter Station, at or near milepost 1287.1 in Iredell County, North Carolina ("Iredell Delivery Point"), (the Iredell Delivery Point shall have a Maximum Daily Capacity Entitlement of seven hundred thousand (700,000) dt/day); and

(x) Seller's existing Duke Lincoln Delivery Meter Station, at or near milepost 1274.77 in Mecklenburg County, North Carolina ("Duke Lincoln Delivery Point"), (the Duke Lincoln Delivery Point shall have a Maximum Daily Capacity Entitlement of seven hundred thousand (700,000) dt/day); and

(xi) Seller's existing Marshall Delivery Meter Station, at or near milepost 1274.6 in Lincoln County, North Carolina ("Marshall Delivery Point"), (the Marshall Delivery Point shall have a Maximum Daily Capacity Entitlement of seven hundred thousand (700,000) dt/day); and

(xii) Seller's existing Battleground Delivery Meter Station, at or near milepost 1247 in Cleveland County, North Carolina ("Battleground Delivery Point"), (the Battleground Delivery Point shall have a Maximum Daily Capacity Entitlement of seven hundred thousand (700,000) dt/day); and

(xiii) Seller's existing Mill Creek Delivery Meter Station, at or near milepost 1245.88 in Cherokee County, South Carolina ("Mill Creek Delivery Point"), (the Mill Creek Delivery Point shall have a Maximum Daily Capacity Entitlement of seven hundred thousand (700,000) dt/day); and


(xiv) Seller's existing Skygen Delivery Meter Station, at or near milepost 1235.70 in Cherokee County, South Carolina ("Skygen Delivery Point"), (the Skygen Delivery Point shall have a Maximum Daily Capacity Entitlement of seven hundred thousand (700,000) dt/day); and

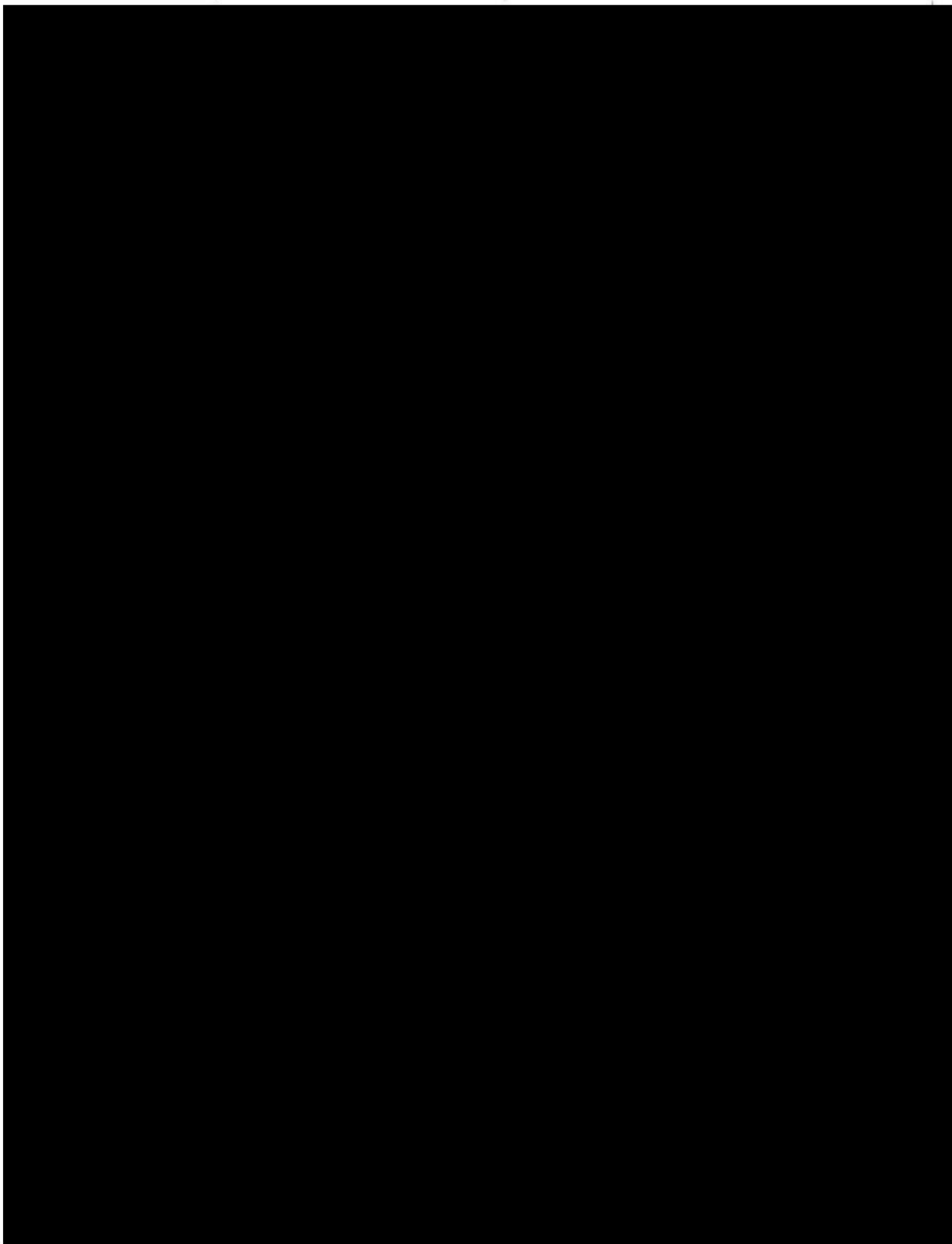
(xv) Seller's existing Duke Lee Delivery Meter Station, at or near milepost 1175.55 in Anderson County, South Carolina ("Duke Lee Delivery Point"), (the Duke Lee Delivery Point shall have a Maximum Daily Capacity Entitlement of seven hundred thousand (700,000) dt/day); and

(xvi) Seller's existing WS Lee Cannon Bottom Delivery Meter Station, at or near milepost 1175.25 in Anderson County, South Carolina ("WS Lee Cannon Bottom Delivery Point"), (the WS Lee Cannon Bottom Delivery Point shall have a Maximum Daily Capacity Entitlement of seven hundred thousand (700,000) dt/day); and

(xvii) Seller's existing Starr-Fort Hill Delivery Meter Station, at or near milepost 1151.37 in Anderson County, South Carolina ("Starr-Fort Hill Delivery Point"), (the Starr-Fort Hill Delivery Point shall have a Maximum Daily Capacity Entitlement of seven hundred thousand (700,000) dt/day); and

(xviii) Seller's existing Station 85 Zone 4 Pool, at or near milepost 784.66 in Choctaw County, Alabama ("Station 85 Zone 4 Pooling Point"), (the Station 85 Zone 4 Pooling Point shall have a Maximum Daily Capacity Entitlement of seven hundred thousand (700,000) dt/day).







ATTACHMENT B

Form of Service Agreement **FORM OF SERVICE AGREEMENT** **(For Use Under Seller's Rate Schedule FT)**

THIS AGREEMENT entered into this 28th day of September, 2023 (year), by and between TRANSCONTINENTAL GAS PIPE LINE COMPANY, LLC, a Delaware limited liability company, hereinafter referred to as "Seller," first party, and DUKE ENERGY CAROLINAS, LLC, hereinafter referred to as "Buyer," second party,

WITNESSETH

WHEREAS, Seller hosted a non-binding open season ending on July 14, 2023 soliciting bids for the Southeast Supply Enhancement Project ("SSE Project"); and

WHEREAS, the SSE Project will add up to approximately one million three hundred thousand (1,300,000) dekatherms ("dt") per day of incremental firm transportation capacity to Seller's system for Path 2 and Path 3 as defined in the SSE Project open season; and

WHEREAS, Buyer has requested firm transportation service under the SSE Project and Buyer and Seller have executed that certain Precedent Agreement for Firm Transportation Service Under Southeast Supply Enhancement Project ("SSE Project Precedent Agreement"), dated September 28, 2023 for such service; and

WHEREAS, Seller is willing to provide the requested firm transportation for Buyer pursuant to the terms of this agreement and the SSE Project Precedent Agreement.

NOW, THEREFORE, Seller and Buyer agree as follows:

ARTICLE I **GAS TRANSPORTATION SERVICE**

1. Subject to the terms and provisions of this agreement and of Seller's Rate Schedule FT, Buyer agrees to deliver or cause to be delivered to Seller gas for transportation and Seller agrees to receive, transport and redeliver natural gas to Buyer or for the account of Buyer, on a firm basis, up to a Transportation Contract Quantity ("TCQ") of one million (1,000,000) dt per day.

2. Transportation service rendered hereunder shall not be subject to curtailment or interruption except as provided in Section 11 and, if applicable, Section 42 of the General Terms and Conditions of Seller's FERC Gas Tariff.

ARTICLE II POINT(S) OF RECEIPT

Buyer shall deliver or cause to be delivered gas at the point(s) of receipt hereunder at a pressure sufficient to allow the gas to enter Seller's pipeline system at the varying pressures that may exist in such system from time to time; provided, however, the pressure of the gas delivered or caused to be delivered by Buyer shall not exceed the maximum operating pressure(s) of Seller's pipeline system at such point(s) of receipt. In the event the maximum operating pressure(s) of Seller's pipeline system, at the point(s) of receipt hereunder, is from time to time increased or decreased, then the maximum allowable pressure(s) of the gas delivered or caused to be delivered by Buyer to Seller at the point(s) of receipt shall be correspondingly increased or decreased upon written notification of Seller to Buyer. The point(s) of receipt for natural gas received for transportation pursuant to this agreement shall be:

See Exhibit A, attached hereto, for points of receipt.

ARTICLE III POINT(S) OF DELIVERY

Seller shall redeliver to Buyer or for the account of Buyer the gas transported hereunder at the following point(s) of delivery and at a pressure(s) of:

See Exhibit B, attached hereto, for points of delivery and pressures.

ARTICLE IV TERM OF AGREEMENT

This agreement shall be effective as of the first (1st) day of the month following the date that all of Seller's SSE Project facilities necessary to provide firm transportation service to Buyer have been constructed and are ready for service as determined in Seller's sole opinion and shall remain in force and effect for a primary term of twenty (20) years and thereafter until terminated by Seller or Buyer upon at least one (1) year written notice; provided, however, this agreement shall terminate immediately and, subject to the receipt of necessary authorizations, if any, Seller may discontinue service hereunder if (a) Buyer, in Seller's reasonable judgment fails to demonstrate creditworthiness, and (b) Buyer fails to provide adequate security in accordance with Section 32 of the General Terms and Conditions of Seller's Volume No. 1 Tariff.

ARTICLE V RATE SCHEDULE AND PRICE

1. Buyer shall pay Seller for natural gas delivered to Buyer hereunder in accordance with Seller's Rate Schedule FT and the applicable provisions of the General Terms and Conditions of Seller's

FERC Gas Tariff as filed with the Federal Energy Regulatory Commission, and as the same may be legally amended or superseded from time to time. Such rate schedule and General Terms and Conditions are by this reference made a part hereof. In the event Buyer and Seller mutually agree to a negotiated rate pursuant to the provisions in Section 53 of the General Terms and Conditions and specified term for service hereunder, provisions governing such negotiated rate (including surcharges) and term shall be set forth on Exhibit C to the service agreement.

The credit support provisions set forth in that certain SSE Precedent Agreement dated September 28, 2023 related to this agreement are hereby incorporated herein by reference and made a part of this agreement.

2. Seller and Buyer agree that the quantity of gas that Buyer delivers or causes to be delivered to Seller shall include the quantity of gas retained by Seller for applicable compressor fuel, line loss make-up (and injection fuel under Seller's Rate Schedule GSS, if applicable) in providing the transportation service hereunder, which quantity may be changed from time to time and which will be specified in the currently effective Statement of Rates and Fuel in Part II, Section 12.1 of this tariff which relates to service under this agreement and which is incorporated herein.

3. In addition to the applicable charges for firm transportation service pursuant to Section 3 of Seller's Rate Schedule FT, Buyer shall reimburse Seller for any and all filing fees incurred as a result of Buyer's request for service under Seller's Rate Schedule FT, to the extent such fees are imposed upon Seller by the Federal Energy Regulatory Commission or any successor governmental authority having jurisdiction.

ARTICLE VI MISCELLANEOUS

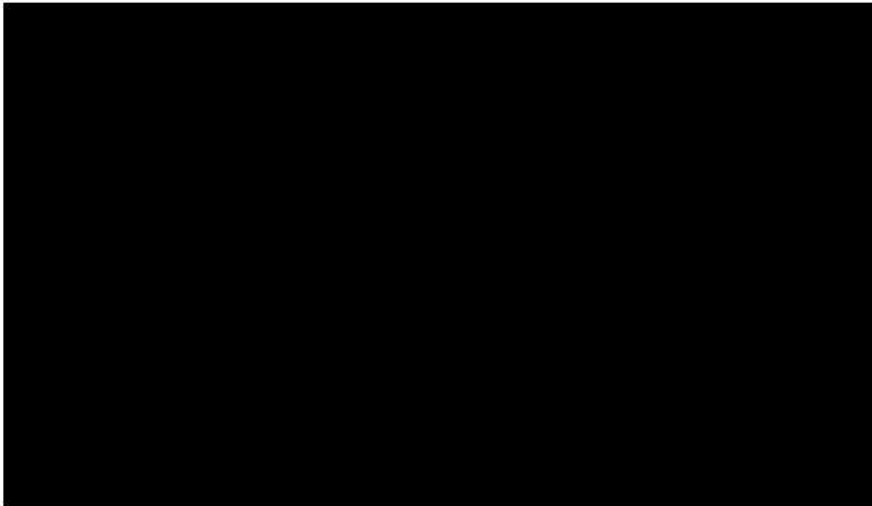
1. This Agreement supersedes and cancels as of the effective date hereof the following contract(s): None

2. No waiver by either party of any one or more defaults by the other in the performance of any provisions of this agreement shall operate or be construed as a waiver of any future default or defaults, whether of a like or different character.

3. The interpretation and performance of this agreement shall be in accordance with the laws of the State of New York, without recourse to the law governing conflict of laws, and to all present and future valid laws with respect to the subject matter, including present and future orders, rules and regulations of duly constituted authorities.

4. This agreement shall be binding upon, and inure to the benefit of the parties hereto and their respective successors and assigns.

5. Notices to either party shall be in writing and shall be considered as duly delivered when mailed or sent by electronic mail to the other party at the following address:



Such addresses may be changed from time to time by sending appropriate notice thereof to the other party.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be signed by their respective officers or representatives thereunto duly authorized.

TRANSCONTINENTAL GAS PIPE LINE
COMPANY, LLC
(Seller)

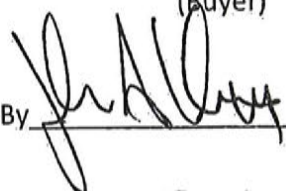
By _____

Print Name _____

Title _____

DUKE ENERGY CAROLINAS, LLC

(Buyer)

By _____

Print Name JOHN A. VERDERAME

Title V.P. FUELS & SYSTEMS OPTIMIZATION

Exhibit A

<u>Point(s) of Receipt</u>	<u>Maximum Daily Capacity Entitlement at each Receipt Point (DT/day)*</u>
Seller's existing Station 165 Zone 5 Pool located at or near milepost 1,412.99 in Pittsylvania County, Virginia ("Station 165 Receipt Pool")	1,000,000
If constructed and in service, the proposed Cherrystone Interconnection between Mountain Valley Pipeline and Seller located at or near milepost 1,413 in Pittsylvania County, Virginia with a single meter station and multiple taps into the Transco mainline both south and north of Station 165 ("MVP Receipt Point")	1,000,000
Seller's existing Cascade Creek interconnect located at or near milepost 1,384.86 in Rockingham County, North Carolinas ("ETN Receipt Point")	1,000,000

- * These quantities do not include the additional quantities of gas retained by Seller for applicable compressor fuel and line loss make-up provided for in Article V, 2 of this agreement, which are subject to change as provided for in Article V, 2 hereof.

Exhibit B

<u>Point(s) of Delivery</u>	<u>Maximum Daily Capacity Entitlement at each Delivery Point (Dt/Day)</u>	<u>Pressure</u>
Seller's existing Cascade Creek Delivery Meter Station, at or near milepost 1384.86 in Rockingham County, North Carolina ("Cascade Creek Delivery Point")	1,000,000	Prevailing pressure in Seller's pipeline system not to exceed maximum allowable operating pressure.
Seller's existing Dan River #2 Delivery Meter Station, at or near milepost 1382.70 in Rockingham County, North Carolina ("Dan River #2 Delivery Point")	1,000,000	*Prevailing pressure on Seller's pipeline system, but no less than 700 pounds per square inch gauge ("Dan River Minimum Pressure") at the Dan River #2 Delivery Point, or such other pressures as may be mutually agreed upon in the day-to-day operations of Buyer and Seller. Seller shall not be obligated to deliver at this minimum pressure in any hour in which the hourly flow rate exceeds 1/24 of the daily Delivery Point Entitlement ("DPE"). However, in any hour in which the hourly flow rate exceeds 1/24 of the daily DPE, Seller shall use operationally reasonable efforts to deliver gas to Buyer at the Dan River Minimum Pressure unless maintaining the Dan River Minimum Pressure for Buyer would jeopardize system operations including other primary firm customer obligations.
Seller's existing Eden Delivery Meter Station, at or near milepost 1382.5 in Rockingham County, North Carolina ("Eden Delivery Point")	1,000,000	*Prevailing pressure on Seller's pipeline system, but no less than 700 pounds per square inch gauge ("Eden Minimum Pressure") at the Eden Delivery

Point, or such other pressures as may be mutually agreed upon in the day-to-day operations of Buyer and Seller. Seller shall not be obligated to deliver at this minimum pressure in any hour in which the hourly flow rate exceeds 1/24 of the daily DPE. However, in any hour in which the hourly flow rate exceeds 1/24 of the daily DPE, Seller shall use operationally reasonable efforts to deliver gas to Buyer at the Eden Minimum Pressure unless maintaining the Eden Minimum Pressure for Buyer would jeopardize system operations including other primary firm customer obligations.

Seller's existing Capacity Placeholder at milepost 1382.5 in Rockingham County, North Carolina ("SSE Capacity Placeholder")

1,000,000

Prevailing pressure in Seller's pipeline system not to exceed maximum allowable operating pressure.

Seller's existing Cardinal Delivery Meter Station, at or near milepost 1369.44 in Rockingham County, North Carolina ("Cardinal Delivery Point")

700,000

Prevailing pressure in Seller's pipeline system not to exceed maximum allowable operating pressure.

Seller's existing Rockingham Delivery Meter Station, at or near milepost 1368.36 in Rockingham County, North Carolina ("Rockingham Delivery Point")

700,000

Prevailing pressure in Seller's pipeline system not to exceed maximum allowable operating pressure.

Seller's existing Belews Creek Delivery Meter Station, at or near milepost 1360.1 in Guilford County, North Carolina ("Belews Creek Delivery Point")

700,000

Prevailing pressure in Seller's pipeline system not to exceed maximum allowable operating pressure.

Seller's existing Spencer Buck Delivery Meter Station, at or near milepost 1312.72 in Rowan County, North Carolina ("Spencer Buck Delivery Point")	700,000	Prevailing pressure in Seller's pipeline system not to exceed maximum allowable operating pressure.
Seller's existing Iredell Delivery Meter Station, at or near milepost 1287.1 in Iredell County, North Carolina ("Iredell Delivery Point")	700,000	Prevailing pressure in Seller's pipeline system not to exceed maximum allowable operating pressure.
Seller's existing Duke Lincoln Delivery Meter Station, at or near milepost 1274.77 in Mecklenburg County, North Carolina ("Duke Lincoln Delivery Point")	700,000	Prevailing pressure in Seller's pipeline system not to exceed maximum allowable operating pressure.
Seller's existing Marshall Delivery Meter Station, at or near milepost 1274.6 in Lincoln County, North Carolina ("Marshall Delivery Point")	700,000	Prevailing pressure in Seller's pipeline system not to exceed maximum allowable operating pressure.
Seller's existing Battleground Delivery Meter Station, at or near milepost 1247 in Cleveland County, North Carolina ("Battleground Delivery Point")	700,000	*Prevailing pressure on Seller's pipeline system, but no less than 650 pounds per square inch gauge ("Battleground Minimum Pressure") at the Battleground Delivery Point, or such other pressures as may be mutually agreed upon in the day-to-day operations of Buyer and Seller. Seller shall not be obligated to deliver at this minimum pressure in any hour in which the hourly flow rate exceeds 1/24 of the daily DPE. However, in any hour in which the hourly flow rate exceeds 1/24 of the daily DPE, Seller shall use operationally reasonable efforts to deliver gas to Buyer at the Battleground Minimum Pressure unless maintaining the Battleground Minimum Pressure for Buyer

would jeopardize system operations including other primary firm customer obligations.

Seller's existing Mill Creek Delivery Meter Station, at or near milepost 1245.88 in Cherokee County, South Carolina ("Mill Creek Delivery Point")	700,000	Prevailing pressure in Seller's pipeline system not to exceed maximum allowable operating pressure.
Seller's existing Skygen Delivery Meter Station, at or near milepost 1235.70 in Cherokee County, South Carolina ("Skygen Delivery Point")	700,000	Prevailing pressure in Seller's pipeline system not to exceed maximum allowable operating pressure.
Seller's existing Duke Lee Delivery Meter Station, at or near milepost 1175.55 in Anderson County, South Carolina ("Duke Lee Delivery Point")	700,000	Prevailing pressure in Seller's pipeline system not to exceed maximum allowable operating pressure.
Seller's existing WS Lee Cannon Bottom Delivery Meter Station, at or near milepost 1175.25 in Anderson County, South Carolina ("WS Lee Cannon Bottom Delivery Point")	700,000	Prevailing pressure in Seller's pipeline system not to exceed maximum allowable operating pressure.
Seller's existing Starr-Fort Hill Delivery Meter Station, at or near milepost 1151.37 in Anderson County, South Carolina ("Starr-Fort Hill Delivery Point")	700,000	Prevailing pressure in Seller's pipeline system not to exceed maximum allowable operating pressure.
Seller's existing Station 85 Zone 4 Pool, at or near milepost 784.66 in Choctaw County, Alabama ("Station 85 Zone 4 Pooling Point")	700,000	Prevailing pressure in Seller's pipeline system not to exceed maximum allowable operating pressure.

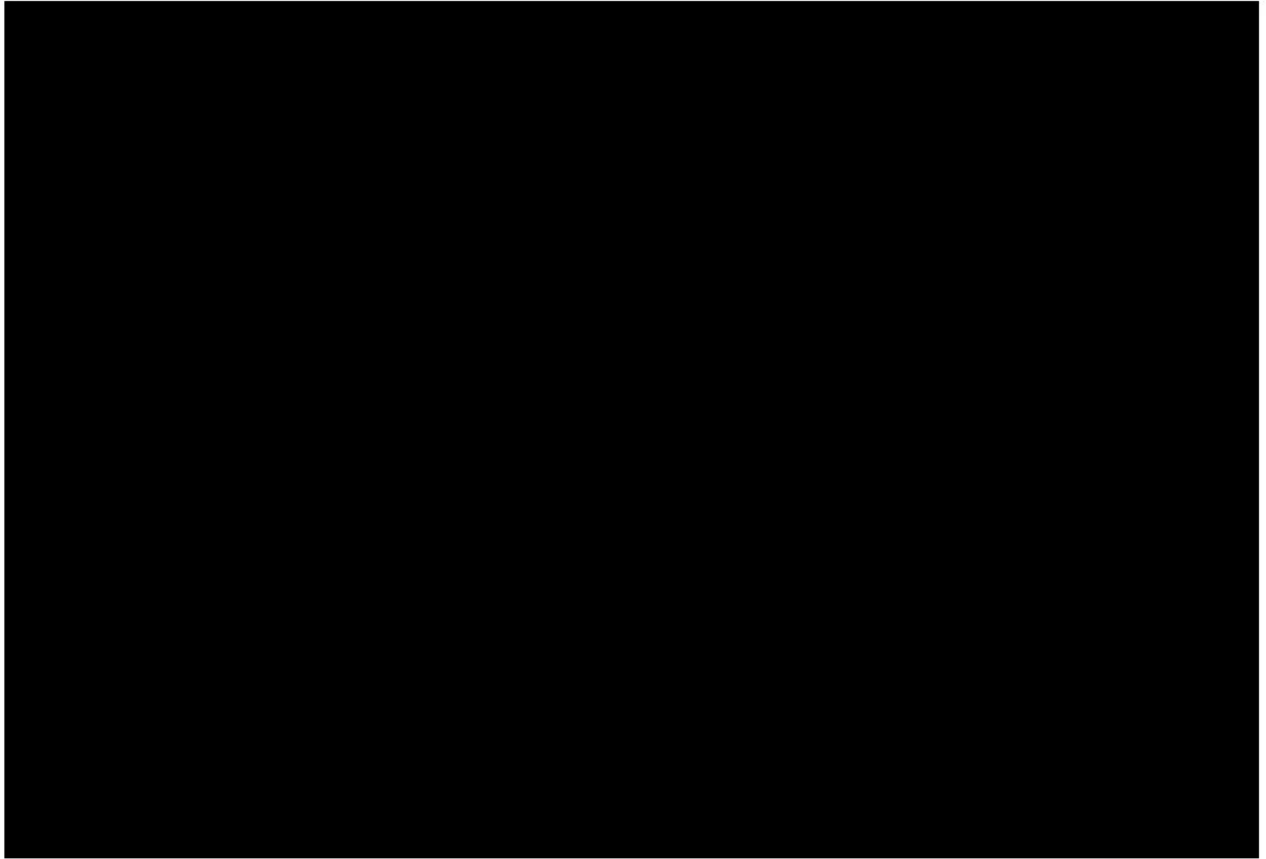
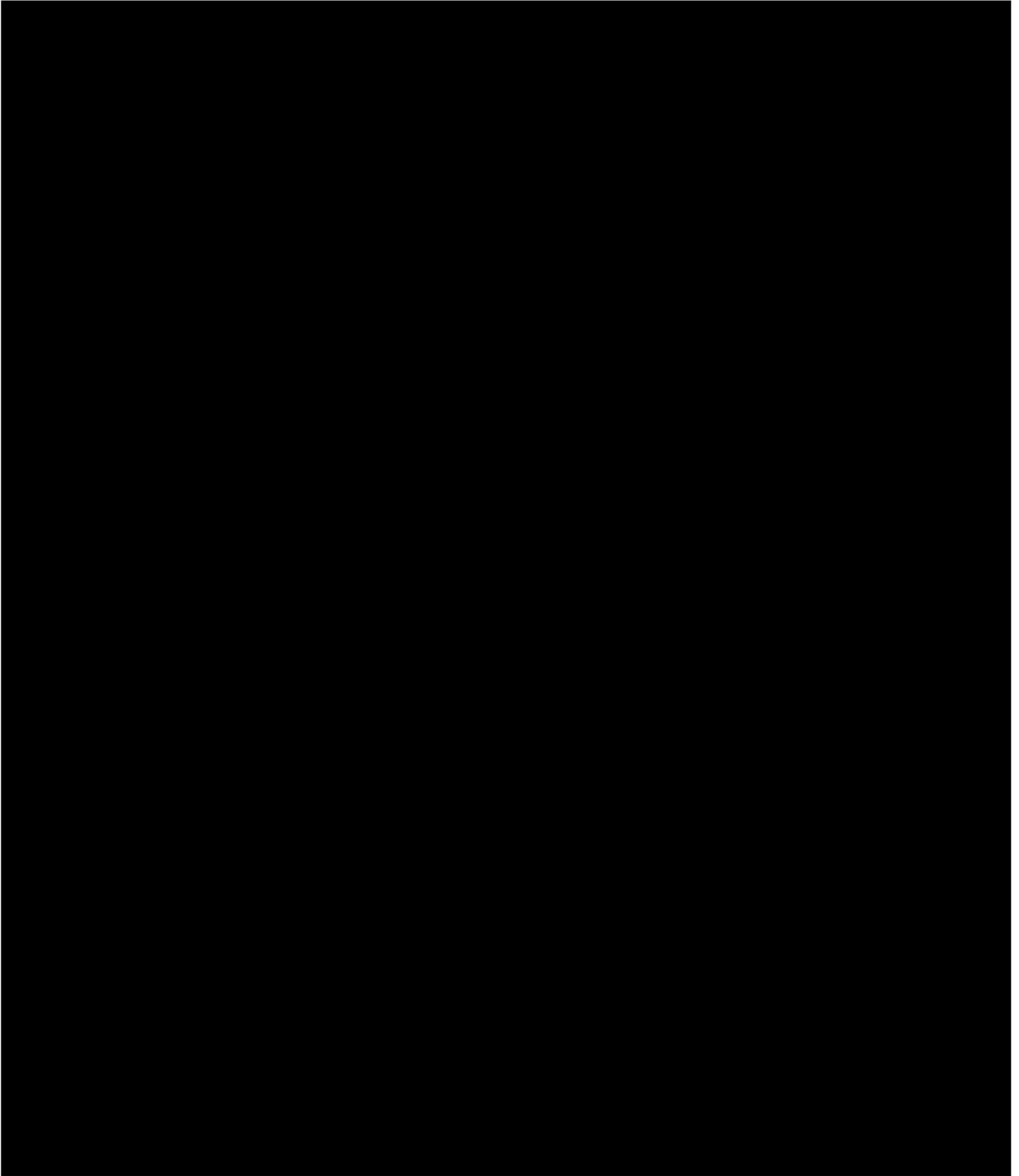


Exhibit C



ATTACHMENT C

Form of Guaranty

GUARANTY

THIS GUARANTY is effective as of _____, 201_ and is entered into by _____ ("Guarantor"), a _____ [insert type of entity], in favor of and for the benefit of Transcontinental Gas Pipe Line Company, LLC ("Transco"), a Delaware limited liability company.

RECITALS:

WHEREAS, _____ ("Buyer"), a _____ [insert type of entity], and Transco have entered into a Precedent Agreement, dated as of [insert date of Precedent Agreement] (as amended, amended and restated, supplemented or otherwise modified from time to time in accordance with its provisions, the "Precedent Agreement"), which, together with the Service Agreement (as defined in the Precedent Agreement) and Transco's FERC Gas Tariff, sets forth the terms and conditions under which Transco will provide firm transportation service to Buyer under Transco's proposed "[INSERT PROJECT NAME]" (the Precedent Agreement, Service Agreement and Transco's FERC Gas Tariff, and any other agreement, transaction or instrument related thereto or entered into in connection therewith, whether one or more, are collectively referred to herein as the "Agreements" and individually as an "Agreement"); and

WHEREAS, Guarantor will derive substantial direct and indirect benefits from the transactions contemplated by the Agreements; and

WHEREAS, Transco is willing to proceed with the development of the [INSERT PROJECT NAME] and the provision of gas transportation service for Buyer pursuant to the terms of, and subject to the conditions set forth in, the Agreements, provided that Guarantor guarantees payment and performance of Buyer's covenants, agreements, obligations and liabilities under the Agreements.

NOW, THEREFORE, in consideration of the foregoing premises and other good and valuable consideration, the receipt and sufficiency of which Guarantor hereby acknowledges and affirms, and in order to induce Transco to enter into the Agreements and to provide gas transportation service for Buyer pursuant to the Agreements, Guarantor hereby agrees as follows:

1. Guaranty of Payment. Guarantor hereby irrevocably and unconditionally guarantees the payment and performance of any and all present and future covenants, agreements, obligations and liabilities of Buyer to Transco pursuant to the Agreements (collectively, the "Guaranteed Obligations"). Guarantor agrees, upon any failure by Buyer to pay any of the Guaranteed Obligations, that Guarantor will pay any amounts that Buyer has failed to pay Transco within five (5) days following written demand by Transco. Guarantor agrees that Transco may resort to Guarantor for payment or performance of any of the Guaranteed Obligations whether or not Transco shall have resorted to any collateral security or shall have proceeded against any other obligor principally or secondarily obligated with respect to any of the Guaranteed Obligations. Guarantor reserves the right to assert defenses that Buyer may have to

payment of any Guaranteed Obligations other than defenses arising from the bankruptcy or insolvency of Buyer and other defenses expressly waived hereby.

2. Guaranty Unconditional and Absolute. The obligations of Guarantor hereunder shall be unconditional and absolute and, without limiting the generality of the foregoing, shall not be released, discharged or otherwise affected by:

(a) any extension, renewal, settlement, compromise, waiver, discharge or release in respect of any Guaranteed Obligations;

(b) the existence, or extent of, any release, exchange, surrender, non-perfection or invalidity of any direct or indirect security for any of the Guaranteed Obligations;

(c) any modification, amendment, waiver, extension of or supplement to any of the Agreements or the Guaranteed Obligations agreed to from time to time by Buyer and Transco;

(d) any change in the corporate existence (including its constitution, laws, rules, regulations or powers), structure or ownership of Transco, Buyer or Guarantor, or any insolvency, bankruptcy, reorganization or other similar proceeding affecting Transco, Buyer or Guarantor;

(e) the existence of any claim, set-off or other rights that Guarantor may have at any time against Transco, Buyer or any other corporation or person, whether in connection herewith or in connection with any unrelated transaction; provided, that nothing herein shall prevent the assertion of any such claim by separate suit or compulsory counterclaim;

(f) the invalidity or unenforceability in whole or in part of any of the Agreements, any Guaranteed Obligations or any instrument evidencing any Guaranteed Obligations, or any provision of applicable law or regulation purporting to prohibit payment or performance by Buyer of amounts to be paid or performed by it under the Agreements or any of the Guaranteed Obligations; or

(g) any other act or omission to act or delay of any kind by Transco that might, but for the provisions of this paragraph, constitute a legal or equitable discharge of Guarantor's obligations hereunder.

3. Term. This Guaranty shall be effective as of the date first above written and shall remain in force and effect until the date that the Guaranteed Obligations have been performed in full.

4. Waiver by Guarantor. Guarantor irrevocably waives acceptance hereof, diligence, presentment, demand, protest, notice of dishonor, notice of any sale of collateral and any notice not provided for herein, any right of subrogation to Buyer's rights against Transco under any Agreement or otherwise, and any requirement that at any time any person exhaust any right to take any action against Buyer or its assets or any other guarantor or person or its assets.

5. Subrogation. Upon making any payment hereunder, Guarantor shall be subrogated to the rights of Transco against Buyer with respect to such payment; provided, that Guarantor shall not enforce any right or receive any payment by way of subrogation until all of the Guaranteed Obligations then due shall have been paid in full. Transco agrees to take, at Guarantor's sole cost and expense, such steps as Guarantor may reasonably request to implement such subrogation.

6. Stay of Acceleration Ineffective with Respect to Guarantor. In the event that acceleration of the time for payment of any amount payable by Buyer under the Agreements is stayed upon the insolvency, bankruptcy or reorganization of Buyer, all such amounts otherwise subject to acceleration or required to be paid upon an early termination pursuant to the terms of the Agreements shall nonetheless be payable by Guarantor hereunder on written demand by Transco.

7. Successors and Assigns; Assignment. This Guaranty shall be binding upon and inure to the benefit of Guarantor and its successors and assigns and Transco and its successors and assigns. Guarantor may not assign its rights and obligations hereunder without the prior written consent of Transco, and any such purported assignment without such written consent shall be void.

8. Amendments and Waivers. No provision of this Guaranty may be amended, supplemented or modified, nor any of the terms and conditions hereof waived, except by a written instrument executed by Guarantor and Transco.

9. Remedies Cumulative. The rights, powers, remedies and privileges provided in this Guaranty are cumulative and not exclusive of any rights, powers, remedies and privileges provided by law and any other agreement.

10. Limitation. Guarantor's liability hereunder shall be, and is specifically limited to, payments expressly required to be made under the Agreements (even if such payments are deemed to be damages), and in no event shall Guarantor be subject hereunder to consequential, exemplary or punitive damages except as otherwise expressly provided for in the Agreements.

11. Representations and Warranties. Guarantor hereby represents and warrants to Transco as follows:

(a) Guarantor is duly organized, validly existing and in good standing under the laws of the jurisdiction of its [incorporation or formation] and has full [corporate] power to execute, deliver and perform this Guaranty.

(b) The execution, delivery and performance of this Guaranty have been and remain duly authorized by all necessary [corporate] action and do not contravene any provision of law or of Guarantor's constitutional documents or any contractual restriction binding on Guarantor or its assets.

(c) All consents, authorizations and approvals of, and registrations and declarations with, any governmental authority necessary for the due execution, delivery and performance of this Guaranty have been obtained and remain in full force and effect and all conditions thereof

have been duly complied with, and no other action by and no notice to or filing with, any governmental authority is required in connection with the execution, delivery or performance of this Guaranty. There are no conditions precedent to the effectiveness of this Guaranty that have not been satisfied or waived.

(d) This Guaranty constitutes the legal, valid and binding obligation of Guarantor enforceable against Guarantor in accordance with its terms, subject, as to enforcement, to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting creditors' rights and to general equity principles.

(e) This Guaranty provides substantial direct and indirect benefits to Guarantor.

12. Notices. All notices, demands or communications to Transco or Guarantor, as applicable, in connection with this Guaranty shall be in writing and shall be addressed as follows:

If to Transco: Transcontinental Gas Pipe Line Company, LLC
One Williams Center, MD 50th Floor
Tulsa, OK 74172
Attention: Credit Manager
Treasury Services
Facsimile: 918-732-0235

If to Guarantor: _____

Notices may be given by first class mail, courier, overnight delivery, facsimile, or hand delivery. Notices shall be deemed given on the day the notice is received by the receiving party if such day is a business day, or if such day is not a business day, the next succeeding business day. Either Transco or Guarantor may change its address for notices hereunder by providing written notice of such change to the other party.

13. GOVERNING LAW; WAIVER OF JURY TRIAL. **THIS GUARANTY SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REFERENCE TO ANY CHOICE OF LAW DOCTRINE OR CONFLICT OF LAW PRINCIPLES THEREOF THAT COULD REFER THE MATTER TO ANOTHER JURISDICTION. GUARANTOR HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES THE RIGHT TO A JURY TRIAL IN CONNECTION WITH ANY CLAIM ARISING OUT OF OR RELATED TO THIS GUARANTY.**

14. Miscellaneous. This Guaranty supersedes and terminates the following guaranty(ies) issued by Guarantor on behalf of Buyer for the benefit of Transco: [None.]

IN WITNESS WHEREOF, Guarantor has caused this Guaranty to be duly executed as of the date first above written.

[Guarantor]

By: _____
Name:
Title:

ATTACHMENT D

Environmental Permits, Approvals, and Consultations for Southeast Supply Enhancement	
Agency	Permit
Federal	
Federal Energy Regulatory Commission	Section 7(c) Natural Gas Act - Certificate of Public Convenience and Necessity
U.S. Army Corps of Engineers - Norfolk, Wilmington, Charleston, Mobile, Savannah Districts	Section 404 Clean Water Act - Nationwide Permit 12 or Individual Permit
U.S. Fish and Wildlife Service- NC Field Office, SC, GA, AL, VA Field Offices	Consultation under the Bald and Golden Eagle Protection Act Section 7 Endangered Species Act Consultation Migratory Bird Treaty Act Consultation
SHPO Section 106 Clearance- Alabama, South Carolina, North Carolina, Georgia, and Virginia State Historic Preservation Offices	Section 106 of the National Historic Preservation Act-Agency review, consultation, and comment
Native American Tribes	Tribal Consultation
North Carolina	
North Carolina Department of Environmental Quality	Section 401 Clean Water Act- Water Quality Certification Isolated Wetlands/Water Permit Buffer Authorization Air Construction Permits- Minor Source and Title V NPDES Construct
North Carolina Department of Natural and Cultural Resources	Review and consultation regarding state listed endangered and threatened species.
Georgia	
Georgia Department of Natural Resources- Environmental Division	Section 401 Water Quality Certification Hydrostatic Test Water Uptake and Discharge Permit Stream Buffer Variance Permit NPDES Permit for Stormwater Discharges
Georgia Department of Natural Resources- Wildlife Resource Division	Natural Heritage Inventory Listed Species Consultation, and Coldwater Fisheries Review
Virginia	
Virginia Marine Resource Commission	Section 404 of the Clean Water Act Joint Permit Application for Construction in the Waters of the Commonwealth and Wetlands
Virginia Department of Environmental Quality	Section 401 Clean Water Act - Water Quality Certification Erosion & Sediment Control (ESC) and Stormwater Management (SWM) Stormwater Variance Request Stormwater Deviation Request VAG 83- Hydrostatic Discharge Permit Stormwater Exception Request Pursuant to Title 9 Virginia Administrative Code (VAC)
Virginia Department of Conservation and Recreation	Review and consultation regarding state listed endangered and threatened species.
Virginia Department of Game and Inland Fisheries	Review and consultation regarding state listed endangered and threatened species.
Virginia Department of Agriculture and Consumer Services	Review and consultation regarding state listed endangered and threatened species.
South Carolina	
South Carolina Department of Health and Environmental Control	NPDES Stormwater Permit for General Construction Discharges Section 401 Clean Water Act - Water Quality Certification NPDES Hydrostatic Test Water Discharges Surface Water Withdrawal Permit
South Carolina Department of Natural Resources	Review and consultation regarding state listed endangered and threatened species.
Alabama	
Alabama Department of Environmental Management- Field Operations Division and Water Division	Section 401 Clean Water Act - Water Quality Certification CWA Section 402 NPDES General Permit No. ALR100000 for Stormwater Discharges from Construction Activities CWA Section 402 NPDES General Permit No. ALG670000 for Hydrostatic Test Discharges
Alabama Department of Conservation of Natural Resources- Wildlife and Freshwater Fisheries Division	Review and consultation regarding state listed endangered and threatened species.
Alabama Department of Economic and Community Affairs- Office of Water Resources	Water Withdrawal Authorization
Notes: Preliminary list 8-29-2023. Final Scope and Agency Consultation needed to finalize table	

ATTACHMENT E¹**ZONE 5****DAILY FACILITY GROUP AND DELIVERY POINT ENTITLEMENTS****DUKE ENERGY CAROLINAS / DUKE ENERGY PROGRESS**

Facility Group Geo- graph- ical Area	Delivery Points	Quantities in MMCF/D @ 14.7 PSIA			
		Winter Period (1)		Summer Period (2)	
		Delivery Point Maximum DPE	Facility Group Maxim um DPE	Delivery Point Maximum DPE	Facility Group Maximu m DPE
11	Cardinal	146	-	146	-
	Eden	120	-	120	-
	Total	-	266	-	266
Total Firm Contract			1,398.6 (3,4,5)		1,398.6 (3,4,5)

Notes:

- (1) Winter Period is from October 1 through April 30.
- (2) Summer Period is from May 1 through September 30.
- (3) Includes presently authorized firm service for Duke Energy Carolinas and Duke Energy Progress under Rate Schedules FT, FT – 85 North, FT – Mid South, FT – Sundance, FT – Sunbelt. Available firm quantities limited to individual rate schedule provisions.
- (4) Includes 12.560 MMCF/D delivered in the North to South direction under Rate Schedule (FT – CML).
- (5) Includes 966.184 MMCF/D delivered in the North to South direction under Rate Schedule (FT – SSE).

¹ Delivery point operator must agree to all proposed changes and meter stations shall be modified via reimbursable project to support incremental volumes (if required).

ZONE 5
DAILY FACILITY GROUP AND DELIVERY POINT ENTITLEMENTS

PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INC.

		Quantities In MMCF/D @ 14.7 PSIA			
Facility Group Geo-graphical Area	Delivery Points	Winter Period (1)		Summer Period (2)	
		Delivery Point Maximum DPE	Facility Group Maximum DPE	Delivery Point Maximum DPE	Facility Group Maximum DPE
9-L	Tryon	3	-	3	-
	Columbus	2	-	2	-
	Mill Springs	63	-	35	-
	Total	-	63	-	36
9	Battleground	543 (8,9,11)	-	539 (9,9,11)	-
	Lithium	8	-	8	-
	Gastonia	21	-	19	-
	Stanley	51	-	51	-
	Total	-	607	-	578
10	Davidson	46	-	35	-
	Mooreville	10 (7)	-	8 (7)	-
	Statesville	20	-	12	-
	Total	-	73	-	39
11	Cardinal	170 (5)	-	150 (5)	-
	Dan River #2	592 (5,6,8,10)	-	529 (5,6,8,10)	-
	Total	-	612 (4)	-	549 (4)
11-L	Pleasant Hill	15 (5)	-	12 (5)	-
	Total	-	15	-	12
Total Firm Contract			1,226.9 (3,6,7,9,10,11)		1,179.7 (4,6,7,9,10,11)

Notes:

- (1) Winter Period is October 1 through April 30.
- (2) Summer Period is May 1 through September 30.
- (3) Includes presently authorized firm service under Rate Schedules FT, FT – SET, FT – SSE, GSS and LNG. Available firm quantities limited to individual rate schedule provisions.

- (4) The Facility Group maximum DPE is 607 MMCF/D for the Winter Period and 544 MMCF/D for the Summer Period plus the volume of gas in MMCF/D previously flowing under Rate Schedule FT-NT.
- (5) The sum of Cardinal, Dan River #2 and Pleasant Hill may not exceed 1,090 MMCF/D during the Winter Period or 1,024 MMCF/D during the Summer Period.
- (6) Includes 3.870 MMCF/D delivered for Patriots Energy Group and 3.529 MMCF/D delivered for City of Greenwood under Rate Schedule FT.
- (7) Includes 3.285 MMCF/D delivered for Cardinal FG Company under Rate Schedule FT.
- (8) The sum of Battleground and Dan River #2 may not exceed 1,130 MMCF/D during the Winter Period or 1,063 MMCF/D during the Summer Period.
- (9) Includes 57.791 MMCF/D delivered in the Northbound to Southbound direction under Rate Schedule (FT – SET)
- (10) Includes 405.700 MMCF/D (FT – SSE) delivered in the north to south direction for Duke Energy Carolinas.
- (11) Includes 463.000 MMCF/D (FT – SSE) delivered in the north to south direction for Duke Energy Carolinas.

ZONE 5
DAILY FACILITY GROUP AND DELIVERY POINT ENTITLEMENTS

PIEDMONT NATURAL GAS COMPANY, INC.

Facility Group Geo- graphical Area	Delivery Points	Quantities In MMCF/D @ 14.7 PSIA			
		Winter Period (1)		Summer Period (2)	
		Delivery Point Maximum DPE	Facility Group Maximum DPE	Delivery Point Maximum DPE	Facility Group Maximum DPE
8	Iva Starr	26	-	27	-
	Anderson	26	-	27	-
	Belton	16	-	16	-
	Cannon Bottom	132 (14,15)	-	133 (14,15)	-
	Duke Lee Plant	62 (15)	-	62 (15)	-
	Greenville	61	-	62	-
	Simpsonville	16	-	16	-
	Woodruff	58	-	59	-
	Startex	26	-	17	-
	Total	-	361 (14)	-	357 (14)
9-L	West Startex	12	-	8	-
	Inman	2	-	4	-
	Total	-	12	-	10
9	Spartanburg	27	-	28	-
	Cowpens	19	-	19	-
	Gaffney	9	-	9	-
	Hickory	116	-	89	-
	Lowesville	30	-	24	-
	Total	-	170	-	155
10	Hicks Crossroads	87 (7)	-	87 (7)	-
	Tidewater	135	-	125	-
	Charlotte	156	-	138	-
	Iredell	371 (9,11)	-	371 (9,11)	-
	Salisbury	32	-	17	-
	Spencer Buck	72 (12)	-	75 (12)	-
	Winston Salem	83	-	32	-
	Kernersville	66	-	32	-
	Greensboro	82	-	32	-
	Stokesdale	4	-	4	-
	Bethany	11	-	9	-
	Total	-	974 (5,13)	-	805 (6,13)

		Quantities in MMCF/D @ 14.7 PSIA					
Facility Group	Geo-graphical Area	Winter Period (1)		Summer Period (2)		Delivery Points	
		Delivery Point Maximum DPE	Facility Group Maximum DPE	Delivery Point Maximum DPE	Facility Group Maximum DPE		
11	Cardinal	105	-	105	-		
	Reidsville	17	-	14	-		
	Spray	10	-	10	-		
	Draper	10	-	8	-		
	Total	-	118	-	104	(5,13)	
11-L	Pleasant Hill	96	-	90	-	(10)	
	Ahoskie	77	-	71	-	(10)	
	Total	-	96	-	90		
Total Firm Contract			1,183.7	(3,8,9,10,11,12,16)	1,085.4	(4,8,9,10,11,12)	

Notes:

- (1) Winter Period is October 1 through April 30.
- (2) Summer Period is May 1 through September 30.
- (3) Includes presently authorized firm service under Rate Schedules FT, GSS and LG-A. Available firm quantities limited to individual rate schedule provisions.
- (4) Includes presently authorized firm service under Rate Schedules FT and GSS. Available firm quantities limited to individual rate schedule provisions.
- (5) The Facility Group maximum is 937 MMCF/D for Facility Group 10 plus the volume of gas in MMCF/D previously flowing under Rate Schedules FT-NT and NIPPS.
- (6) The Facility Group maximum is 762 MMCF/D for Facility Group 10 plus the volume of gas in MMCF/D previously flowing under Rate Schedules FT-NT and NIPPS.
- (7) Hicks Crossroads is in Facility Group 9, but the delivery is included in Facility Group 10 group total.
- (8) Includes 24.505 MMCF/D delivered for Direct Energy Business Marketing, LLC, 2.777 MMCF/D delivered for Patriots Energy Group and 1.932 MMCF/D delivered for Tyson Foods, Inc. under Rate Schedule FT.
- (9) Includes 96.618 MMCF/D delivered in the northbound to southbound direction for Piedmont Natural Gas (FT Leidy Southeast).
- (10) Includes 19.324 MMCF/D delivered in the northbound to southbound direction for Piedmont Natural Gas (FT Virginia Southside I).
- (11) Includes 72.464 MMCF/D (FT Sundance), 89.855 MMCF/D (FT Mid-South), and 111.111 MMCF/D (FT 85 North) delivered for Duke Energy Progress.
- (12) Includes 57.971 MMCF/D (FT 85 North) delivered for Duke Energy Carolinas.
- (13) The Sum of Facility Group 10 and 11 is 947 MMCF/D during the Winter Period and 764 MMCF/D during the Summer Period.
- (14) Includes 16.000 MMCF/D delivered for Duke Energy Carolinas under Rate Schedule FT – Sunbelt.

- (15) The sum of Duke Lee Plant and Cannon Bottom delivery may not exceed 132 MMCF/D during the Winter Period or 133 MMCF/D during the Summer Period.
- (16) Includes 72.464 MMCF/D delivered for Duke Energy Carolinas.

**PRECEDENT AGREEMENT
FOR
FIRM TRANSPORTATION SERVICE UNDER
SOUTHEAST SUPPLY ENHANCEMENT PROJECT**

This Precedent Agreement For Firm Transportation Service Under the Southeast Supply Enhancement Project (this “Precedent Agreement”) is made and entered into the 2nd day of April, 2024, by and between TRANSCONTINENTAL GAS PIPE LINE COMPANY, LLC (“Seller”), a Delaware limited liability company, and FORT HILL NATURAL GAS AUTHORITY (“Buyer”), a political subdivision of the State of South Carolina (Seller and Buyer are sometimes referred to herein individually as a “Party” and collectively as the “Parties”).

WITNESSETH:

WHEREAS, Buyer has requested firm transportation service under Seller’s proposed “Southeast Supply Enhancement Project” (referred to herein as the “Project”), which is proposed to include the expansion of Seller’s pipeline system from its existing Station 165 Zone 5 Pool and the proposed interconnection between Seller’s mainline and Mountain Valley Pipeline, LLC’s (“MVP”) pipeline, both located at or near milepost 1,412.99 in Pittsylvania County, Virginia, to various delivery points on Seller’s mainline extending to the existing Station 85 Zone 4 Pool located at or near milepost 784.66 in Choctaw County, Alabama.

WHEREAS, Seller and Buyer now desire to enter into this Precedent Agreement to set forth the terms and conditions under which, among other things, Seller will seek the necessary approvals and authorizations for the construction and operation of the Project facilities and Seller and Buyer will execute a service agreement under Seller’s Rate Schedule FT, in substantially the form attached as Attachment B hereto, for firm transportation service under the Project.

NOW THEREFORE, in consideration of the mutual covenants herein assumed and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer agree as follows:

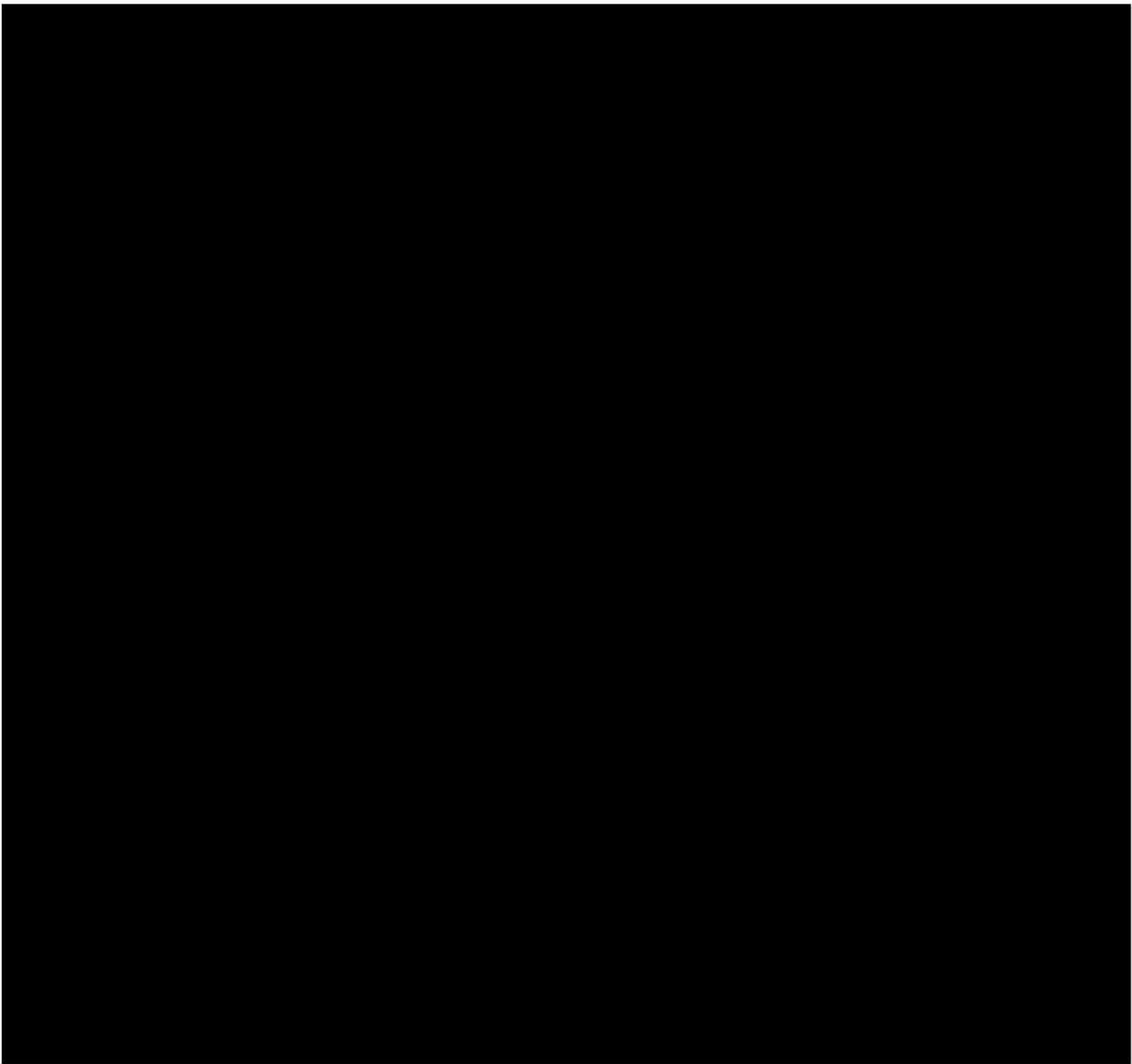
1. Approvals and Cooperation; Open Season; Anchor Shipper Status.

(a) Seller shall seek such contractual and property rights, financing arrangements, and regulatory approvals as may be necessary to construct and operate the Project facilities so as to provide firm transportation service to Buyer consistent with the terms and conditions of this Precedent Agreement, including the necessary authorizations from the Federal Energy Regulatory Commission ("FERC") under the Natural Gas Act ("NGA") for the Project ("FERC Authorization") and all other authorizations (including any authorizations or permits that may be required from other federal or state or local agencies) that may be necessary for Seller to proceed with construction and operation of the Project facilities (such other authorizations are referred to herein collectively as the "Other Governmental Authorizations"). Seller's application for the FERC Authorization is referred to herein as the "FERC Application."

(b) Seller reserves the right to file and prosecute all applications for the FERC Authorization and any Other Governmental Authorizations necessary or appropriate for the Project, including any supplements or amendments thereto and, if necessary, any court review in such manner as it deems to be in its best interest but that is consistent with the terms and conditions of this Precedent Agreement. In no event shall Seller be obligated to file a request for rehearing or an appeal if the FERC Authorization or any Other Governmental Authorization is denied or granted with conditions that are adverse to the interests of the Parties.

(c) Promptly following the issuance of the FERC order granting the certificate of public convenience and necessity for the Project, the Parties shall discuss in good faith any aspects of such FERC order that are inconsistent with the FERC Application. If either Party intends to seek rehearing and/or appeal of such FERC order, such Party shall notify the other Party and reasonably consult with the other Party.

(d) [REDACTED]



(e) The Parties acknowledge that they are executing this Precedent Agreement following the open season beginning on June 19, 2023 and ending on July 14, 2023, by Seller for the firm transportation capacity to be made available under the Project. The Parties agree that execution and delivery of this Precedent Agreement by both Parties shall reflect Buyer's request for firm transportation service for a transportation contract quantity of 5,000 dt/day ("TCQ") through the primary firm transportation paths established by the Points of Receipt and Point of Delivery and associated maximum daily quantities at such points, all as further described in Attachment A hereto.

2. Service Agreement and Rate.

(a) Subject to the terms and conditions of this Precedent Agreement, Seller and Buyer shall, contemporaneously with the execution and delivery of this Precedent Agreement, execute and deliver the service agreement under Seller's Rate Schedule FT set forth in Attachment B hereto (referred to herein as the "Service Agreement"). The Service Agreement shall provide for, among other things, the TCQ, Primary Term, Points of Receipt and Point of Delivery, and, if elected by Buyer pursuant to Paragraph 2(b) below, the Negotiated Reservation Rate, all as defined and further described in Attachment A and subject to the terms and conditions hereof.

(b) Upon execution of this Precedent Agreement, Buyer shall elect one of the following rate options by having its duly authorized representative initial in the space provided below for the elected rate option.



_____ For the firm transportation service under the Service Agreement, Buyer hereby agrees to pay the negotiated rate as set forth in Attachment A, Paragraph E hereto, including the Negotiated Reservation Rate (as defined therein) and all other applicable rates and charges as further described in Attachment A, Paragraph E.

_____ For the firm transportation service under the Service Agreement, Buyer hereby agrees to pay the total maximum cost-based recourse reservation rate and all electric power unit rates, commodity rates, and surcharges, and to be responsible for compressor fuel and line loss make-up retention, all as applicable under Rate Schedule FT of Seller's FERC Gas Tariff, as the same may be revised from time to time, for firm transportation service under the Project (collectively, the "Recourse Rate"). The initial Recourse Rate will be designed based on the straight fixed-variable rate design methodology and will be calculated using Seller's estimated cost of the Project facilities, estimates for operation and maintenance expenses based on estimates for similar facilities, billing determinants under the Project, and other cost factors. Seller makes no representation or warranty of any kind whatsoever as to the actual

recourse reservation rate that will be applicable to the firm transportation service under the Project.

The foregoing rate selection shall apply during the Primary Term. Unless otherwise determined in accordance with Paragraph 2(d) below or otherwise agreed to by the Parties, the applicable rate under the Service Agreement after the Primary Term shall be the Recourse Rate.

(c) The Service Agreement shall be effective as of the date that all of Seller's Project facilities necessary to provide firm transportation service to Buyer under the Service Agreement have been constructed and are ready for service as determined in Seller's sole opinion (such date is referred to herein as the "Effective Date of the Service Agreement"), and shall remain in force and effect for the Primary Term and thereafter until terminated by either Party upon at least one (1) year's prior written notice to the other Party (subject to the term extension provisions set forth in Paragraph 2(d) below). The firm transportation service under the Service Agreement will be provided in accordance with the applicable provisions of Seller's Rate Schedule FT and FERC Gas Tariff.

(d) If Buyer elects to pay the negotiated rate pursuant to Paragraph 2(b) above, then the following term extension provisions shall be included in Exhibit C to the Service Agreement as part of the negotiated rate agreement between the Parties:

(i) Seller will agree, upon written request by Buyer at least eighteen (18) months prior to the end of the Primary Term, to extend the term of the Service Agreement for an additional five (5) year period ("First Term Extension") at the TCQ in effect during the Primary Term and, at the sole election of Buyer, at either (A) the Negotiated Reservation Rate and all other applicable rates and charges as further described in Attachment A hereto, or (B) the applicable Recourse Rate.

(ii) Seller will agree, upon written request by Buyer at least eighteen (18) months prior to the end of the First Term Extension, to extend the term of the Service Agreement for a second additional five (5) year period at the TCQ in effect at the end of the First Term Extension and, at the sole election of Buyer, at either (A) the Negotiated Reservation Rate and all other applicable rates and charges as further described in Attachment A hereto, or (B) the applicable Recourse Rate.

3. In-Service Date.

(a) After both Parties' execution of the Service Agreement pursuant to Paragraph 2 above and Seller's receipt and acceptance of all other necessary contract rights, property rights, financing arrangements, FERC Authorization, and Other Governmental Authorizations for the Project in a form and substance satisfactory to Seller in its sole determination, Seller shall proceed with the construction of the Project facilities so as to begin firm transportation service for Buyer by a target in-service date of November 1, 2027 ("Target ISD").

(b) Notwithstanding Paragraph 3(a) above, but subject to Paragraph 5 below, if Seller is unable to complete construction of the Project facilities necessary to provide firm transportation service to Buyer under the Service Agreement by the Target ISD despite its exercise of reasonable diligence, then Seller shall provide notice thereof to Buyer and Seller shall continue to proceed with reasonable diligence to complete construction of such Project facilities, place such facilities in operation, and commence service for Buyer at the earliest date thereafter commercially reasonable to Seller. Seller shall not be liable in any manner to Buyer, nor shall this Precedent Agreement or the Service Agreement be subject to termination, other than as expressly provided in the other provisions of this Precedent Agreement or the Service Agreement, if for any reason Seller is unable to complete the construction of such facilities and commence the firm transportation service to Buyer as contemplated herein and in the Service Agreement.

(c) Seller shall keep Buyer reasonably apprised of the Target ISD and any changes thereto.

4. Term of Precedent Agreement. This Precedent Agreement shall become effective on the date first written above and, unless terminated earlier, shall automatically terminate as of the Effective Date of the Service Agreement; provided, however, that (i) Paragraphs 5(a)(x) and 6 and Attachment C hereto shall survive termination of this Precedent Agreement for the Primary Term of the Service Agreement, (ii) Paragraph 9 shall survive for the period specified therein, and (iii) Paragraph 10 shall survive for any Dispute under this Precedent Agreement arising under Paragraphs 5(a)(x), 6 or 9.

5. Termination.

(a) In addition to any other termination rights set forth herein, this Precedent Agreement and, if executed, the Service Agreement shall be subject to termination as specified below:

(i)

(ii)

[REDACTED]

(iii)

[REDACTED]

[REDACTED]

(iv)

[REDACTED]

[REDACTED]

(v)

[REDACTED]

[REDACTED]

[REDACTED]

(vi)

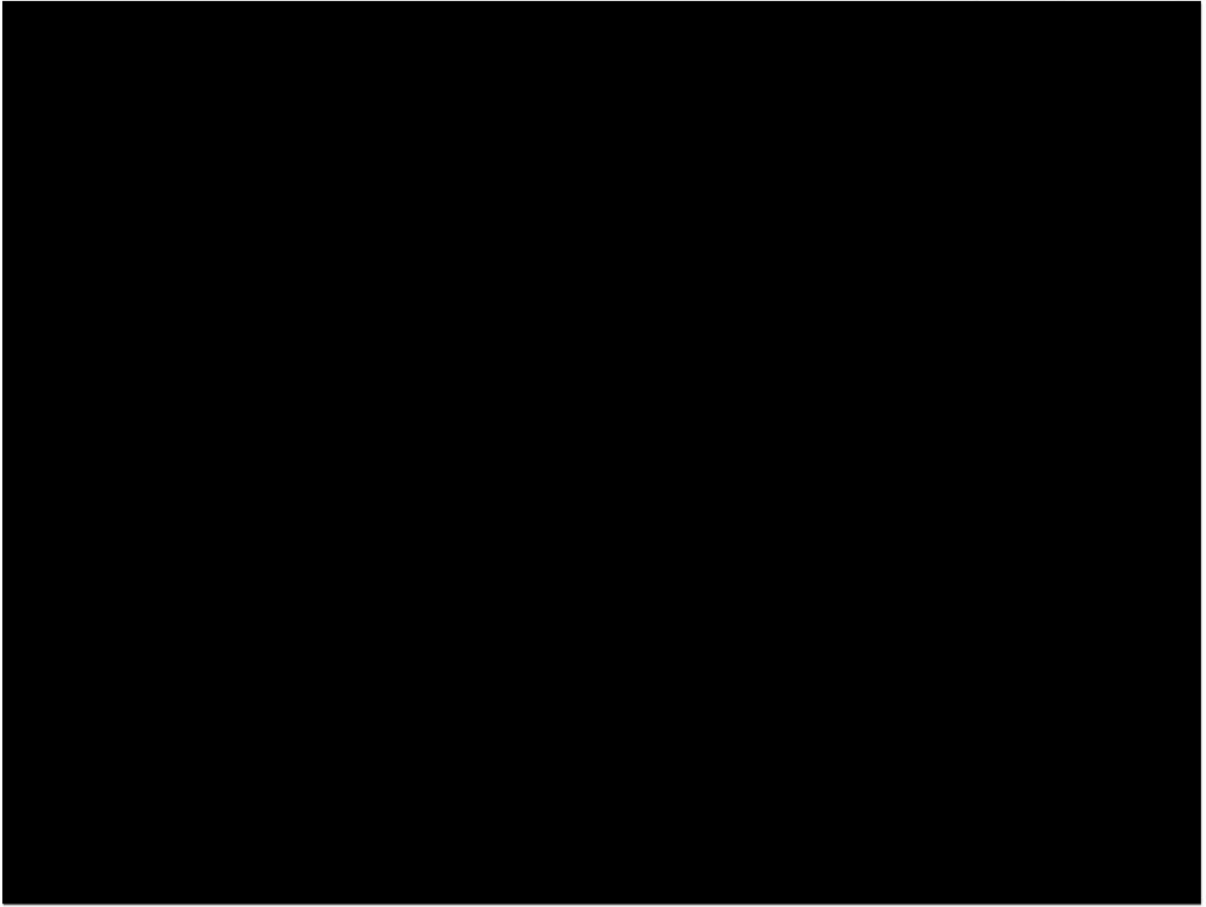
[REDACTED]

[REDACTED]

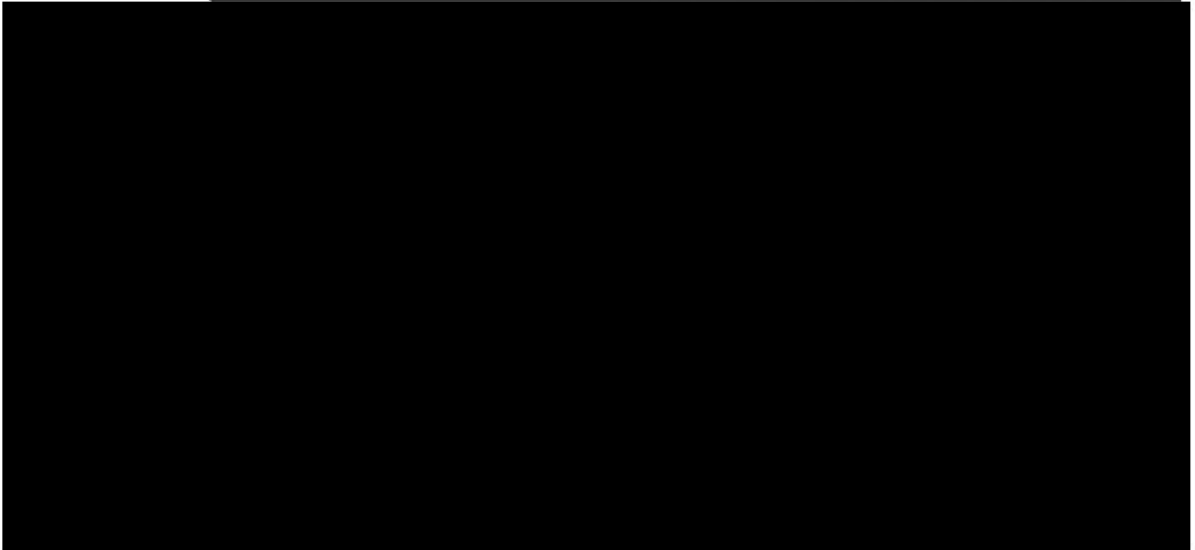
(vii)

[REDACTED]

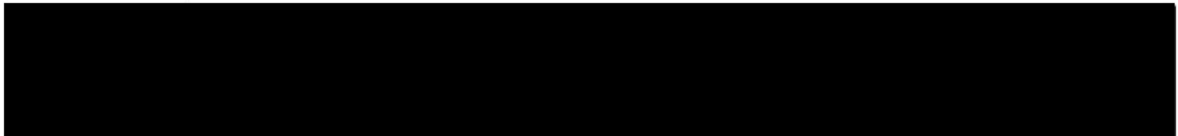
[REDACTED]



(viii)



(ix)



(x)

(b) If either this Precedent Agreement or the Service Agreement is terminated by Buyer pursuant to Paragraphs 5(a)(i), (iv), (vi), (viii) or (ix) above or by Seller pursuant to Paragraph 5(a)(x) (each such termination contingency is referred to herein respectively as a "5(b) Termination"), then Buyer shall reimburse Seller for Buyer's Proportionate Share (as hereinafter defined) of the Project costs reasonably incurred and/or committed to by Seller as of the date that Seller receives Buyer's written notice of termination or the date that Seller provides written notice of termination to Buyer, as the case may be ("Project Costs"). The Project Costs shall include, for purposes of illustration and without limitation, costs relating to planning, designing, procuring materials and seeking regulatory and environmental authorizations for the Project, constructing the Project, mobilization and demobilization of work in progress and cancellation charges related to materials ordered but no longer required. The Project Costs shall not include the mitigated costs described below. Subject to Paragraph 5(c) below, the term "Proportionate Share" shall mean a fraction, the numerator of which is Buyer's TCQ and the denominator of which is the total firm transportation capacity per day under the Project. Such reimbursement shall be made by Buyer within thirty (30) days of Buyer's receipt of an invoice from Seller setting forth Buyer's Proportionate Share of the Project Costs. Such invoice shall include reasonable support for such reimbursable costs. Seller shall make a good faith effort to mitigate the Project Costs to be reimbursed by Buyer hereunder, including by making good faith efforts to redeploy, return, sell or assign the materials and supplies, if any, that will not be used for

the Project as a result of such termination of this Precedent Agreement or the Service Agreement. Seller shall net any such redeployment, return, sale or assignment amounts against the Project Costs.

(c) If a 5(b) Termination occurs but the Project is nevertheless placed in service (either before or after such termination), Seller shall, subject to the terms of Seller's FERC Gas Tariff and applicable FERC orders, rules and regulations, make a good faith effort to subscribe the firm transportation capacity under the Project from the Points of Receipt to the Point of Delivery with other shipper(s) on the same terms as set forth in this Precedent Agreement. If Seller is able to subscribe with other shipper(s) all or a portion of the capacity under the Project from the Points of Receipt to the Point of Delivery on the same terms as set forth in this Precedent Agreement (or on terms more favorable to Seller) ("Keep-Whole Subscription"), then the definition of the term "Proportionate Share" shall be modified to mean a fraction, the numerator of which is Buyer's TCQ minus the transportation contract quantity subscribed by Seller in accordance with the foregoing, and the denominator of which is the total firm transportation capacity per day under the Project. If Seller is able to subscribe with other shipper(s) all or a portion of the capacity under the Project from the Points of Receipt to the Point of Delivery but on terms less favorable to Seller than as set forth in this Precedent Agreement ("Lesser Subscription"), then Buyer's Proportionate Share of the Project Costs shall be reduced by such amount, which shall be reasonably determined by Seller in equity and good faith, taking into consideration the reasonable value to Seller of such capacity subscription(s) (Seller shall provide reasonable, written support for such determination). If a Keep-Whole Subscription and/or Lesser Subscription occurs on or before the date that is six (6) months following the in-service date of the Project, then Seller shall refund the applicable amount of the mitigated Project Costs reimbursed by Buyer (as such mitigated amount is determined in accordance with the immediately preceding two sentences) within thirty (30) days after the date that the firm transportation service under such Keep-Whole Subscription and/or Lesser Subscription commences. Such refund shall include reasonable support for such refunded amounts. If Seller is unable to subscribe with other

shipper(s) any of such capacity, then Buyer shall remain responsible for Buyer's Proportionate Share of the Project Costs in accordance with Paragraph 5(b).

(d) If Buyer is required to reimburse Seller for Project Costs pursuant to Paragraph 5(b) above, then Buyer shall have the right, upon at least twenty (20) days prior written notice to Seller, to audit books and records of Seller relating to the Project Costs (including, if applicable, reasonable information regarding any Keep-Whole Subscription and/or Lesser Subscription). Any such audit shall be conducted during normal business hours and at Buyer's sole cost and expense. Buyer shall have twelve (12) months after the date of receipt of an invoice for its Proportionate Share of the Project Costs (but in any event Buyer shall have at least three (3) months after Seller closes its books with respect thereto) in which to complete such an audit and submit any claims under this provision. After such period, Buyer's right to audit shall expire and Seller's records shall be presumed to be correct. If Buyer, after exercising such audit right, disputes Buyer's Proportionate Share of the Project Costs for which Seller seeks reimbursement, then such dispute shall be resolved pursuant to Paragraph 10 of this Precedent Agreement.

(e) Except as otherwise stated herein, termination of this Precedent Agreement shall not relieve either Party from any obligation accruing or accrued prior to the date of such termination, nor shall such termination deprive a Party not in default of any remedy otherwise available to such Party.

(f) If at any time Seller reasonably determines that any of the target dates for filing the FERC Application, commencing construction of the Project facilities, or placing the Project in service will be materially delayed, then (i) Seller shall provide prompt, written notice thereof to Buyer, (ii) Seller shall present to Buyer a revised Project schedule and, (iii) if requested by Seller, the Parties shall commence good faith negotiations to revise the termination dates set forth in Paragraphs 5(a)(iii), (viii), and (ix) above. For the avoidance of doubt, the termination rights (and dates) set forth in Paragraphs 5(a)(iii), (viii), and (ix) shall remain in effect unless and until the Parties otherwise mutually agree in writing.

(g) If a Force Majeure event, as defined below, affects the deadlines triggering the termination rights set forth in 5(a)(iii), (viii), or (ix), such deadlines shall be extended by the same number of days as the Force Majeure event. For purposes of this Paragraph 5(g) only, a “Force Majeure” event shall mean acts beyond Seller’s reasonable control, including but not limited to: acts of God, strikes, lockouts, acts of terrorists, wars, blockades resulting in delays obtaining goods or services necessary for the Project, insurrections, riots, epidemics, landslides, lightning causing significant damage at the Project site, earthquakes, fires, floods, explosions, or any other causes whether of the kind enumerated in this Precedent Agreement or otherwise, that are not reasonably within the control of Seller. For purposes of this Precedent Agreement, a Force Majeure event shall also include (i) events, acts or causes arising out of or related to the novel coronavirus (COVID-19) global pandemic as declared by the World Health Organization on March 11, 2020, and (ii) any governmental action or inaction (including, without limitation, legislative, administrative or judicial action) that causes a delay in obtaining any necessary approval or otherwise delays the ability of Seller to render the services contemplated in the Precedent Agreement, including any amendments thereto, or the Service Agreement.

6. Credit Support.

(a) Buyer represents that, as of the effective date of this Precedent Agreement, in order for Seller to have been able to perform its required credit appraisal of Buyer, Buyer has provided to Seller such of the information listed below as is applicable to Buyer (or its Guarantor (as such term is hereinafter defined), if applicable). As required by Seller’s FERC Gas Tariff, Buyer shall furnish to Seller at least annually, and at such other times as may be requested by Seller, any updates to the credit information listed below that is applicable to Buyer for the purpose of enabling Seller to perform an updated credit appraisal; provided that Seller shall first use reasonable efforts to obtain such information from publicly available sources.

Financial information to be provided to Seller:

- Audited Financial Statements;
- Annual Report;
- List of Affiliates, Parent Companies and Subsidiaries;
- Publicly Available Information from Credit Reports of Credit and Bond Rating Agencies;
- Private Credit Ratings, if obtained by Buyer;
- Bank References;
- Trade References;
- Most recent filed statements with the Securities and Exchange Commission (or an equivalent authority) or other publicly available information of a similar nature;
- If Buyer is a public entity:
 - the most recent publicly available interim financial statements, with an attestation by its principal financial officers, controller or equivalent that, to such person's knowledge, such statements fairly present in all material aspects the financial condition of the entity in accordance with Generally Accepted Accounting Principles ("GAAP") or equivalent;
- If Buyer is a non-public entity, including if Buyer is a state-regulated utility:
 - the most recent available interim financial statements, with an attestation by its principal financial officers, controller or equivalent that, to such person's knowledge, such statements fairly present in all material aspects the financial condition of the entity in accordance with GAAP or equivalent; and
 - if applicable, an existing sworn filing, including the most recent available interim financial statements and annual financial reports filed with the respective regulatory authority, showing Buyer's current financial condition;
- If Buyer is a state-regulated utility local distribution company, documentation from its respective state regulatory commission (or an equivalent authority) of an authorized gas supply cost recovery mechanism which fully recovers both gas commodity and transportation capacity costs and is afforded regulatory asset accounting treatment in accordance with GAAP or equivalent;
- Such other information as may be mutually agreed to by the Parties; and
- Such other information as Seller may receive approval to include in its FERC Gas Tariff or general terms and conditions.

(b) Buyer (or its Guarantor, if applicable) will be deemed to be creditworthy if (i) it has a long term senior unsecured debt rating of Baa3 or better from Moody's Investor Services or BBB- or better from Standard and Poor's, or (ii) it is not rated but Seller determines that, notwithstanding the absence of such a rating, the financial position of Buyer (or its Guarantor, if applicable) is acceptable to Seller in its reasonable judgment (such determination of creditworthiness shall be based on the results of a thorough analysis of the financial information provided by Buyer (or its Guarantor, if applicable)). In the event Seller does not find Buyer (or its Guarantor, if applicable) to be creditworthy

pursuant to this Paragraph 6, Seller shall provide a written explanation of the basis of its determination to Buyer.

(c) Subject to the terms of this Paragraph 6, if at any time during the term of this Precedent Agreement or the Service Agreement Buyer fails to meet Seller's creditworthiness requirements set forth herein, then, within ten (10) days after receipt of written notice from Seller that Buyer fails to meet such requirements, Buyer shall provide one or more of the following forms of credit support for any and all present and future covenants, agreements, obligations and liabilities of Buyer to Seller under this Precedent Agreement and, if executed, the Service Agreement (collectively, "Buyer's Obligations") for the period of time Buyer fails to meet Seller's creditworthiness requirements:

(i) a guaranty in substantially the form attached as Attachment C hereto, executed by a company meeting Seller's creditworthiness requirements as set forth in this Paragraph 6 ("Guarantor"), irrevocably and unconditionally guaranteeing the payment and performance of any and all of Buyer's Obligations;

(ii) a standby irrevocable letter of credit in form and substance satisfactory to Seller in the amount requested by Seller, which shall not exceed the credit support limit determined in accordance with Paragraph 6(e) hereto, drawn upon a U.S. bank or a foreign bank with a branch office located in the United States, in each case having assets of at least US\$10 billion and with a credit rating of A or better from Standard and Poor's or A2 or better from Moody's Investor Services; or

(iii) such other form of credit support that is reasonably acceptable to Seller.

(d) If during the term of this Precedent Agreement and, if executed, the Service Agreement, there are material, adverse changes to the financial status of Buyer (or its Guarantor or the issuer of a letter of credit or the source of other credit support, as applicable) and, as a result of such changes Buyer (or its Guarantor or the issuer of a letter of credit or the source of other credit support, as applicable) is no longer creditworthy as reasonably determined by Seller, then Seller shall

provide written notice to Buyer thereof and Buyer shall promptly (but in no event later than ten (10) days after Seller's notice) provide qualifying credit support (or additional credit support, as the case may be) pursuant to this Paragraph 6.

(e)

[REDACTED] As of the Effective Date of the Service Agreement, Seller may not require Buyer to provide credit support under Paragraph 6(c)(ii) in an amount exceeding the lesser of (i) twelve (12) months' worth of reservation charges under the Service Agreement, or (ii) the total reservation charges for all months remaining in the applicable term of the Service Agreement. If Buyer provides a guaranty in accordance with Paragraph 6(c)(i), such guaranty shall not be subject to the limits set forth in this Paragraph and shall cover all of Buyer's Obligations.

(f) Notwithstanding the foregoing, if Buyer is required to provide credit support in accordance with this Paragraph 6, in no event shall the level of credit support for Buyer's Obligations during the Primary Term or during any extension thereof be less than the minimum credit support that Seller may require under its FERC Gas Tariff.

(g) Buyer shall not be required to provide credit support pursuant to the foregoing Paragraphs prior to March 31, 2024.

(h) Buyer acknowledges and agrees that Buyer shall be responsible for all costs and expenses incurred by Buyer to obtain any credit support or additional credit support required to be obtained pursuant to this Paragraph 6. Seller will not reimburse or otherwise credit Buyer for any costs or expenses incurred by Buyer (or its Guarantor, if applicable) to obtain any credit support or additional credit support.

7. Notices.

(a) Except as otherwise expressly set forth herein, all notices and other communications by a Party shall be in writing and shall be sent by one (1) of the following means: electronic mail, hand delivery or courier to the other Party at the electronic or physical addresses as provided in this Paragraph:



or at any other electronic mail or physical address of which either Party shall have notified the other Party in any manner prescribed in this Paragraph.

(b) For all purposes of this Precedent Agreement, a notice or communication will be deemed effective on the day that the notification as set forth in subparagraph (a) above has occurred, as follows:

(i) if delivered by hand or sent by courier, on the day it is delivered unless (A) that day is not a day upon which commercial banks are open for the transaction of business in New

York, New York (a "Business Day") or (B) it is delivered after the close of business on a Business Day, in either of which cases it is deemed effective on the next succeeding Business Day; and

(ii) if sent by electronic mail or facsimile transmission, on the date transmitted, provided that confirmation of receipt is obtained by the sender, unless (A) the date of transmission is not a Business Day or (B) it was received after the close of business on a Business Day, in either of which cases it is deemed effective on the next succeeding Business Day.

8. Assignment and Delegation.

(a) Subject to any applicable FERC orders, rules and regulations, either Party may, without the consent of the other Party, assign this Precedent Agreement to an affiliate of the assigning Party, but the assigning Party shall not be relieved of its obligations under this Precedent Agreement without the express written consent of the non-assigning Party. The assigning Party shall deliver notice of the assignment to the other Party as soon as practicable after such assignment.

(b) Except as provided in subparagraph (a) above, no assignment of this Precedent Agreement shall be made unless there first shall have been obtained the written consent of the other Party, which consent shall not be unreasonably withheld, conditioned or delayed.

(c) Any assignment in contravention of this Paragraph shall be void *ab initio*.

9. Confidentiality and Disclosures. The provisions in Paragraph 5(a) and the negotiated rate set forth in Paragraph E of Attachment A, including the Negotiated Reservation Rate and all other applicable rates and charges as further described in Paragraph E, are confidential (such confidential information is referred to herein as the "Confidential Information"). Either Party may disclose the Confidential Information to its or its affiliates' members, managers, directors, officers, employees, representatives, agents, consultants, attorneys or auditors (collectively, "Representatives") who have a need to know the Confidential Information. Seller and Buyer agree not to disclose or communicate,

and shall cause their respective Representatives not to disclose or communicate, the Confidential Information to any other person, entity, firm or corporation without the prior written consent of the other Party; provided that either Party may disclose the Confidential Information as required by law, order, rule or regulation of any duly constituted governmental body or official authority having jurisdiction, subject to the condition that the disclosing Party first give the other Party two (2) Business Days' notice of same, or as much notice as possible, if any, under the circumstances, so that a protective order or other protective arrangements may be sought. Notwithstanding the foregoing, Seller may make any disclosure of the Confidential Information without prior notice to or consent of Buyer if Seller (i) determines that such disclosure is required in connection with any FERC order, rule or regulation or (ii) discloses a copy of this Precedent Agreement to a requesting party pursuant to Section 388.112(b) of the FERC's regulations if such party is a public utility commission (or its equivalent) or Seller otherwise determines that disclosure to such party would not cause competitive harm to Seller. If this Precedent Agreement is terminated pursuant to the terms and conditions hereof or otherwise by mutual agreement of the Parties, then this Paragraph 9 shall survive for a period of two (2) years from and after the effective date of such termination.

10. Dispute Resolution. Any dispute between the Parties arising under this Precedent Agreement ("Dispute") shall be resolved in accordance with the provisions of this Paragraph. The Parties shall initially attempt to resolve a Dispute by the following informal dispute resolution process. Each Party shall promptly designate in writing to the other Party a representative who shall be authorized to resolve any Dispute with due consideration of law, equity and good faith. Each Dispute shall be initially referred by written notice to such designated representative for resolution. If the designated representatives are unable to resolve any such Dispute within thirty (30) days of such referral, each Party shall promptly designate in writing to the other Party a more senior representative who shall be authorized to resolve the Dispute, and such representatives shall attempt to resolve such Dispute within a further period of fifteen (15) days. The Parties shall attempt to

resolve all Disputes promptly, equitably and in good faith, and shall provide each other in a timely manner reasonable documentation relating to the Dispute. Neither Party shall be under an obligation to provide any privileged or confidential documents that it is not otherwise obligated to provide under this Precedent Agreement and each Party may seek equitable relief as it determines in its sole judgment is necessary. Unless the Parties otherwise agree, if the period of forty-five (45) days referred to above has expired and the Dispute remains unresolved, the Parties may, by mutual agreement, submit the Dispute to arbitration or, if no such agreement is reached, either Party may submit the Dispute to the appropriate court or governmental authority.

11. Further Assurances. Seller and Buyer agree to execute all other additional instruments and documents, and to do all other acts, as may be reasonably necessary to effectuate the terms and provisions of this Precedent Agreement.

12. Modification. Except as provided otherwise in this Precedent Agreement, no modification of the terms or provisions of this Precedent Agreement shall be effective unless contained in a written agreement executed by both Seller and Buyer.

13. Counterparts. This Precedent Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same agreement. Signature pages delivered by facsimile or e-mail shall be binding with the same force and effect as original signature pages. Any counterpart may be executed by facsimile or “.pdf” signature and such facsimile or “.pdf” signature shall be deemed an original.

14. Joint Preparation. The provisions of this Precedent Agreement shall be considered as prepared through the joint efforts of the Parties and shall not be construed against either Party as a result of the preparation or drafting thereof.

15. Savings Clause. If the FERC or a court of competent jurisdiction declares any provision of this Precedent Agreement unenforceable, then that provision shall be severed from this Precedent Agreement, which shall otherwise remain in full force and effect and be construed as if it

did not contain the severed provision; provided, however, that if severing such provision from this Precedent Agreement has a material adverse effect on the rights or obligations of either Party as set forth in this Precedent Agreement or would substantially impair the respective benefits or expectations of the Parties to this Precedent Agreement, then, without limiting the rights of the Parties under Paragraph 5 hereof, the Parties agree to negotiate in good faith replacement terms that are consistent with the FERC's or court's declaration or directive and that maintain the relative economic positions of, and risks to, the Parties as reflected in this Precedent Agreement as of the date first set forth above. If, despite their good faith efforts, the Parties are unable to negotiate mutually agreeable replacement terms for this Precedent Agreement in accordance with the foregoing, then this Precedent Agreement shall otherwise remain in full force and effect and be construed as if it did not contain the severed provision.

16. Choice of Law. **THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD FOR ANY RULES FOR CONFLICTS OF LAW THAT WOULD REFER THE MATTER TO THE LAWS OF ANOTHER JURISDICTION, SHALL GOVERN THE VALIDITY, EFFECT, CONSTRUCTION AND INTERPRETATION OF THIS PRECEDENT AGREEMENT.**

17. Regulations. This Precedent Agreement and the obligations of the Parties hereunder are subject to all applicable laws, rules, orders and regulations of governmental authorities having jurisdiction and, anything in this Precedent Agreement to the contrary notwithstanding, in the event of conflict among any such laws, rules, orders or regulations of governmental authorities having jurisdiction and this Precedent Agreement, such laws, rules, orders and regulations of governmental authorities having jurisdiction shall control.

18. Representations and Warranties. Each Party represents and warrants, on its own behalf, that (i) it is duly formed or organized, validly existing and in good standing under the laws of the jurisdiction of its formation or incorporation, is qualified to do business in the states in which it

is required to operate in order to fulfill its obligations under this Precedent Agreement and has full company or corporate power to execute, deliver and perform this Precedent Agreement, (ii) except as otherwise expressly set forth herein, its execution, delivery and performance of this Precedent Agreement have been duly authorized by all necessary company or corporate and governmental action and do not contravene any applicable provision of law or of its constitutional documents or any contractual restriction binding on it or its assets, (iii) it is legally bound by the terms of this Precedent Agreement and the terms of this Precedent Agreement are enforceable against it in accordance with the terms hereof, subject, as to enforcement, to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting creditors' rights and to general equity principles, and (iv) there is no pending or, to the best of such Party's knowledge, threatened action or proceeding affecting such Party before any court, government authority or arbitrator that could reasonably be expected to materially and adversely affect the ability of such Party to perform its obligations hereunder, or that purports to affect the legality, validity or enforceability of this Precedent Agreement.

19. Entire Agreement. The terms and provisions contained herein, including the exhibits and attachments incorporated herein, constitute the entire agreement of the Parties, and there are no prior or contemporaneous agreements, understandings, warranties, representations, covenants, obligations, promises, assurances or conditions precedent or subsequent or otherwise, except those expressly set out in this Precedent Agreement.

20. Waiver of Consequential Damages. **NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY UNDER THIS PRECEDENT AGREEMENT FOR ANY SPECIAL, INDIRECT, INCIDENTAL, PUNITIVE, EXEMPLARY, OR CONSEQUENTIAL DAMAGES OF ANY NATURE HOWSOEVER ARISING, INCLUDING WITHOUT LIMITATION ANY LOST PROFITS, EVEN IF SUCH PARTY HAS BEEN MADE AWARE OF THE POSSIBILITY OF SUCH DAMAGES.**

21. Remedies. Unless otherwise explicitly stated herein, wherever a remedy is specified in this Precedent Agreement (including, *e.g.*, the termination rights set forth in Paragraphs 5(a)(i) through (ix), whether or not exercised), the specified remedy shall be the sole and exclusive remedy available to the Parties with respect to the subject matter of such termination rights, to the exclusion of any other rights, powers, privileges or remedies provided by law. Notwithstanding the foregoing sentence, but subject to Paragraph 20 above, (i) Seller's exercise of the termination right set forth in Paragraph 5(a)(x) shall not deprive Seller of any other rights, powers, privileges or remedies provided by law, (ii) in addition to Seller's right to exercise of the termination right set forth in Paragraph 5(a)(x), if Buyer fails to provide adequate credit support in accordance with Paragraph 6 above, Seller shall be entitled to take all actions that it is permitted to take in accordance with Paragraph 6 above, and (iii) if a 5(b) Termination occurs, Seller shall have the right to be reimbursed by Buyer for Buyer's Proportionate Share of the Project Costs in accordance with Paragraphs 5(b) and 5(c) above.

22. Waiver. No waiver by either Party of any one or more defaults by the other Party in the performance of any provision of this Precedent Agreement shall operate or be construed as a waiver of any other existing and/or future defaults under this Precedent Agreement, whether of a like or different character.

23. Captions; Titles; Interpretation. The captions and titles to the Articles and Paragraphs in this Precedent Agreement are included only for convenience of reference and shall have no effect on, or be deemed part of, the text of this Precedent Agreement. References herein to Articles, Paragraphs, Attachments, Exhibits and clauses are references to Articles of, Paragraphs of, attachments and exhibits to, and clauses of, this Precedent Agreement. Unless otherwise specified, "hereunder," "herein," "hereto," "hereof" and words of similar import refer to this Precedent Agreement as a whole and not to any particular provision hereof. Words denoting the singular include the plural and vice versa. References to any Party or entity shall include such Party's or entity's successors and permitted assigns in that designated capacity. References to days, months and years

are references to calendar days, months and years unless otherwise specified. Words not otherwise defined herein that have well known and generally accepted technical or trade meanings are used in accordance with such meanings. Any reference to “dollars” or “\$” or to “cents” or “¢” shall be to United States dollars or cents, respectively. The use of the words “include,” “includes” or “including” shall be by way of example only and shall not be considered in any way to limit the generality of the description preceding the use of any such word. The words “shall” and “will” have equal effect. Unless the context otherwise requires, the use of any of the words “action,” “claim,” “suit,” “proceeding” or “judgment” includes any and all such terms.

[Signature page follows.]

IN WITNESS WHEREOF, the Parties have caused this Precedent Agreement to be executed
by their duly authorized officers or representatives as of the date first written above.

TRANSCONTINENTAL GAS PIPE LINE COMPANY, LLC

DocuSigned by:
By Steven Tramonte
Na.....B505269D1C254D7...
Title:

DS
RW NT

DS
JB

FORT HILL NATURAL GAS AUTHORITY

By: Ken Porter
Name: Ken Porter
Title: President & CEO

ATTACHMENT A

- A. TCQ means a transportation contract quantity of 5,000 dekatherms of natural gas ("dt") per day
- B. Primary Term means 20 years from and after the Effective Date of the Service Agreement.
- C. Points of Receipt means
- (i) Seller's existing Station 165 Zone 5 Pool located at or near milepost 1,412.99 in Pittsylvania County, Virginia ("Station 165 Receipt Pool"), (the Station 165 Receipt Pool shall have a Maximum Daily Capacity Entitlement of 5,000 dt/day); and
- (ii) the proposed Cherrystone Interconnect with Mountain Valley Pipeline located near milepost 1,413 in Pittsylvania County, Virginia ("MVP Receipt Point"), (the MVP Receipt Point shall have a Maximum Daily Capacity Entitlement of 5,000 dt/day). The MVP Receipt Point shall be added to the Service Agreement as of the date that the Mountain Valley Pipeline project and the Cherrystone Interconnect have been completed and placed into service.
- D. Point of Delivery means
- Seller's existing Station 85 Zone 4 Pool, at or near milepost 784.66 in Choctaw County, Alabama ("Station 85 Zone 4 Pooling Point"), (the Station 85 Zone 4 Pooling Point shall have a Maximum Daily Capacity Entitlement of 5,000 dt/day).

E.



ATTACHMENT B

Form of Service Agreement

**FORM OF SERVICE AGREEMENT
(For Use Under Seller's Rate Schedule FT)**

THIS AGREEMENT entered into this _____ day of _____, _____ (year), by and between TRANSCONTINENTAL GAS PIPE LINE COMPANY, LLC, a Delaware limited liability company, hereinafter referred to as "Seller," first party, and _____, hereinafter referred to as "Buyer," second party,

[or, when applicable, THIS AGREEMENT entered into this _____ day of _____, _____ (year), by and between TRANSCONTINENTAL GAS PIPE LINE COMPANY, LLC, a Delaware limited liability company, hereinafter referred to as "Seller," first party, and _____, as "Agent," for _____ ("Principals"), hereinafter individually and collectively referred to as "Buyer," second party, which Principals meet the requirements set forth in Section 8.3 of Rate Schedule FT which is incorporated herein by reference.]

WITNESSETH

WHEREAS,

NOW, THEREFORE, Seller and Buyer agree as follows:

ARTICLE I
GAS TRANSPORTATION SERVICE

1. Subject to the terms and provisions of this agreement and of Seller's Rate Schedule FT, Buyer agrees to deliver or cause to be delivered to Seller gas for transportation and Seller agrees to receive, transport and redeliver natural gas to Buyer or for the account of Buyer, on a firm basis, up to a Transportation Contract Quantity ("TCQ") of _____ dt per day.

2. Transportation service rendered hereunder shall not be subject to curtailment or interruption except as provided in Section 11 and, if applicable, Section 42 of the General Terms and Conditions of Seller's FERC Gas Tariff.

ARTICLE II
POINT(S) OF RECEIPT

Buyer shall deliver or cause to be delivered gas at the point(s) of receipt hereunder at a pressure sufficient to allow the gas to enter Seller's pipeline system at the varying pressures that may exist in such system from time to time; provided, however, the pressure of the gas delivered or caused to be delivered by Buyer shall not exceed the maximum operating pressure(s) of Seller's pipeline system at such point(s) of receipt. In the event the maximum operating pressure(s) of

Seller's pipeline system, at the point(s) of receipt hereunder, is from time to time increased or decreased, then the maximum allowable pressure(s) of the gas delivered or caused to be delivered by Buyer to Seller at the point(s) of receipt shall be correspondingly increased or decreased upon written notification of Seller to Buyer. The point(s) of receipt for natural gas received for transportation pursuant to this agreement shall be:

See Exhibit A, attached hereto, for points of receipt.

ARTICLE III POINT(S) OF DELIVERY

Seller shall redeliver to Buyer or for the account of Buyer the gas transported hereunder at the following point(s) of delivery and at a pressure(s) of:

See Exhibit B, attached hereto, for points of delivery and pressures.

ARTICLE IV TERM OF AGREEMENT

This agreement shall be effective as of _____, _____ (year) [or, when applicable, "This agreement shall be effective as of the later of _____, _____ (year) or the date that all of Seller's _____ (insert project name) facilities necessary to provide firm transportation service to Buyer have been constructed and are ready for service as determined in Seller's sole opinion"] and shall remain in force and effect until 9:00 a.m. Central Clock Time _____, _____ (year) [or, when applicable, "shall remain in force and effect for a primary term of _____"] and thereafter until terminated by Seller or Buyer upon at least _____ written notice; provided, however, this agreement shall terminate immediately and, subject to the receipt of necessary authorizations, if any, Seller may discontinue service hereunder if (a) Buyer, in Seller's reasonable judgment fails to demonstrate creditworthiness, and (b) Buyer fails to provide adequate security in accordance with Section 32 of the General Terms and Conditions of Seller's Volume No. 1 Tariff. [OPTION TO DELETE IF NOT APPLICABLE: As set forth in Section 8 of Article II of Seller's August 7, 1989 revised Stipulation and Agreement in Docket Nos. RP88-68 et.al., (a) pregranted abandonment under Section 284.221(d) of the Commission's regulations shall not apply to any long term conversions from firm sales service to transportation service under Seller's Rate Schedule FT and (b) Seller shall not exercise its right to terminate this service agreement as it applies to transportation service resulting from conversions from firm sales service so long as Buyer is willing to pay rates no less favorable than Seller is otherwise able to collect from third parties for such service.]

ARTICLE V RATE SCHEDULE AND PRICE

1. Buyer shall pay Seller for natural gas delivered to Buyer hereunder in accordance with Seller's Rate Schedule FT and the applicable provisions of the General Terms and Conditions of Seller's FERC Gas Tariff as filed with the Federal Energy Regulatory Commission, and as the same may be legally amended or superseded from time to time. Such rate schedule and General Terms and Conditions are by this reference made a part hereof. In the event Buyer and Seller mutually agree to a negotiated rate pursuant to the provisions in Section 53 of the General Terms and Conditions and specified term for service hereunder, provisions governing such negotiated rate (including surcharges) and term shall be set forth on Exhibit C to the service agreement.

[WHEN APPLICABLE: The credit support provisions set forth in that certain *[insert description of precedent agreement(s)]* dated _____ (including any amendments thereto) related to this agreement are hereby incorporated herein by reference and made a part of this agreement.]

2. Seller and Buyer agree that the quantity of gas that Buyer delivers or causes to be delivered to Seller shall include the quantity of gas retained by Seller for applicable compressor fuel, line loss make-up (and injection fuel under Seller's Rate Schedule GSS, if applicable) in providing the transportation service hereunder, which quantity may be changed from time to time and which will be specified in the currently effective Statement of Rates and Fuel in Part II, Section 12.1 of this tariff which relates to service under this agreement and which is incorporated herein.

3. In addition to the applicable charges for firm transportation service pursuant to Section 3 of Seller's Rate Schedule FT, Buyer shall reimburse Seller for any and all filing fees incurred as a result of Buyer's request for service under Seller's Rate Schedule FT, to the extent such fees are imposed upon Seller by the Federal Energy Regulatory Commission or any successor governmental authority having jurisdiction.

ARTICLE VI MISCELLANEOUS

1. This Agreement supersedes and cancels as of the effective date hereof the following contract(s):

2. No waiver by either party of any one or more defaults by the other in the performance of any provisions of this agreement shall operate or be construed as a waiver of any future default or defaults, whether of a like or different character.

3. The interpretation and performance of this agreement shall be in accordance with the laws of the State of _____, without recourse to the law governing conflict of laws, and to all present and future valid laws with respect to the subject matter, including present and future orders, rules and regulations of duly constituted authorities.

4. This agreement shall be binding upon, and inure to the benefit of the parties hereto and their respective successors and assigns.

5. Notices to either party shall be in writing and shall be considered as duly delivered when mailed to the other party at the following address:

(a) If to Seller:
Transcontinental Gas Pipe Line Company, LLC
P. O. Box 1396
Houston, Texas 77251
Attention:

(b) If to Buyer:

Such addresses may be changed from time to time by mailing appropriate notice thereof to the other party by certified or registered mail.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be signed by their respective officers or representatives thereunto duly authorized.

TRANSCONTINENTAL GAS PIPE LINE
COMPANY, LLC
(Seller)

By_____

Print Name_____

Title _____

(Buyer)

By_____

Print Name_____

Title _____

Exhibit A

Point(s) of Receipt

[OPTIONAL IF AGREED TO:
Maximum Daily Capacity Entitlement
at each Receipt Point (DT/day)*]

- * These quantities do not include the additional quantities of gas retained by Seller for applicable compressor fuel and line loss make-up provided for in Article V, 2 of this service agreement, which are subject to change as provided for in Article V, 2 hereof.

Exhibit B

<u>Point(s) of Delivery</u>	Maximum Daily Capacity Entitlement at each <u>Delivery Point (Dt/Day)</u>	<u>Pressure</u>
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Exhibit C

Specification of Negotiated Rate and Term

[OPTIONAL IF AGREED TO: Buyer agrees not to file or cause to be filed with the FERC any action, claim, complaint, or other pleading under Section 5 of the NGA, or support or participate in any such proceeding initiated by any other party, requesting a change to or in any way opposing the negotiated rate set forth above.]

[OPTIONAL IF AGREED TO: Seller agrees not to file or cause to be filed with the FERC under Section 4 of the NGA to seek to modify the negotiated rate set forth above.]

ATTACHMENT C

Form of Guaranty

GUARANTY

THIS GUARANTY is effective as of _____, 201_ and is entered into by _____ (“Guarantor”), a _____ [insert type of entity], in favor of and for the benefit of Transcontinental Gas Pipe Line Company, LLC (“Transco”), a Delaware limited liability company.

RECITALS:

WHEREAS, _____ (“Buyer”), a _____ [insert type of entity], and Transco have entered into a Precedent Agreement, dated as of [insert date of Precedent Agreement] (as amended, amended and restated, supplemented or otherwise modified from time to time in accordance with its provisions, the “Precedent Agreement”), which, together with the Service Agreement (as defined in the Precedent Agreement) and Transco’s FERC Gas Tariff, sets forth the terms and conditions under which Transco will provide firm transportation service to Buyer under Transco’s proposed “[INSERT PROJECT NAME]” (the Precedent Agreement, Service Agreement and Transco’s FERC Gas Tariff, and any other agreement, transaction or instrument related thereto or entered into in connection therewith, whether one or more, are collectively referred to herein as the “Agreements” and individually as an “Agreement”); and

WHEREAS, Guarantor will derive substantial direct and indirect benefits from the transactions contemplated by the Agreements; and

WHEREAS, Transco is willing to proceed with the development of the [INSERT PROJECT NAME] and the provision of gas transportation service for Buyer pursuant to the terms of, and subject to the conditions set forth in, the Agreements, provided that Guarantor guarantees payment and performance of Buyer’s covenants, agreements, obligations and liabilities under the Agreements.

NOW, THEREFORE, in consideration of the foregoing premises and other good and valuable consideration, the receipt and sufficiency of which Guarantor hereby acknowledges and affirms, and in order to induce Transco to enter into the Agreements and to provide gas transportation service for Buyer pursuant to the Agreements, Guarantor hereby agrees as follows:

1. Guaranty of Payment. Guarantor hereby irrevocably and unconditionally guarantees the payment and performance of any and all present and future covenants, agreements, obligations and liabilities of Buyer to Transco pursuant to the Agreements (collectively, the “Guaranteed Obligations”). Guarantor agrees, upon any failure by Buyer to pay any of the Guaranteed Obligations, that Guarantor will pay any amounts that Buyer has failed to pay Transco within five (5) days following written demand by Transco. Guarantor agrees that Transco may resort to Guarantor for payment or performance of any of the Guaranteed Obligations whether or not Transco shall have resorted to any collateral security or shall have proceeded against any other obligor principally or secondarily obligated with respect to any of the Guaranteed Obligations. Guarantor reserves the right to assert defenses that Buyer may have to

payment of any Guaranteed Obligations other than defenses arising from the bankruptcy or insolvency of Buyer and other defenses expressly waived hereby.

2. Guaranty Unconditional and Absolute. The obligations of Guarantor hereunder shall be unconditional and absolute and, without limiting the generality of the foregoing, shall not be released, discharged or otherwise affected by:

(a) any extension, renewal, settlement, compromise, waiver, discharge or release in respect of any Guaranteed Obligations;

(b) the existence, or extent of, any release, exchange, surrender, non-perfection or invalidity of any direct or indirect security for any of the Guaranteed Obligations;

(c) any modification, amendment, waiver, extension of or supplement to any of the Agreements or the Guaranteed Obligations agreed to from time to time by Buyer and Transco;

(d) any change in the corporate existence (including its constitution, laws, rules, regulations or powers), structure or ownership of Transco, Buyer or Guarantor, or any insolvency, bankruptcy, reorganization or other similar proceeding affecting Transco, Buyer or Guarantor;

(e) the existence of any claim, set-off or other rights that Guarantor may have at any time against Transco, Buyer or any other corporation or person, whether in connection herewith or in connection with any unrelated transaction; provided, that nothing herein shall prevent the assertion of any such claim by separate suit or compulsory counterclaim;

(f) the invalidity or unenforceability in whole or in part of any of the Agreements, any Guaranteed Obligations or any instrument evidencing any Guaranteed Obligations, or any provision of applicable law or regulation purporting to prohibit payment or performance by Buyer of amounts to be paid or performed by it under the Agreements or any of the Guaranteed Obligations; or

(g) any other act or omission to act or delay of any kind by Transco that might, but for the provisions of this paragraph, constitute a legal or equitable discharge of Guarantor's obligations hereunder.

3. Term. This Guaranty shall be effective as of the date first above written and shall remain in force and effect until the date that the Guaranteed Obligations have been performed in full.

4. Waiver by Guarantor. Guarantor irrevocably waives acceptance hereof, diligence, presentment, demand, protest, notice of dishonor, notice of any sale of collateral and any notice not provided for herein, any right of subrogation to Buyer's rights against Transco under any Agreement or otherwise, and any requirement that at any time any person exhaust any right to take any action against Buyer or its assets or any other guarantor or person or its assets.

5. Subrogation. Upon making any payment hereunder, Guarantor shall be subrogated to the rights of Transco against Buyer with respect to such payment; provided, that Guarantor shall not enforce any right or receive any payment by way of subrogation until all of the Guaranteed Obligations then due shall have been paid in full. Transco agrees to take, at Guarantor's sole cost and expense, such steps as Guarantor may reasonably request to implement such subrogation.

6. Stay of Acceleration Ineffective with Respect to Guarantor. In the event that acceleration of the time for payment of any amount payable by Buyer under the Agreements is stayed upon the insolvency, bankruptcy or reorganization of Buyer, all such amounts otherwise subject to acceleration or required to be paid upon an early termination pursuant to the terms of the Agreements shall nonetheless be payable by Guarantor hereunder on written demand by Transco.

7. Successors and Assigns; Assignment. This Guaranty shall be binding upon and inure to the benefit of Guarantor and its successors and assigns and Transco and its successors and assigns. Guarantor may not assign its rights and obligations hereunder without the prior written consent of Transco, and any such purported assignment without such written consent shall be void.

8. Amendments and Waivers. No provision of this Guaranty may be amended, supplemented or modified, nor any of the terms and conditions hereof waived, except by a written instrument executed by Guarantor and Transco.

9. Remedies Cumulative. The rights, powers, remedies and privileges provided in this Guaranty are cumulative and not exclusive of any rights, powers, remedies and privileges provided by law and any other agreement.

10. Limitation. Guarantor's liability hereunder shall be, and is specifically limited to, payments expressly required to be made under the Agreements (even if such payments are deemed to be damages), and in no event shall Guarantor be subject hereunder to consequential, exemplary or punitive damages except as otherwise expressly provided for in the Agreements.

11. Representations and Warranties. Guarantor hereby represents and warrants to Transco as follows:

(a) Guarantor is duly organized, validly existing and in good standing under the laws of the jurisdiction of its [incorporation or formation] and has full [corporate] power to execute, deliver and perform this Guaranty.

(b) The execution, delivery and performance of this Guaranty have been and remain duly authorized by all necessary [corporate] action and do not contravene any provision of law or of Guarantor's constitutional documents or any contractual restriction binding on Guarantor or its assets.

(c) All consents, authorizations and approvals of, and registrations and declarations with, any governmental authority necessary for the due execution, delivery and performance of this Guaranty have been obtained and remain in full force and effect and all conditions thereof

have been duly complied with, and no other action by and no notice to or filing with, any governmental authority is required in connection with the execution, delivery or performance of this Guaranty. There are no conditions precedent to the effectiveness of this Guaranty that have not been satisfied or waived.

(d) This Guaranty constitutes the legal, valid and binding obligation of Guarantor enforceable against Guarantor in accordance with its terms, subject, as to enforcement, to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting creditors' rights and to general equity principles.

(e) This Guaranty provides substantial direct and indirect benefits to Guarantor.

12. Notices. All notices, demands or communications to Transco or Guarantor, as applicable, in connection with this Guaranty shall be in writing and shall be addressed as follows:

If to Transco: Transcontinental Gas Pipe Line Company, LLC
One Williams Center, MD 50th Floor
Tulsa, OK 74172
Attention: Credit Manager
Treasury Services
Facsimile: 918-732-0235

If to Guarantor: _____

Notices may be given by first class mail, courier, overnight delivery, facsimile, or hand delivery. Notices shall be deemed given on the day the notice is received by the receiving party if such day is a business day, or if such day is not a business day, the next succeeding business day. Either Transco or Guarantor may change its address for notices hereunder by providing written notice of such change to the other party.

13. GOVERNING LAW; WAIVER OF JURY TRIAL. **THIS GUARANTY SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REFERENCE TO ANY CHOICE OF LAW DOCTRINE OR CONFLICT OF LAW PRINCIPLES THEREOF THAT COULD REFER THE MATTER TO ANOTHER JURISDICTION. GUARANTOR HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES THE RIGHT TO A JURY TRIAL IN CONNECTION WITH ANY CLAIM ARISING OUT OF OR RELATED TO THIS GUARANTY.**

14. Miscellaneous. This Guaranty supersedes and terminates the following guaranty(ies) issued by Guarantor on behalf of Buyer for the benefit of Transco: [None.]

IN WITNESS WHEREOF, Guarantor has caused this Guaranty to be duly executed as of the date first above written.

[Guarantor]

By: _____
Name:
Title:

**PRECEDENT AGREEMENT
FOR
FIRM TRANSPORTATION SERVICE UNDER
SOUTHEAST SUPPLY ENHANCEMENT PROJECT**

This Precedent Agreement For Firm Transportation Service Under the Southeast Supply Enhancement Project (this “Precedent Agreement”) is made and entered into the 29 day of September, 2023, by and between TRANSCONTINENTAL GAS PIPE LINE COMPANY, LLC (“Seller”), a Delaware limited liability company, and GREER COMMISSION OF PUBLIC WORKS (“Buyer”), a South Carolina Municipality (Seller and Buyer are sometimes referred to herein individually as a “Party” and collectively as the “Parties”).

WITNESSETH:

WHEREAS, Buyer has requested firm transportation service under Seller’s proposed “Southeast Supply Enhancement Project” (referred to herein as the “Project”), which is proposed to include the expansion of Seller’s pipeline system from its existing Station 165 Zone 5 Pool and the proposed interconnection between Seller’s mainline and Mountain Valley Pipeline, LLC’s (“MVP”) pipeline, both located at or near milepost 1,412.99 in Pittsylvania County, Virginia, to various delivery points on Seller’s mainline extending to the existing Station 85 Zone 4 Pool located at or near milepost 784.66 in Choctaw County, Alabama.

WHEREAS, Seller and Buyer now desire to enter into this Precedent Agreement to set forth the terms and conditions under which, among other things, Seller will seek the necessary approvals and authorizations for the construction and operation of the Project facilities and Seller and Buyer will execute a service agreement under Seller’s Rate Schedule FT, in substantially the form attached as Attachment B hereto, for firm transportation service under the Project.

NOW THEREFORE, in consideration of the mutual covenants herein assumed and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer agree as follows:

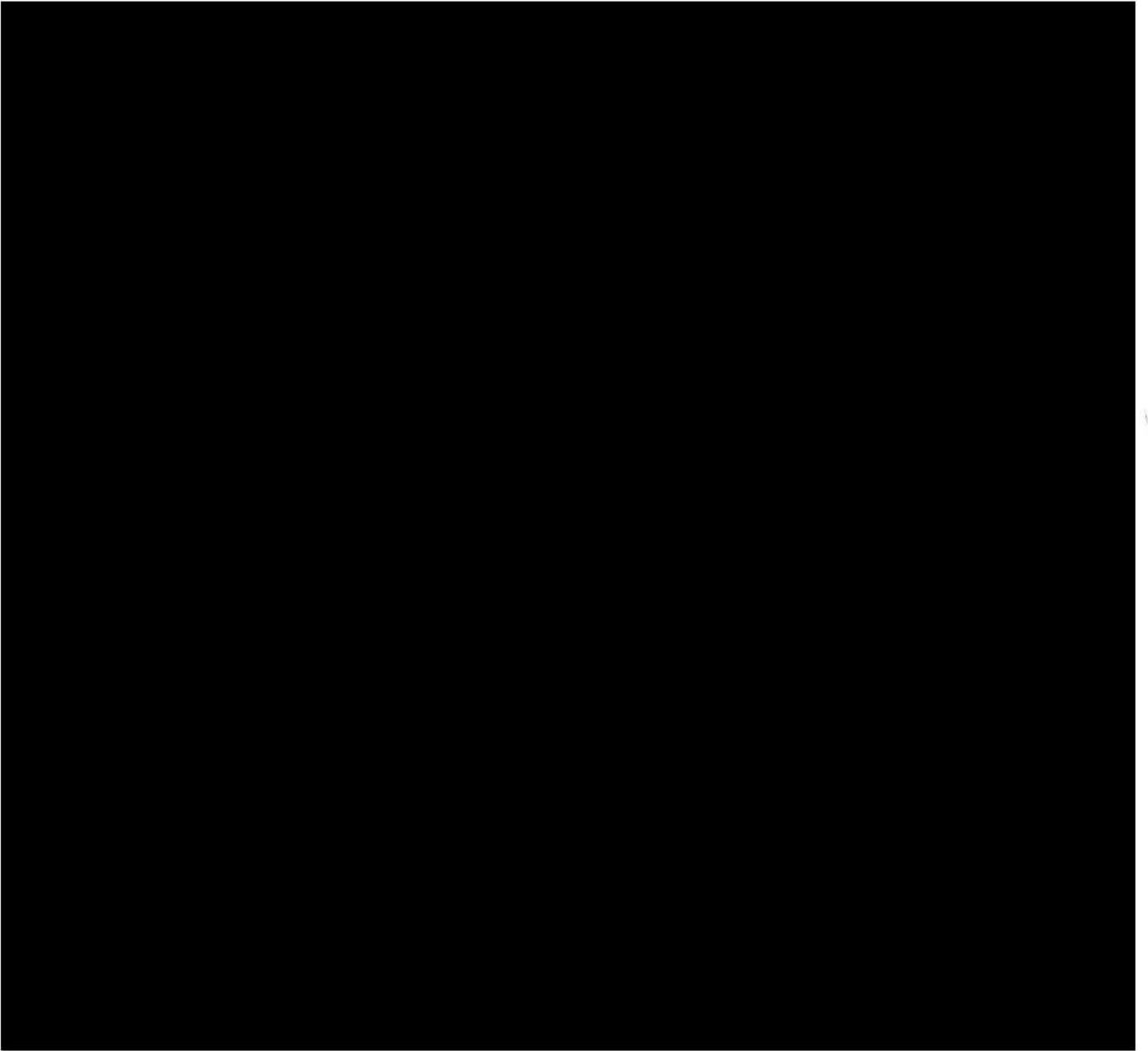
1. Approvals and Cooperation; Open Season; Anchor Shipper Status.

(a) Seller shall seek such contractual and property rights, financing arrangements, and regulatory approvals as may be necessary to construct and operate the Project facilities so as to provide firm transportation service to Buyer consistent with the terms and conditions of this Precedent Agreement, including the necessary authorizations from the Federal Energy Regulatory Commission (“FERC”) under the Natural Gas Act (“NGA”) for the Project (“FERC Authorization”) and all other authorizations (including any authorizations or permits that may be required from other federal or state or local agencies) that may be necessary for Seller to proceed with construction and operation of the Project facilities (such other authorizations are referred to herein collectively as the “Other Governmental Authorizations”). Seller’s application for the FERC Authorization is referred to herein as the “FERC Application.”

(b) Seller reserves the right to file and prosecute all applications for the FERC Authorization and any Other Governmental Authorizations necessary or appropriate for the Project, including any supplements or amendments thereto and, if necessary, any court review in such manner as it deems to be in its best interest but that is consistent with the terms and conditions of this Precedent Agreement. In no event shall Seller be obligated to file a request for rehearing or an appeal if the FERC Authorization or any Other Governmental Authorization is denied or granted with conditions that are adverse to the interests of the Parties.

(c) Promptly following the issuance of the FERC order granting the certificate of public convenience and necessity for the Project, the Parties shall discuss in good faith any aspects of such FERC order that are inconsistent with the FERC Application. If either Party intends to seek rehearing and/or appeal of such FERC order, such Party shall notify the other Party and reasonably consult with the other Party.

(d)



(e) The Parties acknowledge that they are executing this Precedent Agreement following the open season beginning on June 19, 2023 and ending on July 14, 2023, by Seller for the firm transportation capacity to be made available under the Project. The Parties agree that execution and delivery of this Precedent Agreement by both Parties shall fulfill Buyer's request under the Project open season for firm transportation service for a transportation contract quantity of 10,000 dt/day ("TCQ") through the primary firm transportation paths established by the Points of Receipt and Point of Delivery and associated maximum daily quantities at such points, all as further described in Attachment A hereto.

2. Service Agreement and Rate.

(a) Subject to the terms and conditions of this Precedent Agreement, Seller and Buyer shall, contemporaneously with the execution and delivery of this Precedent Agreement, execute and deliver the service agreement under Seller's Rate Schedule FT set forth in Attachment B hereto (referred to herein as the "Service Agreement"). The Service Agreement shall provide for, among other things, the TCQ, Primary Term, Points of Receipt and the Point of Delivery, and, if elected by Buyer pursuant to Paragraph 2(b) below, the Negotiated Reservation Rate, all as defined and further described in Attachment A and subject to the terms and conditions hereof.

(b) Upon execution of this Precedent Agreement, Buyer shall elect one of the following rate options by having its duly authorized representative initial in the space provided below for the elected rate option.

MR For the firm transportation service under the Service Agreement, Buyer hereby agrees to pay the negotiated rate as set forth in Attachment A, Paragraph E hereto, including the Negotiated Reservation Rate (as defined therein) and all other applicable rates and charges as further described in Attachment A, Paragraph E.

_____ For the firm transportation service under the Service Agreement, Buyer hereby agrees to pay the total maximum cost-based recourse reservation rate and all electric power unit rates, commodity rates, and surcharges, and to be responsible for compressor fuel and line loss make-up retention, all as applicable under Rate Schedule FT of Seller's FERC Gas Tariff, as the same may be revised from time to time, for firm transportation service under the Project (collectively, the "Recourse Rate"). The initial Recourse Rate will be designed based on the straight fixed-variable rate design methodology and will be calculated using Seller's estimated cost of the Project facilities, estimates for operation and maintenance expenses based on estimates for similar facilities, billing determinants under the Project, and other cost

factors. Seller makes no representation or warranty of any kind whatsoever as to the actual recourse reservation rate that will be applicable to the firm transportation service under the Project.

The foregoing rate selection shall apply during the Primary Term. Unless otherwise determined in accordance with Paragraph 2(d) below or otherwise agreed to by the Parties, the applicable rate under the Service Agreement after the Primary Term shall be the Recourse Rate.

(c) The Service Agreement shall be effective as of the date that all of Seller's Project facilities necessary to provide firm transportation service to Buyer under the Service Agreement have been constructed and are ready for service as determined in Seller's sole opinion (such date is referred to herein as the "Effective Date of the Service Agreement"), and shall remain in force and effect for the Primary Term and thereafter until terminated by either Party upon at least one (1) year's prior written notice to the other Party (subject to the term extension provisions set forth in Paragraph 2(d) below). The firm transportation service under the Service Agreement will be provided in accordance with the applicable provisions of Seller's Rate Schedule FT and FERC Gas Tariff.

(d) If Buyer elects to pay the negotiated rate pursuant to Paragraph 2(b) above, then the following term extension provisions shall be included in Exhibit C to the Service Agreement as part of the negotiated rate agreement between the Parties:

(i) Seller will agree, upon written request by Buyer at least eighteen (18) months prior to the end of the Primary Term, to extend the term of the Service Agreement for an additional five (5) year period ("First Term Extension") at the TCQ in effect during the Primary Term and, at the sole election of Buyer, at either (A) the Negotiated Reservation Rate and all other applicable rates and charges as further described in Attachment A hereto, or (B) the applicable Recourse Rate.

(ii) Seller will agree, upon written request by Buyer at least eighteen (18) months prior to the end of the First Term Extension, to extend the term of the Service Agreement for a second additional five (5) year period at the TCQ in effect at the end of the First Term Extension and, at the sole election of Buyer, at either (A) the Negotiated Reservation Rate and all other applicable rates and charges as further described in Attachment A hereto, or (B) the applicable Recourse Rate.

3. In-Service Date.

(a) After both Parties' execution of the Service Agreement pursuant to Paragraph 2 above and Seller's receipt and acceptance of all other necessary contract rights, property rights, financing arrangements, FERC Authorization, and Other Governmental Authorizations for the Project in a form and substance satisfactory to Seller in its sole determination, Seller shall proceed with the construction of the Project facilities so as to begin firm transportation service for Buyer by a target in-service date of November 1, 2027 ("Target ISD").

(b) Notwithstanding Paragraph 3(a) above, but subject to Paragraph 5 below, if Seller is unable to complete construction of the Project facilities necessary to provide firm transportation service to Buyer under the Service Agreement by the Target ISD despite its exercise of reasonable diligence, then Seller shall provide notice thereof to Buyer and Seller shall continue to proceed with reasonable diligence to complete construction of such Project facilities, place such facilities in operation, and commence service for Buyer at the earliest date thereafter commercially reasonable to Seller. Seller shall not be liable in any manner to Buyer, nor shall this Precedent Agreement or the Service Agreement be subject to termination, other than as expressly provided in the other provisions of this Precedent Agreement or the Service Agreement, if for any reason Seller is unable to complete the construction of such facilities and commence the firm transportation service to Buyer as contemplated herein and in the Service Agreement.

(c) Seller shall keep Buyer reasonably apprised of the Target ISD and any changes thereto.

4. Term of Precedent Agreement. This Precedent Agreement shall become effective on the date first written above and, unless terminated earlier, shall automatically terminate as of the Effective Date of the Service Agreement; provided, however, that (i) Paragraphs 5(a)(x) and 6 and Attachment C hereto shall survive termination of this Precedent Agreement for the Primary Term of the Service Agreement, (ii) Paragraph 9 shall survive for the period specified therein, and (iii) Paragraph 10 shall survive for any Dispute under this Precedent Agreement arising under Paragraphs 5(a)(x), 6 or 9.

5. Termination.

(a) In addition to any other termination rights set forth herein, this Precedent Agreement and, if executed, the Service Agreement shall be subject to termination as specified below:

(i)

(ii)

[REDACTED]

(iii)

[REDACTED]

[REDACTED]

(iv)

[REDACTED]

[REDACTED]

(v)

[REDACTED]

[REDACTED]

[REDACTED]

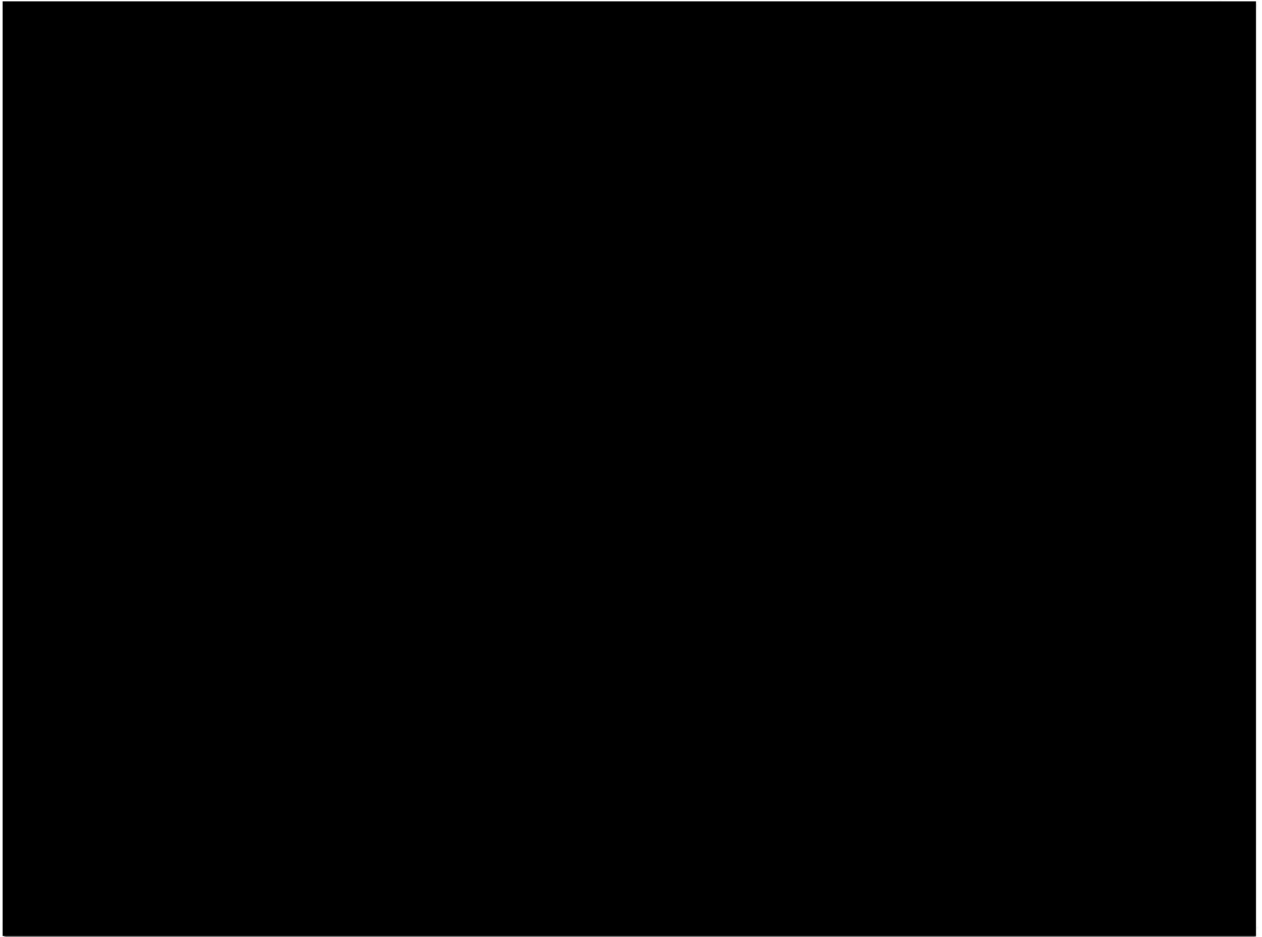
(vi)

[REDACTED]

(vii)

[REDACTED]

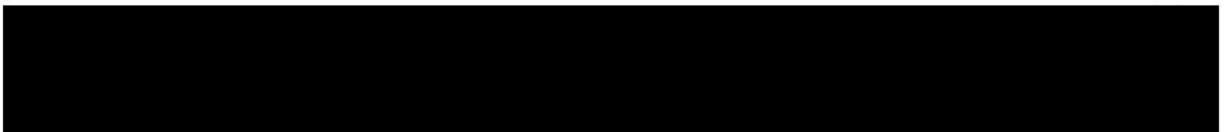
[REDACTED]



(viii)



(ix)



[REDACTED]

(x) [REDACTED]

[REDACTED]

(b) If either this Precedent Agreement or the Service Agreement is terminated by Buyer pursuant to Paragraphs 5(a)(i), (iv), (vi), (viii) or (ix) above or by Seller pursuant to Paragraph 5(a)(x) (each such termination contingency is referred to herein respectively as a “5(b) Termination”), then Buyer shall reimburse Seller for Buyer’s Proportionate Share (as hereinafter defined) of the Project costs reasonably incurred and/or committed to by Seller as of the date that Seller receives Buyer’s written notice of termination or the date that Seller provides written notice of termination to Buyer, as the case may be (“Project Costs”). The Project Costs shall include, for purposes of illustration and without limitation, costs relating to planning, designing, procuring materials and seeking regulatory and environmental authorizations for the Project, constructing the Project, mobilization and demobilization of work in progress and cancellation charges related to materials ordered but no longer required. The Project Costs shall not include the mitigated costs described below. Subject to Paragraph 5(c) below, the term “Proportionate Share” shall mean a fraction, the numerator of which is Buyer’s TCQ and the denominator of which is the total firm transportation capacity per day under the Project. Such reimbursement shall be made by Buyer within thirty (30) days of Buyer’s receipt of an invoice from Seller setting forth Buyer’s Proportionate Share of the Project Costs. Such invoice shall include reasonable support for such reimbursable costs. Seller shall make a good faith effort to mitigate the Project Costs to be reimbursed by Buyer hereunder, including by making good faith efforts to redeploy, return, sell or assign the materials and supplies, if any, that will not be used for

the Project as a result of such termination of this Precedent Agreement or the Service Agreement. Seller shall net any such redeployment, return, sale or assignment amounts against the Project Costs.

(c) If a 5(b) Termination occurs but the Project is nevertheless placed in service (either before or after such termination), Seller shall, subject to the terms of Seller's FERC Gas Tariff and applicable FERC orders, rules and regulations, make a good faith effort to subscribe the firm transportation capacity under the Project from the Points of Receipt to the Point of Delivery with other shipper(s) on the same terms as set forth in this Precedent Agreement. If Seller is able to subscribe with other shipper(s) all or a portion of the capacity under the Project from the Points of Receipt to the Point of Delivery on the same terms as set forth in this Precedent Agreement (or on terms more favorable to Seller) ("Keep-Whole Subscription"), then the definition of the term "Proportionate Share" shall be modified to mean a fraction, the numerator of which is Buyer's TCQ minus the transportation contract quantity subscribed by Seller in accordance with the foregoing, and the denominator of which is the total firm transportation capacity per day under the Project. If Seller is able to subscribe with other shipper(s) all or a portion of the capacity under the Project from the Points of Receipt to the Point of Delivery but on terms less favorable to Seller than as set forth in this Precedent Agreement ("Lesser Subscription"), then Buyer's Proportionate Share of the Project Costs shall be reduced by such amount, which shall be reasonably determined by Seller in equity and good faith, taking into consideration the reasonable value to Seller of such capacity subscription(s) (Seller shall provide reasonable, written support for such determination). If a Keep-Whole Subscription and/or Lesser Subscription occurs on or before the date that is six (6) months following the in-service date of the Project, then Seller shall refund the applicable amount of the mitigated Project Costs reimbursed by Buyer (as such mitigated amount is determined in accordance with the immediately preceding two sentences) within thirty (30) days after the date that the firm transportation service under such Keep-Whole Subscription and/or Lesser Subscription commences. Such refund shall include reasonable support for such refunded amounts. If Seller is unable to subscribe with other

shipper(s) any of such capacity, then Buyer shall remain responsible for Buyer's Proportionate Share of the Project Costs in accordance with Paragraph 5(b).

(d) If Buyer is required to reimburse Seller for Project Costs pursuant to Paragraph 5(b) above, then Buyer shall have the right, upon at least twenty (20) days prior written notice to Seller, to audit books and records of Seller relating to the Project Costs (including, if applicable, reasonable information regarding any Keep-Whole Subscription and/or Lesser Subscription). Any such audit shall be conducted during normal business hours and at Buyer's sole cost and expense. Buyer shall have twelve (12) months after the date of receipt of an invoice for its Proportionate Share of the Project Costs (but in any event Buyer shall have at least three (3) months after Seller closes its books with respect thereto) in which to complete such an audit and submit any claims under this provision. After such period, Buyer's right to audit shall expire and Seller's records shall be presumed to be correct. If Buyer, after exercising such audit right, disputes Buyer's Proportionate Share of the Project Costs for which Seller seeks reimbursement, then such dispute shall be resolved pursuant to Paragraph 10 of this Precedent Agreement.

(e) Except as otherwise stated herein, termination of this Precedent Agreement shall not relieve either Party from any obligation accruing or accrued prior to the date of such termination, nor shall such termination deprive a Party not in default of any remedy otherwise available to such Party.

(f) If at any time Seller reasonably determines that any of the target dates for filing the FERC Application, commencing construction of the Project facilities, or placing the Project in service will be materially delayed, then (i) Seller shall provide prompt, written notice thereof to Buyer, (ii) Seller shall present to Buyer a revised Project schedule and, (iii) if requested by Seller, the Parties shall commence good faith negotiations to revise the termination dates set forth in Paragraphs 5(a)(iii), (viii), and (ix) above. For the avoidance of doubt, the termination rights (and dates) set forth in Paragraphs 5(a)(iii), (viii), and (ix) shall remain in effect unless and until the Parties otherwise mutually agree in writing.

(g) If a Force Majeure event, as defined below, affects the deadlines triggering the termination rights set forth in 5(a)(iii), (viii), or (ix), such deadlines shall be extended by the same number of days as the Force Majeure event. For purposes of this Paragraph 5(g) only, a "Force Majeure" event shall mean acts beyond Seller's reasonable control, including but not limited to: acts of God, strikes, lockouts, acts of terrorists, wars, blockades resulting in delays obtaining goods or services necessary for the Project, insurrections, riots, epidemics, landslides, lightning causing significant damage at the Project site, earthquakes, fires, floods, explosions, or any other causes whether of the kind enumerated in this Precedent Agreement or otherwise, that are not reasonably within the control of Seller. For purposes of this Precedent Agreement, a Force Majeure event shall also include (i) events, acts or causes arising out of or related to the novel coronavirus (COVID-19) global pandemic as declared by the World Health Organization on March 11, 2020, and (ii) any governmental action or inaction (including, without limitation, legislative, administrative or judicial action) that causes a delay in obtaining any necessary approval or otherwise delays the ability of Seller to render the services contemplated in the Precedent Agreement, including any amendments thereto, or the Service Agreement.

6. Credit Support.

(a) Buyer represents that, as of the effective date of this Precedent Agreement, in order for Seller to have been able to perform its required credit appraisal of Buyer, Buyer has provided to Seller such of the information listed below as is applicable to Buyer (or its Guarantor (as such term is hereinafter defined), if applicable). As required by Seller's FERC Gas Tariff, Buyer shall furnish to Seller at least annually, and at such other times as may be requested by Seller, any updates to the credit information listed below that is applicable to Buyer for the purpose of enabling Seller to perform an updated credit appraisal; provided that Seller shall first use reasonable efforts to obtain such information from publicly available sources.

Financial information to be provided to Seller:

- Audited Financial Statements;
- Annual Report;
- List of Affiliates, Parent Companies and Subsidiaries;
- Publicly Available Information from Credit Reports of Credit and Bond Rating Agencies;
- Private Credit Ratings, if obtained by Buyer;
- Bank References;
- Trade References;
- Most recent filed statements with the Securities and Exchange Commission (or an equivalent authority) or other publicly available information of a similar nature;
- If Buyer is a public entity:
 - the most recent publicly available interim financial statements, with an attestation by its principal financial officers, controller or equivalent that, to such person's knowledge, such statements fairly present in all material aspects the financial condition of the entity in accordance with Generally Accepted Accounting Principles ("GAAP") or equivalent;
- If Buyer is a non-public entity, including if Buyer is a state-regulated utility:
 - the most recent available interim financial statements, with an attestation by its principal financial officers, controller or equivalent that, to such person's knowledge, such statements fairly present in all material aspects the financial condition of the entity in accordance with GAAP or equivalent; and
 - if applicable, an existing sworn filing, including the most recent available interim financial statements and annual financial reports filed with the respective regulatory authority, showing Buyer's current financial condition;
- If Buyer is a state-regulated utility local distribution company, documentation from its respective state regulatory commission (or an equivalent authority) of an authorized gas supply cost recovery mechanism which fully recovers both gas commodity and transportation capacity costs and is afforded regulatory asset accounting treatment in accordance with GAAP or equivalent;
- Such other information as may be mutually agreed to by the Parties; and
- Such other information as Seller may receive approval to include in its FERC Gas Tariff or general terms and conditions.

(b) Buyer (or its Guarantor, if applicable) will be deemed to be creditworthy if (i) it has a long term senior unsecured debt rating of Baa3 or better from Moody's Investor Services or BBB- or better from Standard and Poor's, or (ii) it is not rated but Seller determines that, notwithstanding the absence of such a rating, the financial position of Buyer (or its Guarantor, if applicable) is acceptable to Seller in its reasonable judgment (such determination of creditworthiness shall be based on the results of a thorough analysis of the financial information provided by Buyer (or its Guarantor, if applicable)). In the event Seller does not find Buyer (or its Guarantor, if applicable) to be creditworthy

pursuant to this Paragraph 6, Seller shall provide a written explanation of the basis of its determination to Buyer.

(c) Subject to the terms of this Paragraph 6, if at any time during the term of this Precedent Agreement or the Service Agreement Buyer fails to meet Seller's creditworthiness requirements set forth herein, then, within ten (10) days after receipt of written notice from Seller that Buyer fails to meet such requirements, Buyer shall provide one or more of the following forms of credit support for any and all present and future covenants, agreements, obligations and liabilities of Buyer to Seller under this Precedent Agreement and, if executed, the Service Agreement (collectively, "Buyer's Obligations") for the period of time Buyer fails to meet Seller's creditworthiness requirements:

(i) a guaranty in substantially the form attached as Attachment C hereto, executed by a company meeting Seller's creditworthiness requirements as set forth in this Paragraph 6 ("Guarantor"), irrevocably and unconditionally guaranteeing the payment and performance of any and all of Buyer's Obligations;

(ii) a standby irrevocable letter of credit in form and substance satisfactory to Seller in the amount requested by Seller, which shall not exceed the credit support limit determined in accordance with Paragraph 6(f) hereto, drawn upon a U.S. bank or a foreign bank with a branch office located in the United States, in each case having assets of at least US\$10 billion and with a credit rating of A or better from Standard and Poor's or A2 or better from Moody's Investor Services; or

(iii) such other form of credit support that is reasonably acceptable to Seller.

(d) If during the term of this Precedent Agreement and, if executed, the Service Agreement, there are material, adverse changes to the financial status of Buyer (or its Guarantor or the issuer of a letter of credit or the source of other credit support, as applicable) and, as a result of such changes Buyer (or its Guarantor or the issuer of a letter of credit or the source of other credit support, as applicable) is no longer creditworthy as reasonably determined by Seller, then Seller shall

provide written notice to Buyer thereof and Buyer shall promptly (but in no event later than ten (10) days after Seller's notice) provide qualifying credit support (or additional credit support, as the case may be) pursuant to this Paragraph 6.

(e) [REDACTED]

[REDACTED] As of the Effective Date of the Service Agreement, Seller may not require Buyer to provide credit support under Paragraph 6(c)(ii) in an amount exceeding the lesser of (i) twelve (12) months' worth of reservation charges under the Service Agreement, or (ii) the total reservation charges for all months remaining in the applicable term of the Service Agreement. If Buyer provides a guaranty in accordance with Paragraph 6(c)(i), such guaranty shall not be subject to the limits set forth in this Paragraph and shall cover all of Buyer's Obligations.

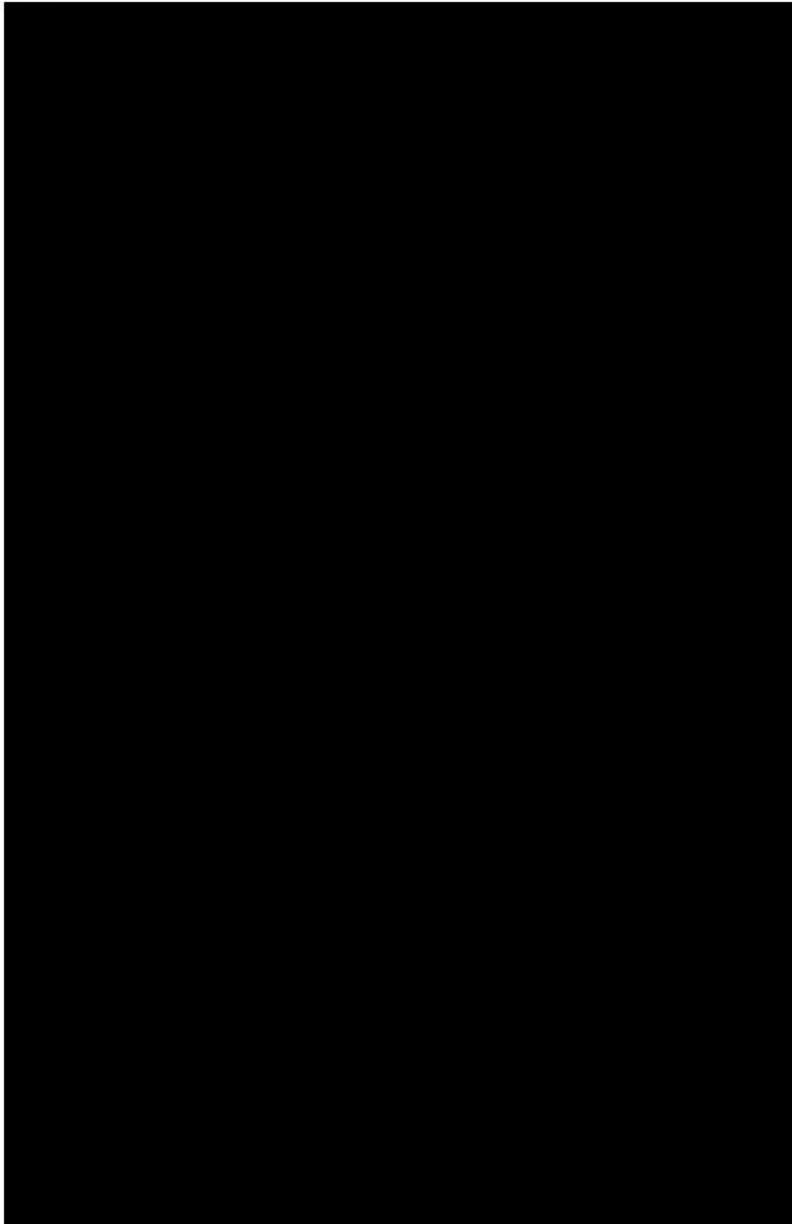
(f) Notwithstanding the foregoing, if Buyer is required to provide credit support in accordance with this Paragraph 6, in no event shall the level of credit support for Buyer's Obligations during the Primary Term or during any extension thereof be less than the minimum credit support that Seller may require under its FERC Gas Tariff.

(g) Buyer shall not be required to provide credit support pursuant to the foregoing Paragraphs prior to August 1, 2023.

(h) Buyer acknowledges and agrees that Buyer shall be responsible for all costs and expenses incurred by Buyer to obtain any credit support or additional credit support required to be obtained pursuant to this Paragraph 6. Seller will not reimburse or otherwise credit Buyer for any costs or expenses incurred by Buyer (or its Guarantor, if applicable) to obtain any credit support or additional credit support.

7. Notices.

(a) Except as otherwise expressly set forth herein, all notices and other communications by a Party shall be in writing and shall be sent by one (1) of the following means: electronic mail, hand delivery or courier to the other Party at the electronic or physical addresses as provided in this Paragraph:



or at any other electronic mail or physical address of which either Party shall have notified the other Party in any manner prescribed in this Paragraph.

(b) For all purposes of this Precedent Agreement, a notice or communication will be deemed effective on the day that the notification as set forth in subparagraph (a) above has occurred, as follows:

(i) if delivered by hand or sent by courier, on the day it is delivered unless (A) that day is not a day upon which commercial banks are open for the transaction of business in New York, New York (a "Business Day") or (B) it is delivered after the close of business on a Business Day, in either of which cases it is deemed effective on the next succeeding Business Day; and

(ii) if sent by electronic mail or facsimile transmission, on the date transmitted, provided that confirmation of receipt is obtained by the sender, unless (A) the date of transmission is not a Business Day or (B) it was received after the close of business on a Business Day, in either of which cases it is deemed effective on the next succeeding Business Day.

8. Assignment and Delegation.

(a) Subject to any applicable FERC orders, rules and regulations, either Party may, without the consent of the other Party, assign this Precedent Agreement to an affiliate of the assigning Party, but the assigning Party shall not be relieved of its obligations under this Precedent Agreement without the express written consent of the non-assigning Party. The assigning Party shall deliver notice of the assignment to the other Party as soon as practicable after such assignment.

(b) Except as provided in subparagraph (a) above, no assignment of this Precedent Agreement shall be made unless there first shall have been obtained the written consent of the other Party, which consent shall not be unreasonably withheld, conditioned or delayed.

(c) Any assignment in contravention of this Paragraph shall be void *ab initio*.

9. Confidentiality and Disclosures. The provisions in Paragraph 5(a) and the negotiated rate set forth in Paragraph E of Attachment A, including the Negotiated Reservation Rate and all other

applicable rates and charges as further described in Paragraph E, are confidential (such confidential information is referred to herein as the "Confidential Information"). Either Party may disclose the Confidential Information to its or its affiliates' members, managers, directors, officers, employees, representatives, agents, consultants, attorneys or auditors (collectively, "Representatives") who have a need to know the Confidential Information. Seller and Buyer agree not to disclose or communicate, and shall cause their respective Representatives not to disclose or communicate, the Confidential Information to any other person, entity, firm or corporation without the prior written consent of the other Party; provided that either Party may disclose the Confidential Information as required by law, order, rule or regulation of any duly constituted governmental body or official authority having jurisdiction, subject to the condition that the disclosing Party first give the other Party two (2) Business Days' notice of same, or as much notice as possible, if any, under the circumstances, so that a protective order or other protective arrangements may be sought. Notwithstanding the foregoing, Seller may make any disclosure of the Confidential Information without prior notice to or consent of Buyer if Seller (i) determines that such disclosure is required in connection with any FERC order, rule or regulation or (ii) discloses a copy of this Precedent Agreement to a requesting party pursuant to Section 388.112(b) of the FERC's regulations if such party is a public utility commission (or its equivalent) or Seller otherwise determines that disclosure to such party would not cause competitive harm to Seller. If this Precedent Agreement is terminated pursuant to the terms and conditions hereof or otherwise by mutual agreement of the Parties, then this Paragraph 9 shall survive for a period of two (2) years from and after the effective date of such termination.

10. Dispute Resolution. Any dispute between the Parties arising under this Precedent Agreement ("Dispute") shall be resolved in accordance with the provisions of this Paragraph. The Parties shall initially attempt to resolve a Dispute by the following informal dispute resolution process. Each Party shall promptly designate in writing to the other Party a representative who shall be authorized to resolve any Dispute with due consideration of law, equity and good faith. Each

Dispute shall be initially referred by written notice to such designated representative for resolution. If the designated representatives are unable to resolve any such Dispute within thirty (30) days of such referral, each Party shall promptly designate in writing to the other Party a more senior representative who shall be authorized to resolve the Dispute, and such representatives shall attempt to resolve such Dispute within a further period of fifteen (15) days. The Parties shall attempt to resolve all Disputes promptly, equitably and in good faith, and shall provide each other in a timely manner reasonable documentation relating to the Dispute. Neither Party shall be under an obligation to provide any privileged or confidential documents that it is not otherwise obligated to provide under this Precedent Agreement and each Party may seek equitable relief as it determines in its sole judgment is necessary. Unless the Parties otherwise agree, if the period of forty-five (45) days referred to above has expired and the Dispute remains unresolved, the Parties may, by mutual agreement, submit the Dispute to arbitration or, if no such agreement is reached, either Party may submit the Dispute to the appropriate court or governmental authority.

11. Further Assurances. Seller and Buyer agree to execute all other additional instruments and documents, and to do all other acts, as may be reasonably necessary to effectuate the terms and provisions of this Precedent Agreement.

12. Modification. Except as provided otherwise in this Precedent Agreement, no modification of the terms or provisions of this Precedent Agreement shall be effective unless contained in a written agreement executed by both Seller and Buyer.

13. Counterparts. This Precedent Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same agreement. Signature pages delivered by facsimile or e-mail shall be binding with the same force and effect as original signature pages. Any counterpart may be executed by facsimile or “.pdf” signature and such facsimile or “.pdf” signature shall be deemed an original.

14. Joint Preparation. The provisions of this Precedent Agreement shall be considered as prepared through the joint efforts of the Parties and shall not be construed against either Party as a result of the preparation or drafting thereof.

15. Savings Clause. If the FERC or a court of competent jurisdiction declares any provision of this Precedent Agreement unenforceable, then that provision shall be severed from this Precedent Agreement, which shall otherwise remain in full force and effect and be construed as if it did not contain the severed provision; provided, however, that if severing such provision from this Precedent Agreement has a material adverse effect on the rights or obligations of either Party as set forth in this Precedent Agreement or would substantially impair the respective benefits or expectations of the Parties to this Precedent Agreement, then, without limiting the rights of the Parties under Paragraph 5 hereof, the Parties agree to negotiate in good faith replacement terms that are consistent with the FERC's or court's declaration or directive and that maintain the relative economic positions of, and risks to, the Parties as reflected in this Precedent Agreement as of the date first set forth above. If, despite their good faith efforts, the Parties are unable to negotiate mutually agreeable replacement terms for this Precedent Agreement in accordance with the foregoing, then this Precedent Agreement shall otherwise remain in full force and effect and be construed as if it did not contain the severed provision.

16. Choice of Law. **THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD FOR ANY RULES FOR CONFLICTS OF LAW THAT WOULD REFER THE MATTER TO THE LAWS OF ANOTHER JURISDICTION, SHALL GOVERN THE VALIDITY, EFFECT, CONSTRUCTION AND INTERPRETATION OF THIS PRECEDENT AGREEMENT.**

17. Regulations. This Precedent Agreement and the obligations of the Parties hereunder are subject to all applicable laws, rules, orders and regulations of governmental authorities having jurisdiction and, anything in this Precedent Agreement to the contrary notwithstanding, in the event

of conflict among any such laws, rules, orders or regulations of governmental authorities having jurisdiction and this Precedent Agreement, such laws, rules, orders and regulations of governmental authorities having jurisdiction shall control.

18. Representations and Warranties. Each Party represents and warrants, on its own behalf, that (i) it is duly formed or organized, validly existing and in good standing under the laws of the jurisdiction of its formation or incorporation, is qualified to do business in the states in which it is required to operate in order to fulfill its obligations under this Precedent Agreement and has full company or corporate power to execute, deliver and perform this Precedent Agreement, (ii) except as otherwise expressly set forth herein, its execution, delivery and performance of this Precedent Agreement have been duly authorized by all necessary company or corporate and governmental action and do not contravene any applicable provision of law or of its constitutional documents or any contractual restriction binding on it or its assets, (iii) it is legally bound by the terms of this Precedent Agreement and the terms of this Precedent Agreement are enforceable against it in accordance with the terms hereof, subject, as to enforcement, to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting creditors' rights and to general equity principles, and (iv) there is no pending or, to the best of such Party's knowledge, threatened action or proceeding affecting such Party before any court, government authority or arbitrator that could reasonably be expected to materially and adversely affect the ability of such Party to perform its obligations hereunder, or that purports to affect the legality, validity or enforceability of this Precedent Agreement.

19. Entire Agreement. The terms and provisions contained herein, including the exhibits and attachments incorporated herein, constitute the entire agreement of the Parties, and there are no prior or contemporaneous agreements, understandings, warranties, representations, covenants, obligations, promises, assurances or conditions precedent or subsequent or otherwise, except those expressly set out in this Precedent Agreement.

20. Waiver of Consequential Damages. **NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY UNDER THIS PRECEDENT AGREEMENT FOR ANY SPECIAL, INDIRECT, INCIDENTAL, PUNITIVE, EXEMPLARY, OR CONSEQUENTIAL DAMAGES OF ANY NATURE HOWSOEVER ARISING, INCLUDING WITHOUT LIMITATION ANY LOST PROFITS, EVEN IF SUCH PARTY HAS BEEN MADE AWARE OF THE POSSIBILITY OF SUCH DAMAGES.**

21. Remedies. Unless otherwise explicitly stated herein, wherever a remedy is specified in this Precedent Agreement (including, *e.g.*, the termination rights set forth in Paragraphs 5(a)(i) through (ix), whether or not exercised), the specified remedy shall be the sole and exclusive remedy available to the Parties with respect to the subject matter of such termination rights, to the exclusion of any other rights, powers, privileges or remedies provided by law. Notwithstanding the foregoing sentence, but subject to Paragraph 20 above, (i) Seller's exercise of the termination right set forth in Paragraph 5(a)(ix) shall not deprive Seller of any other rights, powers, privileges or remedies provided by law, (ii) in addition to Seller's right to exercise of the termination right set forth in Paragraph 5(a)(ix), if Buyer fails to provide adequate credit support in accordance with Paragraph 6 above, Seller shall be entitled to take all actions that it is permitted to take in accordance with Paragraph 6 above, and (iii) if a 5(b) Termination occurs, Seller shall have the right to be reimbursed by Buyer for Buyer's Proportionate Share of the Project Costs in accordance with Paragraphs 5(b) and 5(c) above.

22. Waiver. No waiver by either Party of any one or more defaults by the other Party in the performance of any provision of this Precedent Agreement shall operate or be construed as a waiver of any other existing and/or future defaults under this Precedent Agreement, whether of a like or different character.

23. Captions; Titles; Interpretation. The captions and titles to the Articles and Paragraphs in this Precedent Agreement are included only for convenience of reference and shall have no effect on, or be deemed part of, the text of this Precedent Agreement. References herein to Articles,

Paragraphs, Attachments, Exhibits and clauses are references to Articles of, Paragraphs of, attachments and exhibits to, and clauses of, this Precedent Agreement. Unless otherwise specified, “hereunder,” “herein,” “hereto,” “hereof” and words of similar import refer to this Precedent Agreement as a whole and not to any particular provision hereof. Words denoting the singular include the plural and vice versa. References to any Party or entity shall include such Party’s or entity’s successors and permitted assigns in that designated capacity. References to days, months and years are references to calendar days, months and years unless otherwise specified. Words not otherwise defined herein that have well known and generally accepted technical or trade meanings are used in accordance with such meanings. Any reference to “dollars” or “\$” or to “cents” or “¢” shall be to United States dollars or cents, respectively. The use of the words “include,” “includes” or “including” shall be by way of example only and shall not be considered in any way to limit the generality of the description preceding the use of any such word. The words “shall” and “will” have equal effect. Unless the context otherwise requires, the use of any of the words “action,” “claim,” “suit,” “proceeding” or “judgment” includes any and all such terms.

[Signature page follows.]

IN WITNESS WHEREOF, the Parties have caused this Precedent Agreement to be executed
by their duly authorized officers or representatives as of the date first written above.

TRANSCONTINENTAL GAS PIPE LINE COMPANY, LLC

By: Steven Tramonte
Name: Steven Tramonte
Title: Vice President

DS
MM

DS
NT

DS
JB

GREER COMMISSION OF PUBLIC WORKS

By: Mike Richard
Name: Mike Richard
Title: General Manager