



185 International Drive  
Portsmouth, New Hampshire 03801  
(800) 225.1560

January 17, 2017

NHPUC 17JAN17PM3:26

**VIA HAND DELIVERY**

Debra Howland  
Executive Director  
New Hampshire Public Utilities Commission  
21 South Fruit Street, Suite 10  
Concord, NH 03301-2429

**RE: Sprague Operating Resources LLC | Renewal Registration of Competitive Natural Gas Supplier**

Dear Ms. Howland:

Sprague Operating Resources LLC ("Sprague") hereby submits to the New Hampshire Public Utilities Commission ("Commission") its renewal registration application for its Competitive Natural Gas Supplier license. Please find enclosed an original renewal application, two hard copies, an electronic version of the filing in pdf format provided on cd and a check for the renewal fee in the amount of \$250.00.

Sprague has maintained a surety bond in the amount of \$350,000.00 and a copy of the most recent continuation certificate was provided to the Commission on March 3, 2016. For your convenience, a copy of that filing is included here as Exhibit A. Please note that Sprague will file its next continuation certificate with the Commission in March 2017.

Documentation supporting Sprague's status as an approved shipper with Tennessee Gas Pipeline Company, Portland Natural Gas Transmission System and Granite State Gas Transmission, Inc. is provided in Exhibit B.

A listing of Sprague's aggregators and customer counts is included as Exhibit C. Sprague requests confidential treatment of its aggregators and customers.

Should you have any questions, please do not hesitate to contact me.

Sincerely,

*Todd Bohan*

Todd Bohan, PhD  
Regulatory Specialist

Enclosures

**STATE OF NEW HAMPSHIRE  
PUBLIC UTILITIES COMMISSION  
Puc 3003.02 Renewal Registration of Competitive Natural Gas Suppliers**

**3006.01 (a) (1)-(22) CNGS Registration Form**

(1) The legal name of the applicant as well as any trade name(s) under which it intends to operate in this state and, if available, its website address;

**Sprague Operating Resources LLC**  
[www.spragueenergy.com](http://www.spragueenergy.com)

(2) The applicant's business address, telephone number, and e-mail address;

**185 International Drive  
Portsmouth, NH 03801  
866-477-7248 (Telephone)  
[customercare@spragueenergy.com](mailto:customercare@spragueenergy.com) (Email)**

(3) The applicant's place of incorporation, if anything other than an individual;

**Delaware – state of formation**

(4) The name(s), title(s), business address(es), telephone number(s), and e-mail address(es) of the applicant if an individual, or of the applicant's principal(s) if the applicant is anything other than an individual;

**A list of principals with titles is provided in Attachment 1  
The business address and phone number for all principals is:  
185 International Drive  
Portsmouth, NH 03801  
603-431-1000 (Telephone)  
[customercare@spragueenergy.com](mailto:customercare@spragueenergy.com) (Email)**

(5) The following regarding any affiliate or subsidiary of the applicant which is conducting business in New Hampshire:

- a. The name, business address and telephone number of the entity;
- b. A description of the business purpose of the entity; and
- c. A description of any agreement(s) with any affiliated New Hampshire LDC(s);

**Sprague Energy Solutions Inc.  
185 International Drive  
Portsmouth, NH 03801  
603-431-1000 (Telephone)**

**As a 100 percent wholly-owned subsidiary of Sprague Operating Resources LLC, Sprague Energy Solutions Inc.'s purpose is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.**

(6) The telephone number of the applicant's customer service department or the name, title, telephone number and e-mail address of the customer service contact person of the applicant, including toll free telephone numbers if available;

**866-477-7248 (Telephone, toll-free)**  
**[customercare@spragueenergy.com](mailto:customercare@spragueenergy.com) (Email)**

(7) The name, title, business address, telephone number, and e-mail address of the individual responsible for responding to commission inquiries.

**Todd Bohan, Regulatory Specialist**  
**185 International Drive**  
**Portsmouth, NH 03801**  
**603-766-3046 (Telephone)**  
**[tbohan@spragueenergy.com](mailto:tbohan@spragueenergy.com) (Email)**

(8) The name, title, business address, telephone number and e-mail address of the individual who is the applicant's registered agent in New Hampshire for service of process;

**CT Corporation Systems**  
**9 Capitol Street**  
**Concord, NH 03301**  
**603-224-2341 (Telephone)**

(9) A copy of the applicant's authorization to do business in New Hampshire from the New Hampshire secretary of state, if anything other than an individual;

**Please see Attachment 2**

(10) A list of LDCs in New Hampshire through which the applicant intends to provide service. To the extent an applicant does not intend to provide service in the entire franchise area of an LDC, this list shall delineate the cities and towns where the applicant intends to provide service;

**The service territories of Liberty Utilities/EnergyNorth Natural Gas and Unital/Northern Utilities, Inc.**

(11) A description of the types of customers the applicant intends to serve;

**All customer and rate classes with the exception of single-family residential**

(12) A listing disclosing the number and type of customer complaints concerning the applicant or its principals, if any, filed with a state or federal licensing/registration agency, attorney general's office or

other governmental consumer protection agency for the most recent calendar year in every state in which the applicant has conducted business relating to the sale of natural gas;

**No customer complaints have been filed against Sprague Operating Resources LLC with any state or federal licensing/registration agency, attorney general's office or other governmental consumer protection agency for the most recent calendar year in every state in which Sprague Operating Resources LLC has conducted business relating to the sale of natural gas with one exception. Sprague Operating Resources LLC is currently in the process of amicably resolving a natural gas customer complaint filed with the Pennsylvania Public Utility Commission and expects full disposition of this matter very shortly.**

(13) A statement as to whether the applicant or any of the applicant's principals, as listed in a. through c. below, have ever been convicted of any felony that has not been annulled by a court:

- a. For partnerships, any of the general partners;
- b. For corporations, any of the officers, directors or controlling stockholders; or
- c. For limited liability companies, any of the managers or members;

**None of Sprague Operating Resources LLC's principals have ever been convicted of any felony that has not been annulled by a court.**

(14) A statement as to whether the applicant or any of the applicant's principals:

- a. Has, within the 10 years immediately prior to registration, had any civil, criminal or regulatory sanctions or penalties imposed against them pursuant to any state or federal consumer protection law or regulation;
- b. Has, within the 10 years immediately prior to registration, settled any civil, criminal or regulatory investigation or complaint involving any state or federal consumer protection law or regulation; or
- c. Is currently the subject of any pending civil, criminal or regulatory investigation or complaint involving any state or federal consumer protection law or regulation;

**Neither Sprague Operating Resources LLC nor any of the persons listed in 13 above,**

- a. Has, within the 10 years immediately prior to registration, had any civil, criminal or regulatory sanctions or penalties imposed against them pursuant to any state or federal consumer protection law or regulation;**
- b. Has, within the 10 years immediately prior to registration, settled any civil, criminal or regulatory investigation or complaint involving any state or federal consumer protection law or regulation; or**
- c. Is currently the subject of any pending civil, criminal or regulatory investigation or complaint involving any state or federal consumer protection law or regulation;**

(15) If an affirmative answer is given to any item in (13) or (14) above, an explanation of the event;

**No affirmative answer was given to any item in (13) or (14)**

(16) For those applicants intending to telemarket, a statement that the applicant shall:

- a. Maintain a list of consumers who request being placed on the applicant's do-not-call list for the purposes of telemarketing;
- b. Obtain monthly updated do-not-call lists from the National Do Not Call Registry; and;

c. Not initiate calls to New Hampshire customers who have either requested being placed on the applicant's do-not-call list(s) or customers who are listed on the National Do Not Call Registry;

**The above statements are not applicable to Sprague Operating Resources LLC as it does not sell to single-family residential customers**

(17) For those applicants that intend not to telemarket, a statement to that effect;

**Sprague Operating Resources LLC does not intend to telemarket**

(18) A sample of the bill form(s) the applicant intends to use or a statement that the applicant intends to use the LDC's billing service;

**Please see Attachment 3**

(19) A copy of any customer contracts or representative samples of contracts the applicant intends to use;

**Please see Attachment 4**

(20) A statement that the CNGS has verified the registration of any aggregator with which it has any agreements to provide service to New Hampshire customers, prior to entering into such agreements;

**Sprague Operating Resources LLC attests that it uses best efforts to verify the registration of aggregators/brokers prior to entering into agreements.**

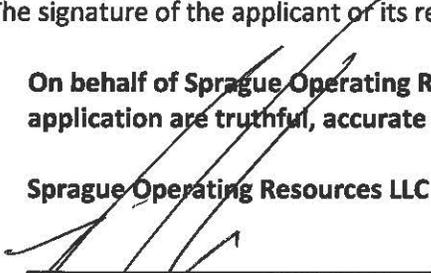
(21) A statement certifying the applicant has the authority to file the application on behalf of the CNGS and that its contents are truthful, accurate and complete; and

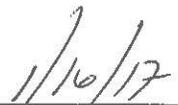
**Brian Weego has the authority to file the application on behalf of Sprague Operating Resources LLC and the contents are truthful, accurate and complete.  
Please see Attachment 1**

(22) The signature of the applicant or its representative.

**On behalf of Sprague Operating Resources LLC, I hereby affirm that the contents of this application are truthful, accurate and complete.**

**Sprague Operating Resources LLC**

  
\_\_\_\_\_  
**Brian Weego**  
**Vice President, Natural Gas**

  
\_\_\_\_\_  
**Date**

**Sprague Operating Resources LLC**  
(a Delaware limited liability company)

WRITTEN CONSENT OF  
SOLE MEMBER  
Pursuant to Section 18-302(d) of the  
Delaware Limited Liability Company Act

The undersigned, being the sole member of Sprague Operating Resources LLC, a Delaware limited liability company (the "Company"), hereby consents, in the manner prescribed by Section 18-302(d) of the Delaware Limited Liability Company Act, to the approval of the following actions and to the adoption of the following resolutions, and direct that this consent be filed with the official Company minutes to have the same force and effect as a unanimous vote of the members of the Company at a meeting duly called and held:

**RESOLVED** that the following persons are elected to the offices of the limited liability company set forth opposite their respective names, at the discretion of the Member of the Company until his successor shall have been duly elected and shall have qualified:

David C. Glendon	President and Chief Executive Officer
Gary A. Rinaldi	Senior Vice President, Chief Operating Officer and Chief Financial Officer
Thomas F. Flaherty	Vice President, Refined Products
Steven D. Scammon	Vice President, Chief Risk Officer
Joseph S. Smith	Vice President, Business Development
Paul A. Scoff	Vice President, General Counsel, Chief Compliance Officer and Secretary
John W. Moore	Vice President, Chief Accounting Officer and Controller
James Therriault	Vice President, Materials Handling
Brian W. Weego	Vice President, Natural Gas
Burton S. Russell	Vice President, Operations
Kevin G. Henry	Vice President, Treasurer
Thomas Van De Water	Assistant Treasurer
Allison G. Pellegrino	Assistant Secretary
Susan K. Trahan	Assistant Secretary
Grazia (Grace) Violone	Assistant Secretary
Timothy Grier	Assistant Secretary

**RESOLVED FURTHER**, that this Consent be filed with the records of the Company.

IN WITNESS WHEREOF, the undersigned has executed this Written Consent effective as of the 25th day of August 2016.

**SPRAGUE RESOURCES LP**, as Sole Member,

By: \_\_\_\_\_



Name: Paul A. Scoff

Title: Vice President, General Counsel, Chief Compliance Officer and Secretary of the General Partner of Sprague Resources LP

State of New Hampshire  
Department of State

Attachment 2

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that Sprague Operating Resources LLC, a(n) Delaware limited liability company registered to do business in New Hampshire on November 2, 1987. I further certify that it is in good standing as far as this office is concerned, having filed the annual report(s) and paid the fees required by law.



In TESTIMONY WHEREOF, I hereto  
set my hand and cause to be affixed  
the Seal of the State of New Hampshire,  
this 23<sup>rd</sup> day of February, A.D. 2016

A handwritten signature in black ink, appearing to read "William M. Gardner".

William M. Gardner  
Secretary of State



1  
185 International Drive  
Portsmouth, NH  
03801 - 6836

## INVOICE SUMMARY:

BILL TO:	BILLING SUMMARY:
	<b>Invoice Date</b> 01/10/2017 <b>Payment Due Date</b> <b>Invoice Number</b> <b>Sprague Customer Number</b> <b>Payment Terms</b>

HOW TO CONTACT SPRAGUE OPERATING RESOURCES LLC:			
<b>Customer Service</b> 1-844-994-3835 Mon - Fri 8:00 AM - 5:00 PM	<b>Remit Check Payment to</b> Sprague Operating Resources LLC. P.O. Box 842985, Boston, MA 02284-2985	<b>Visit our website</b> <a href="http://www.spragueenergy.com">www.spragueenergy.com</a>	<b>GAS EMERGENCY</b> <b>Northern NH /</b> <b>1-866-900-4115</b>

TOTAL ACCOUNT SUMMARY:		Prior Balance	\$659.84	
		Payments	(\$659.84)	
Location	From	To	Volume	Amount
<b>CURRENT CHARGES</b> <i>(EXCLUDES FINANCE CHARGES)</i> <b>Current Finance Charges</b> <b>TOTAL CURRENT CHARGES</b>				
MESSAGE CENTER / CUSTOMER COMMUNICATIONS:				

Payment must be accompanied by bottom portion of this bill

Invoice Date 01/10/2017  
 Payments Due Date  
 Invoice Number  
 Sprague Customer Number  
 Payment Terms

### Account Summary:

Prior Balance  
 Payments  
 Current Charges  
 Finance Charges

May not reflect payments received within three business days.

**Please Remit to:**  
 Sprague Operating Resources LLC.  
 P.O. Box 842985, Boston, MA 02284-2985

### Total Amount Due

Amount Enclosed



A finance charge of 1.50% per month (18.00% APR) will be assessed on all balances unpaid after due date.

0081098000 0070409770 0000170303 0000170303 2



### LOCATION DETAIL:

SERVICE LOCATION:	BILLING SUMMARY:
	<b>Invoice Date</b> 01/10/2017 <b>Payment Due Date</b> <b>Invoice Number</b> <b>Sprague Customer Number</b> <b>Payment Terms</b>

UTILITY SUMMARY:		
Utility Name:	Northern NH	Utility BT Meter Read:
Utility Account Number:		Utility Fuel Loss Factor:
Meter Type:		Invoiced CG Therms:
Meter Number:		
Last Read Date:		
Current Read Date:		

LOCATION SUMMARY:							
Trans. Date	Item	Deal Number	From	To	Volume Therms	Commodity Price	Amount
<b>TOTAL CURRENT CHARGES</b>							

**Thank you for choosing Sprague as your energy supplier!**

*Questions regarding this invoice?* Please call Sprague Customer Service at 1-844-994-3835

In the event of a gas emergency, please call Northern NH at 1-866-900-4115



## LOCATION DETAIL:

SERVICE LOCATION:	BILLING SUMMARY:
	<b>Invoice Date</b> 01/10/2017 <b>Payment Due Date</b> <b>Invoice Number</b> <b>Sprague Customer Number</b> <b>Payment Terms</b>

UTILITY SUMMARY:		
Utility Name:	Northern NH	Utility BT Meter Read:
Utility Account Number:		Utility Fuel Loss Factor:
Meter Type:		Invoiced CG Therms:
Meter Number:		
Last Read Date:		
Current Read Date:		

LOCATION SUMMARY:							
Trans. Date	Item	Deal Number	From	To	Volume Therms	Commodity Price	Amount
<b>TOTAL CURRENT CHARGES</b>							

**Thank you for choosing Sprague as your energy supplier!**  
*Questions regarding this invoice?* Please call Sprague Customer Service at 1-844-994-3835  
 In the event of a gas emergency, please call Northern NH at 1-866-900-4115



## NATURAL GAS SALES AGREEMENT

This Natural Gas Sales Agreement ("**Agreement**") is entered into as of this <sup>TH</sup> day of **2017** by and between **SPRAGUE OPERATING RESOURCES LLC ("Sprague")** with offices at 185 International Drive, Portsmouth, New Hampshire 03801 and ("**Buyer**") (Tax I.D. No. ) with offices at . In consideration of the mutual covenants, undertakings, terms and conditions set forth below, Sprague and Buyer agree as follows:

1. **Service.** Sprague agrees to sell and deliver to Buyer at the location(s) identified on Addendum A and Buyer agrees to receive and purchase from Sprague natural gas ("**Gas**") on the terms and conditions set forth in this Agreement. Each sale shall be on a firm basis unless otherwise stated in the Transaction Confirmation, meaning that either party may interrupt its performance without liability only to the extent that Force Majeure applies as described in Section 19.
2. **Transaction Procedure.** When Sprague and Buyer reach an agreement on Buyer's purchase of Gas, Sprague shall communicate to Buyer the agreed upon terms in the form of a "Transaction Confirmation," as set forth in the attached Exhibit A, via facsimile, electronic mail, or other means as agreed upon by the parties. Each Transaction Confirmation is subject to the terms and conditions of this Agreement and is an integral part thereof. If any term of this Agreement conflicts with any term in a binding Transaction Confirmation, the Transaction Confirmation shall control, but shall not void any non-conflicting term of this Agreement. Buyer shall be solely responsible for notifying Sprague in writing of any inaccuracies in the Transaction Confirmation not more than two (2) business days from Buyer's receipt of a Transaction Confirmation. A Transaction Confirmation shall be binding upon the parties when it is signed by Sprague's authorized agent and either (1) Buyer has signed the Transaction Confirmation and returned it to Sprague; or (2) Buyer has failed to sign the Transaction Confirmation within two (2) business days from receipt and provide written notification of any inaccuracies.
3. **Telephone Recordings.** The parties agree that each party may electronically record all telephone conversations between their respective agents and employees regarding this Agreement and any Transaction Confirmation, or other commercial business between the parties, without any special or further notice to the other party. Each party shall obtain any necessary consent of its agents and employees to such recording, but neither party waives any objection to the admissibility of such evidence.
4. **Transportation.** Sprague shall be solely responsible for transporting the Gas to the delivery point(s) set forth in the Transaction Confirmation. Buyer shall be solely responsible for transporting and handling the Gas from such delivery point(s).
5. **Quality and Measurement.** Sprague shall deliver all Gas in compliance with the quality and measurement specifications as set forth in the tariff of the Transporter delivering the Gas to Buyer. "**Transporter**" shall mean all Gas gathering or pipeline companies, or local distribution companies, transporting Gas for Sprague or Buyer upstream or downstream, respectively, of the delivery point pursuant to the Transaction Confirmation.
6. **Nominations and Scheduling.** Buyer shall give Sprague prior notice of the quantities of Gas to be delivered that is sufficient to meet the requirements of each Transporter involved in the transaction. If Buyer fails to give such notice, Sprague may use the best available information to determine the quantities of Gas to be delivered, but Sprague shall not be liable in any way for any resulting imbalance charge or penalty. Any such imbalance charge or penalty shall be Buyer's sole responsibility under Section 8. Should a party become aware that an actual delivery at a delivery point is greater or lesser than the nominated volumes of Gas scheduled to be delivered, such party shall promptly notify the other party.



7. **Notice of Operational Change.** Buyer shall immediately notify Sprague of any event reasonably known to Buyer that may materially increase or decrease Buyer's Gas usage, i.e. addition or removal of gas-fire equipment, other equipment installations or changes, outages, shutdowns, repairs, openings or closings, changes in operating hours or production schedules. Buyer shall also immediately notify Sprague of, and fully comply with, all curtailment or interruption orders or similar notices Buyer receives from a pipeline or utility requiring the interruption or curtailment of Buyer's Gas usage.

8. **Imbalances.** The parties shall use commercially reasonable efforts to avoid imbalance charges or penalties. If a Transporter invoices Buyer or Sprague for an imbalance charge or penalty, the parties shall determine the validity of the charge. Upon request, Buyer shall provide to Sprague copies of Buyer's Transporter statements, reports or meter readings related to any Gas deliveries performed under this Agreement. If the charge or penalty is determined valid, the party responsible for the imbalance charge or penalty shall be obligated to pay such charge or penalty. If either party pays a charge or penalty caused by the other party, upon receipt of notice, the other party shall reimburse such party the amount paid in accordance with such notice.

9. **Taxes.** Sprague shall pay or cause to be paid all taxes (including but not limited to sales, use, distribution, excise, gross receipts, or other taxes), fees, levies, penalties, licenses or charges imposed, whether now or in the future, by any government authority ("**Taxes**") on or with respect to the Gas prior to the delivery point(s). Buyer shall pay or cause to be paid all Taxes, whether stated separately or as part of the price, on or with respect to the Gas at and after the delivery point(s). If a party is required to remit or pay Taxes due by the other party under this Agreement, upon receipt of notice, the other party shall promptly reimburse the party the amount paid. If a party is entitled to an exemption from any Taxes, such party shall promptly furnish the other party with any necessary supporting documentation.

10. **Pricing and Billing.**

a. **Price.** The "**Price**" Buyer shall pay Sprague for Gas shall be the price and other charges as set forth in the applicable Transaction Confirmation, as well as any Taxes.

b. **Billing.** Sprague shall invoice Buyer as specified in the Transaction Confirmation for Gas delivered. If the actual quantity delivered is unknown to Sprague by the invoice date, Sprague will prepare the invoice based upon the best available information including nominated volumes. Buyer shall pay Sprague the invoiced amount on or before the due date, and Sprague shall make any necessary adjustment upon discovering the actual quantities by adjusting the invoiced quantity to the actual quantity in the next invoice.

c. **Interest Rate.** Sprague may charge Buyer an interest rate of one and a half percent (1½%) monthly or an interest rate as otherwise agreed in the Transaction Confirmation on any late payment or the maximum legal rate, if lower.

d. **Invoices Presumed Final.** All invoices shall be conclusively presumed final and accurate. Buyer shall waive any associated claim for an inaccurate invoice and/or overpayment unless, within two (2) years from the date of the Gas delivery, in good faith, Buyer objects to the invoice in writing, including an adequate explanation and supporting industry-acceptable documentation. However, the last Transporter's meter reading shall control for the purpose of determining an invoice's accuracy, and the Buyer shall not dispute a Sprague invoice based on a meter reading unless it possesses documentation from the Transporter, verifying an error in the meter reading and setting forth the accurate meter reading. Retroactive adjustments under this Section shall be invoiced accordingly. If the parties cannot resolve any invoice dispute, either party may pursue any remedy available at law or in equity to enforce its rights subject to Section 25. Nothing in this Section shall be deemed to preclude Sprague from making a retroactive adjustment of an invoice within a reasonable time of receiving information from the last Transporter, indicating an error in a prior invoice, regardless of the original invoice date.

e. **Netting.** The parties shall net all undisputed amounts due and owing, and/or past due, such that the party owing the greater amount shall make a single payment of the net amount to the other party in accordance with this



Section 10; provided that no payment required to be made pursuant Sections 17(b) and (c) shall be subject to netting under this Section.

11. **Notice.** Any Transaction Confirmation, invoice, notice, request, demand, or statement given pursuant to this Agreement shall be in writing and may be sent by facsimile, electronic mail, a nationally recognized overnight courier service, or first class mail or hand delivery to the appropriate address as set forth below:

**Billing/Invoices:**

**SPRAGUE:**  
SPRAGUE OPERATING RESOURCES LLC  
185 International Drive  
Portsmouth, NH 03801  
Attn: Natural Gas Administration  
Telephone No.: (603) 431-1000  
Fax No.: (603) 430-5320  
E-mail address:contractadministrationgroup  
@spragueenergy.com

**BUYER:**  
  
Attn:  
Telephone No.:  
Fax No.:  
E-mail address:

**Transaction Confirmations:**

**SPRAGUE:**  
SPRAGUE OPERATING RESOURCES LLC  
185 International Drive  
Portsmouth, NH 03801  
Attn: Natural Gas Administration  
Telephone No.: (603) 431-1000  
Fax No.: (603) 430-5320  
E-mail address:contractadministrationgroup  
@spragueenergy.com

**BUYER:**  
  
Attn:  
Telephone No.:  
Fax No.:  
E-mail address:  
COPY TO:

**Other notices, requests, demands or statements:**

**SPRAGUE:**  
SPRAGUE OPERATING RESOURCES LLC  
185 International Drive  
Portsmouth, NH 03801  
Attn: Natural Gas Administration  
Telephone No.: (603) 431-1000  
Fax No.: (603) 430-5320  
E-mail address:contractadministrationgroup  
@spragueenergy.com

**BUYER:**  
  
Attn:  
Telephone No.:  
Fax No.:  
E-mail address:

Notice shall be deemed given when received on a business day by the addressee. In the absence of proof of the actual receipt date, the following presumptions apply. Notices sent by facsimile shall be deemed received upon the sending party's receipt of its facsimile machine's confirmation of successful transmission if on a business day and, if not, on the next following business day. Notice sent by electronic mail shall be sent with a request for a reply email and deemed received on the day sent if a business day and, if not, on the next following business day so long as the sending party does not receive notification that the electronic mail did not reach the intended recipient. Upon receipt of an email from the other



party, the recipient shall also have a duty to send a reply email confirming receipt. However, a failure to include the request for a reply email or a failure to send a reply email confirming receipt will not alter the day notice is deemed to have occurred via electronic mail under this Section. Notice by overnight mail or courier shall be deemed to have been received on the next business day following the day it was sent or an earlier time if confirmed by the receiving party. Notice via first class mail shall be deemed delivered five (5) business days after mailing.

12. **Term.** This Agreement shall be in full force and effect as of the date first above written and shall continue unless terminated by either party with at least sixty (60) days prior written notice. Notwithstanding any termination of this Agreement, any Transaction Confirmation accepted by the parties while this Agreement is in effect shall continue to be subject to all terms and conditions of this Agreement.

13. **Credit.** Sprague and Buyer agree that this Agreement is conditioned upon Buyer meeting Sprague's credit requirements as may be established, and amended, from time to time. Buyer acknowledges and agrees that the price of natural gas is volatile and this Agreement imposes an obligation on Buyer that Sprague's expectation of receiving due performance will not be impaired. Buyer therefore agrees that Sprague, in its sole discretion, may at any time, without notice, increase or decrease Buyer's credit requirements. Sprague's continued performance of its obligations under this Agreement and any Transaction Confirmation shall be contingent upon Buyer continuing to meet its credit requirements, as determined by Sprague, at all times.

14. **Adequate Assurance.** If Sprague has reasonable grounds for insecurity regarding Buyer's performance of any obligation under this Agreement (including, without limitation, the occurrence of a material change in the other party's creditworthiness), whether or not then due, Sprague may demand adequate assurance of performance as permitted by applicable law, meaning sufficient security in the form, amount and for the term reasonably acceptable to Sprague, including, but not limited to, a standby irrevocable letter of credit, a prepayment, a security interest in an asset or a performance bond or guaranty (including the issuer of any such security) and Buyer shall give such adequate assurance within two (2) business days. In the event that a deposit is required, Sprague will pay interest as may be required by applicable laws and/or regulations. Buyer agrees to provide such financial information, financial statements, annual reports, securities filings and credit authorizations as Sprague shall reasonably and from time to time request for the purpose of assessing and monitoring Buyer's financial condition and credit worthiness.

15. **Breach of Performance Obligations**

a. **Payment Failure.** If Buyer breaches its obligation to pay Sprague's invoice when due, Sprague, without penalty, after giving written notice to Buyer and a two (2) business day cure period, may terminate this Agreement and any outstanding Transaction Confirmation. Sprague may also elect the Non-Defaulting Party's rights as set forth in Section 17.

b. **Delivery Failure.** If Sprague breaches its obligation to deliver Gas on any day, Buyer shall in good faith use commercially reasonable efforts to purchase the most economic replacement fuel, whether Gas or an alternative fuel, in the undelivered amount, from a third party. Buyer's sole and exclusive remedy for such breach, however, shall be payment from Sprague in an amount equal to any positive difference between the purchase price paid by Buyer to a third party for Gas (in an amount not exceeding that which Sprague failed to deliver), if any, adjusted for commercially reasonable differences in transportation costs to or from the delivery point(s) less the Price for the amount of Gas Sprague failed to deliver.

c. **Receipt Failure.** If Buyer breaches its obligation to receive Gas on any day, Sprague shall in good faith use commercially reasonable efforts to sell the Gas to a third party. Sprague's sole and exclusive remedy, however, is payment from Buyer in the amount equal to any positive difference between the Price for the amount of Gas Buyer failed to receive, adjusted for commercially reasonable differences in transportation costs to or from the Delivery Point(s), less the price received for any amount of the Gas sold to a third party, if any.



d. Any amount due under this Section 15 shall be payable five (5) business days after presentation of the performing party's invoice, which shall set forth the basis upon which the amount was calculated. Imbalance Charges shall only be recovered pursuant to Section 8.

e. Notwithstanding any terms to the contrary in this section or in the Agreement, Sprague shall abide by all notice and cure period as required by all applicable laws and regulations.

16. **Events of Default.** An "Event of Default" shall occur when a party (the "**Defaulting Party**") or its guarantor:

- a. makes an assignment or any general arrangement for the benefit of creditors;
- b. files a petition or otherwise commences, authorizes, or acquiesces in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it;
- c. otherwise becomes bankrupt or insolvent (however evidenced);
- d. is unable to pay its debts as they fall due;
- e. has a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; or
- f. fails to perform any obligation to the other party with respect to Sections 13 or 14.

17. **Non-Defaulting Party's Rights.** When an Event of Default occurs or Buyer breaches its obligation to pay Sprague's invoice after the cure period given in Section 15a., the other party (the "**Non-Defaulting Party**") shall have the right, at its sole election, in addition to any and all other available remedies under this Agreement, to immediately withhold and/or suspend deliveries or payments upon written notice and/or to terminate and liquidate the transactions under the Agreement, in the following manner:

a. The Non-Defaulting Party shall give notice to the Defaulting Party of the "**Early Termination Date**", such date being five (5) days from the date of the notice, of all transactions under this Agreement, each being a "**Terminated Transaction**". On the Early Termination Date, all transactions will terminate, except those transactions, if any, that may not be liquidated and terminated under applicable law or are, in the reasonable opinion of the Non-Defaulting Party, commercially impracticable to liquidate and terminate ("**Excluded Transactions**"). The Excluded Transactions must be liquidated and terminated as soon as reasonably practicable, and upon termination shall be treated as Terminated Transactions. With respect to each Excluded Transaction, its actual termination date shall be the Early Termination Date for purposes of this Section.

b. As of the Early Termination Date, the Non-Defaulting Party shall determine, in good faith and in a commercially reasonable manner, (1) the amount owed (whether or not then due) by each party with respect to all Gas delivered and received between the parties under Terminated Transactions and Excluded Transactions on and before the Early Termination Date and all other applicable charges relating to such deliveries and receipts (including without limitation any imbalance charges), for which payment under this Agreement has not yet been made; and (2) the Market Value, as defined below, of each Terminated Transaction.

c. The Non-Defaulting Party shall (1) liquidate and accelerate each Terminated Transaction at its Market Value, so that the amount equal to the difference between such Market Value and the Transaction Value, as defined below, of such Terminated Transaction(s) shall be due to the Buyer under the Terminated Transaction(s) if such Market Value exceeds the Transaction Value and due to Sprague if the opposite is the case; and (2) where appropriate, discount each amount then due to present value in a commercially reasonable manner as of the Early Termination Date (to take account of the period between the date of liquidation and the date on which such amount would have otherwise been due pursuant to the relevant Terminated Transactions). The Non-Defaulting party shall also be entitled to recover costs incurred due to termination and liquidation under this Section 17, including but not limited to broker and hedge-related costs and direct costs, but not indirect costs, provided there shall be no duplication of costs and damages.

d. **"Transaction Value"** means the amount of Gas remaining to be delivered or purchased under a transaction multiplied by the Price, and **"Market Value"** means the amount of Gas remaining to be delivered or purchased under a transaction multiplied by the market price for a similar transaction at the Delivery Point determined by the Non-Defaulting Party in a commercially reasonable manner. To ascertain the Market Value, parties need not enter into replacement transaction(s); rather, the Non-Defaulting Party may consider, among other valuations, any or all of the settlement prices of NYMEX Gas futures contracts, quotations from leading dealers in energy swap contracts or physical gas trading markets, similar sales or purchases and any other bona fide third-party offers, all adjusted for the length of the term and differences in transportation costs. Any extension(s) of the term of a transaction to which parties are not bound as of the Early Termination Date (including but not limited to "evergreen provisions") shall not be considered in determining Transaction Values and Market Values. Any option pursuant to which one party has the right to extend the term of a transaction shall be considered in determining Transaction Values and Market Values. The rate of interest used in calculating net present value shall be determined by the Non-Defaulting Party in a commercially reasonable manner.

e. The Non-Defaulting Party shall net or aggregate, as appropriate, any and all amounts the parties owe under this Section 17, so that all such amounts are netted or aggregated to a single liquidated amount payable by one party to the other (the **"Net Settlement Amount"**). At its sole option and without prior Notice to the Defaulting Party, the Non-Defaulting Party may setoff (i) any Net Settlement Amount owed to the Non-Defaulting Party against any margin or other collateral held by it in connection with any credit support obligation relating to the Agreement; or (ii) any Net Settlement Amount payable to the Defaulting Party against any amount(s) payable by the Defaulting Party to the Non-Defaulting Party under any other agreement or arrangement between the parties. As soon as practicable after a liquidation, the Non-Defaulting Party shall give written notice to the Defaulting Party of the Net Settlement Amount and to which party it is due, including a reasonably detailed explanation of the calculation of such amount. Any failure to give such notice shall not affect the validity or enforceability of the liquidation or give rise to any claim between the parties. The Net Settlement Amount shall be paid by the close of business on the second Business Day following such notice, but not earlier than the Early Termination Date. Interest on any unpaid portion of the Net Settlement Amount shall accrue at the rate of one and a half percent (1½ %) monthly or the maximum applicable lawful interest rate, if lower.

f. If any obligation that is to be included in any netting, aggregation or setoff pursuant to Section 17.e. is unascertained, the Non-Defaulting Party may in good faith estimate that obligation and net, aggregate or setoff, as applicable, in respect of the estimate, subject to the Non-Defaulting Party accounting to the Defaulting Party when the obligation is ascertained. Any amount not then due which is included in any netting, aggregation or setoff pursuant to Section 17.e. shall be discounted to net present value in a commercially reasonable manner determined by the Non-Defaulting Party.

g. *Separate Netting Agreement.* With respect to this Section 17, if the parties have executed a separate netting agreement with close-out netting provisions, the terms and conditions of the separate netting agreement shall prevail to the extent inconsistent herewith.

h. *Exclusive Remedy.* The Non-Defaulting Party's remedies under this Section 17 are the sole and exclusive remedies of the Non-Defaulting Party with respect to the occurrence of any Early Termination Date. Each party reserves to itself all other rights, setoffs, counterclaims and other defenses that it is or may be entitled to arising from the Agreement.

18. **Forward Contract.** The parties specifically agree that any transaction under the Agreement are "forward contracts" as such term is defined in the United States Bankruptcy Code and that each party is a "forward contract merchant" as such term is defined in the United States Bankruptcy Code. Each party further agrees that the other party is



not a "utility" as such term is used in 11 U.S.C. Section 366, and each party agrees to waive and not to assert the applicability of the provisions of 11 U.S.C. Section 366 in any bankruptcy proceeding involving such party.

19. **Force Majeure.** Except with regard to a party's obligation to make payment(s) due under Sections 8, 10, 15 and 17, neither party shall be liable to the other for failure to perform an obligation; to the extent such failure was caused by Force Majeure. "Force Majeure" shall include, but not be limited to, the following: (i) physical events such as acts of God, landslides, lightning, earthquakes, fires, storms or storm warnings, such as hurricanes, which result in evacuation of the affected area, floods, washouts, explosions, breakage or accident or necessity of repairs to machinery or equipment or lines of pipe; (ii) weather related events affecting an entire geographic region, such as low temperatures which cause freezing or failure of wells or lines of pipe; (iii) interruption and/or curtailment of firm transportation and/or storage by Transporters; (iv) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections, acts of terrorism or wars; and (v) governmental actions such as necessity for compliance with any court order, law, statute, ordinance, regulation, or policy having the effect of law promulgated by a governmental authority having jurisdiction. Sprague and Buyer shall make reasonable efforts to avoid the adverse impacts of a Force Majeure and to resolve the event or occurrence once it has occurred in order to resume performance. Neither party shall be entitled to the benefit of this Section 19 to the extent performance is affected by any or all of the following circumstances: (i) the party claiming excuse failed to remedy the condition and to resume the performance of such covenants or obligations with reasonable dispatch; or (ii) economic hardship, to include, without limitation, Sprague's ability to sell Gas at a higher or more advantageous price, Buyer's ability to purchase Gas at a lower or more advantageous price, or a regulatory agency disallowing, in whole or in part, the pass through of costs resulting from this Agreement; (iii) the loss of Buyer's market(s) or Buyer's inability to use or resell Gas purchased hereunder, except, in either case, as provided in this Section; or (iv) the loss or failure of Sprague's gas supply or depletion of reserves, except, in either case, as provided in this Section. The party claiming Force Majeure shall not be excused from its responsibility for imbalance charges or penalties. Notwithstanding anything to the contrary herein, the parties agree that the settlement of strikes, lockouts or other industrial disturbances shall be within the sole discretion of the party experiencing such disturbance. The party whose performance is prevented by Force Majeure must provide immediate notice to the other party orally and, as soon as reasonably possible, in writing with reasonably full particulars of the event or occurrence. Upon providing such notice, the party claiming Force Majeure will be relieved of its obligation, from the onset of the Force Majeure event, to make or accept delivery of Gas, as applicable, to the extent and for the duration of Force Majeure, and neither party shall be deemed to have failed in such obligations to the other during such occurrence or event. If one event of Force Majeure continues for forty-five (45) days or more, either party may terminate the Agreement and any Transaction Confirmation upon giving notice to the other party.

20. **Tariffs, Laws and Regulations.** This Agreement shall be subject to all valid local, state and federal laws and orders, directives, rules and regulations of any governmental body or official having jurisdiction. Each party shall indemnify, defend and hold harmless the other party from any fines, penalties, assessments or liabilities imposed by any governmental authority of competent jurisdiction relating to the failure of such party to comply with any applicable governmental law, rule or regulation. In the event any governmental authority or any law, rule, regulation, ordinance or an order of any court, tribunal or regulatory authority of competent jurisdiction adversely and materially impacts Sprague's ability to perform under this Agreement and/or any Transaction Confirmation, Sprague shall have the right, at its option, in its sole discretion, to either attempt to renegotiate the terms of this Agreement and/or the Transaction Confirmation at any time, or to entirely terminate this Agreement and/or the Transaction Confirmation, without penalty, upon sixty (60) days' notice.

21. **Waiver and Severability.** The waiver by either party of a breach of any provision contained herein shall be in writing and shall in no way be construed as a waiver or any subsequent breach of such provision or the waiver of the provision itself. Should a court of competent jurisdiction hold any provision of this Agreement invalid, illegal or unenforceable, that provision shall be eliminated or limited to the minimum extent necessary so that this Agreement shall otherwise remain in full force and effect and enforceable.



22. **Integration and Assignability.** This Agreement contains the entire understanding of the parties, shall supersede any other oral or written agreements, and shall be binding upon and inure to the benefit of the parties' successors and assigns. It may not be modified in any way without the written consent of both parties. Buyer may not assign this Agreement without Sprague's prior written approval; such approval will not be unreasonably withheld.

23. **Confidentiality.** Neither party shall disclose directly or indirectly without the prior written consent of the other party the terms of this Agreement or any Transaction Confirmation to a third party (other than the party's employees, lenders, royalty owners, counsel, consultants, and accountants, or prospective purchasers of all or substantially all of a party's assets or of any rights under this Agreement, provided such disclosure is necessary and such persons have agreed to keep such terms confidential) except (i) in order to comply with any applicable law, order, regulation, or exchange rule, (ii) to the extent necessary for the enforcement of this Agreement, (iii) to the extent necessary to implement any transaction, (iv) to the extent such information is delivered to such third party for the sole purpose of calculating a published index, or (v) to third-party credit rating agencies in conjunction with the evaluation and/or review of Buyer's creditworthiness. Each party shall notify the other party of any proceeding of which it is aware which may result in disclosure of the terms of any transaction (other than as permitted hereunder) and use reasonable efforts to prevent or limit the disclosure. The existence of this Agreement is not subject to this confidentiality obligation. Subject to Section 24, the parties shall be entitled to all remedies available at law or in equity to enforce, or seek relief in connection with this confidentiality obligation. The parties shall keep the terms of any transaction hereunder confidential for one year from the expiration of the transaction. If a governmental body or applicable law requires the disclosure, the party subject to the requirement shall promptly notify the other party prior to the disclosure and cooperate with the other party in any efforts to obtain protective orders or similar restraints with respect to the disclosure.

24. **Limitations.**

SPRAGUE PROVIDES NO WARRANTY, EXPRESSED OR IMPLIED, WHETHER ORAL OR WRITTEN, OF MERCHANTABILITY, FITNESS OR SUITABILITY FOR ANY PARTICULAR PURPOSE OR OTHERWISE. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS EXPRESSLY PROVIDED IN THIS AGREEMENT, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED HEREIN OR IN A TRANSACTION CONFIRMATION, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY PROVIDED HEREIN, NEITHER PARTY SHALL BE LIABLE FOR SPECIFIC PERFORMANCE, CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. THE PARTIES HEREBY INTEND THAT THE LIMITATIONS IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES IN THIS AGREEMENT BE WITHOUT REGARD TO THE CAUSE(S) RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OBTAINING AN ADEQUATE REMEDY IS OTHERWISE INCONVENIENT, AND THE DAMAGES CALCULATED HEREUNDER CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS.

25. **Governing Law.** This Agreement and any Transaction Confirmation shall be governed by and interpreted in accordance with the laws of the State of New Hampshire, excluding its conflicts and law of principles. The parties consent to the jurisdiction of the New Hampshire courts to resolve any disputes under this Agreement or any Transaction Confirmation and hereby waive any right to a jury trial.



26. **Headings.** The headings and subheadings contained in this Agreement are used solely for convenience and shall not be used to construe or interpret the provisions of this Agreement.

27. **Counterparts.** This Agreement, and any Transaction Confirmation hereunder, may be executed in multiple counterparts. The parties further agree that facsimile, fax and other mechanically or electronically produced counterparts and signatures of this Agreement or on any Transaction Confirmation may, for all purposes, be relied upon by the other as if originals.

28. **Authorized Representative.** This Agreement is executed by an authorized representative of each party.

29. **Ambiguities Neutrally Construed.** This Agreement is the result of negotiations among, and has been reviewed by, each party and its respective counsel. Moreover, Buyer acknowledges and agrees that Gas is available from multiple other sources at competitive prices, and that this Agreement was freely entered into by it, notwithstanding the availability of such Gas from other sources. Accordingly, this Agreement shall be deemed to be the product of each party, and no ambiguity shall be construed in favor of or against any party.

30. **Customer Authorization.** Buyer authorizes Sprague to obtain and review information regarding Buyer's credit history from credit reporting agencies as well as provide information to such credit reporting agencies as part of Sprague's standard reporting activities, and the following information from the Utility: consumption history; billing determinants; credit information; and tax status. This information may be used by Sprague to determine whether it will commence and/or continue to provide energy supply service to Buyer and will not be disclosed to a third-party in accordance with Section 25. Buyer's execution of this Agreement shall constitute authorization for the release of this information to Sprague. This authorization will remain in effect during the term of this Agreement. Buyer may rescind this authorization at any time by providing written notice thereof to Contracts Administration at the address given in Section 13 Notice or by calling Contracts Administration at the telephone given in Section 13 Notice. Sprague reserves the right to cancel this agreement in the event Buyer rescinds the authorization. Additionally, Buyer hereby approves Sprague's forwarding of marketing materials to Buyer. In the event that Buyer elects to "opt out" and no longer receive such marketing materials, Buyer may cancel by emailing its opt-out request directly to Sprague's Customer Care Department at: [CustomerCare@spragueenergy.com](mailto:CustomerCare@spragueenergy.com)

**SPRAGUE OPERATING RESOURCES LLC**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: Brian Weego

Name: \_\_\_\_\_

Title: Vice President, Natural Gas

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Contract Admin	Retail
Credit	Risk
Legal	Supply



**Addendum A  
to the  
NATURAL GAS SALES AGREEMENT  
between Sprague Operating Resources LLC and  
dated**

**DELIVERY LOCATION:**

ACCOUNT #	STREET ADDRESS	CITY & STATE	ZIP CODE	LDC

(Utility account numbers are being provided above for reference purposes only and may be subject to change)

## NATURAL GAS GENERAL TERMS & CONDITIONS

1. **Service.** Sprague agrees to sell and deliver to Buyer, and Buyer agrees to receive and purchase from Sprague, natural gas ("**Gas**") on the terms and conditions set forth in the Transaction Confirmation and herein. Each sale shall be on a firm basis unless otherwise stated in the Transaction Confirmation, meaning that either party may interrupt its performance without liability only to the extent that Force Majeure applies as described herein.
2. **Transportation.** Sprague shall be solely responsible for transporting the Gas to the delivery point(s) set forth in the Transaction Confirmation. Buyer shall be solely responsible for transporting and handling the Gas from such delivery point(s).
3. **Quality and Measurement.** Sprague shall deliver all Gas in compliance with the quality and measurement specifications as set forth in the tariff of the Transporter delivering the Gas to Buyer. "**Transporter**" shall mean all Gas gathering or pipeline companies, or local distribution companies, transporting Gas for Sprague or Buyer upstream or downstream, respectively, of the delivery point pursuant to the Transaction Confirmation.
4. **Nominations and Scheduling.** Buyer shall give Sprague prior notice of the quantities of Gas to be delivered that is sufficient to meet the requirements of each Transporter involved in the transaction. If Buyer fails to give such notice, Sprague may use the best available information to determine the quantities of Gas to be delivered, but Sprague shall not be liable in any way for any resulting imbalance charge or penalty. Any such imbalance charge or penalty shall be Buyer's sole responsibility under Section 6. Should a party become aware that an actual delivery at a delivery point is greater or lesser than the nominated volumes of Gas scheduled to be delivered, such party shall promptly notify the other party.
5. **Notice of Operational Change.** Buyer shall immediately notify Sprague of any event reasonably known to Buyer that may materially increase or decrease Buyer's Gas usage, i.e. addition or removal of gas-fire equipment, other equipment installations or changes, outages, shutdowns, repairs, openings or closings, changes in operating hours or production schedules. Buyer shall also immediately notify Sprague of, and fully comply with, all curtailment or interruption orders or similar notices Buyer receives from a pipeline or utility requiring the interruption or curtailment of Buyer's Gas usage.
6. **Imbalances.** The parties shall use commercially reasonable efforts to avoid imbalance charges or penalties. If a Transporter invoices Buyer or Sprague for an imbalance charge or penalty, the parties shall determine the validity of the charge. Upon request, Buyer shall provide to Sprague copies of Buyer's Transporter statements, reports or meter readings related to any Gas deliveries performed under this Agreement. If the charge or penalty is determined valid, the party responsible for the imbalance charge or penalty shall be obligated to pay such charge or penalty. If either party pays a charge or penalty caused by the other party, upon receipt of notice, the other party shall reimburse such party the amount paid in accordance with such notice.
7. **Taxes.** Sprague shall pay or cause to be paid all taxes (including but not limited to sales, use, distribution, excise, gross receipts, or other taxes), fees, levies, penalties, licenses or charges imposed, whether now or in the future, by any government authority ("**Taxes**") on or with respect to the Gas prior to the delivery point(s). Buyer shall pay or cause to be paid all Taxes, whether stated separately or as part of the price, on or with respect to the Gas at and after the delivery point(s). If a party is required to remit or pay Taxes due by the other party under this Agreement, upon receipt of notice, the other party shall promptly reimburse the party the amount paid. If a party is entitled to an exemption from any Taxes, such

party shall promptly furnish the other party with any necessary supporting documentation.

**8. Pricing and Billing.**

a. *Price.* The "Price" Buyer shall pay Sprague for Gas shall be the price and other charges as set forth in the applicable Transaction Confirmation, as well as any Taxes.

b. *Billing.* Sprague shall invoice Buyer as specified in the Transaction Confirmation for Gas delivered. If the actual quantity delivered is unknown to Sprague by the invoice date, Sprague will prepare the invoice based upon the best available information including nominated volumes. Buyer shall pay Sprague the invoiced amount on or before the due date, and Sprague shall make any necessary adjustment upon discovering the actual quantities by adjusting the invoiced quantity to the actual quantity in the next invoice.

c. *Interest Rate.* Sprague may charge Buyer an interest rate of one and a half percent (1½%) monthly or an interest rate as otherwise agreed in the Transaction Confirmation on any late payment or the maximum legal rate, if lower.

d. *Invoices Presumed Final.* All invoices shall be conclusively presumed final and accurate. Buyer shall waive any associated claim for an inaccurate invoice and/or overpayment unless, within two (2) years from the date of the Gas delivery, in good faith, Buyer objects to the invoice in writing, including an adequate explanation and supporting industry-acceptable documentation. However, the last Transporter's meter reading shall control for the purpose of determining an invoice's accuracy, and the Buyer shall not dispute a Sprague invoice based on a meter reading unless it possesses documentation from the Transporter, verifying an error in the meter reading and setting forth the accurate meter reading. Retroactive adjustments under this Section shall be invoiced accordingly. If the parties cannot resolve any invoice dispute, either party may pursue any remedy available at law or in equity to enforce its rights subject to Section 21. Nothing in this Section shall be deemed to preclude Sprague from making a retroactive adjustment of an invoice within a reasonable time of receiving information from the last Transporter, indicating an error in a prior invoice, regardless of the original invoice date.

e. *Netting.* The parties shall net all undisputed amounts due and owing, and/or past due, such that the party owing the greater amount shall make a single payment of the net amount to the other party in accordance with this Section 8; provided that no payment required to be made pursuant Sections 14(b) and (c) shall be subject to netting under this Section.

9. **Notice.** All notices shall be in writing and may be sent by facsimile, electronic mail, a nationally recognized overnight courier service, or first class mail or hand delivery to the party for whom intended. Notices to the Buyer shall be sent to the address provided by such party or the last known address. Notices to Sprague shall be sent to the following address:

Sprague Operating Resources LLC  
Attn: Contract Administration  
185 International Drive  
Portsmouth, NH 03801  
Fax#: (603) 430-5320  
Email: ContractAdministrationGroup@spragueenergy.com

Notice shall be deemed given when received on a business day by the addressee. In the absence of proof of the actual receipt date, the following presumptions apply. Notices sent by facsimile shall be deemed received upon the sending party's receipt of its facsimile machine's confirmation of successful transmission if on a business day and, if not, on the next following business day. Notice sent by electronic mail shall be sent with a request for a reply email and deemed received on the day sent if a business day and, if not, on the next following business day so long as the sending party does not

receive notification that the electronic mail did not reach the intended recipient. Upon receipt of an email from the other party, the recipient shall also have a duty to send a reply email confirming receipt. However, a failure to include the request for a reply email or a failure to send a reply email confirming receipt will not alter the day notice is deemed to have occurred via electronic mail under this Section. Notice by overnight mail or courier shall be deemed to have been received on the next business day following the day it was sent or an earlier time if confirmed by the receiving party. Notice via first class mail shall be deemed delivered five (5) business days after mailing.

10. **Credit.** Sprague and Buyer agree that the Transaction Confirmation is conditioned upon Buyer meeting Sprague's credit requirements as may be established, and amended, from time to time. Buyer acknowledges and agrees that the price of natural gas is volatile and this Agreement imposes an obligation on Buyer that Sprague's expectation of receiving due performance will not be impaired. Buyer therefore agrees that Sprague, in its sole discretion, may at any time, without notice, increase or decrease Buyer's credit requirements. Sprague's continued performance of its obligations under this Agreement and any Transaction Confirmation shall be contingent upon Buyer continuing to meet its credit requirements, as determined by Sprague, at all times

11. **Adequate Assurance.** If Sprague has reasonable grounds for insecurity regarding Buyer's performance of any obligation under the Transaction Confirmation (including, without limitation, the occurrence of a material change in the other party's creditworthiness), whether or not then due, Sprague may demand adequate assurance of performance, meaning sufficient security in the form, amount and for the term reasonably acceptable to Sprague, including, but not limited to, a standby irrevocable letter of credit, a prepayment, a security interest in an asset or a performance bond or guaranty (including the issuer of any such security) and Buyer shall give such adequate assurance within one (1) business day. Buyer agrees to provide such financial information, financial statements, annual reports, securities filings and credit authorizations as Sprague shall reasonably and from time to time request for the purpose of assessing and monitoring Buyer's financial condition and credit worthiness.

12. **Breach of Performance Obligations**

a. **Payment Failure.** If Buyer breaches its obligation to pay Sprague's invoice when due, Sprague, without penalty, may immediately suspend performance without further notice to Buyer and/or terminate the Transaction Confirmation upon giving written notice to Buyer. Sprague may also elect the Non-Defaulting Party's rights as set forth in Section 14.

b. **Delivery Failure.** If Sprague breaches its obligation to deliver Gas on any day, Buyer shall in good faith use commercially reasonable efforts to purchase the most economic replacement fuel, whether Gas or an alternative fuel, in the undelivered amount, from a third party. Buyer's sole and exclusive remedy for such breach, however, shall be payment from Sprague in an amount equal to any positive difference between the purchase price paid by Buyer to a third party for Gas (in an amount not exceeding that which Sprague failed to deliver), if any, adjusted for commercially reasonable differences in transportation costs to or from the delivery point(s) less the Price for the amount of Gas Sprague failed to deliver.

c. **Receipt Failure.** If Buyer breaches its obligation to receive Gas on any day, Sprague shall in good faith use commercially reasonable efforts to sell the Gas to a third party. Sprague's sole and exclusive remedy, however, is payment from Buyer in the amount equal any positive difference between the Price for the amount of Gas Buyer failed to receive, adjusted for commercially reasonable differences in transportation costs to or from the Delivery Point(s), less the price received for any amount of the Gas sold to a third party, if any.

d. Any amount due under this Section 12 shall be payable five (5) business days after presentation of the performing party's invoice, which shall set forth the basis upon which the amount was calculated. Imbalance Charges shall only be recovered pursuant to Section 6.

13. **Events of Default.** An "Event of Default" shall occur when a party (the "Defaulting Party") or its guarantor:
- a. makes an assignment or any general arrangement for the benefit of creditors;
  - b. files a petition or otherwise commences, authorizes, or acquiesces in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it;
  - c. otherwise becomes bankrupt or insolvent (however evidenced);
  - d. is unable to pay its debts as they fall due;
  - e. has a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; or
  - f. fails to perform any obligation to the other party with respect to Sections 10 or 11.

14. **Non-Defaulting Party's Rights.** When an Event of Default occurs or Buyer breaches its obligation to pay Sprague's invoice when due under Section 12.a., the other party (the "Non-Defaulting Party") shall have the right, at its sole election, in addition to any and all other available remedies under this Agreement, to immediately withhold and/or suspend deliveries or payments upon written notice and/or to terminate and liquidate the transactions under the Transaction Confirmation, in the following manner:

a. The Non-Defaulting Party shall give notice to the Defaulting Party of the "**Early Termination Date**", such date being five (5) days from the date of the notice, of all transactions under this Agreement, each being a "**Terminated Transaction**". On the Early Termination Date, all transactions will terminate, except those transactions, if any, that may not be liquidated and terminated under applicable law or are, in the reasonable opinion of the Non-Defaulting Party, commercially impracticable to liquidate and terminate ("**Excluded Transactions**"). The Excluded Transactions must be liquidated and terminated as soon as reasonably practicable, and upon termination shall be treated as Terminated Transactions. With respect to each Excluded Transaction, its actual termination date shall be the Early Termination Date for purposes of this Section.

b. As of the Early Termination Date, the Non-Defaulting Party shall determine, in good faith and in a commercially reasonable manner, (1) the amount owed (whether or not then due) by each party with respect to all Gas delivered and received between the parties under Terminated Transactions and Excluded Transactions on and before the Early Termination Date and all other applicable charges relating to such deliveries and receipts (including without limitation any imbalance charges), for which payment under the Transaction Confirmation has not yet been made; and (2) the Market Value, as defined below, of each Terminated Transaction.

c. The Non-Defaulting Party shall (1) liquidate and accelerate each Terminated Transaction at its Market Value, so that the amount equal to the difference between such Market Value and the Transaction Value, as defined below, of such Terminated Transaction(s) shall be due to the Buyer under the Terminated Transaction(s) if such Market Value exceeds the Transaction Value and due to Sprague if the opposite is the case; and (2) where appropriate, discount each amount then due to present value in a commercially reasonable manner as of the Early Termination Date (to take account of the period between the date of liquidation and the date on which such amount would have otherwise been due pursuant to the relevant Terminated Transactions). The Non-Defaulting party shall also be entitled to recover costs incurred due to termination and liquidation under this Section, including but not limited to broker and hedge-related costs and direct costs, but not indirect costs, provided there shall be no duplication of costs and damages.

d. "**Transaction Value**" means the amount of Gas remaining to be delivered or purchased under a transaction multiplied by the Price, and "**Market Value**" means the amount of Gas remaining to be delivered or purchased under a transaction multiplied by the market price for a similar transaction at the Delivery Point determined by the Non-Defaulting Party in a commercially reasonable manner. To ascertain the Market Value, parties need not enter into replacement transaction(s); rather, the Non-Defaulting Party may consider, among other

valuations, any or all of the settlement prices of NYMEX Gas futures contracts, quotations from leading dealers in energy swap contracts or physical gas trading markets, similar sales or purchases and any other bona fide third-party offers, all adjusted for the length of the term and differences in transportation costs. Any extension(s) of the term of a transaction to which parties are not bound as of the Early Termination Date (including but not limited to "evergreen provisions") shall not be considered in determining Transaction Values and Market Values. Any option pursuant to which one party has the right to extend the term of a transaction shall be considered in determining Transaction Values and Market Values. The rate of interest used in calculating net present value shall be determined by the Non-Defaulting Party in a commercially reasonable manner.

e. The Non-Defaulting Party shall net or aggregate, as appropriate, any and all amounts the parties owe under this Section 14, so that all such amounts are netted or aggregated to a single liquidated amount payable by one party to the other (the "**Net Settlement Amount**"). At its sole option and without prior Notice to the Defaulting Party, the Non-Defaulting Party may setoff (i) any Net Settlement Amount owed to the Non-Defaulting Party against any margin or other collateral held by it in connection with any credit support obligation relating to the Agreement; or (ii) any Net Settlement Amount payable to the Defaulting Party against any amount(s) payable by the Defaulting Party to the Non-Defaulting Party under any other agreement or arrangement between the parties. As soon as practicable after a liquidation, the Non-Defaulting Party shall give written notice to the Defaulting Party of the Net Settlement Amount and to which party it is due, including a reasonably detailed explanation of the calculation of such amount. Any failure to give such notice shall not affect the validity or enforceability of the liquidation or give rise to any claim between the parties. The Net Settlement Amount shall be paid by the close of business on the second Business Day following such notice, but not earlier than the Early Termination Date. Interest on any unpaid portion of the Net Settlement Amount shall accrue at the rate of one and a half percent (1½ %) monthly or the maximum applicable lawful interest rate, if lower.

f. If any obligation that is to be included in any netting, aggregation or setoff pursuant to Section 14.e. is unascertained, the Non-Defaulting Party may in good faith estimate that obligation and net, aggregate or setoff, as applicable, in respect of the estimate, subject to the Non-Defaulting Party accounting to the Defaulting Party when the obligation is ascertained. Any amount not then due which is included in any netting, aggregation or setoff pursuant to Section 14.e. shall be discounted to net present value in a commercially reasonable manner determined by the Non-Defaulting Party.

g. *Separate Netting Agreement.* With respect to this Section 14, if the parties have executed a separate netting agreement with close-out netting provisions, the terms and conditions of the separate netting agreement shall prevail to the extent inconsistent herewith.

h. *Exclusive Remedy.* The Non-Defaulting Party's remedies under this Section 14 are the sole and exclusive remedies of the Non-Defaulting Party with respect to the occurrence of any Early Termination Date. Each party reserves to itself all other rights, setoffs, counterclaims and other defenses that it is or may be entitled to arising from the Agreement.

15. **Forward Contract.** The parties agree that a transaction hereunder constitutes a "forward contract" within the meaning of the United States Bankruptcy Code and that Buyer and Sprague are each "forward contract merchants" within the meaning of the United States Bankruptcy Code.

16. **Force Majeure.** Except with regard to a party's obligation to make payment(s) due under Sections 6, 8, 12 and 14, neither party shall be liable to the other for failure to perform an obligation, to the extent such failure was caused by Force Majeure. "**Force Majeure**" shall include, but not be limited to, the following: (i) physical events such as acts of God,

landslides, lightning, earthquakes, fires, storms or storm warnings, such as hurricanes, which result in evacuation of the affected area, floods, washouts, explosions, breakage or accident or necessity of repairs to machinery or equipment or lines of pipe; (ii) weather related events affecting an entire geographic region, such as low temperatures which cause freezing or failure of wells or lines of pipe; (iii) interruption and/or curtailment of firm transportation and/or storage by Transporters; (iv) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections, acts of terrorism or wars; and (v) governmental actions such as necessity for compliance with any court order, law, statute, ordinance, regulation, or policy having the effect of law promulgated by a governmental authority having jurisdiction. Sprague and Buyer shall make reasonable efforts to avoid the adverse impacts of a Force Majeure and to resolve the event or occurrence once it has occurred in order to resume performance. Neither party shall be entitled to the benefit of this Section 16 to the extent performance is affected by any or all of the following circumstances: (i) the party claiming excuse failed to remedy the condition and to resume the performance of such covenants or obligations with reasonable dispatch; or (ii) economic hardship, to include, without limitation, Sprague's ability to sell Gas at a higher or more advantageous price, Buyer's ability to purchase Gas at a lower or more advantageous price, or a regulatory agency disallowing, in whole or in part, the pass through of costs resulting from this Agreement; (iii) the loss of Buyer's market(s) or Buyer's inability to use or resell Gas purchased hereunder, except, in either case, as provided in this Section; or (iv) the loss or failure of Sprague's gas supply or depletion of reserves, except, in either case, as provided in this Section. The party claiming Force Majeure shall not be excused from its responsibility for imbalance charges or penalties. Notwithstanding anything to the contrary herein, the parties agree that the settlement of strikes, lockouts or other industrial disturbances shall be within the sole discretion of the party experiencing such disturbance. The party whose performance is prevented by Force Majeure must provide immediate notice to the other party orally and, as soon as reasonably possible, in writing with reasonably full particulars of the event or occurrence. Upon providing such notice, the party claiming Force Majeure will be relieved of its obligation, from the onset of the Force Majeure event, to make or accept delivery of Gas, as applicable, to the extent and for the duration of Force Majeure, and neither party shall be deemed to have failed in such obligations to the other during such occurrence or event. If one event of Force Majeure continues for forty-five (45) days or more, either party may terminate the Agreement and any Transaction Confirmation upon giving notice to the other party.

**17. Tariffs, Laws and Regulations.** This Agreement shall be subject to all valid local, state and federal laws and orders, directives, rules and regulations of any governmental body or official having jurisdiction. Each party shall indemnify, defend and hold harmless the other party from any fines, penalties, assessments or liabilities imposed by any governmental authority of competent jurisdiction relating to the failure of such party to comply with any applicable governmental law, rule or regulation. In the event any governmental authority or any law, rule, regulation, ordinance or an order of any court, tribunal or regulatory authority of competent jurisdiction adversely and materially impacts Sprague's ability to perform under this Agreement and/or any Transaction Confirmation, Sprague shall have the right, at its option, in its sole discretion, to either attempt to renegotiate the terms of this Agreement and/or the Transaction Confirmation at any time, or to entirely terminate this Agreement and/or the Transaction Confirmation, without penalty, upon sixty (60) days' notice.

**18. Waiver and Severability.** The waiver by either party of a breach of any provision contained herein shall be in writing and shall in no way be construed as a waiver or any subsequent breach of such provision or the waiver of the provision itself. Should a court of competent jurisdiction hold any provision of this Transaction Confirmation invalid, illegal or unenforceable, that provision shall be eliminated or limited to the minimum extent necessary so that this Transaction Confirmation shall otherwise remain in full force and effect and enforceable.

**19. Integration and Assignability.** The Transaction Confirmation, including these general terms and conditions, contains the entire understanding of the parties, shall supersede any other oral or written agreements, and shall be binding upon and inure to the benefit of the parties' successors and assigns. It may not be modified in any way without the written

consent of both parties. Neither party shall have the right to assign the Transaction Confirmation in whole or in part without the other party's written consent, such consent not to be unreasonably withheld.

20. **Confidentiality.** Neither party shall disclose directly or indirectly without the prior written consent of the other party the terms of the Transaction Confirmation to a third party (other than the party's employees, lenders, royalty owners, counsel, and accountants, or prospective purchasers of all or substantially all of a party's assets or of any rights under the Transaction Confirmation, provided such disclosure is necessary and such persons have agreed to keep such terms confidential) except (i) in order to comply with any applicable law, order, regulation, or exchange rule, (ii) to the extent necessary for the enforcement of the Transaction Confirmation, (iii) to the extent necessary to implement any transaction, or (iv) to the extent such information is delivered to such third party for the sole purpose of calculating a published index. Each party shall notify the other party of any proceeding of which it is aware which may result in disclosure of the terms of any transaction (other than as permitted hereunder) and use reasonable efforts to prevent or limit the disclosure. The existence of the Transaction Confirmation is not subject to this confidentiality obligation. Subject to Section 21, the parties shall be entitled to all remedies available at law or in equity to enforce, or seek relief in connection with this confidentiality obligation. The parties shall keep the terms of any transaction hereunder confidential for one year from the expiration of the transaction. If a governmental body or applicable law requires the disclosure, the party subject to the requirement shall promptly notify the other party prior to the disclosure and cooperate with the other party in any efforts to obtain protective orders or similar restraints with respect to the disclosure.

21. **Limitations.**

A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS EXPRESSLY PROVIDED IN THE TRANSACTION CONFIRMATION, INCLUDING THESE GENERAL TERMS AND CONDITIONS, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED HEREIN OR IN A TRANSACTION CONFIRMATION, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY PROVIDED HEREIN, NEITHER PARTY SHALL BE LIABLE FOR SPECIFIC PERFORMANCE, CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. THE PARTIES HEREBY INTEND THAT THE LIMITATIONS IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES IN THE TRANSACTION CONFIRMATION, INCLUDING THESE GENERAL TERMS AND CONDITIONS, BE WITHOUT REGARD TO THE CAUSE(S) RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OBTAINING AN ADEQUATE REMEDY IS OTHERWISE INCONVENIENT, AND THE DAMAGES CALCULATED HEREUNDER CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS.

22. **Governing Law.** The Transaction Confirmation shall be governed by and interpreted in accordance with the laws of the State of New Hampshire, excluding its conflicts and law of principles. The parties consent to the jurisdiction of the New Hampshire courts to resolve any disputes under the Transaction Confirmation and hereby waive any right to a jury trial.

23. **Headings.** The headings and subheadings contained in these general terms and conditions are used solely for convenience and shall not be used to construe or interpret the provisions herein.

## Base Contract for Sale and Purchase of Natural Gas

This Base Contract is entered into as of the following date:

The parties to this Base Contract are the following:

PARTY A <b>SPRAGUE OPERATING RESOURCES LLC</b>	PARTY NAME	PARTY B
185 International Drive, Portsmouth, NH 03801	ADDRESS	
<a href="http://www.spragueenergy.com">www.spragueenergy.com</a>	BUSINESS WEBSITE	WWW: _____
	CONTRACT NUMBER	
<b>13-136-2733</b>	D-U-N-S® NUMBER	
<input checked="" type="checkbox"/> US FEDERAL: 02-0415440 <input type="checkbox"/> OTHER:	TAX ID NUMBERS	<input type="checkbox"/> US FEDERAL: <input type="checkbox"/> OTHER:
<b>Delaware</b>	JURISDICTION OF ORGANIZATION	
<input type="checkbox"/> Corporation <input checked="" type="checkbox"/> LLC <input type="checkbox"/> Limited Partnership <input type="checkbox"/> Partnership <input type="checkbox"/> LLP <input type="checkbox"/> Other: _____	COMPANY TYPE	<input type="checkbox"/> Corporation <input type="checkbox"/> LLC <input type="checkbox"/> Limited Partnership <input type="checkbox"/> Partnership <input type="checkbox"/> LLP <input type="checkbox"/> Other: _____
	GUARANTOR (IF APPLICABLE)	
<b>CONTACT INFORMATION</b>		
ATTN: Mng. Dir., Nat Gas Pricing & Support TEL#: (603) 430-5364      FAX#: (603) 430-5317 EMAIL: <a href="mailto:spasalic@spragueenergy.com">spasalic@spragueenergy.com</a>	COMMERCIAL	ATTN: _____ TEL#: _____      FAX#: _____ EMAIL: _____
ATTN: Director, Natural Gas Scheduling Logistics TEL#: (603) 430-5312      FAX#: (603) 430-5320 EMAIL: <a href="mailto:aronald@spragueenergy.com">aronald@spragueenergy.com</a>	SCHEDULING	ATTN: _____ TEL#: _____      FAX#: _____ EMAIL: _____
ATTN: Contract Administration TEL#: (603) 430-5338      FAX#: (603) 430-5320 EMAIL: <a href="mailto:contractadministrationgroup@spragueenergy.com">contractadministrationgroup@spragueenergy.com</a> <b>For Force Majeure Notices: send copy of notice to originating office</b>	CONTRACT AND LEGAL NOTICES	ATTN: _____ TEL#: _____      FAX#: _____ EMAIL: _____
ATTN: Credit Supervisor TEL#: (603) 430-7259      FAX#: (603) 430-5326 EMAIL: <a href="mailto:natgascredit@spragueenergy.com">natgascredit@spragueenergy.com</a>	CREDIT	ATTN: _____ TEL#: _____      FAX#: _____ EMAIL: _____
ATTN: Contract Administration TEL#: (603) 430-5338      FAX#: (603) 430-5320 EMAIL: <a href="mailto:contractadministrationgroup@spragueenergy.com">contractadministrationgroup@spragueenergy.com</a>	TRANSACTION CONFIRMATIONS	ATTN: _____ TEL#: _____      FAX#: _____ EMAIL: _____

**ACCOUNTING INFORMATION**

ATTN: Natural Gas Credit Dept. TEL#: (603) 766-7419      FAX#: (603) 430-5326	<ul style="list-style-type: none"> <li>▪ INVOICES</li> <li>▪ PAYMENTS</li> <li>▪ SETTLEMENTS</li> </ul>	ATTN: _____ TEL#: _____ FAX#: _____ EMAIL: _____
BANK: JP Morgan Chase Bank, New York, NY ABA: 021000021 ACCT: 799760913 OTHER DETAILS: _____	WIRE TRANSFER NUMBERS (IF APPLICABLE)	BANK: _____ ABA: _____ ACCT: _____ OTHER DETAILS: _____
JP Morgan Chase Bank, New York, NY ABA* 021000021 ACCT: 799760913	ACH NUMBERS (IF APPLICABLE)	BANK: _____ ABA: _____ ACCT: _____ OTHER DETAILS: _____
ATTN: Accounts Payable _____ ADDRESS: P.O. Box 842985 Boston, MA 02284 _____	CHECKS (IF APPLICABLE)	ATTN: _____ ADDRESS: _____ _____

Sample

## Base Contract for Sale and Purchase of Natural Gas

(Continued)

This Base Contract incorporates by reference for all purposes the General Terms and Conditions for Sale and Purchase of Natural Gas published by the North American Energy Standards Board. The parties hereby agree to the following provisions offered in said General Terms and Conditions. In the event the parties fail to check a box, the specified default provision shall apply. Select the appropriate box(es) from each section:

<p><b>Section 1.2</b> Transaction Procedure  <input type="checkbox"/> Oral (default)  OR  <input checked="" type="checkbox"/> Written</p>	<p><b>Section 10.2</b> Additional Events of Default  <input checked="" type="checkbox"/> No Additional Events of Default (default)  <input type="checkbox"/> Indebtedness Cross Default  <input type="checkbox"/> Party A: _____  <input type="checkbox"/> Party B: _____  <input type="checkbox"/> Transactional Cross Default  <u>Specified Transactions:</u>  _____  _____</p>
<p><b>Section 2.7</b> Confirm Deadline  <input checked="" type="checkbox"/> 2 Business Days after receipt (default)  OR  <input type="checkbox"/> 5 Business Days after receipt</p>	<p><b>Section 10.3</b> Early Termination Damages  <input checked="" type="checkbox"/> Early Termination Damages Apply (default)  <input type="checkbox"/> Early Termination Damages Do Not Apply</p>
<p><b>Section 2.8</b> Confirming Party  <input checked="" type="checkbox"/> Seller (default)  OR  <input type="checkbox"/> Buyer  <input type="checkbox"/> _____</p>	<p><b>Section 10.4</b> Other Agreement Setoffs  <input type="checkbox"/> Other Agreement Setoffs Apply (default)  <input checked="" type="checkbox"/> Bilateral (default)  <input type="checkbox"/> Triangular  OR  <input type="checkbox"/> Other Agreement Setoffs Do Not Apply</p>
<p><b>Section 3.2</b> Performance Obligation  <input checked="" type="checkbox"/> Cover Standard (default)  OR  <input type="checkbox"/> Spot Price Standard</p>	<p><b>Section 15.5</b> Choice Of Law  _____</p>
<p><i>Note: The following Spot Price Publication applies to both of the immediately preceding.</i></p>	
<p><b>Section 2.31</b> Spot Price Publication  <input checked="" type="checkbox"/> Gas Daily Midpoint (default)  OR  <input type="checkbox"/> _____</p>	<p><b>Section 15.10</b> Confidentiality  <input checked="" type="checkbox"/> Confidentiality applies (default)  OR  <input type="checkbox"/> Confidentiality does not apply</p>
<p><b>Section 6</b> Taxes  <input checked="" type="checkbox"/> Buyer Pays At and After Delivery Point (default)  OR  <input type="checkbox"/> Seller Pays Before and At Delivery Point</p>	<p><b>Section 7.2</b> Payment Date  <input checked="" type="checkbox"/> 25<sup>th</sup> Day of Month following Month of delivery (default)  OR  <input type="checkbox"/> Net 30 Days from the date of the invoice from Seller</p>
<p><b>Section 7.2</b> Method of Payment  <input checked="" type="checkbox"/> Wire transfer (default)  <input type="checkbox"/> Automated Clearinghouse Credit (ACH)  <input type="checkbox"/> Check</p>	<p><b>Section 7.7</b> Netting  <input checked="" type="checkbox"/> Netting applies (default)  OR  <input type="checkbox"/> Netting does not apply</p>
<p><input checked="" type="checkbox"/> <b>Special Provisions</b> Number of sheets attached: <u>Eight (8)</u></p>	
<p><input type="checkbox"/> <b>Addendum(s):</b> _____</p>	

IN WITNESS WHEREOF, the parties hereto have executed this Base Contract in duplicate.

<b>SPRAGUE OPERATING RESOURCES LLC</b>	<i>PARTY NAME</i>	
By: _____	<i>SIGNATURE</i>	By: _____
<b>Brian Weego</b>	<i>PRINTED NAME</i>	
<b>Vice President, Natural Gas</b>	<i>TITLE</i>	

Sample

# General Terms and Conditions

## Base Contract for Sale and Purchase of Natural Gas

### SECTION 1. PURPOSE AND PROCEDURES

1.1. These General Terms and Conditions are intended to facilitate purchase and sale transactions of Gas on a Firm or Interruptible basis. "Buyer" refers to the party receiving Gas and "Seller" refers to the party delivering Gas. The entire agreement between the parties shall be the Contract as defined in Section 2.9.

**The parties have selected either the "Oral Transaction Procedure" or the "Written Transaction Procedure" as indicated on the Base Contract.**

#### **Oral Transaction Procedure:**

1.2. The parties will use the following Transaction Confirmation procedure. Any Gas purchase and sale transaction may be effectuated in an EDI transmission or telephone conversation with the offer and acceptance constituting the agreement of the parties. The parties shall be legally bound from the time they so agree to transaction terms and may each rely thereon. Any such transaction shall be considered a "writing" and to have been "signed". Notwithstanding the foregoing sentence, the parties agree that Confirming Party shall, and the other party may, confirm a telephonic transaction by sending the other party a Transaction Confirmation by facsimile, EDI or mutually agreeable electronic means within three Business Days of a transaction covered by this Section 1.2 (Oral Transaction Procedure) provided that the failure to send a Transaction Confirmation shall not invalidate the oral agreement of the parties. Confirming Party adopts its confirming letterhead, or the line as its signature on any Transaction Confirmation as the identification and authentication of Confirming Party. If the Transaction Confirmation contains any provisions other than those relating to the commercial terms of the transaction (i.e., price, quantity, performance obligation, delivery point, period of delivery and/or transportation conditions), which modify or supplement the Base Contract or General Terms and Conditions of this Contract (e.g., arbitration or additional representations and warranties), such provisions shall not be deemed to be accepted pursuant to Section 1.3 but must be expressly agreed to by both parties; provided that the foregoing shall not invalidate any transaction agreed to by the parties.

#### **Written Transaction Procedure:**

1.2. The parties will use the following Transaction Confirmation procedure. Should the parties come to an agreement regarding a Gas purchase and sale transaction for a particular Delivery Period, the Confirming Party shall, and the other party may, record that agreement on a Transaction Confirmation and communicate such Transaction Confirmation by facsimile, EDI or mutually agreeable electronic means, to the other party by the close of the Business Day following the date of agreement. The parties acknowledge that their agreement will not be binding until the exchange of nonconflicting Transaction Confirmations or the passage of the Confirm Deadline without objection from the receiving party, as provided in Section 1.3.

1.3. If a sending party's Transaction Confirmation is materially different from the receiving party's understanding of the agreement referred to in Section 1.2, such receiving party shall notify the sending party via facsimile, EDI or mutually agreeable electronic means by the Confirm Deadline, unless such receiving party has previously sent a Transaction Confirmation to the sending party. The failure of the receiving party to so notify the sending party by the Confirm Deadline constitutes the receiving party's agreement to the terms of the transaction described in the sending party's Transaction Confirmation. If there are any material differences between timely sent Transaction Confirmations governing the same transaction, then neither Transaction Confirmation shall be binding until or unless such differences are resolved including the use of any evidence that clearly resolves the differences in the Transaction Confirmations. In the event of a conflict among the terms of (i) a binding Transaction Confirmation pursuant to Section 1.2, (ii) the oral agreement of the parties which may be evidenced by a recorded conversation, where the parties have selected the Oral Transaction Procedure of the Base Contract, (iii) the Base Contract, and (iv) these General Terms and Conditions, the terms of the documents shall govern in the priority listed in this sentence.

1.4. The parties agree that each party may electronically record all telephone conversations with respect to this Contract between their respective employees, without any special or further notice to the other party. Each party shall obtain any necessary consent of its agents and employees to such recording. Where the parties have selected the Oral Transaction Procedure in Section 1.2 of the Base Contract, the parties agree not to contest the validity or enforceability of telephonic recordings entered into in accordance with the requirements of this Base Contract.

### SECTION 2. DEFINITIONS

The terms set forth below shall have the meaning ascribed to them below. Other terms are also defined elsewhere in the Contract and shall have the meanings ascribed to them herein.

2.1. "Additional Event of Default" shall mean Transactional Cross Default or Indebtedness Cross Default, each as and if selected by the parties pursuant to the Base Contract.

2.2. "Affiliate" shall mean, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For this purpose, "control" of any entity or person means ownership of at least 50 percent of the voting power of the entity or person.

- 2.3. "Alternative Damages" shall mean such damages, expressed in dollars or dollars per MMBtu, as the parties shall agree upon in the Transaction Confirmation, in the event either Seller or Buyer fails to perform a Firm obligation to deliver Gas in the case of Seller or to receive Gas in the case of Buyer.
- 2.4. "Base Contract" shall mean a contract executed by the parties that incorporates these General Terms and Conditions by reference; that specifies the agreed selections of provisions contained herein; and that sets forth other information required herein and any Special Provisions and addendum(s) as identified on page one.
- 2.5. "British thermal unit" or "Btu" shall mean the International BTU, which is also called the Btu (IT).
- 2.6. "Business Day(s)" shall mean Monday through Friday, excluding Federal Banking Holidays for transactions in the U.S.
- 2.7. "Confirm Deadline" shall mean 5:00 p.m. in the receiving party's time zone on the second Business Day following the Day a Transaction Confirmation is received or, if applicable, on the Business Day agreed to by the parties in the Base Contract; provided, if the Transaction Confirmation is time stamped after 5:00 p.m. in the receiving party's time zone, it shall be deemed received at the opening of the next Business Day.
- 2.8. "Confirming Party" shall mean the party designated in the Base Contract to prepare and forward Transaction Confirmations to the other party.
- 2.9. "Contract" shall mean the legally-binding relationship established by (i) the Base Contract, (ii) any and all binding Transaction Confirmations and (iii) where the parties have selected the Oral Transaction Procedure in Section 1.2 of the Base Contract, any and all transactions that the parties have entered into through an EDI transmission or by telephone, but that have not been confirmed in a binding Transaction Confirmation, all of which shall form a single integrated agreement between the parties.
- 2.10. "Contract Price" shall mean the amount expressed in U.S. Dollars per MMBtu to be paid by Buyer to Seller for the purchase of Gas as agreed to by the parties in a transaction.
- 2.11. "Contract Quantity" shall mean the quantity of Gas to be delivered and taken as agreed to by the parties in a transaction.
- 2.12. "Cover Standard", as referred to in Section 3.2, shall mean that, where there is an unexcused failure to take or deliver any quantity of Gas pursuant to this Contract, then the performing party shall use commercially reasonable efforts to (i) if Buyer is the performing party, obtain Gas, (or an alternate fuel if elected by Buyer and replacement Gas is not available), or (ii) if Seller is the performing party, sell Gas, in either case, at a price reasonable for the delivery or production area, as applicable, consistent with: the amount of notice provided by the nonperforming party; the immediacy of the Buyer's Gas consumption needs or Seller's Gas sales requirements, as applicable; the quantities involved; and the anticipated length of failure by the nonperforming party.
- 2.13. "Credit Support Obligation(s)" shall mean any obligation(s) to provide or establish credit support for, or on behalf of, a party to this Contract such as cash, an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, guaranty, or other good and sufficient security of a continuing nature.
- 2.14. "Day" shall mean a period of 24 consecutive hours, co-extensive with a "day" as defined by the Receiving Transporter in a particular transaction.
- 2.15. "Delivery Period" shall be the period during which deliveries are to be made as agreed to by the parties in a transaction.
- 2.16. "Delivery Point(s)" shall mean such point(s) as are agreed to by the parties in a transaction.
- 2.17. "EDI" shall mean an electronic data interchange pursuant to an agreement entered into by the parties, specifically relating to the communication of Transaction Confirmations under this Contract.
- 2.18. "EFP" shall mean the purchase, sale or exchange of natural Gas as the "physical" side of an exchange for physical transaction involving gas futures contracts. EFP shall incorporate the meaning and remedies of "Firm", provided that a party's excuse for nonperformance of its obligations to deliver or receive Gas will be governed by the rules of the relevant futures exchange regulated under the Commodity Exchange Act.
- 2.19. "Firm" shall mean that either party may interrupt its performance without liability only to the extent that such performance is prevented for reasons of Force Majeure; provided, however, that during Force Majeure interruptions, the party invoking Force Majeure may be responsible for any Imbalance Charges as set forth in Section 4.3 related to its interruption after the nomination is made to the Transporter and until the change in deliveries and/or receipts is confirmed by the Transporter.
- 2.20. "Gas" shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane.
- 2.21. "Guarantor" shall mean any entity that has provided a guaranty of the obligations of a party hereunder.
- 2.22. "Imbalance Charges" shall mean any fees, penalties, costs or charges (in cash or in kind) assessed by a Transporter for failure to satisfy the Transporter's balance and/or nomination requirements.
- 2.23. "Indebtedness Cross Default" shall mean if selected on the Base Contract by the parties with respect to a party, that it or its Guarantor, if any, experiences a default, or similar condition or event however therein defined, under one or more agreements or instruments, individually or collectively, relating to indebtedness (such indebtedness to include any obligation whether present or future, contingent or otherwise, as principal or surety or otherwise) for the payment or repayment of borrowed money in an aggregate amount greater than the threshold specified in the Base Contract with respect to such party or its Guarantor, if any, which results in such indebtedness becoming immediately due and payable.

- 2.24. "Interruptible" shall mean that either party may interrupt its performance at any time for any reason, whether or not caused by an event of Force Majeure, with no liability, except such interrupting party may be responsible for any Imbalance Charges as set forth in Section 4.3 related to its interruption after the nomination is made to the Transporter and until the change in deliveries and/or receipts is confirmed by Transporter.
- 2.25. "MMBtu" shall mean one million British thermal units, which is equivalent to one dekatherm.
- 2.26. "Month" shall mean the period beginning on the first Day of the calendar month and ending immediately prior to the commencement of the first Day of the next calendar month.
- 2.27. "Payment Date" shall mean a date, as indicated on the Base Contract, on or before which payment is due Seller for Gas received by Buyer in the previous Month.
- 2.28. "Receiving Transporter" shall mean the Transporter receiving Gas at a Delivery Point, or absent such receiving Transporter, the Transporter delivering Gas at a Delivery Point.
- 2.29. "Scheduled Gas" shall mean the quantity of Gas confirmed by Transporter(s) for movement, transportation or management.
- 2.30. "Specified Transaction(s)" shall mean any other transaction or agreement between the parties for the purchase, sale or exchange of physical Gas, and any other transaction or agreement identified as a Specified Transaction under the Base Contract.
- 2.31. "Spot Price" as referred to in Section 3.2 shall mean the price listed in the publication indicated on the Base Contract, under the listing applicable to the geographic location closest in proximity to the Delivery Point(s) for the relevant Day; provided, if there is no single price published for such location for such Day, but there is published a range of prices, then the Spot Price shall be the average of such high and low prices. If no price or range of prices is published for such Day, then the Spot Price shall be the average of the following: (i) the price (determined as stated above) for the first Day for which a price or range of prices is published that next precedes the relevant Day; and (ii) the price (determined as stated above) for the first Day for which a price or range of prices is published that next follows the relevant Day.
- 2.32. "Transaction Confirmation" shall mean a document, similar to the form of Exhibit A, setting forth the terms of a transaction formed pursuant to Section 1 for a particular Delivery Period.
- 2.33. "Transactional Cross Default" shall mean if selected on the Base Contract by the parties with respect to a party, that it shall be in default, however therein defined, under any Specified Transaction.
- 2.34. "Termination Option" shall mean the option of either party to terminate a transaction in the event that the other party fails to perform a Firm obligation to deliver Gas in the case of Seller or to receive Gas in the case of Buyer for a designated number of days during a period as specified on the applicable Transaction Confirmation.
- 2.35. "Transporter(s)" shall mean all Gas gathering or pipeline companies, or local distribution companies, acting in the capacity of a transporter, transporting Gas for Seller or Buyer upstream or downstream, respectively, of the Delivery Point pursuant to a particular transaction.

### SECTION 3. PERFORMANCE OBLIGATION

3.1. Seller agrees to sell and deliver, and Buyer agrees to receive and purchase, the Contract Quantity for a particular transaction in accordance with the terms of the Contract. Sales and purchases will be on a Firm or Interruptible basis, as agreed to by the parties in a transaction.

**The parties have selected either the "Cover Standard" or the "Spot Price Standard" as indicated on the Base Contract.**

**Cover Standard:**

3.2. The sole and exclusive remedy of the parties in the event of a breach of a Firm obligation to deliver or receive Gas shall be recovery of the following: (i) in the event of a breach by Seller on any Day(s), payment by Seller to Buyer in an amount equal to the positive difference, if any, between the purchase price paid by Buyer utilizing the Cover Standard and the Contract Price, adjusted for commercially reasonable differences in transportation costs to or from the Delivery Point(s), multiplied by the difference between the Contract Quantity and the quantity actually delivered by Seller for such Day(s) excluding any quantity for which no replacement is available; or (ii) in the event of a breach by Buyer on any Day(s), payment by Buyer to Seller in the amount equal to the positive difference, if any, between the Contract Price and the price received by Seller utilizing the Cover Standard for the resale of such Gas, adjusted for commercially reasonable differences in transportation costs to or from the Delivery Point(s), multiplied by the difference between the Contract Quantity and the quantity actually taken by Buyer for such Day(s) excluding any quantity for which no sale is available; and (iii) in the event that Buyer has used commercially reasonable efforts to replace the Gas or Seller has used commercially reasonable efforts to sell the Gas to a third party, and no such replacement or sale is available for all or any portion of the Contract Quantity of Gas, then in addition to (i) or (ii) above, as applicable, the sole and exclusive remedy of the performing party with respect to the Gas not replaced or sold shall be an amount equal to any unfavorable difference between the Contract Price and the Spot Price, adjusted for such transportation to the applicable Delivery Point, multiplied by the quantity of such Gas not replaced or sold. Imbalance Charges shall not be recovered under this Section 3.2, but Seller and/or Buyer shall be responsible for Imbalance Charges, if any, as provided in Section 4.3. The amount of such unfavorable difference shall be payable five Business Days after presentation of the performing party's invoice, which shall set forth the basis upon which such amount was calculated.

**Spot Price Standard:**

3.2. The sole and exclusive remedy of the parties in the event of a breach of a Firm obligation to deliver or receive Gas shall be recovery of the following: (i) in the event of a breach by Seller on any Day(s), payment by Seller to Buyer in an amount equal to the difference between the Contract Quantity and the actual quantity delivered by Seller and received by Buyer for such Day(s), multiplied by the positive difference, if any, obtained by subtracting the Contract Price from the Spot Price; or (ii) in the event of a breach by Buyer on any Day(s), payment by Buyer to Seller in an amount equal to the difference between the Contract Quantity and the actual quantity delivered by Seller and received by Buyer for such Day(s), multiplied by the positive difference, if any, obtained by subtracting the applicable Spot Price from the Contract Price. Imbalance Charges shall not be recovered under this Section 3.2, but Seller and/or Buyer shall be responsible for Imbalance Charges, if any, as provided in Section 4.3. The amount of such unfavorable difference shall be payable five Business Days after presentation of the performing party's invoice, which shall set forth the basis upon which such amount was calculated.

3.3. Notwithstanding Section 3.2, the parties may agree to Alternative Damages in a Transaction Confirmation executed in writing by both parties.

3.4. In addition to Sections 3.2 and 3.3, the parties may provide for a Termination Option in a Transaction Confirmation executed in writing by both parties. The Transaction Confirmation containing the Termination Option will designate the length of nonperformance triggering the Termination Option and the procedures for exercise thereof, how damages for nonperformance will be compensated, and how liquidation costs will be calculated.

**SECTION 4. TRANSPORTATION, NOMINATIONS, AND IMBALANCES**

4.1. Seller shall have the sole responsibility for transporting the Gas to the Delivery Point(s). Buyer shall have the sole responsibility for transporting the Gas from the Delivery Point(s).

4.2. The parties shall coordinate their nomination activities, giving sufficient time to meet the deadlines of the affected Transporter(s). Each party shall give the other party timely prior Notice, sufficient to meet the requirements of all Transporter(s) involved in the transaction, of the quantities of Gas to be delivered and purchased each Day. Should either party become aware that actual deliveries at the Delivery Point(s) are greater or lesser than the Scheduled Gas, such party shall promptly notify the other party.

4.3. The parties shall use commercially reasonable efforts to avoid imposition of any Imbalance Charges. If Buyer or Seller receives an invoice from a Transporter that includes Imbalance Charges, the parties shall determine the validity as well as the cause of such Imbalance Charges. If the Imbalance Charges were incurred as a result of Buyer's receipt of quantities of Gas greater than or less than the Scheduled Gas, then Buyer shall pay for such Imbalance Charges or reimburse Seller for such Imbalance Charges paid by Seller. If the Imbalance Charges were incurred as a result of Seller's delivery of quantities of Gas greater than or less than the Scheduled Gas, then Seller shall pay for such Imbalance Charges or reimburse Buyer for such Imbalance Charges paid by Buyer.

**SECTION 5. QUALITY AND MEASUREMENT**

All Gas delivered by Seller shall meet the pressure, quality and heat content requirements of the Receiving Transporter. The unit of quantity measurement for purposes of this Contract shall be one MMBtu dry. Measurement of Gas quantities hereunder shall be in accordance with the established procedures of the Receiving Transporter.

**SECTION 6. TAXES**

The parties have selected either "Buyer Pays At and After Delivery Point" or "Seller Pays Before and At Delivery Point" as Indicated on the Base Contract.

**Buyer Pays At and After Delivery Point:**

Seller shall pay or cause to be paid all taxes, fees, levies, penalties, licenses or charges imposed by any government authority ("Taxes") on or with respect to the Gas prior to the Delivery Point(s). Buyer shall pay or cause to be paid all Taxes on or with respect to the Gas at the Delivery Point(s) and all Taxes after the Delivery Point(s). If a party is required to remit or pay Taxes that are the other party's responsibility hereunder, the party responsible for such Taxes shall promptly reimburse the other party for such Taxes. Any party entitled to an exemption from any such Taxes or charges shall furnish the other party any necessary documentation thereof.

**Seller Pays Before and At Delivery Point:**

Seller shall pay or cause to be paid all taxes, fees, levies, penalties, licenses or charges imposed by any government authority ("Taxes") on or with respect to the Gas prior to the Delivery Point(s) and all Taxes at the Delivery Point(s). Buyer shall pay or cause to be paid all Taxes on or with respect to the Gas after the Delivery Point(s). If a party is required to remit or pay Taxes that are the other party's responsibility hereunder, the party responsible for such Taxes shall promptly reimburse the other party for such Taxes. Any party entitled to an exemption from any such Taxes or charges shall furnish the other party any necessary documentation thereof.

**SECTION 7. BILLING, PAYMENT, AND AUDIT**

7.1. Seller shall invoice Buyer for Gas delivered and received in the preceding Month and for any other applicable charges, providing supporting documentation acceptable in industry practice to support the amount charged. If the actual quantity delivered is not known by the billing date, billing will be prepared based on the quantity of Scheduled Gas. The invoiced quantity will then be adjusted to the actual quantity on the following Month's billing or as soon thereafter as actual delivery information is available.

7.2. Buyer shall remit the amount due under Section 7.1 in the manner specified in the Base Contract, in immediately available funds, on or before the later of the Payment Date or 10 Days after receipt of the invoice by Buyer; provided that if the Payment Date is not a Business Day, payment is due on the next Business Day following that date. In the event any payments are due Buyer hereunder, payment to Buyer shall be made in accordance with this Section 7.2.

7.3. In the event payments become due pursuant to Sections 3.2 or 3.3, the performing party may submit an invoice to the nonperforming party for an accelerated payment setting forth the basis upon which the invoiced amount was calculated. Payment from the nonperforming party will be due five Business Days after receipt of invoice.

7.4. If the invoiced party, in good faith, disputes the amount of any such invoice or any part thereof, such invoiced party will pay such amount as it concedes to be correct; provided, however, if the invoiced party disputes the amount due, it must provide supporting documentation acceptable in industry practice to support the amount paid or disputed without undue delay. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section.

7.5. If the invoiced party fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under "Money Rates" by The Wall Street Journal, plus two percent per annum; or (ii) the maximum applicable lawful interest rate.

7.6. A party shall have the right, at its own expense, upon reasonable Notice and at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Contract. This right to examine, audit, and to obtain copies shall not be available with respect to proprietary information not directly relevant to transactions under this Contract. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under- or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two years after the Month of Gas delivery. All retroactive adjustments under Section 7 shall be paid in full by the party owing payment within 30 Days of Notice and substantiation of such inaccuracy.

7.7. Unless the parties have elected on the Base Contract not to make this Section 7.7 applicable to this Contract, the parties shall net all undisputed amounts due and owing, and/or past due, arising under the Contract such that the party owing the greater amount shall make a single payment of the net amount to the other party in accordance with Section 7; provided that no payment required to be made pursuant to the terms of any Credit Support Obligation or pursuant to Section 7.3 shall be subject to netting under this Section. If the parties have executed a separate netting agreement, the terms and conditions therein shall prevail to the extent inconsistent herewith.

## SECTION 8. TITLE, WARRANTY, AND INDEMNITY

8.1. Unless otherwise specifically agreed, title to the Gas shall pass from Seller to Buyer at the Delivery Point(s). Seller shall have responsibility for and assume any liability with respect to the Gas prior to its delivery to Buyer at the specified Delivery Point(s). Buyer shall have responsibility for and assume any liability with respect to said Gas after its delivery to Buyer at the Delivery Point(s).

8.2. Seller warrants that it will have the right to convey and will transfer good and merchantable title to all Gas sold hereunder and delivered by it to Buyer, free and clear of all liens, encumbrances, and claims. EXCEPT AS PROVIDED IN THIS SECTION 8.2 AND IN SECTION 15.9, ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR OF FITNESS FOR ANY PARTICULAR PURPOSE, ARE DISCLAIMED.

8.3. Seller agrees to indemnify Buyer and save it harmless from all losses, liabilities or claims including reasonable attorneys' fees and costs of court ("Claims"), from any and all persons, arising from or out of claims of title, personal injury (including death) or property damage from said Gas or other charges thereon which attach before title passes to Buyer. Buyer agrees to indemnify Seller and save it harmless from all Claims, from any and all persons, arising from or out of claims regarding payment, personal injury (including death) or property damage from said Gas or other charges thereon which attach after title passes to Buyer.

8.4. The parties agree that the delivery of and the transfer of title to all Gas under this Contract shall take place within the Customs Territory of the United States (as defined in general note 2 of the Harmonized Tariff Schedule of the United States 19 U.S.C. §1202, General Notes, page 3); provided, however, that in the event Seller took title to the Gas outside the Customs Territory of the United States, Seller represents and warrants that it is the importer of record for all Gas entered and delivered into the United States, and shall be responsible for entry and entry summary filings as well as the payment of duties, taxes and fees, if any, and all applicable record keeping requirements.

8.5. Notwithstanding the other provisions of this Section 8, as between Seller and Buyer, Seller will be liable for all Claims to the extent that such arise from the failure of Gas delivered by Seller to meet the quality requirements of Section 5.

## SECTION 9. NOTICES

9.1. All Transaction Confirmations, invoices, payment instructions, and other communications made pursuant to the Base Contract ("Notices") shall be made to the addresses specified in writing by the respective parties from time to time.

9.2. All Notices required hereunder shall be in writing and may be sent by facsimile or mutually acceptable electronic means, a nationally recognized overnight courier service, first class mail or hand delivered.

9.3. Notice shall be given when received on a Business Day by the addressee. In the absence of proof of the actual receipt date, the following presumptions will apply. Notices sent by facsimile shall be deemed to have been received upon the sending party's receipt of its facsimile machine's confirmation of successful transmission. If the day on which such facsimile is received is not a Business Day or is after five p.m. on a Business Day, then such facsimile shall be deemed to have been received

on the next following Business Day. Notice by overnight mail or courier shall be deemed to have been received on the next Business Day after it was sent or such earlier time as is confirmed by the receiving party. Notice via first class mail shall be considered delivered five Business Days after mailing.

9.4. The party receiving a commercially acceptable Notice of change in payment instructions or other payment information shall not be obligated to implement such change until ten Business Days after receipt of such Notice.

## SECTION 10. FINANCIAL RESPONSIBILITY

10.1. If either party ("X") has reasonable grounds for insecurity regarding the performance of any obligation under this Contract (whether or not then due) by the other party ("Y") (including, without limitation, the occurrence of a material change in the creditworthiness of Y or its Guarantor, if applicable), X may demand Adequate Assurance of Performance. "Adequate Assurance of Performance" shall mean sufficient security in the form, amount, for a term, and from an issuer, all as reasonably acceptable to X, including, but not limited to cash, a standby irrevocable letter of credit, a prepayment, a security interest in an asset or guaranty. Y hereby grants to X a continuing first priority security interest in, lien on, and right of setoff against all Adequate Assurance of Performance in the form of cash transferred by Y to X pursuant to this Section 10.1. Upon the return by X to Y of such Adequate Assurance of Performance, the security interest and lien granted hereunder on that Adequate Assurance of Performance shall be released automatically and, to the extent possible, without any further action by either party.

10.2. In the event (each an "Event of Default") either party (the "Defaulting Party") or its Guarantor shall: (i) make an assignment or any general arrangement for the benefit of creditors; (ii) file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; (iii) otherwise become bankrupt or insolvent (however evidenced); (iv) be unable to pay its debts as they fall due; (v) have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; (vi) fail to perform any obligation to the other party with respect to any Credit Support Obligations relating to the Contract; (vii) fail to give Adequate Assurance of Performance under Section 10.1 within 48 hours but at least one Business Day of a written request by the other party; (viii) not have paid any amount due the other party hereunder on or before the second Business Day following written Notice that such payment is due; or (ix) be the affected party with respect to any Additional Event of Default; then the other party (the "Non-Defaulting Party") shall have the right, at its sole election, to immediately withhold and/or suspend deliveries or payments upon Notice and/or to terminate and liquidate the transactions under the Contract, in the manner provided in Section 10.3, in addition to any and all other remedies available hereunder.

10.3. If an Event of Default has occurred and is continuing, the Non-Defaulting Party shall have the right, by Notice to the Defaulting Party, to designate a Day, no earlier than the Day such Notice is given and no later than 20 Days after such Notice is given, as an early termination date (the "Early Termination Date") for the liquidation and termination pursuant to Section 10.3.1 of all transactions under the Contract, each a "Terminated Transaction". On the Early Termination Date, all transactions will terminate, other than those transactions, if any, that may not be liquidated and terminated under applicable law ("Excluded Transactions"), which Excluded Transactions must be liquidated and terminated as soon thereafter as is legally permissible, and upon termination shall be a Terminated Transaction and be valued consistent with Section 10.3.1 below. With respect to each Excluded Transaction, its actual termination date shall be the Early Termination Date for purposes of Section 10.3.1.

**The parties have selected either "Early Termination Damages Apply" or "Early Termination Damages Do Not Apply" as indicated on the Base Contract.**

**Early Termination Damages Apply.**

10.3.1. As of the Early Termination Date, the Non-Defaulting Party shall determine, in good faith and in a commercially reasonable manner, (i) the amount owed (whether or not then due) by each party with respect to all Gas delivered and received between the parties under Terminated Transactions and Excluded Transactions on and before the Early Termination Date and all other applicable charges relating to such deliveries and receipts (including without limitation any amounts owed under Section 3.2), for which payment has not yet been made by the party that owes such payment under this Contract and (ii) the Market Value, as defined below, of each Terminated Transaction. The Non-Defaulting Party shall (x) liquidate and accelerate each Terminated Transaction at its Market Value, so that each amount equal to the difference between such Market Value and the Contract Value, as defined below, of such Terminated Transaction(s) shall be due to the Buyer under the Terminated Transaction(s) if such Market Value exceeds the Contract Value and to the Seller if the opposite is the case; and (y) where appropriate, discount each amount then due under clause (x) above to present value in a commercially reasonable manner as of the Early Termination Date (to take account of the period between the date of liquidation and the date on which such amount would have otherwise been due pursuant to the relevant Terminated Transactions).

For purposes of this Section 10.3.1, "Contract Value" means the amount of Gas remaining to be delivered or purchased under a transaction multiplied by the Contract Price, and "Market Value" means the amount of Gas remaining to be delivered or purchased under a transaction multiplied by the market price for a similar transaction at the Delivery Point determined by the Non-Defaulting Party in a commercially reasonable manner. To ascertain the Market Value, the Non-Defaulting Party may consider, among other valuations, any or all of the settlement prices of NYMEX Gas futures contracts, quotations from leading dealers in energy swap contracts or physical gas trading markets, similar sales or purchases and any other bona fide third-party offers, all adjusted for the length of the term and differences in transportation costs. A party shall not be required to enter into a replacement transaction(s) in order to determine the Market Value. Any extension(s) of the term of a transaction to which parties are not bound as of the Early Termination Date (including but not limited to "evergreen provisions") shall not be considered in determining Contract Values and

Market Values. For the avoidance of doubt, any option pursuant to which one party has the right to extend the term of a transaction shall be considered in determining Contract Values and Market Values. The rate of interest used in calculating net present value shall be determined by the Non-Defaulting Party in a commercially reasonable manner.

**Early Termination Damages Do Not Apply:**

10.3.1. As of the Early Termination Date, the Non-Defaulting Party shall determine, in good faith and in a commercially reasonable manner, the amount owed (whether or not then due) by each party with respect to all Gas delivered and received between the parties under Terminated Transactions and Excluded Transactions on and before the Early Termination Date and all other applicable charges relating to such deliveries and receipts (including without limitation any amounts owed under Section 3.2), for which payment has not yet been made by the party that owes such payment under this Contract.

The parties have selected either "Other Agreement Setoffs Apply" or "Other Agreement Setoffs Do Not Apply" as indicated on the Base Contract.

**Other Agreement Setoffs Apply:**

**Bilateral Setoff Option:**

10.3.2. The Non-Defaulting Party shall net or aggregate, as appropriate, any and all amounts owing between the parties under Section 10.3.1, so that all such amounts are netted or aggregated to a single liquidated amount payable by one party to the other (the "Net Settlement Amount"). At its sole option and without prior Notice to the Defaulting Party, the Non-Defaulting Party is hereby authorized to setoff any Net Settlement Amount against (i) any margin or other collateral held by a party in connection with any Credit Support Obligation relating to the Contract; and (ii) any amount(s) (including any excess cash margin or excess cash collateral) owed or held by the party that is entitled to the Net Settlement Amount under any other agreement or arrangement between the parties.

**Triangular Setoff Option:**

10.3.2. The Non-Defaulting Party shall net or aggregate, as appropriate, any and all amounts owing between the parties under Section 10.3.1, so that all such amounts are netted or aggregated to a single liquidated amount payable by one party to the other (the "Net Settlement Amount"). At its sole option, and without prior Notice to the Defaulting Party, the Non-Defaulting Party is hereby authorized to setoff (i) any Net Settlement Amount against any margin or other collateral held by a party in connection with any Credit Support Obligation relating to the Contract; (ii) any Net Settlement Amount against any amount(s) (including any excess cash margin or excess cash collateral) owed by or to a party under any other agreement or arrangement between the parties; (iii) any Net Settlement Amount owed to the Non-Defaulting Party against any amount(s) (including any excess cash margin or excess cash collateral) owed by the Non-Defaulting Party or its Affiliates to the Defaulting Party under any other agreement or arrangement; (iv) any Net Settlement Amount owed to the Defaulting Party against any amount(s) (including any excess cash margin or excess cash collateral) owed by the Defaulting Party to the Non-Defaulting Party or its Affiliates under any other agreement or arrangement; and/or (v) any Net Settlement Amount owed to the Defaulting Party against any amount(s) (including any excess cash margin or excess cash collateral) owed by the Defaulting Party or its Affiliates to the Non-Defaulting Party under any other agreement or arrangement.

**Other Agreement Setoffs Do Not Apply:**

10.3.2. The Non-Defaulting Party shall net or aggregate, as appropriate, any and all amounts owing between the parties under Section 10.3.1, so that all such amounts are netted or aggregated to a single liquidated amount payable by one party to the other (the "Net Settlement Amount"). At its sole option and without prior Notice to the Defaulting Party, the Non-Defaulting Party may setoff any Net Settlement Amount against any margin or other collateral held by a party in connection with any Credit Support Obligation relating to the Contract.

10.3.3. If any obligation that is to be included in any netting, aggregation or setoff pursuant to Section 10.3.2 is unascertained, the Non-Defaulting Party may in good faith estimate that obligation and net, aggregate or setoff, as applicable, in respect of the estimate, subject to the Non-Defaulting Party accounting to the Defaulting Party when the obligation is ascertained. Any amount not then due which is included in any netting, aggregation or setoff pursuant to Section 10.3.2 shall be discounted to net present value in a commercially reasonable manner determined by the Non-Defaulting Party.

10.4. As soon as practicable after a liquidation, Notice shall be given by the Non-Defaulting Party to the Defaulting Party of the Net Settlement Amount, and whether the Net Settlement Amount is due to or due from the Non-Defaulting Party. The Notice shall include a written statement explaining in reasonable detail the calculation of the Net Settlement Amount, provided that failure to give such Notice shall not affect the validity or enforceability of the liquidation or give rise to any claim by the Defaulting Party against the Non-Defaulting Party. The Net Settlement Amount as well as any setoffs applied against such amount pursuant to Section 10.3.2, shall be paid by the close of business on the second Business Day following such Notice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the Net Settlement Amount as adjusted by setoffs, shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under "Money Rates" by The Wall Street Journal, plus two percent per annum; or (ii) the maximum applicable lawful interest rate.

10.5. The parties agree that the transactions hereunder constitute a "forward contract" within the meaning of the United States Bankruptcy Code and that Buyer and Seller are each "forward contract merchants" within the meaning of the United States Bankruptcy Code.

10.6. The Non-Defaulting Party's remedies under this Section 10 are the sole and exclusive remedies of the Non-Defaulting Party with respect to the occurrence of any Early Termination Date. Each party reserves to itself all other rights, setoffs, counterclaims and other defenses that it is or may be entitled to arising from the Contract.

10.7. With respect to this Section 10, if the parties have executed a separate netting agreement with close-out netting provisions, the terms and conditions therein shall prevail to the extent inconsistent herewith.

## SECTION 11. FORCE MAJEURE

11.1. Except with regard to a party's obligation to make payment(s) due under Section 7, Section 10.4, and Imbalance Charges under Section 4, neither party shall be liable to the other for failure to perform a Firm obligation, to the extent such failure was caused by Force Majeure. The term "Force Majeure" as employed herein means any cause not reasonably within the control of the party claiming suspension, as further defined in Section 11.2.

11.2. Force Majeure shall include, but not be limited to, the following: (i) physical events such as acts of God, landslides, lightning, earthquakes, fires, storms or storm warnings, such as hurricanes, which result in evacuation of the affected area, floods, washouts, explosions, breakage or accident or necessity of repairs to machinery or equipment or lines of pipe; (ii) weather related events affecting an entire geographic region, such as low temperatures which cause freezing or failure of wells or lines of pipe; (iii) interruption and/or curtailment of Firm transportation and/or storage by Transporters; (iv) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars, or acts of terror; and (v) governmental actions such as necessity for compliance with any court order, law, statute, ordinance, regulation, or policy having the effect of law promulgated by a governmental authority having jurisdiction. Seller and Buyer shall make reasonable efforts to avoid the adverse impacts of a Force Majeure and to resolve the event or occurrence once it has occurred in order to resume performance.

11.3. Neither party shall be entitled to the benefit of the provisions of Force Majeure to the extent performance is affected by any or all of the following circumstances: (i) the curtailment of interruptible or secondary Firm transportation unless primary, in-path, Firm transportation is also curtailed; (ii) the party claiming excuse failed to remedy the condition and to resume the performance of such covenants or obligations with reasonable dispatch; or (iii) economic hardship, to include, without limitation, Seller's ability to sell Gas at a higher or more advantageous price than the Contract Price, Buyer's ability to purchase Gas at a lower or more advantageous price than the Contract Price, or a regulatory agency disallowing, in whole or in part, the pass through of costs resulting from this Contract; (iv) the loss of Buyer's market(s) or Buyer's inability to use or resell Gas purchased hereunder, except, in either case, as provided in Section 11.2; or (v) the loss or failure of Seller's gas supply or depletion of reserves, except, in either case, as provided in Section 11.2. The party claiming Force Majeure shall not be excused from its responsibility for Imbalance Charges.

11.4. Notwithstanding anything to the contrary herein, the parties agree that the settlement of strikes, lockouts or other industrial disturbances shall be within the sole discretion of the party experiencing such disturbance.

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

11.6. Notwithstanding Sections 11.2 and 11.3, the parties may agree to alternative Force Majeure provisions in a Transaction Confirmation executed in writing by both parties.

## SECTION 12. TERM

This Contract may be terminated on 60 Day's written Notice, but shall remain in effect until the expiration of the latest Delivery Period of any transaction(s). The rights of either party pursuant to Section 7.6, Section 10, Section 13, the obligations to make payment hereunder, and the obligation of either party to indemnify the other, pursuant hereto shall survive the termination of the Base Contract or any transaction.

## SECTION 13. LIMITATIONS

FOR BREACH OF ANY PROVISION FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED HEREIN OR IN A TRANSACTION, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY HEREIN PROVIDED, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED HEREUNDER CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS.

## SECTION 14. MARKET DISRUPTION

If a Market Disruption Event has occurred then the parties shall negotiate in good faith to agree on a replacement price for the Floating Price (or on a method for determining a replacement price for the Floating Price) for the affected Day, and if the parties have not so agreed on or before the second Business Day following the affected Day then the replacement price for the Floating Price shall be determined within the next two following Business Days with each party obtaining, in good faith and from non-affiliated market participants in the relevant market, two quotes for prices of Gas for the affected Day of a similar quality and quantity in the geographical location closest in proximity to the Delivery Point and averaging the four quotes. If either party fails to provide two quotes then the average of the other party's two quotes shall determine the replacement price for the Floating Price. "Floating Price" means the price or a factor of the price agreed to in the transaction as being based upon a specified index. "Market Disruption Event" means, with respect to an index specified for a transaction, any of the following events: (a) the failure of the index to announce or publish information necessary for determining the Floating Price; (b) the failure of trading to commence or the permanent discontinuation or material suspension of trading on the exchange or market acting as the index; (c) the temporary or permanent discontinuance or unavailability of the index; (d) the temporary or permanent closing of any exchange acting as the index; or (e) both parties agree that a material change in the formula for or the method of determining the Floating Price has occurred. For the purposes of the calculation of a replacement price for the Floating Price, all numbers shall be rounded to three decimal places. If the fourth decimal number is five or greater, then the third decimal number shall be increased by one and if the fourth decimal number is less than five, then the third decimal number shall remain unchanged.

## SECTION 15. MISCELLANEOUS

15.1. This Contract shall be binding upon and inure to the benefit of the successors, assigns, personal representatives, and heirs of the respective parties hereto, and the covenants, conditions, rights and obligations of this Contract shall run for the full term of this Contract. No assignment of this Contract, in whole or in part, will be made without the prior written consent of the non-assigning party (and shall not relieve the assigning party from liability hereunder), which consent will not be unreasonably withheld or delayed; provided, either party may (i) transfer, sell, pledge, encumber, or assign this Contract or the accounts, revenues, or proceeds hereof in connection with any financing or other financial arrangements, or (ii) transfer its interest to any parent or Affiliate by assignment, merger or otherwise without the prior approval of the other party. Upon any such assignment, transfer and assumption, the transferor shall remain principally liable for and shall not be relieved of or discharged from any obligations hereunder.

15.2. If any provision in this Contract is determined to be invalid, void or unenforceable by any court having jurisdiction, such determination shall not invalidate, void, or make unenforceable any other provision, agreement or covenant of this Contract.

15.3. No waiver of any breach of this Contract shall be held to be a waiver of any other or subsequent breach.

15.4. This Contract sets forth all understandings between the parties respecting each transaction subject hereto, and any prior contracts, understandings and representations, whether oral or written, relating to such transactions are merged into and superseded by this Contract and any effective transaction(s). This Contract may be amended only by a writing executed by both parties.

15.5. The interpretation and performance of this Contract shall be governed by the laws of the jurisdiction as indicated on the Base Contract, excluding, however, any conflict of laws rule which would apply the law of another jurisdiction.

15.6. This Contract and all provisions herein will be subject to all applicable and valid statutes, rules, orders and regulations of any governmental authority having jurisdiction over the parties, their facilities, or Gas supply, this Contract or transaction or any provisions thereof.

15.7. There is no third party beneficiary to this Contract.

15.8. Each party to this Contract represents and warrants that it has full and complete authority to enter into and perform this Contract. Each person who executes this Contract on behalf of either party represents and warrants that it has full and complete authority to do so and that such party will be bound thereby.

15.9. The headings and subheadings contained in this Contract are used solely for convenience and do not constitute a part of this Contract between the parties and shall not be used to construe or interpret the provisions of this Contract.

15.10. Unless the parties have elected on the Base Contract not to make this Section 15.10 applicable to this Contract, neither party shall disclose directly or indirectly without the prior written consent of the other party the terms of any transaction to a third party (other than the employees, lenders, royalty owners, counsel, accountants and other agents of the party, or prospective purchasers of all or substantially all of a party's assets or of any rights under this Contract, provided such persons shall have agreed to keep such terms confidential) except (i) in order to comply with any applicable law, order, regulation, or exchange rule, (ii) to the extent necessary for the enforcement of this Contract, (iii) to the extent necessary to implement any transaction, (iv) to the extent necessary to comply with a regulatory agency's reporting requirements including but not limited to gas cost recovery proceedings; or (v) to the extent such information is delivered to such third party for the sole purpose of calculating a published index. Each party shall notify the other party of any proceeding of which it is aware which may result in disclosure of the terms of any transaction (other than as permitted hereunder) and use reasonable efforts to prevent or limit the disclosure. The existence of this Contract is not subject to this confidentiality obligation. Subject to Section 13, the parties shall be entitled to all remedies available at law or in equity to enforce, or seek relief in connection with this confidentiality obligation. The terms of any transaction hereunder shall be kept confidential by the parties hereto for one year from the expiration of the transaction.

In the event that disclosure is required by a governmental body or applicable law, the party subject to such requirement may disclose the material terms of this Contract to the extent so required, but shall promptly notify the other party, prior to disclosure, and shall cooperate (consistent with the disclosing party's legal obligations) with the other party's efforts to obtain protective orders or similar restraints with respect to such disclosure at the expense of the other party.

15.11. The parties may agree to dispute resolution procedures in Special Provisions attached to the Base Contract or in a Transaction Confirmation executed in writing by both parties

15.12. Any original executed Base Contract, Transaction Confirmation or other related document may be digitally copied, photocopied, or stored on computer tapes and disks (the "Imaged Agreement"). The Imaged Agreement, if introduced as evidence on paper, the Transaction Confirmation, if introduced as evidence in automated facsimile form, the recording, if introduced as evidence in its original form, and all computer records of the foregoing, if introduced as evidence in printed format, in any judicial, arbitration, mediation or administrative proceedings will be admissible as between the parties to the same extent and under the same conditions as other business records originated and maintained in documentary form. Neither Party shall object to the admissibility of the recording, the Transaction Confirmation, or the Imaged Agreement on the basis that such were not originated or maintained in documentary form. However, nothing herein shall be construed as a waiver of any other objection to the admissibility of such evidence.

**DISCLAIMER:** The purposes of this Contract are to facilitate trade, avoid misunderstandings and make more definite the terms of contracts of purchase and sale of natural gas. Further, NAESB does not mandate the use of this Contract by any party. NAESB DISCLAIMS AND EXCLUDES, AND ANY USER OF THIS CONTRACT ACKNOWLEDGES AND AGREES TO NAESB'S DISCLAIMER OF, ANY AND ALL WARRANTIES, CONDITIONS OR REPRESENTATIONS, EXPRESS OR IMPLIED, ORAL OR WRITTEN, WITH RESPECT TO THIS CONTRACT OR ANY PART THEREOF, INCLUDING ANY AND ALL IMPLIED WARRANTIES OR CONDITIONS OF TITLE, NON-INFRINGEMENT, MERCHANTABILITY, OR FITNESS OR SUITABILITY FOR ANY PARTICULAR PURPOSE (WHETHER OR NOT NAESB KNOWS, HAS REASON TO KNOW, HAS BEEN ADVISED, OR IS OTHERWISE IN FACT AWARE OF ANY SUCH PURPOSE), WHETHER ALLEGED TO ARISE BY LAW, BY REASON OF CUSTOM OR USAGE IN THE TRADE, OR BY COURSE OF DEALING. EACH USER OF THIS CONTRACT ALSO AGREES THAT UNDER NO CIRCUMSTANCES WILL NAESB BE LIABLE FOR ANY DIRECT, SPECIAL, INCIDENTAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES ARISING OUT OF ANY USE OF THIS CONTRACT.

Sample

TRANSACTION CONFIRMATION  
FOR IMMEDIATE DELIVERY

EXHIBIT A

Letterhead/Logo	Date: _____ Transaction Confirmation #: _____			
This Transaction Confirmation is subject to the Base Contract between Seller and Buyer dated _____. The terms of this Transaction Confirmation are binding unless disputed in writing within 2 Business Days of receipt unless otherwise specified in the Base Contract.				
<b>SELLER:</b> _____ _____ Attn: _____ Phone: _____ Fax: _____ Base Contract No. _____ Transporter: _____ Transporter Contract Number: _____	<b>BUYER:</b> _____ _____ Attn: _____ Phone: _____ Fax: _____ Base Contract No. _____ Transporter: _____ Transporter Contract Number: _____			
Contract Price: \$ _____/MMBtu or _____				
Delivery Period: Begin: _____, _____ End: _____, _____				
<b>Performance Obligation and Contract Quantity: (Select One)</b>  <table style="width: 100%; border: none;"> <tr> <td style="width: 33%; vertical-align: top;"> <b>Firm (Fixed Quantity):</b>            _____ MMBtus/day  <input type="checkbox"/> EFP         </td> <td style="width: 33%; vertical-align: top;"> <b>Firm (Variable Quantity):</b>            _____ MMBtus/day Minimum            _____ MMBtus/day Maximum            subject to Section 4.2. at election of  <input type="checkbox"/> Buyer or <input type="checkbox"/> Seller         </td> <td style="width: 33%; vertical-align: top;"> <b>Interruptible:</b>            Up to _____ MMBtus/day         </td> </tr> </table>		<b>Firm (Fixed Quantity):</b> _____ MMBtus/day <input type="checkbox"/> EFP	<b>Firm (Variable Quantity):</b> _____ MMBtus/day Minimum _____ MMBtus/day Maximum subject to Section 4.2. at election of <input type="checkbox"/> Buyer or <input type="checkbox"/> Seller	<b>Interruptible:</b> Up to _____ MMBtus/day
<b>Firm (Fixed Quantity):</b> _____ MMBtus/day <input type="checkbox"/> EFP	<b>Firm (Variable Quantity):</b> _____ MMBtus/day Minimum _____ MMBtus/day Maximum subject to Section 4.2. at election of <input type="checkbox"/> Buyer or <input type="checkbox"/> Seller	<b>Interruptible:</b> Up to _____ MMBtus/day		
<b>Delivery Point(s):</b> _____ (If a pooling point is used, list a specific geographic and pipeline location):				
<b>Special Conditions:</b>  <div style="text-align: center; font-size: 2em; opacity: 0.5; font-family: cursive;">SAMPLE</div>				
Seller: _____  By: _____  Title: _____  Date: _____	Buyer: _____  By: _____  Title: _____  Date: _____			

**SPECIAL PROVISIONS RETAIL  
To Base Contract for  
Sale and Purchase of Natural Gas**

**Between Sprague Operating Resources LLC and**

**Dated: , 2017**

The following changes are hereby made to the General Terms and Conditions Base Contract for Sale and Purchase of Natural Gas:

- (1) Delete Section 2.10 in its entirety and replace with the following language:

“Contract Price” shall mean the amount expressed in U.S. dollars per MMBtu to be paid by Buyer to Seller for the purchase of Gas as agreed to by the parties in a transaction. Contract Price may also be referred to as Price on the Transaction Confirmation.”

- (2) Delete Section 2.32 in its entirety and replace with the following language:

“Transaction Confirmation” shall mean Seller’s document, similar to the form of Exhibit A attached hereto to these Special Provisions setting forth the terms of a transaction formed pursuant to Section 1 for a particular Delivery Period”.

- (3) Delete Section 3.1 in its entirety and replace with the following language:

Seller agrees to sell and deliver, and Buyer agrees to receive and purchase, the Contract Quantity for a particular transaction in accordance with the terms of the Contract. Sales and purchases will be on a Firm basis unless otherwise stated in the Transaction Confirmation.

- (4) Delete Section 4.2 in its entirety and replace with the following language:

Buyer shall give Seller prior notice of the quantities of Gas to be delivered that is sufficient to meet the requirements of each Transporter involved in the transaction. If Buyer fails to give such notice, Seller may use the best available information to determine the quantities of Gas to be delivered, but Seller shall not be liable in any way for any resulting imbalance charge or penalty. Any such imbalance charge or penalty shall be Buyer’s responsibility under Section 4.3. Should a party become aware that an actual delivery at a delivery point is greater or lesser than the nominated volumes of Gas scheduled

to be delivered, such party shall promptly notify the other party. Buyer shall immediately notify Seller of any event reasonably known to Buyer that may materially increase or decrease Buyer's Gas usage, i.e. addition or removal of gas-fire equipment, other equipment installations or changes, outages, shutdowns, repairs, openings or closings, changes in operating hours or production schedules. Buyer shall also immediately notify Seller of, and fully comply with, all curtailment or interruption orders or similar notices Buyer receives from a pipeline or utility requiring the interruption or curtailment of Buyer's Gas usage.

(5) Delete Section 4.3 in its entirety and replace with the following language:

The parties shall use commercially reasonable efforts to avoid imbalance charges or penalties. If a Transporter invoices Buyer or Seller for an imbalance charge or penalty, the parties shall determine the validity of the charge. Upon request, Buyer shall provide to Seller copies of Buyer's Transporter statements, reports or meter readings related to any Gas delivery performed under this Agreement. If the charge or penalty is determined valid, the party responsible for the imbalance charge or penalty shall be obligated to pay such charge or penalty. If either party pays a charge or penalty caused by the other party, upon receipt of notice, the other party shall reimburse such party the amount paid in accordance with such notice.

(6) Delete Section 7.5 in its entirety and replace with the following language:

If the invoiced party fails to remit the full amount payable when due, interest on the unpaid portion shall accrue at the rate of one and a half percent (1 1/2%) monthly or at an interest rate as otherwise agreed in the Transaction Confirmation on any late payment or the maximum legal rate, if lower.

(7) Delete Section 7.6 in its entirety and replace with the following language:

All invoices shall be conclusively presumed final and accurate. Buyer shall waive any associated claim for an inaccurate invoice and/or overpayment unless, within two (2) years from the date of the Gas delivery, in good faith, Buyer objects to the invoice in writing, including an adequate explanation and supporting industry-acceptable documentation. However, the last Transporter's meter reading shall control for the purpose of determining an invoice's accuracy, and the Buyer shall not dispute a Seller invoice based on a meter reading unless it possesses documentation from the Transporter, verifying an error in the meter reading and setting forth the accurate meter reading. Retroactive adjustments under this Section shall be invoiced accordingly. Nothing in this Section shall be deemed to preclude Seller from making a retroactive adjustment of an invoice within a reasonable time of receiving information from the last Transporter, indicating an error in a prior invoice, regardless of the original invoice date.

- (8) Delete Section 10.1 in its entirety and replace with the following language:

If Seller (referred to as party (“X”) has reasonable grounds for insecurity regarding the performance of Buyer of any obligation under this Contract (whether or not then due) by the Buyer (referred to as (“Y”) (including, without limitation, the occurrence of a material change in the creditworthiness of Y or its Guarantor, if applicable), X may demand Adequate Assurance of Performance. “Adequate Assurance of Performance” shall mean sufficient security in the form, amount, for a term, and from an issuer, all as reasonably acceptable to X, including, but not limited to cash, a standby irrevocable letter of credit, a security interest in an asset, a prepayment, a performance bond, or a guaranty. Y hereby grants to X a continuing first priority security interest in, lien on, and right of setoff against all Adequate Assurance of Performance in the form of cash transferred by Y to X pursuant to this Section 10.1. Upon the return by X to Y of such Adequate Assurance of Performance, the security interest and lien granted hereunder on that Adequate Assurance of Performance shall be released automatically and, to the extent possible, without any further action by either party. Buyer understands that Sprague may contact a credit agency as part of its credit review and may provide information to credit agencies as part of its normal monthly reporting activities.

- (9) Delete Section 10.3 in its entirety and replace with the following language:

If an Event of Default has occurred and is continuing, the Non-Defaulting Party shall have the right, by Notice to the Defaulting Party, to designate a Day, no earlier than the Day such Notice is given and no later than 20 Days after such Notice is given, as an early termination date (the “Early Termination Date”) for the liquidation and termination pursuant to Section 10.3.1 of all transactions under the Contract, such a “Terminated Transaction”. On the Early Termination Date, all transactions will terminate, other than those transactions, if any, that may not be liquidated and terminated under applicable law or that are, in the reasonable opinion of the Non-Defaulting Party, commercially impracticable to liquidate and terminate (“Excluded Transactions”), which Excluded Transactions must be liquidated and terminated as soon thereafter as is reasonably practicable, and upon termination shall be a Terminated Transaction and be valued consistent with Section 10.3.1 below. With respect to each Excluded Transaction, its actual termination date shall be the Early Termination Date for purposes of Section 10.3.1.

- (10) The following is added at the end of Section 10.4:

Notwithstanding anything herein to the contrary, if the Non-Defaulting Party owes the Net Settlement Amount to the Defaulting Party, the Non-Defaulting Party shall not be required to pay to the Defaulting Party the Net Settlement Amount, nor shall interest be owed on such amount, until (i) the Non-Defaulting Party receives confirmation satisfactory to it, in its reasonable discretion, that all other obligations of any kind whatsoever of the Defaulting Party to

make any payments to the Non-Defaulting Party under this Contract and transactions hereunder, or otherwise, which are due and payable as of the Early Termination Date, have been paid (or netted, set off, recouped, or the like) in full; and (ii) the Defaulting Party executes a release in a form reasonably satisfactory to the Non-Defaulting Party that acts as the final resolution of the transactions hereunder. To the extent that either party believes that bankruptcy court approval of the release is required, the Non-Defaulting Party may withhold payment of the Net Settlement Amount until such time as appropriate court approval has been obtained and is final and non-appealable.

(11) Delete Section 10.5 in its entirety and replace with the following language:

The parties specifically agree that any transaction under the Contract are "forward contracts" as such term is defined in the United States Bankruptcy Code and that each party is a "forward contract merchant" as such term is defined in the United States Bankruptcy Code. Each party further agrees that the other party is not a "utility" as such term is used in 11 U.S.C. Section 366, and each party agrees to waive and not to assert the applicability of the provisions of 11 U.S.C. Section 366 in any bankruptcy proceeding involving such party.

(12) Section 12 is amended by deleting the second sentence and replacing it with the following:

The rights of either party pursuant to: Section 9.6, Section 10, Section 13, Section 15.10, waiver of jury trial provisions, the obligation to make payment hereunder, the obligation of either party to indemnify the other pursuant here, shall survive the termination of the Base Contract or any transaction.

(13) Delete Section 15.1 in its entirety and replace it with the following language:

This Contract shall be binding upon and inure to the benefit of the successors, assigns, personal representatives, and heirs of the respective parties hereto, and the covenants, conditions, rights and obligations of this Contract shall run for the full term of this Contract. Buyer may not assign this Agreement without Seller's prior written approval, such approval will not be unreasonably withheld and will be subject to credit approval except that either party may (i) transfer, sell, pledge, encumber, or assign this Contract or the accounts, revenues, or proceeds herein in connection with any financing or other financial arrangements. Additionally, assignment shall be subject to the assignee assuming all of assignor's obligations hereunder. Upon any such assignment, transfer and assumption, the transferor shall remain liable for and shall not be relieved of or discharged from any obligations hereunder arising prior to the effective date of assignment.

(14) The following is added at the end of Section 15.5:

EACH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY ACTION, SUIT OR PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS CONTRACT OR THE TRANSACTIONS CONTEMPLATED BY THIS CONTRACT.

(15) Delete Section 15.6 in its entirety and replace it with the following language:

This Contract and all provisions herein will be subject to all applicable and valid statutes, rules, orders and regulations of any governmental authority having jurisdiction over the parties, their facilities, or Gas supply, this Contract or transaction or any provision thereof. In the event any governmental authority or any law, rule, regulation, ordinance or an order of any court, tribunal or regulatory authority of competent jurisdiction adversely and materially impacts Seller's ability to perform under this Agreement and/or any Transaction Confirmation, Seller shall have the right, at its option, in its sole discretion, to either attempt to renegotiate the terms of this Agreement and/or the Transaction Confirmation at any time, or to entirely terminate this Agreement and/or the Transaction Confirmation, without penalty, upon sixty (60) days' notice.

(16) Delete Section 15.10 in its entirety and replace it with the following language:

Unless the parties have elected on the Base Contract not to make this Section 15.10 applicable to this Contract, neither party shall disclose directly or indirectly without the prior written consent of the other party the terms of any transaction or any financial information provided by one party to the other party under this Agreement to a third party (other than the employees, lenders, royalty owners, counsel, accountants or other agents of the party, or prospective purchasers of all or substantially all of a party's assets or of any rights under this Contract, provided such persons shall have agreed to keep such terms confidential) except (i) in order to comply with any applicable law, order, regulation, or exchange rule, (ii) to the extent necessary for the enforcement of this Contract, (iii) to the extent necessary to implement any transaction, (iv) to the extent necessary to comply with a regulatory agency's reporting requirements including but not limited to gas cost recovery proceedings; (v) to the extent such information is delivered to such third party for the sole purpose of calculating a published index; or (vi) to third-party credit rating agencies or to Seller's parent in conjunction with Seller's evaluation and/or review of Buyer's creditworthiness. Each party shall notify the other party of any proceeding of which it is aware which may result in disclosure of the terms of any transaction (other than as permitted hereunder) and use reasonable efforts to prevent or limit the disclosure. The existence of this Contract is not subject to this confidentiality obligation. Subject to Section 13, the parties shall be entitled to all remedies available at law or in equity to enforce, or seek relief in connection with this confidentiality obligation. The terms of any transaction

hereunder shall be kept confidential by the parties hereto for one year from the expiration of the transaction.

(17) The following is added as Section 15.13:

Customer Authorization: Buyer authorizes Sprague to obtain and review information regarding Buyer's credit history from credit reporting agencies as well as provide information to such credit reporting agencies as part of Sprague's standard reporting activities, and the following information from the Utility: consumption history; billing determinants; credit information; and tax status. This information may be used by Sprague to determine whether it will commence and/or continue to provide energy supply service to Buyer and will not be disclosed to a third-party in accordance with Section 25. Buyer's execution of this Agreement shall constitute authorization for the release of this information to Sprague. This authorization will remain in effect during the term of this Agreement. Buyer may rescind this authorization at any time by providing written notice thereof to Contracts Administration at the address given in Section 13 Notice or by calling Contracts Administration at the telephone given in Section 13 Notice. Sprague reserves the right to cancel this agreement in the event Buyer rescinds the authorization. Additionally, Buyer hereby approves Sprague's forwarding of marketing materials to Buyer. In the event that Buyer elects to "opt out" and no longer receive such marketing materials, Buyer may cancel by emailing its opt-out request directly to Sprague's Customer Care Department at: [CustomerCare@spragueenergy.com](mailto:CustomerCare@spragueenergy.com)

SPRAGUE OPERATING RESOURCES LLC:

BUYER:

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: Brian Weego

Name: \_\_\_\_\_

Title: Vice President, Natural Gas

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

## Base Contract for Sale and Purchase of Natural Gas

This Base Contract is entered into as of the following date: \_\_\_\_\_. The parties to this Base Contract are the following:

**SPRAGUE OPERATING RESOURCES LLC**  
 185 International Drive, Portsmouth, NH 03801  
 Duns Number: #13-136-2733  
 Contract Number: \_\_\_\_\_  
 U.S. Federal Tax ID Number: #02-0415440

and \_\_\_\_\_  
 \_\_\_\_\_  
 Duns Number: \_\_\_\_\_  
 Contract Number: \_\_\_\_\_  
 U.S. Federal Tax ID Number: \_\_\_\_\_

Notices:  
**SAME AS ABOVE**  
 Attn: NATURAL GAS ADMINISTRATION  
 Phone: (603) 430-5338 Fax: (603) 430-5320

Attn: \_\_\_\_\_  
 Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

Confirmations:  
**SAME AS ABOVE**  
 Attn: NATURAL GAS ADMINISTRATION  
 Phone (603) 430-5338 Fax: (603) 430-5320

Attn: \_\_\_\_\_  
 Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

Invoices and Payments:  
**SAME AS ABOVE**  
 Attn: NATURAL GAS ADMINISTRATION  
 Phone (603) 430-5343 Fax: (603) 430-5317

Attn: \_\_\_\_\_  
 Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

Wire Transfer or ACH Numbers (if applicable):  
 BANK: JP MORGAN CHASE BANK, NEW YORK, NY  
 ABA: 021000021  
 ACCT: 799760913  
 Other Details \_\_\_\_\_

BANK: \_\_\_\_\_  
 ABA: \_\_\_\_\_  
 ACCT: \_\_\_\_\_  
 Other Details \_\_\_\_\_

This Base Contract incorporates by reference for all purposes the General Terms and Conditions for Sale and Purchase of Natural Gas published by the North American Energy Standards Board. The parties hereby agree to the following provisions offered in said General Terms and Conditions. In the event the parties fail to check a box, the specified default provision shall apply. **Select only one box from each section:**

<p><b>Section 1.2</b> <input type="checkbox"/> Oral (default)                  Transaction Procedure <input checked="" type="checkbox"/> Written</p>	<p><b>Section 7.2</b> <input checked="" type="checkbox"/> 25<sup>th</sup> Day of Month following Month of delivery (default)  <input type="checkbox"/> ____ Day of Month following Month of delivery</p>
<p><b>Section 2.5</b> <input checked="" type="checkbox"/> 2 Business Days after receipt (default)                  Confirm Deadline <input type="checkbox"/> ____ Business Days after receipt</p>	<p><b>Section 7.2</b> <input checked="" type="checkbox"/> Wire transfer (default)                  Method of Payment <input type="checkbox"/> Automated Clearinghouse Credit (ACH)  <input type="checkbox"/> Check</p>
<p><b>Section 2.6</b> <input checked="" type="checkbox"/> Seller (default)                  Confirming Party <input type="checkbox"/> Buyer</p>	<p><b>Section 7.7</b> <input checked="" type="checkbox"/> Netting applies (default)                  Netting <input type="checkbox"/> Netting does not apply</p>
<p><b>Section 3.2</b> <input checked="" type="checkbox"/> Cover Standard (default)                  Performance Obligation <input type="checkbox"/> Spot Price Standard</p> <p><i>Note: The following Spot Price Publication applies to both of the immediately preceding.</i></p>	<p><b>Section 10.3.1</b> <input checked="" type="checkbox"/> Early Termination Damages Apply (default)                  Early Termination Damages <input type="checkbox"/> Early Termination Damages Do Not Apply</p>
<p><b>Section 2.26</b> <input checked="" type="checkbox"/> Gas Daily                  Spot Price Publication <input type="checkbox"/> Midpoint (default)</p>	<p><b>Section 10.3.2</b> <input checked="" type="checkbox"/> Other Agreement Setoffs Apply (default)                  Other Agreement Setoffs <input type="checkbox"/> Other Agreement Setoffs Do Not Apply</p>
<p><b>Section 6</b> <input checked="" type="checkbox"/> Buyer Pays At and After Delivery Point (default)                  Taxes <input type="checkbox"/> Seller Pays Before and At Delivery Point</p>	<p><b>Section 14.5</b>                  Choice Of Law <b>NEW HAMPSHIRE</b></p>
<p><b>Section 14.10</b> <input checked="" type="checkbox"/> Confidentiality applies (default)                  Confidentiality <input type="checkbox"/> Confidentiality does not apply</p>	
<p>x <b>Special Provisions</b> Number of sheets attached: 2  <input type="checkbox"/> <b>Addendum(s):</b> _____</p>	

IN WITNESS WHEREOF, the parties hereto have executed this Base Contract in duplicate.

**SPRAGUE OPERATING RESOURCES LLC**  
 Party Name \_\_\_\_\_

Party Name \_\_\_\_\_

By \_\_\_\_\_  
 Name  
 Title: \_\_\_\_\_

By \_\_\_\_\_  
 Name:

# General Terms and Conditions

## Base Contract for Sale and Purchase of Natural Gas

### SECTION 1. PURPOSE AND PROCEDURES

1.1. These General Terms and Conditions are intended to facilitate purchase and sale transactions of Gas on a Firm or Interruptible basis. "Buyer" refers to the party receiving Gas and "Seller" refers to the party delivering Gas. The entire agreement between the parties shall be the Contract as defined in Section 2.7.

**The parties have selected either the "Oral Transaction Procedure" or the "Written Transaction Procedure" as indicated on the Base Contract.**

#### **Oral Transaction Procedure:**

1.2. The parties will use the following Transaction Confirmation procedure. Any Gas purchase and sale transaction may be effectuated in an EDI transmission or telephone conversation with the offer and acceptance constituting the agreement of the parties. The parties shall be legally bound from the time they so agree to transaction terms and may each rely thereon. Any such transaction shall be considered a "writing" and to have been "signed". Notwithstanding the foregoing sentence, the parties agree that Confirming Party shall, and the other party may, confirm a telephonic transaction by sending the other party a Transaction Confirmation by facsimile, EDI or mutually agreeable electronic means within three Business Days of a transaction covered by this Section 1.2 (Oral Transaction Procedure) provided that the failure to send a Transaction Confirmation shall not invalidate the oral agreement of the parties. Confirming Party adopts its confirming letterhead, or the like, as its signature on any Transaction Confirmation as the identification and authentication of Confirming Party. If the Transaction Confirmation contains any provisions other than those relating to the commercial terms of the transaction (i.e., price, quantity, performance obligation, delivery point, period of delivery and/or transportation conditions), which modify or supplement the Base Contract or General Terms and Conditions of this Contract (e.g., arbitration or additional representations and warranties), such provisions shall not be deemed to be accepted pursuant to Section 1.3 but must be expressly agreed to by both parties; provided that the foregoing shall not invalidate any transaction agreed to by the parties.

#### **Written Transaction Procedure:**

1.2. The parties will use the following Transaction Confirmation procedure. Should the parties come to an agreement regarding a Gas purchase and sale transaction for a particular Delivery Period, the Confirming Party shall, and the other party may, record that agreement on a Transaction Confirmation and communicate such Transaction Confirmation by facsimile, EDI or mutually agreeable electronic means, to the other party by the close of the Business Day following the date of agreement. The parties acknowledge that their agreement will not be binding until the exchange of nonconflicting Transaction Confirmations or the passage of the Confirm Deadline without objection from the receiving party as provided in Section 1.3.

1.3. If a sending party's Transaction Confirmation is materially different from the receiving party's understanding of the agreement referred to in Section 1.2, such receiving party shall notify the sending party via facsimile, EDI or mutually agreeable electronic means by the Confirm Deadline, unless such receiving party has previously sent a Transaction Confirmation to the sending party. The failure of the receiving party to so notify the sending party in writing by the Confirm Deadline constitutes the receiving party's agreement to the terms of the transaction described in the sending party's Transaction Confirmation. If there are any material differences between timely sent Transaction Confirmations governing the same transaction, then neither Transaction Confirmation shall be binding until or unless such differences are resolved including the use of any evidence that clearly resolves the differences in the Transaction Confirmations. In the event of a conflict among the terms of (i) a binding Transaction Confirmation pursuant to Section 1.2, (ii) the oral agreement of the parties which may be evidenced by a recorded conversation, where the parties have selected the Oral Transaction Procedure of the Base Contract, (iii) the Base Contract, and (iv) these General Terms and Conditions, the terms of the documents shall govern in the priority listed in this sentence.

1.4. The parties agree that each party may electronically record all telephone conversations with respect to this Contract between their respective employees, without any special or further notice to the other party. Each party shall obtain any necessary consent of its agents and employees to such recording. Where the parties have selected the Oral Transaction Procedure in Section 1.2 of the Base Contract, the parties agree not to contest the validity or enforceability of telephonic recordings entered into in accordance with the requirements of this Base Contract. However, nothing herein shall be construed as a waiver of any objection to the admissibility of such evidence.

### SECTION 2. DEFINITIONS

The terms set forth below shall have the meaning ascribed to them below. Other terms are also defined elsewhere in the Contract and shall have the meanings ascribed to them herein.

2.1. "Alternative Damages" shall mean such damages, expressed in dollars or dollars per MMBtu, as the parties shall agree upon in the Transaction Confirmation, in the event either Seller or Buyer fails to perform a Firm obligation to deliver Gas in the case of Seller or to receive Gas in the case of Buyer.

2.2. "Base Contract" shall mean a contract executed by the parties that incorporates these General Terms and Conditions by reference; that specifies the agreed selections of provisions contained herein; and that sets forth other information required herein and any Special Provisions and addendum(s) as identified on page one.

2.3. "British thermal unit" or "Btu" shall mean the International BTU, which is also called the Btu (IT).

- 2.4. "Business Day" shall mean any day except Saturday, Sunday or Federal Reserve Bank holidays.
- 2.5. "Confirm Deadline" shall mean 5:00 p.m. in the receiving party's time zone on the second Business Day following the Day a Transaction Confirmation is received or, if applicable, on the Business Day agreed to by the parties in the Base Contract; provided, if the Transaction Confirmation is time stamped after 5:00 p.m. in the receiving party's time zone, it shall be deemed received at the opening of the next Business Day.
- 2.6. "Confirming Party" shall mean the party designated in the Base Contract to prepare and forward Transaction Confirmations to the other party.
- 2.7. "Contract" shall mean the legally-binding relationship established by (i) the Base Contract, (ii) any and all binding Transaction Confirmations and (iii) where the parties have selected the Oral Transaction Procedure in Section 1.2 of the Base Contract, any and all transactions that the parties have entered into through an EDI transmission or by telephone, but that have not been confirmed in a binding Transaction Confirmation.
- 2.8. "Contract Price" shall mean the amount expressed in U.S. Dollars per MMBtu to be paid by Buyer to Seller for the purchase of Gas as agreed to by the parties in a transaction.
- 2.9. "Contract Quantity" shall mean the quantity of Gas to be delivered and taken as agreed to by the parties in a transaction.
- 2.10. "Cover Standard", as referred to in Section 3.2, shall mean that if there is an unexcused failure to take or deliver any quantity of Gas pursuant to this Contract, then the performing party shall use commercially reasonable efforts to (i) if Buyer is the performing party, obtain Gas, (or an alternate fuel if elected by Buyer and replacement Gas is not available), or (ii) if Seller is the performing party, sell Gas, in either case, at a price reasonable for the delivery or production area, as applicable, consistent with: the amount of notice provided by the nonperforming party; the immediacy of the Buyer's Gas consumption needs or Seller's Gas sales requirements, as applicable, the quantities involved; and the anticipated length of failure by the nonperforming party.
- 2.11. "Credit Support Obligation(s)" shall mean any obligation(s) to provide or establish credit support for, or on behalf of, a party to this Contract such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature.
- 2.12. "Day" shall mean a period of 24 consecutive hours, coextensive with a "day" as defined by the Receiving Transporter in a particular transaction.
- 2.13. "Delivery Period" shall be the period during which deliveries are to be made as agreed to by the parties in a transaction.
- 2.14. "Delivery Point(s)" shall mean such point(s) as are agreed to by the parties in a transaction.
- 2.15. "EDI" shall mean an electronic data interchange pursuant to an agreement entered into by the parties, specifically relating to the communication of Transaction Confirmations under this Contract.
- 2.16. "EFP" shall mean the purchase, sale or exchange of natural Gas as the "physical" side of an exchange for physical transaction involving gas futures contracts. EFP shall incorporate the meaning and remedies of "Firm", provided that a party's excuse for nonperformance of its obligations to deliver or receive Gas will be governed by the rules of the relevant futures exchange regulated under the Commodity Exchange Act.
- 2.17. "Firm" shall mean that either party may interrupt its performance without liability only to the extent that such performance is prevented for reasons of Force Majeure, provided, however, that during Force Majeure interruptions, the party invoking Force Majeure may be responsible for any Imbalance Charges as set forth in Section 4.3 related to its interruption after the nomination is made to the Transporter and until the change in deliveries and/or receipts is confirmed by the Transporter.
- 2.18. "Gas" shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane.
- 2.19. "Imbalance Charges" shall mean any fees, penalties, costs or charges (in cash or in kind) assessed by a Transporter for failure to satisfy the Transporter's balance and/or nomination requirements.
- 2.20. "Interruptible" shall mean that either party may interrupt its performance at any time for any reason, whether or not caused by an event of Force Majeure, with no liability, except such interrupting party may be responsible for any Imbalance Charges as set forth in Section 4.3 related to its interruption after the nomination is made to the Transporter and until the change in deliveries and/or receipts is confirmed by Transporter.
- 2.21. "MMBtu" shall mean one million British thermal units, which is equivalent to one dekatherm.
- 2.22. "Month" shall mean the period beginning on the first Day of the calendar month and ending immediately prior to the commencement of the first Day of the next calendar month.
- 2.23. "Payment Date" shall mean a date, as indicated on the Base Contract, on or before which payment is due Seller for Gas received by Buyer in the previous Month.
- 2.24. "Receiving Transporter" shall mean the Transporter receiving Gas at a Delivery Point, or absent such receiving Transporter, the Transporter delivering Gas at a Delivery Point.
- 2.25. "Scheduled Gas" shall mean the quantity of Gas confirmed by Transporter(s) for movement, transportation or management.
- 2.26. "Spot Price" as referred to in Section 3.2 shall mean the price listed in the publication indicated on the Base Contract, under the listing applicable to the geographic location closest in proximity to the Delivery Point(s) for the relevant Day; provided, if there is no single price published for such location for such Day, but there is published a range of prices, then the Spot Price shall be the average

of such high and low prices. If no price or range of prices is published for such Day, then the Spot Price shall be the average of the following: (i) the price (determined as stated above) for the first Day for which a price or range of prices is published that next precedes the relevant Day; and (ii) the price (determined as stated above) for the first Day for which a price or range of prices is published that next follows the relevant Day.

2.27. "Transaction Confirmation" shall mean a document, similar to the form of Exhibit A, setting forth the terms of a transaction formed pursuant to Section 1 for a particular Delivery Period.

2.28. "Termination Option" shall mean the option of either party to terminate a transaction in the event that the other party fails to perform a Firm obligation to deliver Gas in the case of Seller or to receive Gas in the case of Buyer for a designated number of days during a period as specified on the applicable Transaction Confirmation.

2.29. "Transporter(s)" shall mean all Gas gathering or pipeline companies, or local distribution companies, acting in the capacity of a transporter, transporting Gas for Seller or Buyer upstream or downstream, respectively, of the Delivery Point pursuant to a particular transaction.

### SECTION 3. PERFORMANCE OBLIGATION

3.1. Seller agrees to sell and deliver, and Buyer agrees to receive and purchase, the Contract Quantity for a particular transaction in accordance with the terms of the Contract. Sales and purchases will be on a Firm or Interruptible basis, as agreed to by the parties in a transaction.

**The parties have selected either the "Cover Standard" or the "Spot Price Standard" as indicated on the Base Contract.**

**Cover Standard:**

3.2. The sole and exclusive remedy of the parties in the event of a breach of a Firm obligation to deliver or receive Gas shall be recovery of the following: (i) in the event of a breach by Seller on any Day(s), payment by Seller to Buyer in an amount equal to the positive difference, if any, between the purchase price paid by Buyer utilizing the Cover Standard and the Contract Price, adjusted for commercially reasonable differences in transportation costs to or from the Delivery Point(s), multiplied by the difference between the Contract Quantity and the quantity actually delivered by Seller for such Day(s); or (ii) in the event of a breach by Buyer on any Day(s), payment by Buyer to Seller in the amount equal to the positive difference, if any, between the Contract Price and the price received by Seller utilizing the Cover Standard for the resale of such Gas, adjusted for commercially reasonable differences in transportation costs to or from the Delivery Point(s), multiplied by the difference between the Contract Quantity and the quantity actually taken by Buyer for such Day(s); or (iii) in the event that Buyer has used commercially reasonable efforts to replace the Gas or Seller has used commercially reasonable efforts to sell the Gas to a third party, and no such replacement or sale is available, then the sole and exclusive remedy of the performing party shall be any unfavorable difference between the Contract Price and the Spot Price, adjusted for such transportation to the applicable Delivery Point, multiplied by the difference between the Contract Quantity and the quantity actually delivered by Seller and received by Buyer for such Day(s). Imbalance Charges shall not be recovered under this Section 3.2, but Seller and/or Buyer shall be responsible for Imbalance Charges, if any, as provided in Section 4.3. The amount of such unfavorable difference shall be payable five Business Days after presentation of the performing party's invoice, which shall set forth the basis upon which such amount was calculated.

**Spot Price Standard:**

3.2. The sole and exclusive remedy of the parties in the event of a breach of a Firm obligation to deliver or receive Gas shall be recovery of the following: (i) in the event of a breach by Seller on any Day(s), payment by Seller to Buyer in an amount equal to the difference between the Contract Quantity and the actual quantity delivered by Seller and received by Buyer for such Day(s), multiplied by the positive difference, if any, obtained by subtracting the Contract Price from the Spot Price; or (ii) in the event of a breach by Buyer on any Day(s), payment by Buyer to Seller in an amount equal to the difference between the Contract Quantity and the actual quantity delivered by Seller and received by Buyer for such Day(s), multiplied by the positive difference, if any, obtained by subtracting the applicable Spot Price from the Contract Price. Imbalance Charges shall not be recovered under this Section 3.2, but Seller and/or Buyer shall be responsible for Imbalance Charges, if any, as provided in Section 4.3. The amount of such unfavorable difference shall be payable five Business Days after presentation of the performing party's invoice, which shall set forth the basis upon which such amount was calculated.

3.3. Notwithstanding Section 3.2, the parties may agree to Alternative Damages in a Transaction Confirmation executed in writing by both parties.

3.4. In addition to Sections 3.2 and 3.3, the parties may provide for a Termination Option in a Transaction Confirmation executed in writing by both parties. The Transaction Confirmation containing the Termination Option will designate the length of nonperformance triggering the Termination Option and the procedures for exercise thereof, how damages for nonperformance will be compensated, and how liquidation costs will be calculated.

### SECTION 4. TRANSPORTATION, NOMINATIONS, AND IMBALANCES

4.1. Seller shall have the sole responsibility for transporting the Gas to the Delivery Point(s). Buyer shall have the sole responsibility for transporting the Gas from the Delivery Point(s).

4.2. The parties shall coordinate their nomination activities, giving sufficient time to meet the deadlines of the affected Transporter(s). Each party shall give the other party timely prior Notice, sufficient to meet the requirements of all Transporter(s) involved in the transaction, of the quantities of Gas to be delivered and purchased each Day. Should either party become aware that actual deliveries at the Delivery Point(s) are greater or lesser than the Scheduled Gas, such party shall promptly notify the other party.

4.3. The parties shall use commercially reasonable efforts to avoid imposition of any Imbalance Charges. If Buyer or Seller receives an invoice from a Transporter that includes Imbalance Charges, the parties shall determine the validity as well as the cause of such Imbalance Charges. If the Imbalance Charges were incurred as a result of Buyer's receipt of quantities of Gas greater than or less than the Scheduled Gas, then Buyer shall pay for such Imbalance Charges or reimburse Seller for such Imbalance Charges paid by Seller. If the Imbalance Charges were incurred as a result of Seller's delivery of quantities of Gas greater than or less than the Scheduled Gas, then Seller shall pay for such Imbalance Charges or reimburse Buyer for such Imbalance Charges paid by Buyer.

## SECTION 5. QUALITY AND MEASUREMENT

All Gas delivered by Seller shall meet the pressure, quality and heat content requirements of the Receiving Transporter. The unit of quantity measurement for purposes of this Contract shall be one MMBtu dry. Measurement of Gas quantities hereunder shall be in accordance with the established procedures of the Receiving Transporter.

## SECTION 6. TAXES

**The parties have selected either "Buyer Pays At and After Delivery Point" or "Seller Pays Before and At Delivery Point" as indicated on the Base Contract.**

### **Buyer Pays At and After Delivery Point:**

Seller shall pay or cause to be paid all taxes, fees, levies, penalties, licenses or charges imposed by any government authority ("Taxes") on or with respect to the Gas prior to the Delivery Point(s). Buyer shall pay or cause to be paid all Taxes on or with respect to the Gas at the Delivery Point(s) and all Taxes after the Delivery Point(s). If a party is required to remit or pay Taxes that are the other party's responsibility hereunder, the party responsible for such Taxes shall promptly reimburse the other party for such Taxes. Any party entitled to an exemption from any such Taxes or charges shall furnish the other party any necessary documentation thereof.

### **Seller Pays Before and At Delivery Point:**

Seller shall pay or cause to be paid all taxes, fees, levies, penalties, licenses or charges imposed by any government authority ("Taxes") on or with respect to the Gas prior to the Delivery Point(s) and all Taxes at the Delivery Point(s). Buyer shall pay or cause to be paid all Taxes on or with respect to the Gas after the Delivery Point(s). If a party is required to remit or pay Taxes that are the other party's responsibility hereunder, the party responsible for such Taxes shall promptly reimburse the other party for such Taxes. Any party entitled to an exemption from any such Taxes or charges shall furnish the other party any necessary documentation thereof.

## SECTION 7. BILLING, PAYMENT, AND AUDIT

7.1. Seller shall invoice Buyer for Gas delivered and received in the preceding Month and for any other applicable charges, providing supporting documentation acceptable in industry practice to support the amount charged. If the actual quantity delivered is not known by the billing date, billing will be prepared based on the quantity of Scheduled Gas. The invoiced quantity will then be adjusted to the actual quantity on the following Month's billing or as soon thereafter as actual delivery information is available.

7.2. Buyer shall remit the amount due under Section 7.1 in the manner specified in the Base Contract, in immediately available funds, on or before the later of the Payment Date or 10 Days after receipt of the invoice by Buyer; provided that if the Payment Date is not a Business Day, payment is due on the next Business Day following that date. In the event any payments are due Buyer hereunder, payment to Buyer shall be made in accordance with this Section 7.2.

7.3. In the event payments become due pursuant to Sections 3.2 or 3.3, the performing party may submit an invoice to the nonperforming party for an accelerated payment setting forth the basis upon which the invoiced amount was calculated. Payment from the nonperforming party will be due five Business Days after receipt of invoice.

7.4. If the invoiced party, in good faith, disputes the amount of any such invoice or any part thereof, such invoiced party will pay such amount as it concedes to be correct provided, however, if the invoiced party disputes the amount due, it must provide supporting documentation acceptable in industry practice to support the amount paid or disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section.

7.5. If the invoiced party fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under "Money Rates" by The Wall Street Journal, plus two percent per annum; or (ii) the maximum applicable lawful interest rate.

7.6. A party shall have the right, at its own expense, upon reasonable Notice and at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Contract. This right to examine, audit, and to obtain copies shall not be available with respect to proprietary information not directly relevant to transactions under this Contract. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under- or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two years after the Month of Gas delivery. All retroactive adjustments under Section 7 shall be paid in full by the party owing payment within 30 Days of Notice and substantiation of such inaccuracy.

7.7. Unless the parties have elected on the Base Contract not to make this Section 7.7 applicable to this Contract, the parties shall net all undisputed amounts due and owing, and/or past due, arising under the Contract such that the party owing the greater amount shall make a single payment of the net amount to the other party in accordance with Section 7; provided that no payment required to be made pursuant to the terms of any Credit Support Obligation or pursuant to Section 7.3 shall be subject to netting under this Section. If the parties have executed a separate netting agreement, the terms and conditions therein shall prevail to the extent inconsistent herewith.

## SECTION 8. TITLE, WARRANTY, AND INDEMNITY

8.1. Unless otherwise specifically agreed, title to the Gas shall pass from Seller to Buyer at the Delivery Point(s). Seller shall have responsibility for and assume any liability with respect to the Gas prior to its delivery to Buyer at the specified Delivery Point(s). Buyer shall have responsibility for and assume any liability with respect to said Gas after its delivery to Buyer at the Delivery Point(s).

8.2. Seller warrants that it will have the right to convey and will transfer good and merchantable title to all Gas sold hereunder and delivered by it to Buyer, free and clear of all liens, encumbrances, and claims. EXCEPT AS PROVIDED IN THIS SECTION 8.2 AND IN SECTION 14.8, ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR OF FITNESS FOR ANY PARTICULAR PURPOSE, ARE DISCLAIMED.

8.3. Seller agrees to indemnify Buyer and save it harmless from all losses, liabilities or claims including reasonable attorneys' fees and costs of court ("Claims"), from any and all persons, arising from or out of claims of title, personal injury or property damage from said Gas or other charges thereon which attach before title passes to Buyer. Buyer agrees to indemnify Seller and save it harmless from all Claims, from any and all persons, arising from or out of claims regarding payment, personal injury or property damage from said Gas or other charges thereon which attach after title passes to Buyer.

8.4. Notwithstanding the other provisions of this Section 8, as between Seller and Buyer, Seller will be liable for all Claims to the extent that such arise from the failure of Gas delivered by Seller to meet the quality requirements of Section 5.

## SECTION 9. NOTICES

9.1. All Transaction Confirmations, invoices, payments and other communications made pursuant to the Base Contract ("Notices") shall be made to the addresses specified in writing by the respective parties from time to time.

9.2. All Notices required hereunder may be sent by facsimile or mutually acceptable electronic means, a nationally recognized overnight courier service, first class mail or hand delivered.

9.3. Notice shall be given when received on a Business Day by the addressee. In the absence of proof of the actual receipt date, the following presumptions will apply. Notices sent by facsimile shall be deemed to have been received upon the sending party's receipt of its facsimile machine's confirmation of successful transmission. If the day on which such facsimile is received is not a Business Day or is after five p.m. on a Business Day, then such facsimile shall be deemed to have been received on the next following Business Day. Notice by overnight mail or courier shall be deemed to have been received on the next Business Day after it was sent or such earlier time as is confirmed by the receiving party. Notice via first class mail shall be considered delivered five Business Days after mailing.

## SECTION 10. FINANCIAL RESPONSIBILITY

10.1. If either party ("X") has reasonable grounds for insecurity regarding the performance of any obligation under this Contract (whether or not then due) by the other party ("Y") (including, without limitation, the occurrence of a material change in the creditworthiness of Y), X may demand Adequate Assurance of Performance. "Adequate Assurance of Performance" shall mean sufficient security in the form, amount and for the term reasonably acceptable to X, including, but not limited to, a standby irrevocable letter of credit, a prepayment, a security interest in an asset or a performance bond or guaranty (including the issuer of any such security).

10.2. In the event (each an "Event of Default") either party (the "Defaulting Party") or its guarantor shall: (i) make an assignment or any general arrangement for the benefit of creditors; (ii) file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; (iii) otherwise become bankrupt or insolvent (however evidenced); (iv) be unable to pay its debts as they fall due; (v) have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; (vi) fail to perform any obligation to the other party with respect to any Credit Support Obligations relating to the Contract; (vii) fail to give Adequate Assurance of Performance under Section 10.1 within 48 hours but at least one Business Day of a written request by the other party; or (viii) not have paid any amount due the other party hereunder on or before the second Business Day following written Notice that such payment is due; then the other party (the "Non-Defaulting Party") shall have the right, at its sole election, to immediately withhold and/or suspend deliveries or payments upon Notice and/or to terminate and liquidate the transactions under the Contract, in the manner provided in Section 10.3, in addition to any and all other remedies available hereunder.

10.3. If an Event of Default has occurred and is continuing, the Non-Defaulting Party shall have the right, by Notice to the Defaulting Party, to designate a Day, no earlier than the Day such Notice is given and no later than 20 Days after such Notice is given, as an early termination date (the "Early Termination Date") for the liquidation and termination pursuant to Section 10.3.1 of all transactions under the Contract, each a "Terminated Transaction". On the Early Termination Date, all transactions will terminate, other than those transactions, if any, that may not be liquidated and terminated under applicable law or that are, in the reasonable opinion of the Non-Defaulting Party, commercially impracticable to liquidate and terminate ("Excluded Transactions"), which Excluded Transactions must be liquidated and terminated as soon thereafter as is reasonably practicable, and upon termination shall be a Terminated Transaction and be valued consistent with Section 10.3.1 below. With respect to each Excluded Transaction, its actual termination date shall be the Early Termination Date for purposes of Section 10.3.1.

The parties have selected either "Early Termination Damages Apply" or "Early Termination Damages Do Not Apply" as indicated on the Base Contract.

**Early Termination Damages Apply:**

10.3.1. As of the Early Termination Date, the Non-Defaulting Party shall determine, in good faith and in a commercially reasonable manner, (i) the amount owed (whether or not then due) by each party with respect to all Gas delivered and received between the parties under Terminated Transactions and Excluded Transactions on and before the Early Termination Date and all other applicable charges relating to such deliveries and receipts (including without limitation any amounts owed under Section 3.2), for which payment has not yet been made by the party that owes such payment under this Contract and (ii) the Market Value, as defined below, of each Terminated Transaction. The Non-Defaulting Party shall (x) liquidate and accelerate each Terminated Transaction at its Market Value, so that each amount equal to the difference between such Market Value and the Contract Value, as defined below, of such Terminated Transaction(s) shall be due to the Buyer under the Terminated Transaction(s) if such Market Value exceeds the Contract Value and to the Seller if the opposite is the case; and (y) where appropriate, discount each amount then due under clause (x) above to present value in a commercially reasonable manner as of the Early Termination Date (to take account of the period between the date of liquidation and the date on which such amount would have otherwise been due pursuant to the relevant Terminated Transactions).

For purposes of this Section 10.3.1, "Contract Value" means the amount of Gas remaining to be delivered or purchased under a transaction multiplied by the Contract Price, and "Market Value" means the amount of Gas remaining to be delivered or purchased under a transaction multiplied by the market price for a similar transaction at the Delivery Point determined by the Non-Defaulting Party in a commercially reasonable manner. To ascertain the Market Value, the Non-Defaulting Party may consider, among other valuations, any or all of the settlement prices of NYMEX Gas futures contracts, quotations from leading dealers in energy swap contracts or physical gas trading markets, similar sales or purchases and any other bona fide third-party offers, all adjusted for the length of the term and differences in transportation costs. A party shall not be required to enter into a replacement transaction(s) in order to determine the Market Value. Any extension(s) of the term of a transaction to which parties are not bound as of the Early Termination Date (including but not limited to "evergreen provisions") shall not be considered in determining Contract Values and Market Values. For the avoidance of doubt, any option pursuant to which one party has the right to extend the term of a transaction shall be considered in determining Contract Values and Market Values. The rate of interest used in calculating net present value shall be determined by the Non-Defaulting Party in a commercially reasonable manner.

**Early Termination Damages Do Not Apply:**

10.3.1 As of the Early Termination Date, the Non-Defaulting Party shall determine, in good faith and in a commercially reasonable manner, the amount owed (whether or not then due) by each party with respect to all Gas delivered and received between the parties under Terminated Transactions and Excluded Transactions on and before the Early Termination Date and all other applicable charges relating to such deliveries and receipts (including without limitation any amounts owed under Section 3.2), for which payment has not yet been made by the party that owes such payment under this Contract.

The parties have selected either "Other Agreement Setoffs Apply" or "Other Agreement Setoffs Do Not Apply" as indicated on the Base Contract.

**Other Agreement Setoffs Apply:**

10.3.2. The Non-Defaulting Party shall net or aggregate, as appropriate, any and all amounts owing between the parties under Section 10.3.1, so that all such amounts are netted or aggregated to a single liquidated amount payable by one party to the other (the "Net Settlement Amount"). At its sole option and without prior Notice to the Defaulting Party, the Non-Defaulting Party may setoff (i) any Net Settlement Amount owed to the Non-Defaulting Party against any margin or other collateral held by it in connection with any Credit Support Obligation relating to the Contract, or (ii) any Net Settlement Amount payable to the Defaulting Party against any amount(s) payable by the Defaulting Party to the Non-Defaulting Party under any other agreement or arrangement between the parties.

**Other Agreement Setoffs Do Not Apply:**

10.3.2 The Non-Defaulting Party shall net or aggregate, as appropriate, any and all amounts owing between the parties under Section 10.3.1, so that all such amounts are netted or aggregated to a single liquidated amount payable by one party to the other (the "Net Settlement Amount"). At its sole option and without prior Notice to the Defaulting Party, the Non-Defaulting Party may setoff any Net Settlement Amount owed to the Non-Defaulting Party against any margin or other collateral held by it in connection with any Credit Support Obligation relating to the Contract.

10.3.3. If any obligation that is to be included in any netting, aggregation or setoff pursuant to Section 10.3.2 is unascertained, the Non-Defaulting Party may in good faith estimate that obligation and net, aggregate or setoff, as applicable, in respect of the estimate, subject to the Non-Defaulting Party accounting to the Defaulting Party when the obligation is ascertained. Any amount not then due which is included in any netting, aggregation or setoff pursuant to Section 10.3.2 shall be discounted to net present value in a commercially reasonable manner determined by the Non-Defaulting Party.

10.4. As soon as practicable after a liquidation, Notice shall be given by the Non-Defaulting Party to the Defaulting Party of the Net Settlement Amount, and whether the Net Settlement Amount is due to or due from the Non-Defaulting Party. The Notice shall include a written statement explaining in reasonable detail the calculation of such amount, provided that failure to give such Notice shall not affect the validity or enforceability of the liquidation or give rise to any claim by the Defaulting Party against the Non-Defaulting Party. The Net Settlement Amount shall be paid by the close of business on the second Business Day following such Notice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the Net Settlement Amount shall accrue from the date due until the

date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under "Money Rates" by The Wall Street Journal, plus two percent per annum; or (ii) the maximum applicable lawful interest rate.

10.5. The parties agree that the transactions hereunder constitute a "forward contract" within the meaning of the United States Bankruptcy Code and that Buyer and Seller are each "forward contract merchants" within the meaning of the United States Bankruptcy Code.

10.6. The Non-Defaulting Party's remedies under this Section 10 are the sole and exclusive remedies of the Non-Defaulting Party with respect to the occurrence of any Early Termination Date. Each party reserves to itself all other rights, setoffs, counterclaims and other defenses that it is or may be entitled to arising from the Contract.

10.7. With respect to this Section 10, if the parties have executed a separate netting agreement with close-out netting provisions, the terms and conditions therein shall prevail to the extent inconsistent herewith.

## SECTION 11. FORCE MAJEURE

11.1. Except with regard to a party's obligation to make payment(s) due under Section 7, Section 10.4, and Imbalance Charges under Section 4, neither party shall be liable to the other for failure to perform a Firm obligation, to the extent such failure was caused by Force Majeure. The term "Force Majeure" as employed herein means any cause not reasonably within the control of the party claiming suspension, as further defined in Section 11.2.

11.2. Force Majeure shall include, but not be limited to, the following: (i) physical events such as acts of God, landslides, lightning, earthquakes, fires, storms or storm warnings, such as hurricanes, which result in evacuation of the affected area, floods, washouts, explosions, breakage or accident or necessity of repairs to machinery or equipment or lines of pipe; (ii) weather related events affecting an entire geographic region, such as low temperatures which cause freezing or failure of wells or lines of pipe; (iii) interruption and/or curtailment of Firm transportation and/or storage by Transporters; (iv) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars; and (v) governmental actions such as necessity for compliance with any court order, law, statute, ordinance, regulation, or policy having the effect of law promulgated by a governmental authority having jurisdiction. Seller and Buyer shall make reasonable efforts to avoid the adverse impacts of a Force Majeure and to resolve the event or occurrence once it has occurred in order to resume performance.

11.3. Neither party shall be entitled to the benefit of the provisions of Force Majeure to the extent performance is affected by any or all of the following circumstances: (i) the curtailment of interruptible or secondary Firm transportation unless primary, in-path, Firm transportation is also curtailed; (ii) the party claiming excuse failed to remedy the condition and to resume the performance of such covenants or obligations with reasonable dispatch; or (iii) economic hardship, to include, without limitation, Seller's ability to sell Gas at a higher or more advantageous price than the Contract Price, Buyer's ability to purchase Gas at a lower or more advantageous price than the Contract Price, or a regulatory agency disallowing, in whole or in part, the pass through of costs resulting from this Agreement; (iv) the loss of Buyer's market(s) or Buyer's inability to use or resell Gas purchased hereunder, except, in either case, as provided in Section 11.2; or (v) the loss or failure of Seller's gas supply or depletion of reserves, except, in either case, as provided in Section 11.2. The party claiming Force Majeure shall not be excused from its responsibility for Imbalance Charges.

11.4. Notwithstanding anything to the contrary herein, the parties agree that the settlement of strikes, lockouts or other industrial disturbances shall be within the sole discretion of the party experiencing such disturbance.

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

11.6. Notwithstanding Sections 11.2 and 11.3, the parties may agree to alternative Force Majeure provisions in a Transaction Confirmation executed in writing by both parties.

## SECTION 12. TERM

This Contract may be terminated on 30 Day's written Notice, but shall remain in effect until the expiration of the latest Delivery Period of any transaction(s). The rights of either party pursuant to Section 7.6 and Section 10, the obligations to make payment hereunder, and the obligation of either party to indemnify the other, pursuant hereto shall survive the termination of the Base Contract or any transaction.

## SECTION 13. LIMITATIONS

FOR BREACH OF ANY PROVISION FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED HEREIN OR IN A TRANSACTION, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY HEREIN PROVIDED, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE.

TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED HEREUNDER CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS.

## SECTION 14. MISCELLANEOUS

14.1. This Contract shall be binding upon and inure to the benefit of the successors, assigns, personal representatives, and heirs of the respective parties hereto, and the covenants, conditions, rights and obligations of this Contract shall run for the full term of this Contract. No assignment of this Contract, in whole or in part, will be made without the prior written consent of the non-assigning party (and shall not relieve the assigning party from liability hereunder), which consent will not be unreasonably withheld or delayed; provided, either party may (i) transfer, sell, pledge, encumber, or assign this Contract or the accounts, revenues, or proceeds hereof in connection with any financing or other financial arrangements, or (ii) transfer its interest to any parent or affiliate by assignment, merger or otherwise without the prior approval of the other party. Upon any such assignment, transfer and assumption, the transferor shall remain principally liable for and shall not be relieved of or discharged from any obligations hereunder.

14.2. If any provision in this Contract is determined to be invalid, void or unenforceable by any court having jurisdiction, such determination shall not invalidate, void, or make unenforceable any other provision, agreement or covenant of this Contract.

14.3. No waiver of any breach of this Contract shall be held to be a waiver of any other or subsequent breach.

14.4. This Contract sets forth all understandings between the parties respecting each transaction subject hereto, and any prior contracts, understandings and representations, whether oral or written, relating to such transactions are merged into and superseded by this Contract and any effective transaction(s). This Contract may be amended only by a writing executed by both parties.

14.5. The interpretation and performance of this Contract shall be governed by the law of the jurisdiction as indicated on the Base Contract, excluding, however, any conflict of laws rule which would apply the law of another jurisdiction.

14.6. This Contract and all provisions herein will be subject to all applicable and valid statutes, rules, orders and regulations of any governmental authority having jurisdiction over the parties, their facilities, or Gas supply, this Contract or transaction or any provisions thereof.

14.7. There is no third party beneficiary to this Contract.

14.8. Each party to this Contract represents and warrants that it has full and complete authority to enter into and perform this Contract. Each person who executes this Contract on behalf of either party represents and warrants that it has full and complete authority to do so and that such party will be bound thereby.

14.9. The headings and subheadings contained in this Contract are used solely for convenience and do not constitute a part of this Contract between the parties and shall not be used to construe or interpret the provisions of this Contract.

14.10. Unless the parties have elected on the Base Contract not to make this Section 14.10 applicable to this Contract, neither party shall disclose directly or indirectly without the prior written consent of the other party the terms of any transaction to a third party (other than the employees, lenders, royalty owners, counsel, accountants and other agents of the party, or prospective purchasers of all or substantially all of a party's assets or of any rights under this Contract, provided such persons shall have agreed to keep such terms confidential) except (i) in order to comply with any applicable law, order, regulation, or exchange rule, (ii) to the extent necessary for the enforcement of this Contract, (iii) to the extent necessary to implement any transaction, or (iv) to the extent such information is delivered to such third party for the sole purpose of calculating a published index. Each party shall notify the other party of any proceeding of which it is aware which may result in disclosure of the terms of any transaction (other than as permitted hereunder) and use reasonable efforts to prevent or limit the disclosure. The existence of this Contract is not subject to this confidentiality obligation. Subject to Section 13, the parties shall be entitled to all remedies available at law or in equity to enforce, or seek relief in connection with this confidentiality obligation. The terms of any transaction hereunder shall be kept confidential by the parties hereunder for one year from the expiration of the transaction.

In the event that disclosure is required by a governmental body or applicable law, the party subject to such requirement may disclose the material terms of this Contract to the extent so required, but shall promptly notify the other party, prior to disclosure, and shall cooperate (consistent with the disclosing party's legal obligations) with the other party's efforts to obtain protective orders or similar restraints with respect to such disclosure at the expense of the other party.

14.11 The parties may agree to dispute resolution procedures in Special Provisions attached to the Base Contract or in a Transaction Confirmation executed in writing by both parties.

**DISCLAIMER:** The purposes of this Contract are to facilitate trade, avoid misunderstandings and make more definite the terms of contracts of purchase and sale of natural gas. Further, NAESB does not mandate the use of this Contract by any party. **NAESB DISCLAIMS AND EXCLUDES, AND ANY USER OF THIS CONTRACT ACKNOWLEDGES AND AGREES TO NAESB'S DISCLAIMER OF, ANY AND ALL WARRANTIES, CONDITIONS OR REPRESENTATIONS, EXPRESS OR IMPLIED, ORAL OR WRITTEN, WITH RESPECT TO THIS CONTRACT OR ANY PART THEREOF, INCLUDING ANY AND ALL IMPLIED WARRANTIES OR CONDITIONS OF TITLE, NON-INFRINGEMENT, MERCHANTABILITY, OR FITNESS OR SUITABILITY FOR ANY PARTICULAR PURPOSE (WHETHER OR NOT NAESB KNOWS, HAS REASON TO KNOW, HAS BEEN ADVISED, OR IS OTHERWISE IN FACT AWARE OF ANY SUCH PURPOSE), WHETHER ALLEGED TO ARISE BY LAW, BY REASON OF CUSTOM OR USAGE IN THE TRADE, OR BY COURSE OF DEALING. EACH USER OF THIS CONTRACT ALSO AGREES THAT UNDER NO CIRCUMSTANCES WILL NAESB BE LIABLE FOR ANY DIRECT, SPECIAL, INCIDENTAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES ARISING OUT OF ANY USE OF THIS CONTRACT.**

**TRANSACTION CONFIRMATION  
FOR IMMEDIATE DELIVERY**

EXHIBIT A

Letterhead/Logo	Date: _____ Transaction Confirmation #: _____	
This Transaction Confirmation is subject to the Base Contract between Seller and Buyer dated _____. The terms of this Transaction Confirmation are binding unless disputed in writing within 2 Business Days of receipt unless otherwise specified in the Base Contract.		
<b>SELLER:</b> _____ _____ Attn: _____ Phone: _____ Fax: _____ Base Contract No. _____ Transporter _____ Transporter Contract Number: _____	<b>BUYER:</b> _____ _____ Attn: _____ Phone: _____ Fax: _____ Base Contract No. _____ Transporter: _____ Transporter Contract Number: _____	
Contract Price: \$ _____ /MMBtu or _____		
Delivery Period: Begin: _____ End: _____		
<b>Performance Obligation and Contract Quantity: (Select One)</b>		
<b>Firm (Fixed Quantity):</b> _____ MMBtus/day <input type="checkbox"/> EFP	<b>Firm (Variable Quantity):</b> _____ MMBtus/day Minimum _____ MMBtus/day Maximum subject to Section 4.2 at election of Buyer or Seller	<b>Interruptible:</b> Up to _____ MMBtus/day
<b>Delivery Point(s):</b> _____ (If a pooling point is used, list a specific geographic and pipeline location)		
<b>Special Conditions:</b>   		
Seller: _____ By: _____ Title: _____ Date: _____	Buyer: _____ By: _____ Title: _____ Date: _____	

**SPECIAL PROVISIONS  
To Base Contract for  
Sale and Purchase of Natural Gas**

**Between Sprague Operating Resources LLC and**

**Dated: \_\_\_\_\_, 2017**

The following changes are hereby made to the General Terms and Conditions:

(1) The following is added at the end of Section 10.4:  
“Notwithstanding anything herein to the contrary, if the Non-Defaulting Party owes the Net Settlement Amount to the Defaulting Party, the Non-Defaulting Party shall not be required to pay to the Defaulting Party the Net Settlement Amount nor shall interest be owed on such amount, until (i) the Non-Defaulting Party receives confirmation satisfactory to it, in its reasonable discretion, that all other obligations of any kind whatsoever of the Defaulting Party to make any payments to the Non-Defaulting Party under this Contract and transactions hereunder, or otherwise, which are due and payable as of the Early Termination Date, have been paid or netted, set off, recouped, or the like) in full; and (ii) the Defaulting Party executes a release in a form reasonably satisfactory to the Non-Defaulting Party that acts as the final resolution of the transactions hereunder. To the extent that either party believes a bankruptcy court approval of the release is required, the Non-Defaulting Party may withhold payment of the Net Settlement Amount until such time as appropriate court approval has been obtained and is final and non-appealable.”

(2) Section 12 is amended by deleting the second sentence and replacing it with the following: “The rights of either party pursuant to: (i) Section 7.6, (ii) Section 10, (iii) Section 13, (iv) Section 14.10, (v) Waiver of Jury Trial provisions (if applicable), (vi) Arbitration provisions (if applicable), (vii) the obligations to make payment hereunder, and (viii) the obligation of either party to indemnify the other pursuant hereto, shall survive the termination of the Base Contract or any transaction.

(3) Delete Section 10.5 in its entirety and replace with the following language:

“The parties specifically agree that any transaction under the Contract are “forward contracts” as such term is defined in the United States Bankruptcy Code and that each party is a “forward contract merchant” as such term is defined in the United States Bankruptcy Code. Each party further agrees that the other party is not a “utility” as such term is used in 11 U.S.C. Section 366, and each party agrees to waive and not to assert the applicability of the provisions of 11 U.S.C. Section 366 in any bankruptcy proceeding involving such party.”

(4) In Section 14.10, delete "or" before "(iv)" in the first sentence and add the following phrase to the end of that sentence:

“; or (v) to disclose open accounts receivable information arising from transactions related to this contract, whether then due or not, to third-party reporting agencies.”

(5) The following new Section 15 is added following the end of Section 14:

**“Section 15. MARKET DISRUPTION**

When a Market Disruption Event occurs, the parties hereby agree that they shall in good faith mutually negotiate a replacement price for the Floating Price (or a method for determining a replacement price for the Floating Price) for the affected Day. If the parties have not negotiated a replacement price or method on or before the second Business Day following the affected Day then each party shall obtain within the following two Business Days, in good faith and from non-affiliated market participants in the relevant market, two quotes for prices of Gas for the affected quantity of a similar quality and quantity in the geographical location closest in proximity to the Delivery Point and the replacement price for the Floating Price shall be determined by averaging the four quotes. If either party fails to provide two quotes then the average of the other party's two quotes shall determine the replacement price for the Floating Price. "Floating Price" means the price, or factor of the price, agreed to in the transaction as being based upon a specified index. "Market Disruption Event" means, with respect to an index specified for a transaction, any of the following events: (a) the failure of the specified index to announce or publish information necessary for determining the Floating Price as agreed in the transaction; (b) the failure of trading to commence or the permanent discontinuation or material suspension of trading on the exchange or market acting as the specified index; (c) the temporary or permanent discontinuance or unavailability of the specified index; (d) the temporary or permanent closing of any exchange acting as the specified index; or (e) the agreement by both parties that a material change in the formula for or the method of determining the Floating Price has occurred. For the purposes of the calculation of a replacement price for the Floating Price, all numbers shall be rounded to nearest three decimal places.”

SPRAGUE OPERATING RESOURCES LLC:

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**SPRAGUE OPERATING RESOURCES LLC  
NATURAL GAS TRANSACTION CONFIRMATION  
OPEN QUANTITY ON A NON DAILY METERED UTILITY**

Date: \_\_\_\_\_ E Mail Address: \_\_\_\_\_  
 Buyer: \_\_\_\_\_  
 Attn: \_\_\_\_\_ Agreement Date: \_\_\_\_\_  
 Deal Number: \_\_\_\_\_ Contract Nbr: \_\_\_\_\_  
 Facility Location: \_\_\_\_\_ Account # \_\_\_\_\_  
 Utility number is being provided for reference purposes only and may be subject to change.

This Transaction Confirmation is made pursuant to the terms and conditions of Sprague Operating Resources LLC Natural Gas Sales Agreement ("Agreement") entered into between the parties and dated \_\_\_\_\_. In the event that the parties have not executed an agreement governing this sale of natural gas, this Transaction Confirmation shall be subject to the Sprague Operating Resources LLC Natural Gas Sales Agreement's terms and conditions, which the parties agree Sprague has provided to Buyer. As already orally agreed, Sprague and Buyer agree to the following transaction terms:

Delivery Period	Contract Quantity (MMBTU/day)	Price*	Delivery Information **
-----------------	----------------------------------	--------	-------------------------

\* The Price shall also include any other charges set forth herein and all applicable Taxes, as defined in the Agreement.  
 \*\* The Delivery Information may include local distribution company, delivery pipeline, transportation tariff and other information relevant to natural gas delivery. Unless otherwise specified, the Delivery Point is the city gate interconnection between the LDC and the delivery pipeline.

**Payment Terms:**

**Transaction Terms:**

Buyer may accept this Transaction Confirmation by signing below, emailing ContractAdministrationGroup@spragueenergy.com the signed confirmation via a PDF copy or faxing it to Sprague at (603) 430-5320. Buyer shall be solely responsible for notifying Sprague in writing of any inaccuracies in this Transaction Confirmation not more than two (2) business days from Buyer's receipt of the Transaction Confirmation and a failure to do so shall be deemed an acceptance of this Transaction Confirmation. This Transaction Confirmation is not valid/in effect unless/until signed by a Sprague representative.

**Sprague Operating Resources LLC**

**Buyer:**

By: \_\_\_\_\_  
 Mark A. Roberts  
 Title: Managing Director, Natural Gas Sales & Marketing  
 Date: \_\_\_\_\_

By: \_\_\_\_\_  
 Title: \_\_\_\_\_  
 Date: \_\_\_\_\_

Account Manager:



<p>SEEN AND AGREED: Sprague Operating Resources LLC</p> <p>Signature: _____</p> <p>Print Name: <u>Mark Roberts</u></p> <p>Title: <u>Managing Director - Natural Gas Sales and Marketing</u></p> <p>Date: _____</p>	<p>SEEN AND AGREED:</p> <p>Signature: _____</p> <p>Print Name: _____</p> <p>Title: _____</p> <p>Date: _____</p>
--	---

Sample

## Natural Gas "Terms of Service"

- 1. Delivery and Damages.** Natural gas ("Gas") is sold hereunder on a firm basis, meaning that either party may interrupt its performance without liability only when Force Majeure applies under Section 9. For any day that Sprague fails to deliver Gas or Buyer fails to receive Gas, the performing party shall be entitled to damages from the other party equal to the cost of cover plus any transportation and/or imbalance charges or \$0.09 per therm multiplied by the number of therms which should have been received or delivered that day, whichever is greater.
- 2. Term.** The Initial Term shall commence as of the first date of service, which will occur in accordance with the LDC's tariff and applicable enrollment and other rules and regulations. At the conclusion of the Initial Term, this Agreement shall automatically renew on a month-to-month basis at a rate equal to a market based price plus any applicable LDC capacity and/or supply costs until terminated by either party giving at least thirty (30) days' prior written notice to the other party; provided, however, that Buyer shall remain liable for Gas supplied by Sprague pursuant to the terms of this Agreement until such service can be terminated in accordance with the LDC's tariff and applicable rules and regulations.
- 3. Termination Event.** Sprague may terminate this Agreement upon written notice to Buyer (and subject to the LDC's tariff and applicable rules and regulations) if the Buyer a) commences a proceeding under any bankruptcy or similar law for the protection of its creditors or such proceeding is commenced against Buyer; b) otherwise becomes bankrupt or insolvent (however evidenced); or c) fails to pay Sprague's invoice when due. Upon termination, Buyer shall be responsible for any liquidation damages incurred plus any applicable LDC capacity related costs and/or imbalance charges. Buyer shall be liable for all costs and reasonable attorney fees incurred by Sprague in collecting overdue payment from Buyer. Notwithstanding any terms to the contrary in this Agreement, Sprague shall abide by all notice and cure periods as required by all applicable laws and regulations.
- 4. Transportation, Nominations and Scheduling.** Sprague will deliver Gas in compliance with the applicable tariff's quality and measurement specifications and transport it to the delivery point(s), at which title shall pass to Buyer and Buyer will be responsible for transporting the Gas from such delivery point. Sprague expressly disclaims all other warranties of quality or fitness for a particular purpose. After the Initial Term, Buyer shall be responsible for all LDC imbalance charges, penalties or other fees except those resulting from Sprague's failure to reasonably nominate and schedule Gas for Buyer. Upon request, Buyer shall provide to Sprague copies of Buyer's LDC statements, reports or meter readings.
- 5. Operational Change or Flow Order.** Buyer shall immediately notify Sprague of any event that may materially alter Buyer's Gas usage, i.e. equipment installations, repairs, shutdowns, or production schedule changes. Buyer shall also immediately notify Sprague of, and fully comply with, all curtailment or interruption orders or similar notices. If a known event exceeds one month in duration, Sprague may renegotiate this agreement and terminate this agreement if a satisfactory renegotiation cannot be completed within 30 days. If Sprague is negatively impacted financially from such Operational Change, Buyer agrees to reimburse Sprague for all documented costs. In the event an Operational Flow Order, Critical Day or restriction is declared by transporters upstream or downstream of the Delivery Point, Sprague may cash out all volumes nominated or used above or below the day's ratable share of the Monthly Contract Quantity at a market based price.
- 6. Taxes.** Sprague shall pay all taxes (including but not limited to sales, use, distribution, excise, or gross receipts), fees, levies, penalties, licenses or charges imposed, whether now or in the future, by any government authority ("Taxes") on or with respect to the Gas prior to the delivery point(s). Buyer shall pay all Taxes, whether stated separately or as part of the price, on or with respect to the Gas at and after the delivery point(s). Any party entitled to an exemption from any Taxes must furnish the other party with supporting documentation.
- 7. Billing and Payment.** Sprague shall invoice Buyer monthly for delivered Gas based upon the best available information, including nominated volumes. Buyer shall make full payment within fifteen (15) days of the invoice date, and Sprague shall make any necessary adjustment in the invoice following discovery of the actual quantities. If the Buyer's LDC billing cycle is not based on a calendar month, Sprague shall establish a single price for the billing cycle on the closing date based on the applicable monthly prices. Sprague may charge Buyer an interest rate of one and a half percent (1½%) monthly or the maximum legal rate, if lower, on any late payment. The LDC's meter reading shall control for the purpose of determining an invoice's accuracy, and the Buyer shall not dispute an invoice based on a meter reading absent documentation from the LDC verifying an error in the meter reading and setting forth the accurate meter reading.
- 8. Credit.** Buyer agrees to provide its financial information as Sprague reasonably requests from time to time for the purpose of assessing and monitoring Buyer's financial condition. Should Buyer become overdue on payments owed to Seller or experience a material change in financial condition or obligations under this Agreement, Seller may require additional credit support and/or additional security from Buyer.
- 9. Force Majeure.** Except for a party's payment obligation, neither party shall be liable to the other for failure to perform an obligation to the extent caused by Force Majeure, meaning acts of God, fires, floods, explosions, storms, or storm warnings, breakage of machinery or pipelines, freezing of wells or pipelines, sudden failure of gas supply, failure or curtailment of transportation, strikes, lockouts or other industrial disturbances, acts of terrorism or war, or any other non-financial cause outside the control of the party claiming Force Majeure. If the party claiming Force Majeure promptly notifies the other party in writing as soon as reasonably possible, the party is relieved of its obligation to deliver or receive Gas from the onset of the Force Majeure event through its duration. Sprague may prorate its available supply at an affected delivery point based on nominated volumes among Sprague's firm customers receiving Gas at such delivery point.
- 10. Tariffs, Laws and Regulations.** This Agreement shall be subject to all local, state and federal laws and regulations and any applicable order of a governmental body or official. Each party shall indemnify, defend and hold harmless the other party from any fines, penalties, assessments or liabilities imposed by any governmental authority relating to the failure of such party to comply with any applicable law, regulation or order. In the event any law, regulation or order of any governmental authority adversely and materially impacts Sprague's ability to perform or there is an approved change to a transporter tariff and/or utility capacity assignment resulting in a related rate increase, the contract price set forth in this Transaction Confirmation may be adjusted accordingly.
- 11. Waiver and Severability.** No party's waiver of any breach of performance shall be deemed a waiver of any subsequent breach. Should a court of competent jurisdiction hold any provision herein invalid, illegal or unenforceable, that provision shall be eliminated or limited to the minimum extent necessary so that this Agreement shall otherwise remain in full force and effect and enforceable.
- 12. Integration and Assignability.** This Agreement contains the parties' entire understanding and supersedes any prior agreement between the parties. This Agreement shall be binding upon and inure to the benefit of the parties' successors and assigns and may only be modified by written agreement between the parties. Buyer shall not assign this Agreement without Sprague's consent.
- 13. Confidentiality.** Buyer shall not disclose the terms stated herein, including price, without Sprague's consent.
- 14. Limitations.** Neither party shall be liable for specific performance, consequential, incidental, punitive, exemplary or indirect damages, lost profits or other business interruption damages.
- 15. Governing Law; Jury Trial.** This Agreement shall be governed by and interpreted in accordance with the laws of the state identified on the first page. *THE PARTIES HEREBY AGREE TO WAIVE ANY RIGHT TO A JURY TRIAL.*

**Natural Gas Sales Agreement – Exhibit A**

<b>Volumes:</b> Buyer's Monthly Contract Quantities (stated in therms) during the Initial Term and any subsequent term shall be as follows:					
Jan. 0.000	Feb. 0.000	Mar. 0.000	Apr. 0.000	May. 0.000	Jun. 0.000
Jul. 0.000	Aug. 0.000	Sep. 0.000	Oct. 0.000	Nov. 0.000	Dec. 0.000

**Service Locations**

Service Address	Utility Account Number	Utility Meter Number	Location Description	Capacity Assignment Quantity
				0.000

Sample



185 International Drive  
Portsmouth, New Hampshire 03801  
(603) 228.1580

March 3, 2016

**VIA OVERNIGHT MAIL**

Debra Howland  
Executive Director  
New Hampshire Public Utilities Commission  
21 South Fruit Street, Suite 10  
Concord, NH 03301-2429

REPUBLIC SERVICE COMPANY

**RE: Sprague Operating Resources LLC | Continuation Certificate (2016)  
License No. DM 12-022**

Dear Ms. Howland:

Sprague Operating Resources LLC ("Sprague") hereby submits its Continuation Certificate for Sprague's competitive natural gas supplier license no. DM 12-022.

Should you have any questions, please do not hesitate to contact me.

Sincerely,

*Todd Bohan*

Todd Bohan, PhD  
Regulatory Specialist

Enclosure: Continuation Certificate

**WASHINGTON**

**INTERNATIONAL INSURANCE COMPANY**  
475 North Martingale Road  
Schaumburg, IL 60173

**CONTINUATION  
CERTIFICATE**

KNOW ALL MEN BY THESE PRESENTS, THAT:

In consideration of the payment of renewal premium, WASHINGTON INTERNATIONAL INSURANCE COMPANY, as Surety, does hereby continue

Bond Number **9147920**

executed effective **March 19, 2012**

in the amount of **\$350,000**

on behalf of **Sprague Operating Resources LLC**, Principal,

in favor of **New Hampshire Public Utilities Commission**, Obligee,

for the period beginning **March 19, 2016** and ending **March 19, 2017**

Provided, however, that this Continuation Certificate does not create a new obligation and is executed upon the express condition and provision that the Surety's liability under said bond and this and all Continuation Certificates issued in connection therewith shall not be cumulative and that said Surety's aggregate liability under said bond and this and all such Continuation Certificates on account of all defaults committed during the period (regardless of the number of years) said bond has been and shall be in force, shall not in any event exceed the amount of said bond as hereinbefore set forth.

Signed, sealed and dated on **February 22, 2016**

WASHINGTON INTERNATIONAL INSURANCE COMPANY

BY: Anne M. Higginbottom  
Anne M. Higginbottom, Attorney-in-Fact

NAS SURETY GROUP

NORTH AMERICAN SPECIALTY INSURANCE COMPANY
WASHINGTON INTERNATIONAL INSURANCE COMPANY

GENERAL POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, THAT North American Specialty Insurance Company, a corporation duly organized and existing under laws of the State of New Hampshire, and having its principal office in the City of Manchester, New Hampshire, and Washington International Insurance Company, a corporation organized and existing under the laws of the State of New Hampshire and having its principal office in the City of Schaumburg, Illinois, each does hereby make, constitute and appoint:

WILLIAM L. LABBE, JOHN J. FEITELBERG, CATHERINE H. LAWRENCE, LINDA MERENGUELLI, BRAD TAYLOR, ANNE M. HIGGINBOTTOM, BARRY J. HORGAN, and ALYSSA R. MICHAEL

JOINTLY OR SEVERALLY

Its true and lawful Attorney(s)-in-Fact, to make, execute, seal and deliver, for and on its behalf and as its act and deed, bonds or other writings obligatory in the nature of a bond on behalf of each of said Companies, as surety, on contracts of suretyship as are or may be required or permitted by law, regulation, contract or otherwise, provided that no bond or undertaking or contract or suretyship executed under this authority shall exceed the amount of:

FIFTY MILLION (\$50,000,000.00) DOLLARS

This Power of Attorney is granted and is signed by facsimile under and by the authority of the following Resolutions adopted by the Boards of Directors of both North American Specialty Insurance Company and Washington International Insurance Company at meetings duly called and held on the 9th of May, 2012:

"RESOLVED, that any two of the Presidents, any Managing Director, any Senior Vice President, any Vice President, any Assistant Vice President, the Secretary or any Assistant Secretary be, and each or any of them hereby is authorized to execute a Power of Attorney qualifying the attorney named in the given Power of Attorney to execute on behalf of the Company bonds, undertakings and all contracts of surety, and that each or any of them hereby is authorized to attest to the execution of any such Power of Attorney and to attach therein the seal of the Company; and it is

FURTHER RESOLVED, that the signature of such officers and the seal of the Company may be affixed to any such Power of Attorney or to any certificate relating thereto by facsimile, and any such Power of Attorney or certificate bearing such facsimile signatures or facsimile seal shall be binding upon the Company when so affixed and in the future with regard to any bond, undertaking or contract of surety to which it is attached."



By [Signature] Steven P. Anderson, Senior Vice President of Washington International Insurance Company & Senior Vice President of North American Specialty Insurance Company



By [Signature] Michael A. Ito, Senior Vice President of Washington International Insurance Company & Senior Vice President of North American Specialty Insurance Company

IN WITNESS WHEREOF, North American Specialty Insurance Company and Washington International Insurance Company have caused their official seals to be hereunto affixed, and these presents to be signed by their authorized officers this 9th day of October, 2015.

North American Specialty Insurance Company
Washington International Insurance Company

State of Illinois
County of Cook ss:

On this 9th day of October, 2015, before me, a Notary Public personally appeared Steven P. Anderson, Senior Vice President of Washington International Insurance Company and Senior Vice President of North American Specialty Insurance Company and Michael A. Ito, Senior Vice President of Washington International Insurance Company and Senior Vice President of North American Specialty Insurance Company, personally known to me, who being by me duly sworn, acknowledged that they signed the above Power of Attorney as officers of and acknowledged said instrument to be the voluntary act and deed of their respective companies.



[Signature] M. Kenny, Notary Public

I, Jeffrey Goldberg, the duly elected Assistant Secretary of North American Specialty Insurance Company and Washington International Insurance Company, do hereby certify that the above and foregoing is a true and correct copy of a Power of Attorney given by said North American Specialty Insurance Company and Washington International Insurance Company, which is still in full force and effect.

IN WITNESS WHEREOF, I have set my hand and affixed the seals of the Companies this 22nd day of February, 2016

[Signature] Jeffrey Goldberg, Vice President & Assistant Secretary of Washington International Insurance Company & North American Specialty Insurance Company

SERVICE ORDER NO. 12122  
ISSUED MAY 20, 1958

**GAS TRANSPORTATION AGREEMENT**  
Between **THE GAS TRANSPORTATION CORPORATION**  
and **THE GAS TRANSPORTATION CORPORATION**

THIS AGREEMENT is made and entered into as of the 1st day of July, 1958, by and between **THE GAS TRANSPORTATION CORPORATION**, a Delaware Corporation, hereinafter referred to as "Transporter" and **THE GAS TRANSPORTATION CORPORATION**, a Delaware Corporation, hereinafter referred to as "Shipper". Transporter and Shipper shall collectively be referred to herein as the "Parties".

**ARTICLE I**

**SERVICES**

**TRANSPORTATION QUANTITY** - shall mean the maximum daily quantity of gas which Transporter agrees to receive and transport, subject to Article III hereof, for the amount of Shipper's demand on each day during each year during the term hereof which shall be 30,000 cubic feet.

**SHIPPER'S DEMAND** - shall be as defined in the Article I of the General Terms and Conditions of Transporter's FPC Gas Order.

**ARTICLE II**

**TRANSPORTATION**

Transporter agrees to accept and receive daily on an interruptible basis, as determined in Transporter's sole discretion at the time of its receipt, from Shipper or for Shipper's account and quantity of gas as specified herein available up to the Transportation Capacity of gas per delivery hour shipped to the delivery point, an equivalent quantity of gas.

**ARTICLE III**

**FACILITIES**

All facilities are in place to render the service provided for in this Agreement and Transporter shall have no obligation to build facilities to perform this service.

**ARTICLE IV**

**QUALITY SPECIFICATIONS AND STANDARDS FOR SHIPPER'S GAS**

For all gas received, transported and delivered hereunder the Parties agree to the Quality Specifications and Standards for Gasification as specified in the General Terms and Conditions of Transporter's FPC Gas Order, Article 1. To the extent that no new test facilities are installed to provide service hereunder, measurement operations will continue in the manner in which they have previously been handled. In the event that such facilities are not operated by Transporter or a downstream pipeline, their responsibility for operations shall be deemed to be Shipper's.

**GAS TRANSPORTATION AGREEMENT**  
(For Use Under Rate Schedule III)

**ARTICLE IV**

**RATES AND CHARGES FOR GAS TRANSPORTATION**

**TRANSPORTATION RATES** - Commencing with the date of initial receipt of gas by Transporter, the rates, charges and surcharges to be paid by Shipper to Transporter for the transportation services provided herein, shall be in accordance with Transporter's Rate Schedule III and the General Terms and Conditions of Transporter's FPC Gas Tariff.

**INCIDENTAL CHARGES** - Shipper agrees to reimburse Transporter for any filing or similar fees, which have not been previously paid by Shipper, which Transporter incurs in rendering service hereunder.

**CHANGES IN RATES AND CHARGES** - Shipper agrees that Transporter shall have the unilateral right to file with the appropriate regulatory authority and make changes effective in (a) the rates and charges applicable to services pursuant to Transporter's Rate Schedule III, (b) the rate schedule(s) pursuant to which service hereunder is rendered, or (c) any provision of the General Terms and Conditions and Rules to those rate schedules. Transporter agrees that Shipper may protest or contest the aforementioned filings, or may seek authorization from duly constituted regulatory authorities for such adjustment of Transporter's existing FPC Gas Tariff as may be found necessary to assure Transporter just and reasonable rates.

**ARTICLE V**

**PAYMENTS AND PAYMENTS**

Transporter shall bill and Shipper shall pay all rates and charges in accordance with Articles V and VI, respectively, of the General Terms and Conditions of Transporter's FPC Gas Tariff.

**ARTICLE VI**

**GENERAL TERMS AND CONDITIONS**

This Agreement shall be subject to the effective provisions of Transporter's Rate Schedule III and to the General Terms and Conditions incorporated therein, as the same may be changed or superseded from time to time in accordance with the rules and regulations of the FPC.

**ARTICLE VII**

**REGULATION**

8.1 This Agreement shall be subject to all applicable and lawful governmental statutes, orders, rules and regulations and is contingent upon the receipt and continuation of all necessary regulatory approvals or authorizations upon terms acceptable to Transporter. This Agreement shall be void and of no force and effect if any necessary regulatory approval is not so obtained or continued. All Parties hereto shall cooperate to obtain or continue all necessary approvals or authorizations, but no Party shall be liable to any other Party for failure to obtain or continue such approvals or authorizations.

**GAS TRANSPORTATION AGREEMENT**  
**(For Use Under Rate Schedule T)**

The transportation service described herein shall be provided subject to Subpart C, Part 284 of the FERC Regulations.

**ARTICLE II**

**RESPONSIBILITY DURING TRANSPORTATION**

Except as herein specified, the responsibility for gas during transportation shall be as stated in the General Terms and Conditions of Transporter's FERC Gas Tariff Volume No. 1.

**ARTICLE III**

**WARRANTIES**

In addition to the warranties set forth in Article IX of the General Terms and Conditions of Transporter's FERC Gas Tariff, Shipper warrants the following:

Shipper warrants that all upstream and downstream transportation arrangements are in place, or will be in place as of the requested effective date of service, and that it has advised the upstream and downstream transporters of the regular and delivery points under this Agreement and any quantity limitations for each point. Shipper agrees to indemnify and hold Transporter harmless for physical or transport gas loss in the event any upstream or downstream transporter fails to receive or deliver gas as contemplated by this Agreement.

Shipper agrees to indemnify and hold Transporter harmless for all suits, actions, debts, accounts, damages, costs, losses and expenses (including reasonable attorney fees) arising from or as a result of breach of any warranty by Shipper herein.

Transporter shall not be obligated to provide or continue service hereunder in the event of any breach of warranty.

**ARTICLE IV**

**TERM**

This Agreement shall be effective from the date hereof and shall remain in full force and effect on a month to month basis unless terminated by either Party upon at least thirty (30) days prior written notice to the other Party.

Any portions of this Agreement necessary to resolve or cash-out imbalances under this Agreement as required by the General Terms and Conditions of Transporter's FERC Gas Tariff Volume No. 1, shall survive the other parts of this Agreement until such time as such balancing has been accomplished, provided however that Transporter notifies Shipper of such imbalance as later than twelve months after the termination of this Agreement.

**GAS TRANSPORTATION AGREEMENT**  
**(For Use Under Rate Schedule III)**

This Agreement will terminate automatically on the event Transporter fails to pay all of the amount of any bill for service rendered by Transporter hereunder in accord with the terms and conditions of Article VI of the General Terms and Conditions of Transporter's FOM Tariff.

**ARTICLE III**

**NOTICE**

Except as otherwise provided in the General Terms and Conditions applicable to this Agreement, any notice under this Agreement shall be in writing and mailed to the post office address of the Party intended to receive the same as follows:

**TRANSPORTER:** TENNESSEE GAS PIPELINE COMPANY  
P. O. Box 2511  
Houston, Texas 77252-2511  
Attention: Transportation Department

**SHIPPER:**  
**RECIPIENT:** SPRAGUE ENERGY CORP.  
910 TRAVIS STREET  
SUITE 1995  
HOUSTON, TX 77002  
Attention: Brian Hildebrandt

**SELLER:** SPRAGUE ENERGY CORP.  
910 TRAVIS STREET  
SUITE 1995  
HOUSTON, TX 77002  
Attention: Brian Hildebrandt

or to its other address, either last, shall constitute the actual notice to the other.

**ARTICLE IV**

**ASSIGNMENT**

Any person or firm shall succeed by purchase, merger, or consolidation to the property as substantially as an entity, of either Party hereto shall be entitled to the rights and shall be subject to the obligations of this Agreement in respect to the obligations of this Agreement. Otherwise, this Agreement shall not be assigned.

**GAS TRANSPORTATION AGREEMENT**  
(For Use Under Rate Schedule III)

**ARTICLE XIV**  
**MISCELLANEOUS**

- 14.1 The interpretation and performance of this Agreement shall be in accordance with and controlled by the laws of the State of Texas, without regard to the doctrines governing choice of law.
- 14.2 If any provision of this Agreement is declared null and void or unenforceable by a court of competent jurisdiction, that provision shall be considered severable at either Party's option, and if the severability option is exercised, the remaining provisions of this Agreement shall remain in full force and effect.
- 14.3 Unless otherwise expressly provided in this Agreement or Transporter's FERC Gas Report, no modification or supplement to the terms and provisions stated in this Agreement shall be or become effective, until Shipper has submitted a request for change through the TMS-System 2e System and Shipper has been notified through TMS-System 2 of Transporter's agreement to such change.

IN WITNESS WHEREOF, the Part as herein have caused this Agreement to be duly executed as of the date first hereinabove written.

**TRANSPORTER OR PIPE LINE COMPANY**  
*A. B. Perry, Jr.*  
Agent and Attorney-in-Fact

**SHIPPER**  
*[Signature]*  
**DATE**  
7/12/18

### Base Contract for Sale and Purchase of Natural Gas

This Base Contract is entered into as of the following date: <sup>January 31</sup> ~~February 1~~, 2003. The parties to this Base Contract are the following:

**TENNESSEE GAS PIPELINE COMPANY**  
 Nine Greenway Plaza, Suite 977B, Houston, Texas 77046  
 Duns Number: 00-193-9164  
 Contract Number: 9060  
 U.S. Federal Tax ID Number: 74-058569

and **SPRAGUE ENERGY CORP.**  
 Two International Drive, Suite 200, Portsmouth, NH 03801  
 Duns Number: #13-136-2733  
 Contract Number: 9060  
 U.S. Federal Tax ID Number: #02-0415440

**Notices:**  
 Tennessee Gas Pipeline Company  
 Attn: Joe Clements / Andy Armstrong  
 Phone: 832-676-5121 / 832-676-5120 Fax: 832-676-1605

**SAME AS ABOVE**  
 Attn: NATURAL GAS ADMINISTRATION  
 Phone: (603) 430-5338 Fax: (603) 430-5320

**Confirmations:**  
 Andy Armstrong, Suite 976 B  
 Attn: Bidroom Asset Optimization  
 Phone: 832-676-5120 Fax: 832-676-1605

**SAME AS ABOVE**  
 Attn: NATURAL GAS ADMINISTRATION  
 Phone: (603) 430-5338 Fax: (603) 430-5320

**Invoices and Payments:**  
 Tennessee Gas Pipeline Company  
 Attn: Beverly Hatcher / Robert Nunnally - TGP Accounting  
 Nine Greenway Plaza, Suite 208, Houston, Texas 77046  
 Phone: 832-676-3958 Fax: 832-676-1898

**SAME AS ABOVE**  
 Attn: NATURAL GAS ADMINISTRATION  
 Phone: (603) 430-7240 Fax: (603) 430-5320

**Wire Transfer or ACH Numbers (if applicable):**  
 BANK: Bank of America Illinois  
 ABA: # 071000039  
 ACCT: # 8188100890  
 Other Details: Payable to Tennessee Gas Pipeline

BANK: CHASE MANHATTAN, NEW YORK, NY  
 ABA: 021000021  
 ACCT: 910-2-720233  
 Other Details:

This Base Contract incorporates by reference for all purposes the General Terms and Conditions for Sale and Purchase of Natural Gas published by the North American Energy Standards Board. The parties hereby agree to the following provisions offered in said General Terms and Conditions. In the event the parties fail to check a box, the specified default provision shall apply. Select only one box from each section:

<b>Section 1.2</b> <input checked="" type="checkbox"/> Oral (default) Transaction Procedure <input type="checkbox"/> Written	<b>Section 7.2</b> <input checked="" type="checkbox"/> 25 <sup>th</sup> Day of Month following Month of delivery (default) Payment Date <input type="checkbox"/> _____ Day of Month following Month of delivery
<b>Section 2.5</b> <input checked="" type="checkbox"/> 2 Business Days after receipt (default) Confirm Deadline <input type="checkbox"/> _____ Business Days after receipt	<b>Section 7.2</b> <input checked="" type="checkbox"/> Wire transfer (default) Method of Payment <input type="checkbox"/> Automated Clearinghouse Credit (ACH) <input type="checkbox"/> Check
<b>Section 2.6</b> <input checked="" type="checkbox"/> Seller (default) Confirming Party <input type="checkbox"/> Buyer	<b>Section 7.7</b> <input checked="" type="checkbox"/> Netting applies (default) Netting <input type="checkbox"/> Netting does not apply
<b>Section 3.2</b> <input checked="" type="checkbox"/> Cover Standard (default) Performance Obligation <input type="checkbox"/> Spot Price Standard	<b>Section 10.3.1</b> <input checked="" type="checkbox"/> Early Termination Damages Apply (default) Early Termination Damages <input type="checkbox"/> Early Termination Damages Do Not Apply
<i>Note: The following Spot Price Publication applies to both of the immediately preceding.</i>	<b>Section 10.3.2</b> <input checked="" type="checkbox"/> Other Agreement Setoffs Apply (default) Other Agreement Setoffs <input type="checkbox"/> Other Agreement Setoffs Do Not Apply
<b>Section 2.26</b> <input checked="" type="checkbox"/> Gas Daily Spot Price Publication <input type="checkbox"/> Midpoint (default)	<b>Section 14.5</b> Choice Of Law <u>TEXAS</u>
<b>Section 6</b> <input checked="" type="checkbox"/> Buyer Pays At and After Delivery Point (default) Taxes <input type="checkbox"/> Seller Pays Before and At Delivery Point	<b>Section 14.10</b> <input checked="" type="checkbox"/> Confidentiality applies (default) Confidentiality <input type="checkbox"/> Confidentiality does not apply
<input type="checkbox"/> Special Provisions Number of sheets attached: None	
<input type="checkbox"/> Addendum(s): _____	

IN WITNESS WHEREOF, the parties hereto have executed this Base Contract in duplicate.

**TENNESSEE GAS PIPELINE COMPANY**  
 Party Name  
 By Stanley Chen  
 Name: \_\_\_\_\_  
 Title: Director, Asset Optmizing

**SPRAGUE ENERGY CORP.**  
 Party Name  
 By Thomas F. Flaherty  
 Name: Thomas F. Flaherty  
 Title: Vice President Industrial Marketing

## General Terms and Conditions Base Contract for Sale and Purchase of Natural Gas

### SECTION 1. PURPOSE AND PROCEDURES

1.1. These General Terms and Conditions are intended to facilitate purchase and sale transactions of Gas on a Firm or interruptible basis. "Buyer" refers to the party receiving Gas and "Seller" refers to the party delivering Gas. The entire agreement between the parties shall be the Contract as defined in Section 2.7.

The parties have selected either the "Oral Transaction Procedure" or the "Written Transaction Procedure" as indicated on the Base Contract.

#### Oral Transaction Procedure:

1.2. The parties will use the following Transaction Confirmation procedure. Any Gas purchase and sale transaction may be effectuated in an EDI transmission or telephone conversation with the offer and acceptance constituting the agreement of the parties. The parties shall be legally bound from the time they so agree to transaction terms and may each rely thereon. Any such transaction shall be considered a "writing" and to have been "signed". Notwithstanding the foregoing sentence, the parties agree that Confirming Party shall, and the other party may, confirm a telephonic transaction by sending the other party a Transaction Confirmation by facsimile, EDI or mutually agreeable electronic means within three Business Days of a transaction covered by this Section 1.2 (Oral Transaction Procedure) provided that the failure to send a Transaction Confirmation shall not invalidate the oral agreement of the parties. Confirming Party adopts its confirming letterhead, or the like, as its signature on any Transaction Confirmation as the identification and authentication of Confirming Party. If the Transaction Confirmation contains any provisions other than those relating to the commercial terms of the transaction (i.e., price, quantity, performance obligation, delivery point, period of delivery and/or transportation conditions), which modify or supplement the Base Contract or General Terms and Conditions of this Contract (e.g., arbitration or additional representations and warranties), such provisions shall not be deemed to be accepted pursuant to Section 1.3 but must be expressly agreed to by both parties; provided that the foregoing shall not invalidate any transaction agreed to by the parties.

#### Written Transaction Procedure:

1.2. The parties will use the following Transaction Confirmation procedure. Should the parties come to an agreement regarding a Gas purchase and sale transaction for a particular Delivery Period, the Confirming Party shall, and the other party may, record that agreement on a Transaction Confirmation and communicate such Transaction Confirmation by facsimile, EDI or mutually agreeable electronic means to the other party by the close of the Business Day following the date of agreement. The parties acknowledge that their agreement will not be binding until the exchange of nonconflicting Transaction Confirmations or the passage of the Confirm Deadline without objection from the receiving party, as provided in Section 1.3.

1.3. If a sending party's Transaction Confirmation is materially different from the receiving party's understanding of the agreement referred to in Section 1.2, such receiving party shall notify the sending party via facsimile, EDI or mutually agreeable electronic means by the Confirm Deadline, unless such receiving party has previously sent a Transaction Confirmation to the sending party. The failure of the receiving party to so notify the sending party in writing by the Confirm Deadline constitutes the receiving party's agreement to the terms of the transaction described in the sending party's Transaction Confirmation. If there are any material differences between timely sent Transaction Confirmations governing the same transaction, then neither Transaction Confirmation shall be binding until or unless such differences are resolved including the use of any evidence that clearly resolves the differences in the Transaction Confirmations. In the event of a conflict among the terms of (i) a binding Transaction Confirmation pursuant to Section 1.2, (ii) the oral agreement of the parties which may be evidenced by a recorded conversation, where the parties have selected the Oral Transaction Procedure of the Base Contract, (iii) the Base Contract, and (iv) these General Terms and Conditions, the terms of the documents shall govern in the priority listed in this sentence.

1.4. The parties agree that each party may electronically record all telephone conversations with respect to this Contract between their respective employees, without any special or further notice to the other party. Each party shall obtain any necessary consent of its agents and employees to such recording. Where the parties have selected the Oral Transaction Procedure in Section 1.2 of the Base Contract, the parties agree not to contest the validity or enforceability of telephonic recordings entered into in accordance with the requirements of this Base Contract. However, nothing herein shall be construed as a waiver of any objection to the admissibility of such evidence.

### SECTION 2. DEFINITIONS

The terms set forth below shall have the meaning ascribed to them below. Other terms are also defined elsewhere in the Contract and shall have the meanings ascribed to them herein.

2.1. "Alternative Damages" shall mean such damages, expressed in dollars or dollars per MMBtu, as the parties shall agree upon in the Transaction Confirmation, in the event either Seller or Buyer fails to perform a Firm obligation to deliver Gas in the case of Seller or to receive Gas in the case of Buyer.

2.2. "Base Contract" shall mean a contract executed by the parties that incorporates these General Terms and Conditions by reference; that specifies the agreed selections of provisions contained herein; and that sets forth other information required herein and any Special Provisions and addendum(s) as identified on page one.

2.3. "British thermal unit" or "Btu" shall mean the International BTU, which is also called the Btu (IT).

- 2.4. "Business Day" shall mean any day except Saturday, Sunday or Federal Reserve Bank holidays.
- 2.5. "Confirm Deadline" shall mean 5:00 p.m. in the receiving party's time zone on the second Business Day following the Day a Transaction Confirmation is received or, if applicable, on the Business Day agreed to by the parties in the Base Contract; provided, if the Transaction Confirmation is time stamped after 5:00 p.m. in the receiving party's time zone, it shall be deemed received at the opening of the next Business Day.
- 2.6. "Confirming Party" shall mean the party designated in the Base Contract to prepare and forward Transaction Confirmations to the other party.
- 2.7. "Contract" shall mean the legally binding relationship established by (i) the Base Contract, (ii) any and all binding Transaction Confirmations and (iii) where the parties have selected the Oral Transaction Procedure in Section 1.2 of the Base Contract, any and all transactions that the parties have entered into through an EDI transmission or by telephone, but that have not been confirmed in a binding Transaction Confirmation.
- 2.8. "Contract Price" shall mean the amount expressed in U.S. Dollars per MMBtu to be paid by Buyer to Seller for the purchase of Gas as agreed to by the parties in a transaction.
- 2.9. "Contract Quantity" shall mean the quantity of Gas to be delivered and taken as agreed to by the parties in a transaction.
- 2.10. "Cover Standard", as referred to in Section 3.2, shall mean that if there is an unexcused failure to take or deliver any quantity of Gas pursuant to this Contract, then the performing party shall use commercially reasonable efforts to (i) if Buyer is the performing party, obtain Gas, (or an alternate fuel if elected by Buyer and replacement Gas is not available), or (ii) if Seller is the performing party, sell Gas, in either case, at a price reasonable for the delivery or production area, as applicable, consistent with: the amount of notice provided by the nonperforming party; the immediacy of the Buyer's Gas consumption needs or Seller's Gas sales requirements, as applicable; the quantities involved; and the anticipated length of failure by the nonperforming party.
- 2.11. "Credit Support Obligation(s)" shall mean any obligation(s) to provide or establish credit support for, or on behalf of, a party to this Contract such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature.
- 2.12. "Day" shall mean a period of 24 consecutive hours, coextensive with a "day" as defined by the Receiving Transporter in a particular transaction.
- 2.13. "Delivery Period" shall be the period during which deliveries are to be made as agreed to by the parties in a transaction.
- 2.14. "Delivery Point(s)" shall mean such point(s) as are agreed to by the parties in a transaction.
- 2.15. "EDI" shall mean an electronic data interchange pursuant to an agreement entered into by the parties, specifically relating to the communication of Transaction Confirmations under this Contract.
- 2.16. "EFP" shall mean the purchase, sale or exchange of natural Gas as the "physical" side of an exchange for physical transaction involving gas futures contracts. EFP shall incorporate the meaning and remedies of "Firm", provided that a party's excuse for nonperformance of its obligations to deliver or receive Gas will be governed by the rules of the relevant futures exchange regulated under the Commodity Exchange Act.
- 2.17. "Firm" shall mean that either party may interrupt its performance without liability only to the extent that such performance is prevented for reasons of Force Majeure; provided, however, that during Force Majeure interruptions, the party invoking Force Majeure may be responsible for any Imbalance Charges as set forth in Section 4.3 related to its interruption after the nomination is made to the Transporter and until the change in deliveries and/or receipts is confirmed by the Transporter.
- 2.18. "Gas" shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane.
- 2.19. "Imbalance Charges" shall mean any fees, penalties, costs or charges (in cash or in kind) assessed by a Transporter for failure to satisfy the Transporter's balance and/or nomination requirements.
- 2.20. "Interruptible" shall mean that either party may interrupt its performance at any time for any reason, whether or not caused by an event of Force Majeure, with no liability, except such interrupting party may be responsible for any Imbalance Charges as set forth in Section 4.3 related to its interruption after the nomination is made to the Transporter and until the change in deliveries and/or receipts is confirmed by Transporter.
- 2.21. "MMBtu" shall mean one million British thermal units, which is equivalent to one dekatherm.
- 2.22. "Month" shall mean the period beginning on the first Day of the calendar month and ending immediately prior to the commencement of the first Day of the next calendar month.
- 2.23. "Payment Date" shall mean a date, as indicated on the Base Contract, on or before which payment is due Seller for Gas received by Buyer in the previous Month.
- 2.24. "Receiving Transporter" shall mean the Transporter receiving Gas at a Delivery Point, or absent such receiving Transporter, the Transporter delivering Gas at a Delivery Point.
- 2.25. "Scheduled Gas" shall mean the quantity of Gas confirmed by Transporter(s) for movement, transportation or management.
- 2.26. "Spot Price" as referred to in Section 3.2 shall mean the price listed in the publication indicated on the Base Contract, under the listing applicable to the geographic location closest in proximity to the Delivery Point(s) for the relevant Day; provided, if there is no single price published for such location for such Day, but there is published a range of prices, then the Spot Price shall be the average

of such high and low prices. If no price or range of prices is published for such Day, then the Spot Price shall be the average of the following: (i) the price (determined as stated above) for the first Day for which a price or range of prices is published that next precedes the relevant Day; and (ii) the price (determined as stated above) for the first Day for which a price or range of prices is published that next follows the relevant Day.

2.27. "Transaction Confirmation" shall mean a document, similar to the form of Exhibit A, setting forth the terms of a transaction formed pursuant to Section 1 for a particular Delivery Period.

2.28. "Termination Option" shall mean the option of either party to terminate a transaction in the event that the other party fails to perform a Firm obligation to deliver Gas in the case of Seller or to receive Gas in the case of Buyer for a designated number of days during a period as specified on the applicable Transaction Confirmation.

2.29. "Transporter(s)" shall mean all Gas gathering or pipeline companies, or local distribution companies, acting in the capacity of a transporter, transporting Gas for Seller or Buyer upstream or downstream, respectively, of the Delivery Point pursuant to a particular transaction.

### SECTION 3. PERFORMANCE OBLIGATION

3.1. Seller agrees to sell and deliver, and Buyer agrees to receive and purchase, the Contract Quantity for a particular transaction in accordance with the terms of the Contract. Sales and purchases will be on a Firm or Interruptible basis, as agreed to by the parties in a transaction.

<p>The parties have selected either the "Cover Standard" or the "Spot Price Standard" as indicated on the Base Contract.</p> <p><b>Cover Standard:</b></p> <p>3.2. The sole and exclusive remedy of the parties in the event of a breach of a Firm obligation to deliver or receive Gas shall be recovery of the following: (i) in the event of a breach by Seller on any Day(s), payment by Seller to Buyer in an amount equal to the positive difference, if any, between the purchase price paid by Buyer utilizing the Cover Standard and the Contract Price, adjusted for commercially reasonable differences in transportation costs to or from the Delivery Point(s), multiplied by the difference between the Contract Quantity and the quantity actually delivered by Seller for such Day(s); or (ii) in the event of a breach by Buyer on any Day(s), payment by Buyer to Seller in the amount equal to the positive difference, if any, between the Contract Price and the price received by Seller utilizing the Cover Standard for the resale of such Gas, adjusted for commercially reasonable differences in transportation costs to or from the Delivery Point(s), multiplied by the difference between the Contract Quantity and the quantity actually taken by Buyer for such Day(s); or (iii) in the event that Buyer has used commercially reasonable efforts to replace the Gas or Seller has used commercially reasonable efforts to sell the Gas to a third party, and no such replacement or sale is available, then the sole and exclusive remedy of the performing party shall be any unfavorable difference between the Contract Price and the Spot Price, adjusted for such transportation to the applicable Delivery Point, multiplied by the difference between the Contract Quantity and the quantity actually delivered by Seller and received by Buyer for such Day(s). Imbalance Charges shall not be recovered under this Section 3.2, but Seller and/or Buyer shall be responsible for Imbalance Charges, if any, as provided in Section 4.3. The amount of such unfavorable difference shall be payable five Business Days after presentation of the performing party's invoice, which shall set forth the basis upon which such amount was calculated.</p> <p><b>Spot Price Standard:</b></p> <p>3.2. The sole and exclusive remedy of the parties in the event of a breach of a Firm obligation to deliver or receive Gas shall be recovery of the following: (i) in the event of a breach by Seller on any Day(s), payment by Seller to Buyer in an amount equal to the difference between the Contract Quantity and the actual quantity delivered by Seller and received by Buyer for such Day(s), multiplied by the positive difference, if any, obtained by subtracting the Contract Price from the Spot Price; or (ii) in the event of a breach by Buyer on any Day(s), payment by Buyer to Seller in an amount equal to the difference between the Contract Quantity and the actual quantity delivered by Seller and received by Buyer for such Day(s), multiplied by the positive difference, if any, obtained by subtracting the applicable Spot Price from the Contract Price. Imbalance Charges shall not be recovered under this Section 3.2, but Seller and/or Buyer shall be responsible for Imbalance Charges, if any, as provided in Section 4.3. The amount of such unfavorable difference shall be payable five Business Days after presentation of the performing party's invoice, which shall set forth the basis upon which such amount was calculated.</p>
--

3.3. Notwithstanding Section 3.2, the parties may agree to Alternative Damages in a Transaction Confirmation executed in writing by both parties.

3.4. In addition to Sections 3.2 and 3.3, the parties may provide for a Termination Option in a Transaction Confirmation executed in writing by both parties. The Transaction Confirmation containing the Termination Option will designate the length of nonperformance triggering the Termination Option and the procedures for exercise thereof, how damages for nonperformance will be compensated, and how liquidation costs will be calculated.

### SECTION 4. TRANSPORTATION, NOMINATIONS, AND IMBALANCES

4.1. Seller shall have the sole responsibility for transporting the Gas to the Delivery Point(s). Buyer shall have the sole responsibility for transporting the Gas from the Delivery Point(s).

4.2. The parties shall coordinate their nomination activities, giving sufficient time to meet the deadlines of the affected Transporter(s). Each party shall give the other party timely prior Notice, sufficient to meet the requirements of all Transporter(s) involved in the transaction, of the quantities of Gas to be delivered and purchased each Day. Should either party become aware that actual deliveries at the Delivery Point(s) are greater or lesser than the Scheduled Gas, such party shall promptly notify the other party.

4.3. The parties shall use commercially reasonable efforts to avoid imposition of any Imbalance Charges. If Buyer or Seller receives an invoice from a Transporter that includes Imbalance Charges, the parties shall determine the validity as well as the cause of such Imbalance Charges. If the Imbalance Charges were incurred as a result of Buyer's receipt of quantities of Gas greater than or less than the Scheduled Gas, then Buyer shall pay for such Imbalance Charges or reimburse Seller for such Imbalance Charges paid by Seller. If the Imbalance Charges were incurred as a result of Seller's delivery of quantities of Gas greater than or less than the Scheduled Gas, then Seller shall pay for such Imbalance Charges or reimburse Buyer for such Imbalance Charges paid by Buyer.

## SECTION 5. QUALITY AND MEASUREMENT

All Gas delivered by Seller shall meet the pressure, quality and heat content requirements of the Receiving Transporter. The unit of quantity measurement for purposes of this Contract shall be one MMBtu dry. Measurement of Gas quantities hereunder shall be in accordance with the established procedures of the Receiving Transporter.

## SECTION 6. TAXES

The parties have selected either "Buyer Pays At and After Delivery Point" or "Seller Pays Before and At Delivery Point" as indicated on the Base Contract.

### Buyer Pays At and After Delivery Point:

Seller shall pay or cause to be paid all taxes, fees, levies, penalties, licenses or charges imposed by any government authority ("Taxes") on or with respect to the Gas prior to the Delivery Point(s). Buyer shall pay or cause to be paid all Taxes on or with respect to the Gas at the Delivery Point(s) and all Taxes after the Delivery Point(s). If a party is required to remit or pay Taxes that are the other party's responsibility hereunder, the party responsible for such Taxes shall promptly reimburse the other party for such Taxes. Any party entitled to an exemption from any such Taxes or charges shall furnish the other party any necessary documentation thereof.

### Seller Pays Before and At Delivery Point:

Seller shall pay or cause to be paid all taxes, fees, levies, penalties, licenses or charges imposed by any government authority ("Taxes") on or with respect to the Gas prior to the Delivery Point(s) and all Taxes at the Delivery Point(s). Buyer shall pay or cause to be paid all Taxes on or with respect to the Gas after the Delivery Point(s). If a party is required to remit or pay Taxes that are the other party's responsibility hereunder, the party responsible for such Taxes shall promptly reimburse the other party for such Taxes. Any party entitled to an exemption from any such Taxes or charges shall furnish the other party any necessary documentation thereof.

## SECTION 7. BILLING, PAYMENT, AND AUDIT

7.1. Seller shall invoice Buyer for Gas delivered and received in the preceding Month and for any other applicable charges, providing supporting documentation acceptable in industry practice to support the amount charged. If the actual quantity delivered is not known by the billing date, billing will be prepared based on the quantity of Scheduled Gas. The invoiced quantity will then be adjusted to the actual quantity on the following Month's billing or as soon thereafter as actual delivery information is available.

7.2. Buyer shall remit the amount due under Section 7.1 in the manner specified in the Base Contract, in immediately available funds, on or before the later of the Payment Date or 10 Days after receipt of the invoice by Buyer; provided that if the Payment Date is not a Business Day, payment is due on the next Business Day following that date. In the event any payments are due Buyer hereunder, payment to Buyer shall be made in accordance with this Section 7.2.

7.3. In the event payments become due pursuant to Sections 3.2 or 3.3, the performing party may submit an invoice to the nonperforming party for an accelerated payment setting forth the basis upon which the invoiced amount was calculated. Payment from the nonperforming party will be due five Business Days after receipt of invoice.

7.4. If the invoiced party, in good faith, disputes the amount of any such invoice or any part thereof, such invoiced party will pay such amount as it concedes to be correct; provided, however, if the invoiced party disputes the amount due, it must provide supporting documentation acceptable in industry practice to support the amount paid or disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section.

7.5. If the invoiced party fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under "Money Rates" by The Wall Street Journal, plus two percent per annum; or (ii) the maximum applicable lawful interest rate.

7.6. A party shall have the right, at its own expense, upon reasonable Notice and at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Contract. This right to examine, audit, and to obtain copies shall not be available with respect to proprietary information not directly relevant to transactions under this Contract. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under- or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two years after the Month of Gas delivery. All retroactive adjustments under Section 7 shall be paid in full by the party owing payment within 30 Days of Notice and substantiation of such inaccuracy.

7.7. Unless the parties have elected on the Base Contract not to make this Section 7.7 applicable to this Contract, the parties shall net all undisputed amounts due and owing, and/or past due, arising under the Contract such that the party owing the greater amount shall make a single payment of the net amount to the other party in accordance with Section 7; provided that no payment required to be made pursuant to the terms of any Credit Support Obligation or pursuant to Section 7.3 shall be subject to netting under this Section. If the parties have executed a separate netting agreement, the terms and conditions therein shall prevail to the extent inconsistent herewith.

**SECTION 8. TITLE, WARRANTY, AND INDEMNITY**

8.1. Unless otherwise specifically agreed, title to the Gas shall pass from Seller to Buyer at the Delivery Point(s). Seller shall have responsibility for and assume any liability with respect to the Gas prior to its delivery to Buyer at the specified Delivery Point(s). Buyer shall have responsibility for and any liability with respect to said Gas after its delivery to Buyer at the Delivery Point(s).

8.2. Seller warrants that it will have the right to convey and will transfer good and merchantable title to all Gas sold hereunder and delivered by it to Buyer, free and clear of all liens, encumbrances, and claims. EXCEPT AS PROVIDED IN THIS SECTION 8.2 AND IN SECTION 14.8, ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR OF FITNESS FOR ANY PARTICULAR PURPOSE, ARE DISCLAIMED.

8.3. Seller agrees to indemnify Buyer and save it harmless from all losses, liabilities or claims including reasonable attorneys' fees and costs of court ("Claims"), from any and all persons, arising from or out of claims of title, personal injury or property damage from said Gas or other charges thereon which attach before title passes to Buyer. Buyer agrees to indemnify Seller and save it harmless from all Claims, from any and all persons, arising from or out of claims regarding payment, personal injury or property damage from said Gas or other charges thereon which attach after title passes to Buyer.

8.4. Notwithstanding the other provisions of this Section 8, as between Seller and Buyer, Seller will be liable for all Claims to the extent that such arise from the failure of Gas delivered by Seller to meet the quality requirements of Section 5.

**SECTION 9. NOTICES**

9.1. All Transaction Confirmations, invoices, payments and other communications made pursuant to the Base Contract ("Notices") shall be made to the addresses specified in writing by the respective parties from time to time.

9.2. All Notices required hereunder may be sent by facsimile or mutually acceptable electronic means, a nationally recognized overnight courier service, first class mail or hand delivered.

9.3. Notice shall be given when received on a Business Day by the addressee. In the absence of proof of the actual receipt date, the following presumptions will apply. Notices sent by facsimile shall be deemed to have been received upon the sending party's receipt of its facsimile machine's confirmation of successful transmission. If the day on which such facsimile is received is not a Business Day or is after five p.m. on a Business Day, then such facsimile shall be deemed to have been received on the next following Business Day. Notice by overnight mail or courier shall be deemed to have been received on the next Business Day after it was sent or such earlier time as is confirmed by the receiving party. Notice via first class mail shall be considered delivered five Business Days after mailing.

**SECTION 10. FINANCIAL RESPONSIBILITY**

10.1. If either party ("X") has reasonable grounds for insecurity regarding the performance of any obligation under this Contract (whether or not then due) by the other party ("Y") (including, without limitation, the occurrence of a material change in the creditworthiness of Y), X may demand Adequate Assurance of Performance. "Adequate Assurance of Performance" shall mean sufficient security in the form, amount and for the term reasonably acceptable to X, including, but not limited to, a standby irrevocable letter of credit, a prepayment, a security interest in an asset or a performance bond or guaranty (including the issuer of any such security).

10.2. In the event (each an "Event of Default") either party (the "Defaulting Party") or its guarantor shall: (i) make an assignment or any general arrangement for the benefit of creditors; (ii) file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; (iii) otherwise become bankrupt or insolvent (however evidenced); (iv) be unable to pay its debts as they fall due; (v) have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; (vi) fail to perform any obligation to the other party with respect to any Credit Support Obligations relating to the Contract; (vii) fail to give Adequate Assurance of Performance under Section 10.1 within 48 hours but at least one Business Day of a written request by the other party; or (viii) not have paid any amount due the other party hereunder on or before the second Business Day following written Notice that such payment is due; then the other party (the "Non-Defaulting Party") shall have the right, at its sole election, to immediately withhold and/or suspend deliveries or payments upon Notice and/or to terminate and liquidate the transactions under the Contract, in the manner provided in Section 10.3, in addition to any and all other remedies available hereunder.

10.3. If an Event of Default has occurred and is continuing, the Non-Defaulting Party shall have the right, by Notice to the Defaulting Party, to designate a Day, no earlier than the Day such Notice is given and no later than 20 Days after such Notice is given, as an early termination date (the "Early Termination Date") for the liquidation and termination pursuant to Section 10.3.1 of all transactions under the Contract, each a "Terminated Transaction". On the Early Termination Date, all transactions will terminate, other than those transactions, if any, that may not be liquidated and terminated under applicable law or that are, in the reasonable opinion of the Non-Defaulting Party, commercially impracticable to liquidate and terminate ("Excluded Transactions"), which Excluded Transactions must be liquidated and terminated as soon thereafter as is reasonably practicable, and upon termination shall be a Terminated Transaction and be valued consistent with Section 10.3.1 below. With respect to each Excluded Transaction, its actual termination date shall be the Early Termination Date for purposes of Section 10.3.1.

The parties have selected either "Early Termination Damages Apply" or "Early Termination Damages Do Not Apply" as indicated on the Base Contract.

**Early Termination Damages Apply:**

10.3.1. As of the Early Termination Date, the Non-Defaulting Party shall determine, in good faith and in a commercially reasonable manner, (i) the amount owed (whether or not then due) by each party with respect to all Gas delivered and received between the parties under Terminated Transactions and Excluded Transactions on and before the Early Termination Date and all other applicable charges relating to such deliveries and receipts (including without limitation any amounts owed under Section 3.2), for which payment has not yet been made by the party that owes such payment under this Contract and (ii) the Market Value, as defined below, of each Terminated Transaction. The Non-Defaulting Party shall (x) liquidate and accelerate each Terminated Transaction at its Market Value, so that each amount equal to the difference between such Market Value and the Contract Value, as defined below, of such Terminated Transaction(s) shall be due to the Buyer under the Terminated Transaction(s) if such Market Value exceeds the Contract Value and to the Seller if the opposite is the case; and (y) where appropriate, discount each amount then due under clause (x) above to present value in a commercially reasonable manner as of the Early Termination Date (to take account of the period between the date of liquidation and the date on which such amount would have otherwise been due pursuant to the relevant Terminated Transactions).

For purposes of this Section 10.3.1, "Contract Value" means the amount of Gas remaining to be delivered or purchased under a transaction multiplied by the Contract Price, and "Market Value" means the amount of Gas remaining to be delivered or purchased under a transaction multiplied by the market price for a similar transaction at the Delivery Point determined by the Non-Defaulting Party in a commercially reasonable manner. To ascertain the Market Value, the Non-Defaulting Party may consider, among other valuations; any or all of the settlement prices of NYMEX Gas futures contracts, quotations from leading dealers in energy swap contracts or physical gas trading markets, similar sales or purchases and any other bona fide third-party offers, all adjusted for the length of the term and differences in transportation costs. A party shall not be required to enter into a replacement transaction(s) in order to determine the Market Value. Any extension(s) of the term of a transaction to which parties are not bound as of the Early Termination Date (including but not limited to "evergreen provisions") shall not be considered in determining Contract Values and Market Values. For the avoidance of doubt, any option pursuant to which one party has the right to extend the term of a transaction shall be considered in determining Contract Values and Market Values. The rate of interest used in calculating net present value shall be determined by the Non-Defaulting Party in a commercially reasonable manner.

**Early Termination Damages Do Not Apply:**

10.3.1. As of the Early Termination Date, the Non-Defaulting Party shall determine, in good faith and in a commercially reasonable manner, the amount owed (whether or not then due) by each party with respect to all Gas delivered and received between the parties under Terminated Transactions and Excluded Transactions on and before the Early Termination Date and all other applicable charges relating to such deliveries and receipts (including without limitation any amounts owed under Section 3.2), for which payment has not yet been made by the party that owes such payment under this Contract.

The parties have selected either "Other Agreement Setoffs Apply" or "Other Agreement Setoffs Do Not Apply" as indicated on the Base Contract.

**Other Agreement Setoffs Apply:**

10.3.2. The Non-Defaulting Party shall net or aggregate, as appropriate, any and all amounts owing between the parties under Section 10.3.1, so that all such amounts are netted or aggregated to a single liquidated amount payable by one party to the other (the "Net Settlement Amount"). At its sole option and without prior Notice to the Defaulting Party, the Non-Defaulting Party may setoff (i) any Net Settlement Amount owed to the Non-Defaulting Party against any margin or other collateral held by it in connection with any Credit Support Obligation relating to the Contract; or (ii) any Net Settlement Amount payable to the Defaulting Party against any amount(s) payable by the Defaulting Party to the Non-Defaulting Party under any other agreement or arrangement between the parties.

**Other Agreement Setoffs Do Not Apply:**

10.3.2. The Non-Defaulting Party shall net or aggregate, as appropriate, any and all amounts owing between the parties under Section 10.3.1, so that all such amounts are netted or aggregated to a single liquidated amount payable by one party to the other (the "Net Settlement Amount"). At its sole option and without prior Notice to the Defaulting Party, the Non-Defaulting Party may setoff any Net Settlement Amount owed to the Non-Defaulting Party against any margin or other collateral held by it in connection with any Credit Support Obligation relating to the Contract.

10.3.3. If any obligation that is to be included in any netting, aggregation or setoff pursuant to Section 10.3.2 is unascertained, the Non-Defaulting Party may in good faith estimate that obligation and net, aggregate or setoff, as applicable, in respect of the estimate, subject to the Non-Defaulting Party accounting to the Defaulting Party when the obligation is ascertained. Any amount not then due which is included in any netting, aggregation or setoff pursuant to Section 10.3.2 shall be discounted to net present value in a commercially reasonable manner determined by the Non-Defaulting Party.

10.4. As soon as practicable after a liquidation, Notice shall be given by the Non-Defaulting Party to the Defaulting Party of the Net Settlement Amount, and whether the Net Settlement Amount is due to or due from the Non-Defaulting Party. The Notice shall include a written statement explaining in reasonable detail the calculation of such amount, provided that failure to give such Notice shall not affect the validity or enforceability of the liquidation or give rise to any claim by the Defaulting Party against the Non-Defaulting Party. The Net Settlement Amount shall be paid by the close of business on the second Business Day following such Notice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the Net Settlement Amount shall accrue from the date due until the

date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under "Money Rates" by The Wall Street Journal, plus two percent per annum; or (ii) the maximum applicable lawful interest rate.

10.5. The parties agree that the transactions hereunder constitute a "forward contract" within the meaning of the United States Bankruptcy Code and that Buyer and Seller are each "forward contract merchants" within the meaning of the United States Bankruptcy Code.

10.6. The Non-Defaulting Party's remedies under this Section 10 are the sole and exclusive remedies of the Non-Defaulting Party with respect to the occurrence of any Early Termination Date. Each party reserves to itself all other rights, setoffs, counterclaims and other defenses that it is or may be entitled to arising from the Contract.

10.7. With respect to this Section 10, if the parties have executed a separate netting agreement with close-out netting provisions, the terms and conditions therein shall prevail to the extent inconsistent herewith.

## SECTION 11. FORCE MAJEURE

11.1. Except with regard to a party's obligation to make payment(s) due under Section 7, Section 10.4, and Imbalance Charges under Section 4, neither party shall be liable to the other for failure to perform a Firm obligation, to the extent such failure was caused by Force Majeure. The term "Force Majeure" as employed herein means any cause not reasonably within the control of the party claiming suspension, as further defined in Section 11.2.

11.2. Force Majeure shall include, but not be limited to, the following: (i) physical events such as acts of God, landslides, lightning, earthquakes, fires, storms or storm warnings, such as hurricanes, which result in evacuation of the affected area, floods, washouts, explosions, breakage or accident or necessity of repairs to machinery or equipment or lines of pipe; (ii) weather related events affecting an entire geographic region, such as low temperatures which cause freezing or failure of wells or lines of pipe; (iii) interruption and/or curtailment of Firm transportation and/or storage by Transporters; (iv) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars; and (v) governmental actions such as necessity for compliance with any court order, law, statute, ordinance, regulation, or policy having the effect of law promulgated by a governmental authority having jurisdiction. Seller and Buyer shall make reasonable efforts to avoid the adverse impacts of a Force Majeure and to resolve the event or occurrence once it has occurred in order to resume performance.

11.3. Neither party shall be entitled to the benefit of the provisions of Force Majeure to the extent performance is affected by any or all of the following circumstances: (i) the curtailment of interruptible or secondary Firm transportation unless primary, in-path, Firm transportation is also curtailed; (ii) the party claiming excuse failed to remedy the condition and to resume the performance of such covenants or obligations with reasonable dispatch; or (iii) economic hardship, to include, without limitation, Seller's ability to sell Gas at a higher or more advantageous price than the Contract Price, Buyer's ability to purchase Gas at a lower or more advantageous price than the Contract Price, or a regulatory agency disallowing, in whole or in part, the pass-through of costs resulting from this Agreement; (iv) the loss of Buyer's market(s) or Buyer's inability to use or resell Gas purchased hereunder, except, in either case, as provided in Section 11.2; or (v) the loss or failure of Seller's gas supply or depletion of reserves, except, in either case, as provided in Section 11.2. The party claiming Force Majeure shall not be excused from its responsibility for Imbalance Charges.

11.4. Notwithstanding anything to the contrary herein, the parties agree that the settlement of strikes, lockouts or other industrial disturbances shall be within the sole discretion of the party experiencing such disturbance.

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

11.6. Notwithstanding Sections 11.2 and 11.3, the parties may agree to alternative Force Majeure provisions in a Transaction Confirmation executed in writing by both parties.

## SECTION 12. TERM

This Contract may be terminated on 30 Day's written Notice, but shall remain in effect until the expiration of the latest Delivery Period of any transaction(s). The rights of either party pursuant to Section 7.6 and Section 10, the obligations to make payment hereunder, and the obligation of either party to indemnify the other, pursuant hereto shall survive the termination of the Base Contract or any transaction.

## SECTION 13. LIMITATIONS

FOR BREACH OF ANY PROVISION FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED HEREIN OR IN A TRANSACTION, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY HEREIN PROVIDED, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE.

TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED HEREUNDER CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS.

## SECTION 14. MISCELLANEOUS

14.1. This Contract shall be binding upon and inure to the benefit of the successors, assigns, personal representatives, and heirs of the respective parties hereto, and the covenants, conditions, rights and obligations of this Contract shall run for the full term of this Contract. No assignment of this Contract, in whole or in part, will be made without the prior written consent of the non-assigning party (and shall not relieve the assigning party from liability hereunder), which consent will not be unreasonably withheld or delayed; provided, either party may (i) transfer, sell, pledge, encumber, or assign this Contract or the accounts, revenues, or proceeds hereof in connection with any financing or other financial arrangements, or (ii) transfer its interest to any parent or affiliate by assignment, merger or otherwise without the prior approval of the other party. Upon any such assignment, transfer and assumption, the transferor shall remain principally liable for and shall not be relieved of or discharged from any obligations hereunder.

14.2. If any provision in this Contract is determined to be invalid, void or unenforceable by any court having jurisdiction, such determination shall not invalidate, void, or make unenforceable any other provision, agreement or covenant of this Contract.

14.3. No waiver of any breach of this Contract shall be held to be a waiver of any other or subsequent breach.

14.4. This Contract sets forth all understandings between the parties respecting each transaction subject hereto, and any prior contracts, understandings and representations, whether oral or written, relating to such transactions are merged into and superseded by this Contract and any effective transaction(s). This Contract may be amended only by a writing executed by both parties.

14.5. The interpretation and performance of this Contract shall be governed by the laws of the jurisdiction as indicated on the Base Contract, excluding, however, any conflict of laws rule which would apply the law of another jurisdiction.

14.6. This Contract and all provisions herein will be subject to all applicable and valid statutes, rules, orders and regulations of any governmental authority having jurisdiction over the parties, their facilities, or Gas supply, this Contract or transaction or any provisions thereof.

14.7. There is no third party beneficiary to this Contract.

14.8. Each party to this Contract represents and warrants that it has full and complete authority to enter into and perform this Contract. Each person who executes this Contract on behalf of either party represents and warrants that it has full and complete authority to do so and that such party will be bound thereby.

14.9. The headings and subheadings contained in this Contract are used solely for convenience and do not constitute a part of this Contract between the parties and shall not be used to construe or interpret the provisions of this Contract.

14.10. Unless the parties have elected on the Base Contract not to make this Section 14.10 applicable to this Contract, neither party shall disclose directly or indirectly without the prior written consent of the other party the terms of any transaction to a third party (other than the employees, lenders, royalty owners, counsel, accountants and other agents of the party, or prospective purchasers of all or substantially all of a party's assets or of any rights under this Contract, provided such persons shall have agreed to keep such terms confidential) except (i) in order to comply with any applicable law, order, regulation, or exchange rule; (ii) to the extent necessary for the enforcement of this Contract; (iii) to the extent necessary to implement any transaction; or (iv) to the extent such information is delivered to such third party for the sole purpose of calculating a published index. Each party shall notify the other party of any proceeding of which it is aware which may result in disclosure of the terms of any transaction (other than as permitted hereunder) and use reasonable efforts to prevent or limit the disclosure. The existence of this Contract is not subject to this confidentiality obligation. Subject to Section 13, the parties shall be entitled to all remedies available at law or in equity to enforce, or seek relief in connection with this confidentiality obligation. The terms of any transaction hereunder shall be kept confidential by the parties hereto for one year from the expiration of the transaction.

In the event that disclosure is required by a governmental body or applicable law, the party subject to such requirement may disclose the material terms of this Contract to the extent so required; but shall promptly notify the other party, prior to disclosure, and shall cooperate (consistent with the disclosing party's legal obligations) with the other party's efforts to obtain protective orders or similar restraints with respect to such disclosure at the expense of the other party.

14.11 The parties may agree to dispute resolution procedures in Special Provisions attached to the Base Contract or in a Transaction Confirmation executed in writing by both parties.

**DISCLAIMER:** The purposes of this Contract are to facilitate trade, avoid misunderstandings and make more definite the terms of contracts of purchase and sale of natural gas. Further, NAESB does not mandate the use of this Contract by any party. NAESB DISCLAIMS AND EXCLUDES, AND ANY USER OF THIS CONTRACT ACKNOWLEDGES AND AGREES TO NAESB'S DISCLAIMER OF, ANY AND ALL WARRANTIES, CONDITIONS OR REPRESENTATIONS, EXPRESS OR IMPLIED, ORAL OR WRITTEN, WITH RESPECT TO THIS CONTRACT OR ANY PART THEREOF, INCLUDING ANY AND ALL IMPLIED WARRANTIES OR CONDITIONS OF TITLE, NON-INFRINGEMENT, MERCHANTABILITY, OR FITNESS OR SUITABILITY FOR ANY PARTICULAR PURPOSE (WHETHER OR NOT NAESB KNOWS, HAS REASON TO KNOW, HAS BEEN ADVISED, OR IS OTHERWISE IN FACT AWARE OF ANY SUCH PURPOSE), WHETHER ALLEGED TO ARISE BY LAW, BY REASON OF CUSTOM OR USAGE IN THE TRADE, OR BY COURSE OF DEALING. EACH USER OF THIS CONTRACT ALSO AGREES THAT UNDER NO CIRCUMSTANCES WILL NAESB BE LIABLE FOR ANY DIRECT, SPECIAL, INCIDENTAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES ARISING OUT OF ANY USE OF THIS CONTRACT.

TRANSACTION CONFIRMATION FOR IMMEDIATE DELIVERY

EXHIBIT A

Letterhead/Logo	Date: _____ Transaction Confirmation #: _____			
This Transaction Confirmation is subject to the Base Contract between Seller and Buyer dated _____. The terms of this Transaction Confirmation are binding unless disputed in writing within 2 Business Days of receipt unless otherwise specified in the Base Contract.				
<b>SELLER:</b> _____ _____ Attn: _____ Phone: _____ Fax: _____ Base Contract No. _____ Transporter: _____ Transporter Contract Number: _____	<b>BUYER:</b> _____ _____ Attn: _____ Phone: _____ Fax: _____ Base Contract No. _____ Transporter: _____ Transporter Contract Number: _____			
Contract Price: \$ _____/MMBtu or _____				
Delivery Period: Begin: _____ End: _____				
<b>Performance Obligation and Contract Quantity: (Select One)</b>  <table style="width:100%; border:none;"> <tr> <td style="width:33%; vertical-align:top; padding: 5px;"> <b>Firm (Fixed Quantity):</b>            _____ MMBtus/day  <input type="checkbox"/> EFP         </td> <td style="width:33%; vertical-align:top; padding: 5px;"> <b>Firm (Variable Quantity):</b>            _____ MMBtus/day Minimum            _____ MMBtus/day Maximum            subject to Section 4.2, at election of  <input type="checkbox"/> Buyer or <input type="checkbox"/> Seller         </td> <td style="width:33%; vertical-align:top; padding: 5px;"> <b>Interruptible:</b>            Up to _____ MMBtus/day         </td> </tr> </table>		<b>Firm (Fixed Quantity):</b> _____ MMBtus/day <input type="checkbox"/> EFP	<b>Firm (Variable Quantity):</b> _____ MMBtus/day Minimum _____ MMBtus/day Maximum subject to Section 4.2, at election of <input type="checkbox"/> Buyer or <input type="checkbox"/> Seller	<b>Interruptible:</b> Up to _____ MMBtus/day
<b>Firm (Fixed Quantity):</b> _____ MMBtus/day <input type="checkbox"/> EFP	<b>Firm (Variable Quantity):</b> _____ MMBtus/day Minimum _____ MMBtus/day Maximum subject to Section 4.2, at election of <input type="checkbox"/> Buyer or <input type="checkbox"/> Seller	<b>Interruptible:</b> Up to _____ MMBtus/day		
<b>Delivery Point(s):</b> _____ (If a pooling point is used, list a specific geographic and pipeline location):				
<b>Special Conditions:</b>				
Seller: _____ By: _____ Title: _____ Date: _____	Buyer: _____ By: _____ Title: _____ Date: _____			

**ADDENDUM  
REPLACEMENT SHIPPER CONTRACT**

**RELEASING CONTRACT REFERENCE:** FT-1997-002

**TERM OF RELEASE:** The term of the release shall be for the period commencing November 1, 2016 and ending on March 31, 2017.

**RATE PROVISIONS:** \$49.3701 per dth/month Reservation Charge

**Maximum Daily Quantity:** The quantity released during the above term is 905 Dth/day.

**RECEIPT POINT:** 01-0100 Pittsburg, NH

**DELIVERY POINT:** 05-1000 Haverhill, MA

**SPECIAL CONDITIONS OF RELEASE:**

Shipper's acquisition of capacity hereunder is subject to the following terms and conditions:

The release is generated by Bay State Gas Company capacity (identified in PNGTS' electronic records as contract FT-1997-002), Offer 0070 with a reservation rate of \$49.3701 per dth/ month.

Capacity is recallable and reputtable

RC - part of a Retail Choice program.

Reput must be taken by replacement shipper  
25 Hours Recall Notice

The rights and obligations of Transporter and Shipper shall be subject to the terms set forth in this Addendum and Schedules 1 and 2, the Master Replacement Shipper Agreement, and the General Terms and Conditions of Transporter's Tariff.

**ATTEST:**

**PORTLAND NATURAL GAS TRANSMISSION SYSTEM  
By its Operator, PNGTS Operating Co. LLC**

By   
Don Bell, President

By  **Barbara Miles**  
Name/Title \_\_\_\_\_ **Manager**  
**Contracts & Billing**

Approved  
MKTG ADMIN  


**ATTEST:**

**SPRAGUE OPERATING RESOURCES LLC**

By   
Name/Title \_\_\_\_\_ **Brian W. Weego**  
**Vice President, Natural Gas**

Contract Admin	Rebail	SLC
Credit	Risk	
Legal	Supply	SLC

## **SCHEDULE 1**

**Receipt Point:** 01-0100 Pittsburg, NH

**Maximum Daily Quantity:** 905 Dth/day

**Maximum Contract Demand:** 14,345 Dth

**SCHEDULE 2**

**Delivery Point:** 05-1000 Haverhill, MA

**Maximum Daily Quantity:** 905 Dth/day

**ADDENDUM  
REPLACEMENT SHIPPER CONTRACT**

**RELEASING CONTRACT REFERENCE: FT-1997-001**

**TERM OF RELEASE:** The term of the release shall be for the period commencing November 1, 2016 and ending on October 31, 2017.

**RATE PROVISIONS:** \$25.9843 per dth/month Reservation Charge

**Maximum Daily Quantity:** The quantity released during the above term is 173 Dth/day.

**RECEIPT POINT:** 01-0100 Pittsburg, NH

**DELIVERY POINT:** 05-1150 Dracut, MA

**SPECIAL CONDITIONS OF RELEASE:**

Shipper's acquisition of capacity hereunder is subject to the following terms and conditions:

The release is generated by Bay State Gas Company capacity (identified in PNGTS' electronic records as contract FT-1997-001), Offer 0064 with a reservation rate of 25.9843 per dth/ month.

Capacity is recallable and reputtable

RC - part of a Retail Choice program.

Reput must be taken by replacement shipper  
25 Hours Recall Notice

The rights and obligations of Transporter and Shipper shall be subject to the terms set forth in this Addendum and Schedules 1 and 2, the Master Replacement Shipper Agreement, and the General Terms and Conditions of Transporter's Tariff.

**ATTEST:**

**PORTLAND NATURAL GAS TRANSMISSION SYSTEM  
By Its Operator, PNGTS Operating Co. LLC**

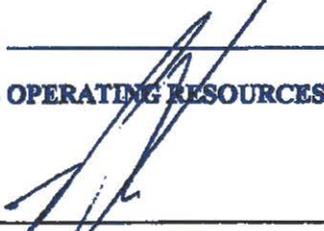
By   
Don Bell, President

By  Barbara Miles  
Name/Title Manager  
Contracts & Billing

Approved  
KTG AMN  


**ATTEST:**

**SPRAGUE OPERATING RESOURCES LLC**

By   
Name/Title Brian W. Weego  
Vice President, Natural Gas

Contract Admin	Retail SA
Credit	Risk
Legal	Support

## SCHEDULE 1

**Receipt Point:** 01-0100 Pittsburg, NH

**Maximum Daily Quantity:** 173 Dth/day

**Maximum Contract Demand:** 63145 Dth

**SCHEDULE 2**

**Delivery Point:** 05-1150 Dracut, MA

**Maximum Daily Quantity:** 173 Dth/day

**ADDENDUM  
REPLACEMENT SHIPPER CONTRACT**

**RELEASING CONTRACT REFERENCE:** FT-1997-003

**TERM OF RELEASE:** The term of the release shall be for the period commencing November 1, 2016 and ending on March 9, 2019.

**RATE PROVISIONS:** \$25.9843 per dth/month Reservation Charge

**Maximum Daily Quantity:** The quantity released during the above term is 104 Dth/day.

**RECEIPT POINT:** 01-0100 Pittsburg, NH

**DELIVERY POINT:** 05-0600 Westbrook GS

**SPECIAL CONDITIONS OF RELEASE:**

Shipper's acquisition of capacity hereunder is subject to the following terms and conditions:

The release is generated by Northern Utilities, Inc. capacity (identified in PNGTS' electronic records as contract FT-1997-003), Offer 0074 with a reservation rate of \$25.9843 per dth/ month.

Capacity is recallable and reutable

RC - part of a Retail Choice program.

Reput must be taken by replacement shipper

The rights and obligations of Transporter and Shipper shall be subject to the terms set forth in this Addendum and Schedules 1 and 2, the Master Replacement Shipper Agreement, and the General Terms and Conditions of Transporter's Tariff.

**ATTEST:**

**PORTLAND NATURAL GAS TRANSMISSION SYSTEM  
By Its Operator, PNGTS Operating Co. LLC**

By *Don Bell*  
Don Bell, President

By *Barbara Miles* **Barbara Miles**  
Manager  
Name/Title Contracts & Billing

Approved  
MKTG ADMIN  
*CA*

**ATTEST:**

**SPRAGUE OPERATING RESOURCES LLC**

By *Joseph Smith*

Name/Title Joseph Smith / Vice President

Contract Admin	Retail	<i>SAL</i>
Legal	Risk	
	Supply	<i>SAL</i>

## **SCHEDULE 1**

**Receipt Point:** 01-0100 Pittsburg, NH

**Maximum Daily Quantity:** 104 Dth/day

**Maximum Contract Demand:** 89,336 Dth

**SCHEDULE 2**

**Delivery Point:** 05-0600 Westbrook GS

**Maximum Daily Quantity:** 104 Dtb/day

**ADDENDUM  
REPLACEMENT SHIPPER CONTRACT**

**RELEASING CONTRACT REFERENCE:** FT-1999-001

**TERM OF RELEASE:** The term of the release shall be for the period commencing November 1, 2016 and ending on October 31, 2017.

**RATE PROVISIONS:** \$25.9843 per dth/month Reservation Charge

**Maximum Daily Quantity:** The quantity released during the above term is 200 Dth/day.

**RECEIPT POINT:** 01-0100 Pittsburg, NH

**DELIVERY POINT:** 02-0260 Berlin, NH

**SPECIAL CONDITIONS OF RELEASE:**

Shipper's acquisition of capacity hereunder is subject to the following terms and conditions:

The release is generated by Liberty Utilities (EnergyNorth Natural Gas) Corp. capacity (identified in PNGTS' electronic records as contract FT-1999-001), Offer 0079 with a reservation rate of \$25.9843 per dth/ month.

Capacity is recallable and re-puttable

RC - part of a Retail Choice program.

Reput must be taken by replacement shipper

The rights and obligations of Transporter and Shipper shall be subject to the terms set forth in this Addendum and Schedules 1 and 2, the Master Replacement Shipper Agreement, and the General Terms and Conditions of Transporter's Tariff.

**ATTEST:**

**PORTLAND NATURAL GAS TRANSMISSION SYSTEM  
By Its Operator, PNGTS Operating Co. LLC**

By *[Signature]*  
Don Bell, President

By *[Signature]* Barbara Miles  
Name/Title Manager  
Contracts & Billing



**ATTEST:**

**SPRAGUE OPERATING RESOURCES LLC**

By *[Signature]*  
Name/Title Joseph Smith / Vice President

Contract Admin	Noted
Legal	Noted
Legal	Noted

## **SCHEDULE 1**

**Receipt Point:** 01-0100 Pittsburg, NH

**Maximum Daily Quantity:** 200 Dth/day

**Maximum Contract Demand:** 73,000 Dth

**SCHEDULE 2**

**Delivery Point:** 02-0260 Berlin, NH  
**Maximum Daily Quantity:** 200 Dth/day

**PARK AND LOAN SERVICE CONTRACT  
BETWEEN PORTLAND NATURAL GAS TRANSMISSION SYSTEM  
AND  
SPRAGUE ENERGY CORP.**

This Park and Loan Contract ("Contract") is made as of the 13<sup>th</sup> Day of February 2003 by and between Portland Natural Gas Transmission System, a Maine general partnership, herein "Transporter," and Sprague Energy Corp., a Delaware corporation, herein "Shipper," pursuant to the following recitals and representations:

**WHEREAS**, Shipper has entered into Gas supply arrangements, including transportation upstream of Transporter's System, and will make arrangements for the delivery of such gas supply for the account of Shipper to the receipt point(s), and to make arrangements for the receipt and transportation of such gas downstream of the delivery point(s) on Transporter's System; and

**WHEREAS**, Transporter and Shipper desire to establish the terms and conditions under which Transporter will render park and loan service to Shipper by entering into this Park and Loan Service Contract;

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements herein assumed, Transporter and Shipper agree as follows:

**ARTICLE I - SCOPE OF CONTRACT**

1. On the Commencement Date and each day thereafter on which Shipper and Transporter schedule Parking service and subject to the interruption of service by Transporter in accordance with this Contract and Transporter's Tariff, (i) Shipper shall cause the Parked Quantity to be delivered to Transporter at the Parking Point(s) and (ii) Transporter shall hold the Parked Quantity for Shippers Account and, upon scheduling, return any Parked Quantities to or on behalf of Shipper at the Parking Point(s).

2. On the Commencement Date and each day thereafter on which Shipper and Transporter schedule Loan service and subject to the interruption of service by Transporter in accordance with this Contract and Transporter's Tariff, (i) Transporter shall make available to or on behalf of Shipper the Loan Quantity at the Loan Point(s) and (ii) upon scheduling, Shipper shall cause any Loan Quantities to be returned at the Loan Point(s).

3. Pursuant to this Park and Loan Service Contract, Rate Schedule PAL and the General Terms and Conditions, Shipper shall use Transporter's Interactive Internet Website to nominate each individual park and loan transaction.

4. Shipper shall be solely responsible for securing faithful performance by the supplier(s) of Gas under Shipper's Contracts and/or any applicable upstream or downstream shippers in all matters which may affect Transporter's performance hereunder, and Transporter shall not be liable hereunder to Shipper as a result of the failure of said gas supplier(s) and/or any applicable upstream or downstream shippers to so perform.

5. In the event that Shipper wishes to move Parked Quantities or Loaned Quantities from one Park or Loan Point to another Park or Loan Point on Transporters system, Shipper shall be responsible for arranging such transportation in accordance with the provisions of the effective rate schedules and the General Terms and Conditions in Transporter's tariff.

#### **ARTICLE II – PARK AND LOAN CAPACITY**

The availability of Park and Loan capacity is subject to Transporter's determination of the availability of such service, as set forth in Rate Schedule PAL.

#### **ARTICLE III – MAXIMUM LOAN QUANTITY**

Pursuant to this Contract and Rate Schedule PAL, Transporter and Shipper agree that the Maximum Loaned Quantity (MLQ) available to Shipper, cumulative at all Loaned Points, shall be 100,000 at any given time.

#### **ARTICLE IV – RATE**

The rate for Park or Loan service provided by Transporter to Shipper shall be as provided in Rate Schedule PAL.

#### **ARTICLE V – RATE SCHEDULES AND GENERAL TERMS AND CONDITIONS**

This Contract and all provisions contained or incorporated herein are subject to the provisions of Rate Schedule PAL and of the General Terms and Conditions of Transporter's Tariff, as such may be revised or superseded from time to time, all of which by this reference are made a part hereof. The General Terms and Conditions and Rate Schedule PAL shall control in the event of a conflict between the General Terms and Conditions or Rate Schedule PAL and this Contract. All of the terms defined in Transporter's Tariff shall have the same meaning wherever used in this Contract.

#### **ARTICLE VI – TERM**

1. The Commencement Date shall be February 13, 2003, provided, however, that Transporter shall have no liability under this Contract and shall be under no obligation to receive or to deliver any quantities of Gas hereunder, and Shipper shall be under no obligation to pay for transportation, prior to the Effective Date.

2. This Contract shall continue in force and effect until February 28, 2004, and Year to Year thereafter unless terminated by either party upon thirty (30) days prior written notice to the other, as set forth in Rate Schedule PAL, or otherwise terminated by Transporter, pursuant to Rate Schedule PAL.

3. The termination of this Contract by expiration of fixed Contract term or by termination notice provided by Shipper triggers pre-granted abandonment under Section 7 of the Natural Gas Act as of the effective date of the termination.

4. Any provision of this Contract necessary to correct or cash-out imbalances or to make payment under this Contract as required by the Tariff will survive the other parts of this Contract until such time as such balancing or payment has been accomplished.

#### **ARTICLE VII - NOTICES**

Notices to Transporter shall be addressed to:

Portland Natural Gas Transmission System  
Attn: Vice President, Business Development & Marketing  
One Harbour Place, Suite 375  
Portsmouth, New Hampshire 03801  
Phone: 603-559-5500  
Fax: 603-427-2807

Notices to Shipper hereunder shall be addressed to:

Sprague Energy Corp.  
Attn: Jason Foulds, Operations Manager  
Two International Drive - Suite 200  
Portsmouth, New Hampshire 03801  
Phone: 603-430-7240  
Fax: 603-430-5320

Either party may change its address under this Article by written notice to the other party.

#### **ARTICLE VIII - TRANSFER AND ASSIGNMENT OF CONTRACT**

Any entity which shall succeed by purchase, merger or consolidation to the properties, substantially as an entirety, of either Transporter or Shipper, as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under this Contract. Any party may, without relieving itself of its obligations under this Contract, assign any of its rights hereunder to an entity with which it is affiliated, but otherwise no assignment of this Contract or of any of the rights or obligations hereunder shall be made unless there first shall have been obtained the written consent thereto of Shipper in the event of an assignment by Transporter or Transporter in the event of an assignment by Shipper, which consents shall not be unreasonably withheld. It is agreed, however, that the restrictions on assignment contained in this Article VIII shall not in any way prevent either party to this Contract from pledging or mortgaging its rights hereunder as security for its indebtedness.

#### **ARTICLE IX - NONRECOURSE OBLIGATION OF PARTNERSHIP AND OPERATOR**

Shipper acknowledges and agrees that: (a) Transporter is a Maine general partnership; (b) Shipper shall have no recourse against any partner in Transporter with respect to Transporter's obligations under this Contract and that its sole recourse shall be against the partnership assets, irrespective of any failure to comply with applicable law or any provision of this Contract; (c) no claim shall be made against any partner under or in connection with this Contract; (d) Shipper shall have no right of subrogation to any claim of Transporter for any capital contributions from any partner to Transporter; (e) no claims shall be made against the Operator of Transporter's facilities, its officers, employees, and agents, under or in

connection with this Contract and the performance of Operator's duties as Operator (provided that this shall not bar claims resulting from the gross negligence or willful misconduct of Operator, its officers, employees or agents) and Shipper shall provide Operator with a waiver of subrogation of Shipper's insurance company for all such claims; and (f) this representation is made expressly for the benefit of the partners in Transporter and Operator.

**ARTICLE X - LAW OF CONTRACT**

Notwithstanding conflict-of-laws rules, the interpretation and performance of this Contract shall be in accordance with and controlled by the laws of the State of Maine.

**ARTICLE XI - CHANGE IN TARIFF PROVISIONS**

Shipper agrees that Transporter shall have the unilateral right to file with the Federal Energy Regulatory Commission or any successor regulatory authority any changes in any of the provisions of its Tariff, including of any of its Rate Schedules, or the General Terms and Conditions, as Transporter may deem necessary, and to make such changes effective at such times as Transporter desires and is possible under applicable law.

**IN WITNESS WHEREOF**, the parties hereto have caused this Contract to be duly executed in several counterparts by their proper officers thereunto duly authorized, as of the date first hereinabove written.

**PORTLAND NATURAL GAS TRANSMISSION SYSTEM**

By    
Title President

**SPRAGUE ENERGY CORP.**

By   
Title DIR. TRADING

7.1 FORM OF SERVICE AGREEMENT  
(APPLICABLE TO RATE SCHEDULE FT-1)

THIS AGREEMENT is made and entered into as of the 1<sup>st</sup> day of January, 2017, by and between GRANITE STATE GAS TRANSMISSION, INC., a New Hampshire Corporation, hereinafter referred to as "Granite State" or "Transporter" and SPRAGUE OPERATING RESOURCES LLC, hereinafter referred to as "Shipper". Granite State and Shipper shall collectively be referred to herein as the "Parties". The service provided hereunder shall be on behalf of the Company or Companies listed on Exhibit A hereto.

W I T N E S S E T H:

[WHEREAS clause(s) or recitals may be included to describe the historical or factual context of the Agreement, to reference a capacity release, a Precedent Agreement or other agreements between Transporter and Shipper related to the Agreement, or for similar reasons.]

WHEREAS this Agreement is entered into by a capacity release from Releasing Shipper Northern Utilities, Inc., (under Contract No. 14-001-FT-NN) to SPRAGUE OPERATING RESOURCES LLC, the Replacement Shipper.

That in consideration of the premises and mutual covenants and agreements herein contained, the Parties agree as follows:

ARTICLE I  
QUANTITY

1.1 TRANSPORTATION QUANTITY - shall mean the maximum daily quantity of gas which Transporter agrees to receive and transport, subject to Article II herein, for the account of Shipper hereunder on each day during each year during the term hereof which shall be 5,114 dekatherms for 12 consecutive months of service [if the Agreement is for seasonal service: 0 dekatherms Winter Period and 0 dekatherms Summer Period]. Any limitations of the quantities to be received at each Receipt Point and/or delivered to each Delivery Point shall be as specified on Exhibit(s) B & C attached hereto.

1.2 EQUIVALENT QUANTITY - shall mean that the quantities of gas delivered hereunder at the Delivery Point(s) shall be the thermal equivalent to the quantities at the Receipt Point(s) for transportation less, where applicable, quantities of gas for Granite State's Fuel Reimbursement associated with this transportation service.

ARTICLE II  
SCOPE OF AGREEMENT

2.1 Transportation Service - Subject to Section 2.2 below, Granite State agrees to accept and receive daily, on a firm basis, in accordance with Rate Schedule FT-1, at the Receipt Point(s), from Shipper or for Shipper's account such quantity of gas as Shipper makes available up to the Transportation Quantity.

Granite State agrees to transport and deliver to or for the account of Shipper at the Delivery Point(s) and Shipper agrees to accept or cause acceptance of delivery of the Equivalent Quantity received by Transporter or

for Transporter's account, on any day, less any applicable Fuel Reimbursement; provided, however, Transporter shall not be obligated to deliver at any Delivery Point on any day an Equivalent Quantity of natural gas in excess of the applicable Maximum Daily Delivery Obligation.

2.2 Any obligation on Granite State's part to receive, transport and deliver gas to the Delivery Point(s) for Shipper's account on a daily basis is subject to Shipper, upon Granite State's request, delivering quantities of gas to Granite State for Shipper's account at the applicable Receipt Point(s).

ARTICLE III  
RECEIPT AND DELIVERY POINTS

3.1 The Receipt Point(s) and Delivery Point(s) shall be those point(s) specified on Exhibit(s) B & C attached hereto

3.2 Shipper may supplement Receipt Point(s) and/or Delivery Point(s) provided by this Contract by submitting to Transporter a Transportation Service Request Form. Such request form, after having been fully processed and accepted by Transporter shall be deemed to have the full force and effect of a written contract and shall qualify as a supplementary written consent pursuant to Paragraph 15.3 of this Contract. Priority of transportation service to such additional Receipt and/or Delivery Point(s) shall be determined pursuant to Section 22 of the General Terms and Conditions of Granite State's FERC Gas Tariff. [This Article 3.2 is not effective if the Agreement is the result of a capacity release assigned to a Replacement Shipper, as determined by Section 26 of Transporter's General Terms and Conditions.]

ARTICLE IV  
FACILITIES

All Facilities are in place to render the service provided for in this Agreement. [If facilities are to be constructed, a brief description of the facilities will be included, as well as who is to construct, own and/or operate such facilities.]

ARTICLE V  
RECEIPT AND DELIVERY PRESSURES

Shipper shall deliver or cause to be delivered to Granite State the gas to be transported hereunder at pressures sufficient to deliver such gas into Granite State's system at the Receipt Point(s), and where applicable at the Upstream Pipeline's Receipt Point(s). Granite State shall deliver the gas to be transported hereunder to or for the account of Shipper at the pressures existing in Granite State's system at the Delivery Point(s) or, where applicable, at the pressures existing in the Upstream Pipeline's system at the Delivery Point(s).

ARTICLE VI  
QUALITY SPECIFICATIONS AND STANDARDS FOR MEASUREMENT

For all gas received, transported and delivered hereunder the parties agree to the Quality Specifications and Standards for Measurement as specified in the General Terms and Conditions of Granite State's Federal Energy Regulatory Commission (FERC) Gas Tariff. To the extent that no new

measurement facilities are installed to provide service hereunder, measurement operations will continue in the manner in which they have previously been handled. In the event that such facilities are not operated by Granite State, then responsibility for operations shall be deemed to be Shipper's. Any exceptions to this Article shall be specified on Exhibit(s) N/A attached hereto.

ARTICLE VII  
RATES AND CHARGES FOR GAS TRANSPORTATION SERVICE

7.1 TRANSPORTATION RATES - Commencing with the date of initial receipt of gas by Granite State from Shipper, the compensation to be paid by Shipper to Granite State for the transportation service provided herein shall be in accordance with Section 5 of Granite State's Rate Schedule FT-1. [If this Agreement is the result of a capacity release assigned to a Replacement Shipper, as determined by Section 26 of Transporter's General Terms and Conditions, the rate(s) paid will be the Best Bid which is Maximum Recourse Rate.]

7.2 SYSTEM FUEL AND LOSSES - Shipper agrees to provide Granite State any applicable fuel uses and losses, Fuel Reimbursement, associated with the transportation service provided herein in accordance with Section 6 of Granite State's Rate Schedule FT-1.

7.3 NEW FACILITIES CHARGE -

N/A

7.4 INCIDENTAL CHARGES - Shipper agrees to reimburse Granite State for any filing or similar fees, which have not been previously paid by Shipper, which Granite State incurs in rendering service hereunder.

7.5 CHANGES IN RATES AND CHARGES - Granite State shall have the unilateral right to file and make effective changes in the rates and charges stated in this Article, the rates and charges applicable to service pursuant to Granite State's Rate Schedule FT-1, the rate schedule pursuant to which this service is rendered and/or any provisions of the General Terms and Conditions of Granite State's FERC Gas Tariff applicable to this service. Without prejudice to Shipper's right to contest such changes, Shipper agrees to pay the effective rates and charges for service rendered pursuant to this Contract.

ARTICLE VIII  
BILLINGS AND PAYMENTS

Granite State shall bill and Shipper shall pay all rates and charges in accordance with Section 5 and 6, respectively, of the General Terms and Conditions of Granite State's FERC Gas Tariff.

ARTICLE IX  
GENERAL TERMS AND CONDITIONS

This Agreement shall be subject to the effective provisions of Granite State's Rate Schedule FT-1 and to the General Terms and Conditions incorporate therein, as the same may be changed or superseded from time to time in accordance with the rules and regulations of the FERC, which Rate

16-040-CF-A

Schedule and General Terms and Conditions are incorporated herein by reference and made a part hereof for all purposes.

ARTICLE X  
REGULATION

This contract shall be subject to all applicable and lawful governmental statutes, orders, rules and regulations and is contingent upon the receipt and continuation of all necessary regulator approvals or authorization upon terms acceptable to Granite State. This contract shall be void and of no force and effect if any necessary regulatory approval is not so obtained or continued. All parties hereto shall cooperate to obtain or continue all necessary approvals or authorizations, but no party shall be liable to any other party for failure to obtain or continue such approvals or authorizations.

ARTICLE XI  
RESPONSIBILITY DURING TRANSPORTATION

Except as herein specified the responsibility for gas during transportation shall be as stated in the General Terms and Conditions of Granite State's FERC Gas Tariff.

ARTICLE XII  
TERM

12.1 This Contract shall become effective as of January 1, 2017 and shall remain in force and effect until October 31, 2017. [If the Agreement is an evergreen or roll-over Agreement the evergreen period shall be the lesser of the original term of the Contract, or one year and from N/A to N/A thereafter, unless cancelled by either Party upon N/A months written notice; provided however, if the term of the Contract is less than one year, either party may terminate this Contract by providing written notice of its election at the commencement of the primary term or any secondary term of this Contract.]

12.2 Any portion of this Contract necessary to correct or cashout imbalances under this Contract as required by the General Terms and Conditions of Granite State's FERC Gas Tariff, shall survive the other parts of this Contract until such time as such balancing has been accomplished.

12.3 This Contract will terminate automatically in the event Shipper fails to pay all of the amount of any bill for service rendered by Transporter hereunder when that amount is due, provided Transporter shall give Shipper and the FERC thirty days notice prior to any termination of service. Service may continue hereunder if within the thirty day notice period satisfactory assurance of payment is made in accord with the terms and conditions of Section 6 of the General Terms and Conditions of Granite State's Tariff.

ARTICLE XIII  
NOTICE

Except as otherwise provided in the General Terms and Conditions applicable to this Contract, any notice under this Contract shall be in

16-040-CF-A

writing and mailed to the post office address of the party intended to receive the same, as follows:

GRANITE STATE:

Granite State Gas Transmission, Inc.  
6 Liberty Lane West  
Hampton, New Hampshire 03842

Attention: Transportation Services

Shipper: SPRAGUE OPERATING RESOURCES LLC

---

or to such other address as either Party shall designate by formal written notice to the other

ARTICLE XIV  
ASSIGNMENTS

14.1 Either Party may assign or pledge this Contract and all rights and obligations hereunder under the provisions of any mortgage, deed of trust, indenture, or other instrument which it has executed or may execute hereafter as security for indebtedness; otherwise, no Party shall assign this Contract or any of its rights hereunder unless it shall first have obtained the written consent of the other, which consent shall not be unreasonably withheld.

14.2 Any person which shall succeed by purchase, merger, or consolidation to the properties, substantially as an entirety, of either Party hereto shall be entitled to the rights and shall be subject to the obligations of its predecessor in interest under this Contract.

ARTICLE XV  
MISCELLANEOUS

15.1 This Contract shall be interpreted under the laws of the State of New Hampshire.

15.2 If any provision of this Contract is declared null and void, or voidable, by a court of competent jurisdiction, then that provision will be considered severable at either party's option; and if the severability option is exercised, the remaining provisions of the Contract shall remain in full force and effect.

15.3 No modification of or supplement to the terms and provisions hereof shall be or become effective, except by the execution of supplementary written consent.

15.4 Exhibit(s) A, B & C attached hereto is/are incorporated herein by reference and made a part hereof for all purposes.

15.5 No presumption shall operate in favor of, or against either party as a result of any responsibility either party may have had for drafting this Contract.

16-040-CF-A

15.6 The subject headings of the provisions of the Contract are inserted for the purpose of convenient reference and are not intended to become a part of or to be considered in any interpretation of such provisions.

Article XVI  
Prior Contract(s)

This contract shall supersede and cancel, as of the effective date, the following agreements between Skipper and Transporter:

(List Agreements)

IN WITNESS WHEREOF, the Parties hereto have caused this Contract to be duly executed [in several counterparts] as of the date first herein above written.

GRANITE STATE GAS TRANSMISSION, INC.

*Thomas P. Messier, Jr.*  
*Thomas P. Messier, Jr., SVP*

Accepted and Agreed to this 1<sup>st</sup> Day of January 2017

SHIPPER

SPRAGUE OPERATING RESOURCES LLC

*Brian W. Weego*  
Brian W. Weego  
Vice President, Natural Gas

Contract Admin	10	Retail	SAR
Legal		Risk	
		Supply	SAR

16-040-CF-A

**Gas Transportation Contract  
(For Use Under Rate Schedule FT-1)**

**Exhibit "A"**

**To Gas Transportation Contract No. 16-040-CF-A  
Dated \_\_\_\_\_**

**Between**

**Granite State Gas Transmission, Inc.**

**And**

**SPRAGUE OPERATING RESOURCES LLC  
On Behalf of Parties**

**Company Name**

**SPRAGUE OPERATING RESOURCES LLC (Shipper)**

16-040-CF-A

Gas Transportation Contract  
(For Use Under Rate Schedule FT-1)

Exhibit "B"

To Gas Transportation Contract No. 16-040-CF-A

Dated \_\_\_\_\_

Between

Granite State Gas Transmission, Inc.

And

SPRAGUE OPERATING RESOURCES LLC  
Receipt and Delivery Points

Receipt Points:

<u>Meter No.</u>	<u>Meter Name</u>	<u>Interconnect Party</u>	<u>Town</u>	<u>State</u>	<u>Meter MDRO (Dth)</u>
020206	Pleasant St	Tennessee Gas Pipeline	Haverhill	MA	1,638
020850	Newington	PNGTS	Newington	NH	470

Delivery Points:

<u>Meter No.</u>	<u>Meter Name</u>	<u>Interconnect Party</u>	<u>Town</u>	<u>State</u>	<u>Meter MDDO (Dth)</u>
084202	Newfield Rd.	NUI	Exeter	NH	1,638
084703	Varney Brook	NUI	Dover	NH	470

NOTE: The sum of Transporter's Receipts/Deliveries to/from Shipper cannot exceed the limitations reflected above on a primary basis.

16-040-CF-A

**Gas Transportation Contract  
(For Use Under Rate Schedule FT-1)**

**Exhibit "C"**

**To Gas Transportation Contract No. 16-040-CF-A**

**Dated \_\_\_\_\_**

**Between**

**Granite State Gas Transmission, Inc.**

**And**

**SPRAGUE OPERATING RESOURCES LLC  
Receipt and Delivery Points (continued)**

**Receipt Points:**

<b><u>Meter No.</u></b>	<b><u>Meter Name</u></b>	<b><u>Interconnect Party</u></b>	<b><u>Town</u></b>	<b><u>State</u></b>	<b><u>Meter MDDQ (dth)</u></b>
050800/030005	Westbrook Gate	PNGTS/Maritimes	Portland	ME	3,006

**Delivery Points:**

<b><u>Meter No.</u></b>	<b><u>Meter Name</u></b>	<b><u>Interconnect Party</u></b>	<b><u>Town</u></b>	<b><u>State</u></b>	<b><u>Meter MDDQ (dth)</u></b>
081202	Payne Rd	NUI	Portland	ME	3,006

**NOTE: The sum of Transporter's Receipts/Deliveries to/from Shipper cannot exceed the limitations reflected above on a primary basis.**

# REDACTED

## Sprague Operating Resources LLC

Broker	# of Accounts
[Redacted Content]	