

INTERCONNECT AGREEMENT

This INTERCONNECT AGREEMENT (the “Agreement”) is by and between ENTERPRISE TEXAS PIPELINE LLC, a Texas limited liability company (“Company”), and CITY OF DENTON, a Texas home-rule municipal corporation (“Interconnecting Party”). Company and Interconnecting Party are sometimes referred to herein individually as a “Party” and collectively as the “Parties.”

BACKGROUND

- A. Company transports Gas on its pipeline system.
- B. Interconnecting Party desires to connect its facilities to Company’s pipeline system in Denton County, Texas.
- C. The Parties desire to enter into this Agreement to set forth the terms, conditions, and procedures regarding the interconnection of the Parties’ facilities.

The Parties agree as follows:

ARTICLE I. DEFINITIONS

Capitalized terms used in this Agreement have the following meanings unless otherwise specified:

- A. “Agreement” is defined in the preamble of this Agreement.
- B. “Applicable Law” means all laws, rules, orders, or regulations established by a Governmental Authority with jurisdiction and applicable to the Parties and the transactions contemplated hereby.
- C. “Claims” means claims, demands, and causes of action accruing on account of taxes, liens, debts, personal injuries, death, or damages to property, and any other claim, demand, or cause of action of any character.
- D. “Company” is defined in the preamble of this Agreement.
- E. “Company Facilities” means the Company facilities installed as part of the Interconnect, including: (i) the pipeline connection between the Pipeline and the isolating flange of the Interconnecting Party Facilities; (ii) the Meter Station; and (iii) associated piping, valves, and fittings necessary to connect the Meter Station described herein.
- F. “Company Indemnitees” means Company, its affiliated companies, and the managers, members, directors, officers, employees, attorneys-in-fact, agents, and consultants of Company and/or its affiliated companies.
- G. “Company Specifications” means Company’s engineering and construction requirements and standards.
- H. “Confidential Information” is defined in Section K of Article XI.
- I. “Data Collection Equipment” is defined in Section 1 of Exhibit B.

J. "Disclosing Party" is defined in Section K of Article XI.

K. "Effective Date" is defined is the date this Agreement is signed by the Company.

L. "Estimated Connection Fee" is defined in Section A of Article IV.

M. "Force Majeure Event" means any act, cause, condition, event, or circumstance (whether of the kind described below or otherwise) that is not within the control of the Party claiming Force Majeure, and that, despite the exercise of commercially reasonable efforts, the claiming Party is unable to prevent or overcome, including:

(i) fire, flood, atmospheric disturbance, lightning, storm, hurricane, cyclone, typhoon, tidal wave, tornado, earthquake, volcanic eruption, landslide, subsidence, washout, epidemic, extreme heat or extreme cold, or other natural disaster or act of God, and threats or warnings of any of the foregoing;

(ii) acts of war (declared or undeclared), invasion, armed conflict, embargo, revolution, sabotage, arrests or restraints of rulers and peoples, terrorism or threat thereof, riot, civil war, blockade, insurrection, acts of the public enemy, or civil disturbances;

(iii) strikes, lockouts, or other industrial disturbances;

(iv) acts after the date of this Agreement of a Governmental Authority that would prevent, delay, or make unlawful a Party's performance under this Agreement, or would require a Party to take unreasonable measures in the circumstances to comply;

(v) expropriation, requisition, confiscation or nationalization, embargoes, export or import restrictions, or restrictions of production, rationing, or allocation of the same, whether imposed by Applicable Law or by insistence, request, or instruction of any Governmental Authority with jurisdiction;

(vi) explosions, breakdown, blockage, or destruction of facilities or equipment (including breakage, accidents, hydrate obstruction, or blockages of any kind on machinery or lines of pipe) or any act, cause, condition, event, or circumstances enumerated herein, which impacts operating conditions on Company's or Interconnecting Party's facilities or on any pipeline connected to the Interconnect;

(vii) repairs, improvements, replacements, or alterations to facilities, equipment, or lines of pipe; and

(viii) inability of either Party to obtain necessary machinery, materials, fuel, permits, easements, or rights-of-way at reasonable cost and after the exercise of reasonable diligence.

N. "Gas" means natural gas produced from gas wells, vaporized natural gas liquids, gas produced in association with oil (casinghead gas), and/or the residue gas resulting from processing casinghead gas and/or gas well gas.

O. "Governmental Authority" means: any federal, state, local, or municipal government body, other than the City of Denton, Texas; any governmental, quasi-governmental, regulatory, or

administrative agency, commission, body, or other authority exercising or entitled to exercise any administrative, executive, judicial, legislative, policy, regulatory, or taxing authority or power; any court or governmental tribunal; or any independent operator, regional transmission organization, or other regulatory body; in each case having jurisdiction over either Party, the Interconnect, the Company Facilities, or the Interconnecting Party Facilities.

P. "Government and Industry Standards" means Applicable Law and generally-accepted gas industry standards.

Q. "Interconnect" means the physical facilities, surface easements, right-of-way, and utilities required for the movement of Gas from a point on Company's pipeline with Global Positioning System coordinates of ~33°12'47.96"N 97°12'32.44"W, which establishes a physical connection and custody transfer point between the Company Facilities and the Interconnecting Party Facilities.

R. "Interconnecting Party" is defined in the preamble of this Agreement.

S. "Interconnecting Party Facilities" means the valves, piping, and pipe-related facilities located downstream of the isolating flange installed as part of the Interconnect.

T. "Interconnecting Party Indemnitees" means Interconnecting Party, its elected and appointed officials, employees, attorneys-in-fact, agents, contractors, subcontractors, and consultants of Interconnecting Party.

U. "Losses" means losses, liens, judgments, penalties, interest, court costs, investigation expenses, and costs and legal fees incurred in defense of any Claim.

V. "Meter Station" means the gas measurement facility, including one or more meters capable of measuring the flow range specified in Article II, one or more electronic flow meter, one or more polling communication device, and a continuous Gas sampler, at the Interconnect to be used for custody transfer measurement of Gas flowing between the Company Facilities and the Interconnecting Party Facilities.

W. "Monitoring and Shutdown Equipment" means carbon dioxide and hydrogen sulfide monitoring and shut-down devices to protect the Company Facilities and Pipeline.

X. "Party" and "Parties" are defined in the preamble of this Agreement.

Y. "Pipeline" means the Company pipeline more specifically known as the Sherman Extension, Company Pipeline Number 225-21, and located in Denton County, Texas.

Z. "Receiving Party" is defined in Section K of Article XI.

AA. "SOC" means, if applicable, Company's then-current Statement of Operating Conditions for Transportation Services filed with the Federal Energy Regulatory Commission.

ARTICLE II. FACILITIES

Exhibit A, attached hereto and incorporated by reference herein, sets forth in detail the responsibilities of Company and Interconnecting Party for the design, acquisition of materials,

construction and installation, ownership, operation and maintenance, and removal of the Company Facilities and Interconnecting Facilities. The Company Facilities and Interconnecting Facilities shall be designed, engineered and constructed: (i) with a maximum allowable operating pressure of 1,440 psig, and (ii) to deliver quantities between 0.6 MMcf/d and 44.2 MMcf/d to Interconnecting Party at the prevailing operating pressures that may exist on Company Facilities from time to time at the point of delivery.

ARTICLE III. CONSTRUCTION AND COMPLETION DATE

A. Company Installation/Construction Responsibilities: Subject to the contingencies contained herein, Company shall install/construct the Company Facilities in the manner set forth on Exhibit A. The Parties will agree to a construction schedule that provides for a targeted date for each Party to have its facilities available for service. Company warrants that the Facilities and additional facilities will be designed, constructed, installed, operated, maintained, abandoned, and, if necessary, removed to meet applicable government standards and regulations.

B. Interconnecting Party Installation/Construction Responsibilities: Subject to the contingencies contained herein, Interconnecting Party shall install/construct the Interconnecting Facilities in the manner set forth on Exhibit A. Interconnecting Party warrants that the Facilities and additional facilities will be designed, constructed, installed, operated, maintained, abandoned, and, if necessary, removed to meet applicable government standards and regulations.

C. Completion Date: Both Parties will use commercially reasonable efforts to complete the Company Facilities and Interconnecting Party Facilities by September 1, 2017. The Facilities and additional facilities will be considered to be complete when Company places them in-service.

D. "As Built" Drawings: Within 45 days following the Completion Date each Party will provide the other with an "as installed" set of drawings of each Party's Facilities.

ARTICLE IV. GRANT OF RIGHT TO CONNECT

Interconnecting Party hereby grants to Company, and Company hereby accepts, the right to connect with the Interconnecting Party Facilities under the following terms and conditions:

A. Connection Fee. Interconnecting Party shall pay to Company \$1,386,000 as an estimated connection fee (the "Estimated Connection Fee") for construction, testing, and proper operation of the Company Facilities. Company will not commence construction of the Company Facilities until Company has received this Agreement, executed by Interconnecting Party, and payment of the Estimated Connection Fee. Upon completion of the Company Facilities: (i) if the actual connection costs, including applicable overheads, incurred by Company or its designee are greater than the Estimated Connection Fee, then Company shall provide documentation to verify the difference in costs and Interconnecting Party shall promptly pay the difference between the two sums to Company; or (ii) if the actual connection costs, including applicable overheads, incurred by Company or its designee are less than the Estimated Connection Fee, then Company shall provide documentation to verify the difference in costs and promptly pay the difference between the two sums to Interconnecting Party.

B. Surface Site for Company Facilities. At all times during the term of this Agreement, if requested by Company, Interconnecting Party shall provide to Company, at Interconnecting Party's sole cost and expense: (i) a fenced and graded surface site suitable for the Company Facilities; and (ii) all rights of way, leases, easements, and/or ingress and egress rights necessary for Company to perform its obligations under this Agreement. The existence and continuing effectiveness of the rights of way, leases, easements, and ingress and egress rights described herein are conditions precedent to Company's obligations under this Agreement.

ARTICLE V. OPERATION AND MAINTENANCE

A. Company and/or Interconnecting Party will operate and maintain the Facilities and additional facilities in the manner set forth on Exhibit A. Company will provide normal and routine operation and maintenance of the measurement equipment. As further clarification of Exhibit A, normal and routine operation and maintenance of the measurement equipment encompasses the following activities:

- (i) Testing, inspecting and calibration of the primary and secondary measuring elements, and of other devices that directly affect measurement and energy determination, such as gas samplers, chromatographs, and flow computers. Test and inspection frequencies and corresponding equipment tolerances, shall be specified by Company;
- (ii) Determining custody transfer volume and energy quantities delivered through the Facilities; and
- (iii) Obtaining and analyzing gas samples.

Exhibit B, attached hereto and incorporated by reference herein, specifies the Parties' rights and obligations concerning access to data from the measurement equipment.

B. Company will own, operate and maintain the pipeline tap, valve and station piping beginning at the pipeline tap valve and extending to a designated above ground flange with insulation device or other Company approved electrical isolation device at the edge of the Company pipeline right of way or other designated point as outlined in Exhibit A and will provide a one-line diagram clearly identifying Company Facilities and the Interconnecting Party Facilities.

C. Company will use its best efforts in operation and volume/energy determination and will provide delivery detail statements to Interconnecting Party or Interconnecting Party's designee. Interconnecting Party may request additional tests or inspections beyond those normally scheduled by Company. Interconnecting Party shall reimburse Company for the actual cost of the test, inspection and repairs, as applicable. Any correction of volume and energy quantities will be performed in compliance with Company's FERC tariff.

D. Company shall have the right, regardless of which party is responsible for operation and maintenance activities, to inspect the Facilities and additional facilities and perform any tests it deems necessary at such times as it deems appropriate without prior notice to assure the proper operation and performance of the measurement equipment. If Company, in its discretion, determines the Facilities and additional facilities are not performing satisfactorily, Company reserves the right to make repairs or

require Interconnecting Party to do so. If Company makes the repairs, Interconnecting Party will pay Company for all non-routine operation and maintenance, repairs or equipment replacement within 30 days after receipt of an invoice from Company. Company will invoice Interconnecting Party and Interconnecting Party will be required to pay, within 30 days from the date of the invoice for any costs resulting from extraordinary visits to the Facilities and additional facilities required to perform non routine maintenance, repairs, equipment replacement or obtain electronic measurement data due to extended communications outage. In the event major components are required to be replaced including but not limited to meters, flow computer, gas chromatograph, etc., Company will notify the Interconnecting Party of such requirement as early as reasonably possible.

E. When Exhibit A defines Interconnecting Party as being responsible for operation and maintenance of the measurement equipment, Interconnecting Party will utilize a Company approved service contractor to perform operation and maintenance activities. Company will provide the Interconnecting Party and the service contractor with detailed operation and maintenance instructions at that time. Any modification of the responsibilities set forth on Exhibit A between Company and Interconnecting Party, whether for operation and maintenance of the measurement equipment or any other activity, shall be an amendment to this Agreement.

F. Interconnecting Party will operate and maintain the Facilities and additional facilities in the manner set forth on Exhibit A as well as other Interconnecting Party owned facilities not specifically defined in this Agreement at its sole expense.

G. Dewatering, Purging, and Line Pack. Upon Company's request, Interconnecting Party shall furnish, at no cost to Company, Gas as required for dewatering, purging, and line pack in the Company Facilities, in connection with the proposed interconnection between the Pipeline and Interconnecting Party's system.

ARTICLE VI. TERM

The primary term of this Agreement commences on the Effective Date and ends five years after the Effective Date. This Agreement will continue after the primary term on a month-to-month basis until terminated by either Party with at least 30 days' prior written notice, with the termination to be effective at the end of the primary term or at the end of any month thereafter, as applicable. Upon termination of this Agreement, each Party shall continue to allow the other party access, for a reasonable period of time not to exceed 90 days, to the Interconnect in order that the Parties may remove their facilities, but either Party may, at its sole option, abandon its underground facilities in place if such abandonment is permitted by Applicable Law.

ARTICLE VII. AUDIT RIGHTS

Each Party has the right, at its sole expense, during normal working hours and upon no less than 10 Business Days' advance notice, to examine the records of the other Party to the extent reasonably necessary to verify the accuracy of any statement, charge or computation made pursuant to this Agreement. If any such examination reveals any inaccuracy in any statement, the necessary adjustments in such statement and the payments thereof will be made promptly and shall bear interest calculated at the Interest Rate from the date the overpayment or underpayment was made until paid; provided,

however, that no adjustment for any statement or payment will be made unless objection to the accuracy thereof was made prior to the lapse of 12 months from the rendition thereof, and thereafter any objection will be deemed waived except to the extent any misinformation was from a third party not affiliated with any Party and such third party corrects its information after such 12-month period.

ARTICLE VIII. INDEMNITY

A. Interconnecting Party, to the extent allowed by Applicable Law, and Company shall indemnify and hold harmless the other party, its officers, employees, subcontractors and agents from and against any and all loss, damage, and liability (including attorney's fees and costs and expenses of any suit) from any and all claims for damages on account of or by reason of bodily injury, including death, which may be sustained or claimed to be sustained by any person, including the employees, subcontractors or agents of Company or Interconnecting Party, and from and against any and all damages to property, including loss of use and including property of Interconnecting Party or Company, caused by or arising out of or claimed to have been caused by or to have arisen out of an act or omission (including, but not limited to, breach of Interconnecting Party's or Company's obligations, representations and warranties set forth in this Agreement) by Interconnecting Party or Company, or the agents, subcontractors or employees of Interconnecting Party or Company in connection with their performance of this Agreement, including any required operation and maintenance, whether or not insured against; provided, however, that the foregoing indemnification will not cover loss, damage, or liability arising from the gross negligence or willful misconduct of Interconnecting Party or Company, their agents, subcontractors and employees. Interconnecting Party and Company shall pay any and all judgments which may be recovered in any such actions, claims, proceedings, or suits in accordance with the foregoing indemnification given by Interconnecting Party to Company and by Company to Interconnecting Party. Notwithstanding the foregoing, in the event of such actions, claims, proceedings or suits, Interconnecting Party and Company shall be entitled, if either so elects, to representation by attorneys of its own selection, including attorneys employed by Interconnecting Party and Company.

B. Exclusion of Special, Incidental, Indirect, and Consequential Damages: To the fullest extent permitted by law, and notwithstanding any other provision in the Agreement, consistent with the terms of Paragraph B the Company and Company's officers, directors, members, partners, agents, and employees shall not be liable to Interconnecting Party or anyone claiming by, through, or under Interconnecting Party for any special, incidental, indirect, or consequential damages whatsoever arising out of, resulting from, or in any way related to the Company Facilities or the Agreement from any cause or causes, including but not limited to any such damages caused by the negligence, professional errors or omissions, strict liability, breach of contract, indemnity obligations, or warranty, express or implied of Company or Company's officers, directors, members, partners, agents, employees. The following damages are not to be considered special, incidental, indirect or consequential damages: cost of replacement electric power resulting from the interruption of the gas supply to Interconnecting Party's gas fired electric generation facility.

C. Notice of Claims. Each Party shall notify the other Party immediately of the filing of all Claims and any liens, including laborers', materialmen's, and mechanics' liens upon its property or property of the other and upon which the work is performed through the services, labor, and material furnished by either Party or its contractors or subcontractors under this Agreement. Either Party may, upon receipt of notice of the filing of any such liens, at its option, require a bond or other reasonable security in an amount and with such sureties as may be approved by such Party, conditioned to save

harmless such Party from all such liens upon or against its property. If such Party fails or refuses to furnish such bond or other reasonable security when so required, then the other Party may pay any sums necessary to obtain the release of such liens and bill the costs to the Party failing to keep the other's property free of liens.

ARTICLE IX. REMEDY FOR BREACH

Except as otherwise specifically provided herein, if either Party fails to perform any of its material obligations under this Agreement (except where such failure is excused under the provisions of Article X), then the other Party may, at its option, (without waiving any other remedy for breach hereof), by written notice specifying the default that has occurred, indicate such Party's election to terminate this Agreement. The defaulting Party will have 30 days from receipt of such notice to (i) remedy the default, or (ii) pay or fully indemnify the other Party for all loss or damage resulting from the breach. If the defaulting Party does not timely cure the default in accordance with the previous sentence, then this Agreement will terminate at the end of the 30-day period. Any such termination is not an election of remedies and does not prejudice the right of the non-defaulting Party (i) to collect amounts due hereunder for damage or loss suffered by it, or (ii) to pursue any other remedy for the breach.

ARTICLE X. FORCE MAJEURE

To the extent either Party is prevented by a Force Majeure Event from carrying out, in whole or part, its obligations under this Agreement (other than the obligation to make payments hereunder) and such Party gives notice and details of the Force Majeure Event to the other Party as detailed below, then, the Party impacted by the Force Majeure Event will be excused from the performance of its obligations (other than the obligation to make payments hereunder) to the extent impacted. As soon as practicable after commencement of a Force Majeure Event, the non-performing Party shall provide the other Party with oral notice of the Force Majeure Event, and within two weeks of the commencement of a Force Majeure Event, the non-performing Party shall provide the other Party with notice in the form of a letter describing in detail the particulars of the occurrence giving rise to the Force Majeure Event claim. The suspension of performance due to a claim of a Force Majeure Event must be of no greater scope and of no longer duration than is required by the Force Majeure Event. The affected Party shall use commercially reasonable efforts to remedy the effect of the Force Majeure Event with all reasonable dispatch. This Agreement may be terminated by either Party with no further obligation to the other Party if such Force Majeure Event prevents the performance of a material portion of the obligations hereunder and such Force Majeure Event is not resolved within 180 days after the commencement of such Force Majeure Event.

ARTICLE XI INSURANCE

A. During the term of this Agreement both Company and Interconnecting Party shall maintain the following insurance coverages:

1. Commercial General Liability Insurance. Company shall maintain commercial general liability (CGL) insurance with a limit of \$1,000,000 each occurrence with a \$2,000,000 aggregate. This insurance shall cover liability including, but not limited to, liability arising from

premises, operations, blowout or explosion, products-completed operations, contractual liability, underground property damage, broad form property damage, sudden and accident pollution and independent contractors. This insurance shall also include coverage for underground resources and equipment hazard damage.

2. Automobile Liability Insurance. Automobile liability insurance with a limit of \$1,000,000 each accident. Such insurance shall cover liability arising out of any auto (including owned, non-owned, and hired autos).

3. Worker's Compensation Insurance. The workers compensation limits shall be as required by statute and employers liability limits shall be \$1,000,000 each accident for bodily injury by accident and \$1,000,000 each employee for bodily injury by disease.

4. Excess (or Umbrella) Liability Insurance with a limit of \$10,000,000) per occurrence with a \$10,000,000 aggregate. Such insurance shall be excess of the commercial general liability insurance, automobile liability insurance and employers liability insurance as specified above.

B. Contractors and Sub-Contractors. Both Parties will (i) use reasonable efforts to cause its contractors and sub-contractors to maintain insurance programs consistent with the coverage and limits required herein.

C. Either Party may maintain a self-insurance program for all or any part of the foregoing liability risks, provided such self-insurance policy in all material respects complies with the requirements set forth in this Article XI.

ARTICLE XII. MISCELLANEOUS

A. Applicable Law. This Agreement is subject to Applicable Law. This Agreement and all rights and obligations of the Parties arising from or relating to this Agreement will be governed by and construed, enforced, and performed in accordance with the laws of the State of Texas, without giving effect to provisions concerning conflict of laws that might require the application of the laws of any other legal system.

B. Venue. Any dispute, controversy, or Claim arising out of or in connection with this Agreement, including any question regarding its existence, validity, or termination, will be resolved by the state or federal courts sitting in Dallas, Dallas County, Texas. The Parties irrevocably submit to the exclusive jurisdiction of such courts in any such action or proceeding and irrevocably waive the defense of an inconvenient forum to the maintenance of any such action or proceeding.

C. Headings. The headings used in this Agreement are included as a matter of convenience and are for reference purposes only. These headings do not define, limit, modify, or describe the scope and nature of the subject matter contained in this Agreement.

D. Notices. To be effective, all notices, demands, and other communications provided under this Agreement must be in writing and (i) given by personal delivery, (ii) sent by United States mail, postage

pre-paid, return receipt requested; (iii) sent by overnight delivery; or (iv) sent by courier. All notices will be deemed duly given upon receipt when addressed as follows:

For Interconnecting Party:

City of Denton
c/o Denton Municipal Electric
1659 Spencer Rd
Denton, TX 76205
Attention: General Manager
Phone: (940) 349-7105

and

City of Denton
City Attorney's Office
215 E. McKinney St.
Denton, TX 76201
Phone: (940) 349-8333

For Company:

Enterprise Texas Pipeline LLC
1100 Louisiana St., 15th Floor
Houston, TX 77002-5227
Attention: Gas Contract Administration
Phone: (713) 381-8252 or (713) 381-6500
Email: ContractAdmin-Gas@eprod.com

Either Party may change its address listed above by providing written notice of the change to the other Party

E. Waiver. To be effective, any waiver of a provision of this Agreement must be in writing and signed by the Parties. No waiver by a Party of any one or more defaults by the other Party in the performance of any provisions of this Agreement operates as, or is to be construed as, a waiver of any future default, whether of a like or different character.

F. Conflicts. If there is a conflict between the provisions of this Agreement and the provisions of any exhibit attached hereto, if any, then the provisions of this Agreement control. If there is a conflict between the provisions of this Agreement and the provisions of the SOC or any Gas purchase, sales, or transportation agreement between Company and Interconnecting Party, then the provisions of the SOC and/or such Gas purchase, sales, or transportation agreement control.

G. Assignment. This Agreement is binding upon and inures to the benefit of the Parties and their respective successors and assigns. Neither Party may assign this Agreement, in whole or in part, without the other Party's express written consent, which shall not unreasonably withheld, conditioned, or delayed.

H. No Third-Party Beneficiary. Except for persons indemnified hereunder, this Agreement is not for the benefit of any third party, and nothing herein, expressed or implied, confers any right or remedy upon any person not a Party hereto, other than successors or permitted assigns of a Party.

I. Transportation. The execution of this Agreement does not authorize or set forth the terms and conditions of transportation service by Company. Company will render transportation service using the facilities contemplated by this Agreement only after the execution, if any, of the appropriate service agreement. The execution of this Agreement does not guarantee Gas will flow through the Interconnect within any specified period of time, or ever. In addition, unless otherwise specified in this Agreement, financial responsibility for the connection facilities hereunder does not convey any exclusive rights to the other Party's facilities for which it paid or for which it made a payment in aid of construction.

J. Entirety of Agreement. This Agreement and the exhibits attached hereto, if any, contain the entire agreement of the Parties related to the subject matter of this Agreement. This Agreement supersedes all prior oral discussions, negotiations, representations, and agreements relating to the subject matter of this Agreement. This Agreement may be amended only by a written instrument signed by both Parties.

K. Confidentiality.

(i) The Parties have and will develop certain information, processes, know-how, techniques, and procedures concerning the Interconnect that they consider confidential and proprietary (together with the terms and conditions of this Agreement, the "Confidential Information"). Notwithstanding the confidential and proprietary nature of such Confidential Information, the Parties (each, the "Disclosing Party") may make such Confidential Information available to the other (each, a "Receiving Party") subject to the provisions of this Section L.

(ii) Upon receiving or learning of Confidential Information, the Receiving Party shall:

(a) treat such Confidential Information as confidential and use reasonable care not to divulge such Confidential Information to any third party except as required by Applicable Law, subject to the restrictions set forth below;

(b) restrict access to such Confidential Information to only those employees, Affiliates, subcontractors, suppliers, vendors, and advisors whose access is reasonably necessary for the development, construction, operation, or maintenance of the Interconnect and for the purposes of this Agreement who shall be bound by the terms of this Section;

(c) use such Confidential Information solely for the purpose of developing the Interconnect and for purposes of this Agreement; and

(d) upon the termination of this Agreement, destroy or return to the Disclosing Party any such Confidential Information in written or other tangible form and any copies thereof.

(iii) The restrictions of this Section do not apply to:

(a) release of this Agreement to any Governmental Authority required for obtaining any approval or making any filing relating to the Interconnect, provided that each Party shall cooperate in good faith with the other to maintain the confidentiality of

the provisions of this Agreement by requesting confidential treatment with all filings to the extent appropriate and permitted by Applicable Law;

(b) information that is, or becomes, publicly known or available other than through the action of the Receiving Party in violation of this Agreement;

(c) information in the possession of the Receiving Party prior to receipt from the Disclosing Party or that is independently developed by the Receiving Party, provided that the Person or Persons developing such information have not had access to any Confidential Information;

(d) information received from a third party that is not known (after due inquiry) by the Receiving Party to be prohibited from disclosing such information pursuant to a contractual, fiduciary, or legal obligation; and

(e) information that is, in the reasonable written opinion of counsel of the Receiving Party, required to be disclosed pursuant to Applicable Law (including any Freedom of Information Act or Texas Public Information Act request); provided, however, that the Receiving Party, prior to such disclosure, shall provide reasonable advance notice to the Disclosing Party of the time and scope of the intended disclosure in order to provide the Disclosing Party an opportunity to obtain a protective order or otherwise seek to prevent, limit the scope of, or impose conditions upon such disclosure.

(iv) The obligations of the Parties under this Section will remain in full force and effect for three years following the expiration or termination of this Agreement.

(v) Notwithstanding any other provision of this Section, the Parties understand that Interconnecting Party is a governmental entity and is required to comply, and Interconnecting Party does hereby agree to comply, with the Texas Public Information Act (Chapter 552 of the Texas Government Code) when responding to requests for records in its possession. Disclosure of information required by the Texas Public Information Act will not constitute a breach of any provision contained herein if so ordered by the State of Texas Attorney General. Notwithstanding the foregoing, the Parties acknowledge and agree that this Agreement is confidential, commercially sensitive information protected from disclosure pursuant to the Texas Public Information Act.

L. Rules of Construction. In construing this Agreement, the following principles apply unless the context otherwise requires: (i) examples are not to be construed to limit, expressly or by implication, the matters they illustrate; (ii) the word "includes" and its syntactical variants means "includes, but is not limited to" and corresponding syntactical variant expressions; (iii) the word "shall" means "is required to" when the subject is singular and "are required to" when the subject is plural; and (iv) the plural is deemed to include the singular and vice versa, as applicable.

M. Drafting. Each and every provision of this Agreement was drafted jointly by Interconnecting Party and Company. In the event of any ambiguity in, or controversy with respect to, the meaning of any provision in this Agreement, no presumption or inference is to be drawn against either Party's interpretation or construction of this Agreement by reason of such Party's or its counsel's participation in the drafting of this Agreement.

N. Severability. If any of the terms of this Agreement are finally held or determined to be invalid, illegal, or void, then all other terms of the Agreement will remain in effect; provided that the

Parties shall enter into negotiations concerning the terms affected by such decision for the purpose of achieving conformity with requirements of any Applicable Law and the intent of the Parties.

O. Survival. The representations, warranties, and indemnities given by the Parties, and any other provision that by its nature should survive termination, will survive the termination of this Agreement, including the provisions of Article I, Article II, Article III, Article IV, Article VII, Article VIII, and this Article XII.

P. Counterparts. This Agreement may be executed in any number of counterparts, each of which is an original, but all of which together constitute one and the same instrument.

Authorized representatives of the Parties have signed this Agreement to be effective as of the Effective Date.

For Company:

ENTERPRISE TEXAS PIPELINE LLC, a Texas limited liability company

Signature

Printed Name

Title

Signed on the ____ day of _____, 2017.

For Interconnecting Party:

CITY OF DENTON, a Texas home-rule municipal corporation

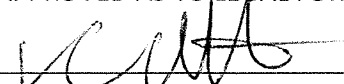
Todd Hileman, City Manager

Signed on the ____ day of _____, 2017 under the authority of Ordinance No. 2017-_____.

ATTEST:

JENNIFER WALTERS,
CITY SECRETARY

APPROVED AS TO LEGAL FORM:



AARON LEAL,
INTERIM CITY ATTORNEY

EXHIBIT A**Responsibility Matrix****Project: ETP Delivery to City of Denton****Direction of Flow: To Interconnecting Party****Company = ENT; Interconnecting Party = IP**

Item	Facilities	Design	Installation	Costs	Ownership	Operation	Maintenance
	<u>IP FACILITIES</u>						
A	Tap & Tie-in to Downstream Pipeline	IP	IP	IP	IP	IP	IP
B	Downstream Pipeline Shut-in Valves and Actuators	IP	IP	IP	IP	IP	IP
C	Pipeline Lateral & Over Pressure Valve Downstream of Meter	IP	IP	IP	IP	IP	IP
D	Easement/ROW, Permits, Licenses Downstream of Meter	IP	IP	IP	IP	IP	IP
E	Odorizer	IP	IP	IP	IP	IP	IP
F	Electronic Flow Measurement Equipment	IP	IP	IP	IP	IP	IP
	<u>INTERCONNECT</u>						
A	Meter Site	ENT	ENT	IP	ENT	ENT	ENT
B	Fencing	ENT	ENT	IP	ENT	ENT	ENT
C	Primary Measurement Equipment	ENT	ENT	IP	ENT	ENT	ENT
D	Custody Measurement	ENT	ENT	IP	ENT	ENT	ENT
E	Check Measurement	IP	IP	IP	IP	IP	IP
F	Separator	ENT	ENT	IP	ENT	ENT	ENT
G	Insulation Kit	ENT	ENT	IP	ENT	ENT	ENT
H	Over Pressure Protection	IP	IP	IP	IP	IP	IP
I	Gas Chromatograph	ENT	ENT	IP	ENT	ENT	ENT
J	IP RTU Building			IP			
K	ENT RTU Building	ENT	ENT	IP	ENT	ENT	ENT
L	Instrumentation	ENT	ENT	IP	ENT	ENT	ENT
M	Telemetry (SCADA)	ENT	ENT	IP	ENT	ENT	ENT
N	Easement/ROW, for Meter Site	IP	IP	IP	IP	IP	IP
O	Utilities – Electric Power and Telephone – to site	ENT	ENT	IP	ENT	ENT	ENT
P	Block Valves, Check Valve, & Control Valves	ENT	ENT	IP	ENT	ENT	ENT
Q	Road Access	IP	IP	IP	IP	IP	IP
R	Operator Engineering, Inspections and related activities	ENT	ENT	IP	ENT	ENT	ENT
	<u>COMPANY FACILITIES</u>						
A	Easement/ROW, Permits, Licenses Upstream of Meter	ENT	ENT	IP	ENT	ENT	ENT
B	Upstream Pipeline Shut-in Valves and Actuators	ENT	ENT	IP	ENT	ENT	ENT
C	Tap & Tie-in to Upstream Pipeline	ENT	ENT	IP	ENT	ENT	ENT
D	ENT Instrumentation	ENT	ENT	IP	ENT	ENT	ENT
E	ENT Telemetry (SCADA)	ENT	ENT	IP	ENT	ENT	ENT

END OF EXHIBIT A

EXHIBIT B

Data Sharing

1. Data Access. Interconnecting Party and/or its designee will have limited access to Company's electronic measurement equipment at the Meter Station for the sole and limited purpose of installing, operating, and maintaining "read only" electronic data gathering equipment and appurtenant connection facilities designed to acquire electronic measurement data (the "**Data Collection Equipment**"). Interconnecting Party will only have access to such electronic measurement data in a format established by Company, which will not interfere with the operation of the Meter Station.
2. Raw Data. *Interconnecting Party expressly recognizes and agrees that the data acquired from any Data Collection Equipment is "raw data," which is subject to further refinement, correction, or interruption due to maintenance, repair, or other activities by Company, or due to Force Majeure. Company makes no warranties or representations as to the accuracy, completeness, consistency, availability, or continued accessibility of such "raw data" and has no obligation to advise Interconnecting Party of any such interruptions, or to verify the integrity of such data, whether or not resulting from activities performed by Company. Interconnecting Party shall not use the "raw data" as the basis for any dispute between the Parties.*
3. Data. At a minimum, Company shall use commercially reasonable efforts to make necessary connections to its electronic measurement equipment to provide Interconnecting Party with the following:
 - a. pressure;
 - b. temperature;
 - c. instantaneous flow and instantaneous energy;
 - d. total flow today;
 - e. total flow yesterday and total energy yesterday;
 - f. flow control set point;
 - g. flow control valve position; and
 - h. gas compositional data (including specific gravity).
4. Hardware. Interconnecting Party, at its sole risk, cost, and expense, may install or cause to be installed Data Collection Equipment as Company, in its sole discretion, determines reasonable and necessary, at locations mutually agreed upon by the Parties. Interconnecting Party shall supply isolation devices acceptable to Company, which provide surge protection between each Party's equipment. Company will terminate all cabling in Company-owned equipment as necessary.
5. Title to Property. Interconnecting Party will retain title to the Data Collection Equipment installed by Interconnecting Party, and Interconnecting Party shall operate and maintain said Data Collection Equipment. Title to the facilities installed by Company will be in Company's name, and Company will own, operate, and maintain said facilities.
6. Right of Access. Interconnecting Party, at its sole risk, cost, and expense may access to the Meter Station at all reasonable times upon 24 hours' prior notice for the sole and limited purpose of installing, inspecting, calibrating, maintaining, or removing its Data Collection Equipment, which access must be performed without unreasonable interference to Company's facilities and operations; *provided, however*, all Interconnecting Party personnel accessing such Meter must first complete training reasonably required by Company due to the nature and proximity of other pipelines and equipment within the site. Company may require a representative present to witness the installation or removal of Interconnecting Party's Data Collection Equipment and to coordinate the activities, as well as any subsequent operations and maintenance activities, to assure such activities do not interfere with the operation of Company's facilities.

7. Notifications Prior to Commencement of Work. Prior to the commencement by Interconnecting Party of the installation or removal of Interconnecting Party's Data Collection Equipment at the Meter Station, Interconnecting Party shall give notice to Company's measurement specialist or such other contact as specified from time to time by Company, so Company may require a representative present to witness the installation or removal of such Data Collection Equipment and to coordinate the activities, as well as any subsequent operations and maintenance activities, to assure that such activities do not interfere with the operation of Company's facilities.
8. Operation of Data Collection Equipment. Interconnecting Party shall install, operate, and maintain the Data Collection Equipment in conformity with Company's operational and safety requirements and Applicable Law.
9. Company's Right to Disconnect Equipment. Company reserves the right to disconnect Interconnecting Party's Data Collection Equipment without prior notice if at any time such Data Collection Equipment interferes with or adversely affects Company's ability to perform effective measurement, or in any way interferes with Company's operations. If it is necessary for Company to disconnect Interconnecting Party's Data Collection Equipment, then Company shall notify Interconnecting Party of said disconnection, prior to or as soon as possible thereafter, and shall coordinate with Interconnecting Party the reconnection of the Data Collection Equipment following correction of the problem by Interconnecting Party to Company's reasonable satisfaction.
10. Modification and/or Removal of Facilities. Notwithstanding anything to the contrary herein, Interconnecting Party may remove the Data Collection Equipment at any time, at Interconnecting Party's sole risk, cost, and expense, after giving reasonable prior notice to Company, so long as such removal does not interfere with Company's facilities and operations. If Company modifies, alters, or changes the meter at the Meter Station, then Interconnecting Party shall promptly move, change, or modify the Data Collection Equipment, at Interconnecting Party's sole cost and expense, in a manner reasonably necessary to maintain compatibility with the meter, in Company's sole discretion.
11. Failure to Comply. If Company determines that Interconnecting Party has failed to comply with the provisions of this Exhibit B, then Company shall provide Interconnecting Party with written notice of such failure. If Interconnecting Party does not correct such failure within 15 days after the receipt of such notice from Company, then Company may immediately disconnect the cable connections to Interconnecting Party's equipment and terminate Interconnecting Party's ability to access data from Company's measurement equipment. Notwithstanding the foregoing, nothing in this Section restricts Company's right to take immediate action, as Company deems reasonably necessary, to protect Company's personnel or equipment or to protect the public.