

CONFIDENTIALITY AGREEMENT

This Confidentiality Agreement (the "**Agreement**"), effective as of [DATE] (the "**Effective Date**"), is entered into by and between Pine Needle LNG Company, LLC, a Delaware limited liability company having its principal place of business at 2800 Post Oak Blvd., Houston, Texas 77056 ("Pine Needle ") and [NAME OF RECIPIENT], a [RECIPIENT STATE OF ORGANIZATION] [ENTITY TYPE] having its principal place of business at [RECIPIENT BUSINESS ADDRESS] ("XYZ"). Pine Needle and XYZ are sometimes referred to hereinafter individually as a "Party" or jointly as the "Parties".

RECITALS

WHEREAS, by Order No. 787 issued November 15, 2013, the Federal Energy Regulatory Commission ("FERC" or "Commission") granted explicit authority to interstate pipelines and public utilities that own, operate or control facilities used for the transmission of electric energy in interstate commerce to share non-public, operational information; and

WHEREAS, the explicit authority granted by the Commission in Order No. 787 to share non-public, operational information included the sharing of customer-specific information proprietary to Pine Needle ; and

WHEREAS, the purpose of the information sharing authorized by the Commission in Order No. 787 is to promote reliable service or operational planning on either the public utility's or interstate pipeline's system (the "Purpose"); and

WHEREAS, in granting the explicit authority, the Commission emphasized that the sharing of non-public, operational information, including customer-specific information, was voluntary; and

WHEREAS, Pine Needle is an interstate natural gas pipeline subject to the authority of the Commission; and

WHEREAS, pursuant to Order No. 787 and consistent with the Purpose, the Parties desire to provide and/or receive non-public, operational information on a voluntary basis.

NOW, THEREFORE, in consideration of the mutual covenants, terms and conditions set forth herein, the Parties agree as follows:

1. Disclosing Party. As used in this Agreement, "Disclosing Party" means the Party that disclosed or otherwise furnished Confidential Information.

2. Receiving Party. As used in this Agreement, "Receiving Party" means the Party that received Confidential Information.

3. Confidential Information. Except as set forth in Section 4 below, "**Confidential Information**" means all non-public, confidential or proprietary operational information, including customer-specific information, as that term is used in the Commission's Order No. 787 disclosed before, on or after the Effective Date, by the Disclosing Party to the Receiving Party or to any of such Receiving Party's employees, officers, directors, partners, shareholders, agents, attorneys, accountants or advisors (collectively, "**Representatives**"), whether disclosed orally or disclosed or accessed in written, electronic or other form or media. The Disclosing Party shall physically mark the Confidential Information as "Confidential."

4. Exclusions from Confidential Information. Except as required by applicable federal, state or local law or regulation, the term "**Confidential Information**" as used in this Agreement shall not include information that:

(a) at the time of disclosure is, or thereafter becomes, generally available to and known by the public other than as a result of, directly or indirectly, any act or omission by the Receiving Party or any of its Representatives;

(b) at the time of disclosure is, or thereafter becomes, available to the Receiving Party on a non-confidential basis from a third-party source, provided that such third party is not and was not prohibited from disclosing such Confidential Information to the Receiving Party by any legal, fiduciary or contractual obligation;

(c) was known by or in the possession of the Receiving Party, as established by documentary evidence, prior to being disclosed by or on behalf of the Disclosing Party pursuant to this Agreement; or

(d) was or is independently developed by the Receiving Party, as established by documentary evidence, without reference to or use of, in whole or in part, any of the Disclosing Party's Confidential Information.

5. Receiving Party Obligations. The Receiving Party shall:

(a) use its best efforts to protect and safeguard the confidentiality of all such Confidential Information;

(b) not use the Disclosing Party's Confidential Information, or permit it to be accessed or used, for any purpose other than the Purpose;

(c) not disclose any such Confidential Information to any person or entity, except to the Receiving Party's Representatives who:

(i) need to know the Confidential Information to assist the Receiving Party, or act on its behalf, in relation to the Purpose;

(ii) are informed by the Receiving Party of the confidential nature of the Confidential Information; and

(iii) are subject to confidentiality duties or obligations to the Receiving Party that are no less restrictive than the terms and conditions of this Agreement;

(d) immediately notify the Disclosing Party of any unauthorized disclosure of Confidential Information or other breaches of this Agreement by the Receiving Party or its Representatives of which the Receiving Party has knowledge;

(e) fully cooperate with the Disclosing Party in any effort undertaken by the Disclosing Party to enforce its rights related to any such unauthorized disclosure; and

(f) be responsible for any breach of this Agreement caused by any of its Representatives.

6. Party Representations and Warranties. Each Party represents and warrants that:

(a) it is providing the Confidential Information solely in connection with the Purpose;

(b) it has implemented and will continue to maintain sufficient information security protocols to secure and protect the confidentiality of all Confidential Information in its or its Representatives' possession or control;

(c) its need and use of the Confidential Information is and shall only be for the Purpose; and

(d) it or its Representatives will not disclose or use anyone as a conduit for the disclosure of Confidential Information to a third party or to its "marketing function employees" as that term is defined in Section 385.3 of the Commission's regulations.

7. Required Disclosure. Any disclosure by the Receiving Party or its Representatives of any of the Disclosing Party's Confidential Information pursuant to applicable federal, state or local law, regulation or a valid order issued by a court or governmental agency of competent jurisdiction (a "**Legal Order**") shall be subject to the terms of this Section. Prior to making any such disclosure, the Receiving Party shall make commercially reasonable efforts to provide the Disclosing Party with:

(a) prompt written notice of such requirement so that the Disclosing Party may seek a protective order or other remedy; and

(b) reasonable assistance in opposing such disclosure or seeking a protective order or other limitations on disclosure.

If, after providing such notice and assistance as required herein, the Receiving Party remains subject to a Legal Order to disclose any Confidential Information, the Receiving Party (or its Representatives or other persons to whom such Legal Order is directed) shall disclose no more than that portion of the Confidential Information which, on the advice of the Receiving Party's legal counsel, such Legal Order specifically requires the Receiving Party to disclose and shall use commercially reasonable efforts to obtain assurances from the applicable court or agency that such Confidential Information will be afforded confidential treatment.

8. Return or Destruction of Confidential Information. Upon the expiration or termination of this Agreement, or at the Disclosing Party's request at any time during the term of this Agreement, the Receiving Party and its Representatives shall promptly return to the Disclosing Party all copies, whether in written, electronic or other form or media, of the Disclosing Party's Confidential Information, or destroy all such copies and certify in writing to the Disclosing Party that such Confidential Information has been destroyed. In addition, the Receiving Party shall also destroy all copies of any notes created by the Receiving Party or its Representatives and certify in writing to the Disclosing Party that such copies have been destroyed.

9. Term and Termination. The term of this Agreement shall commence on the Effective Date and shall expire four (4) years from the Effective Date, provided that either Party may terminate this Agreement at any time by providing written notice to the other Party. Notwithstanding anything to the contrary herein, each Party's rights and obligations under this Agreement shall survive the expiration or termination of this Agreement for a period of three (3) years from the date of such expiration or termination, even after the return or destruction of Confidential Information by the Receiving Party (the "**Survival Period**").

10. Indemnification. The Receiving Party shall defend, indemnify and hold harmless the Disclosing Party, its affiliates and their respective shareholders, officers, directors, employees, agents, successors and permitted assigns from and against all losses, damages, liabilities, deficiencies, actions, judgments, interest, awards, penalties, fines, costs or expenses of whatever kind, including reasonable attorneys' fees, in connection with any third party claim, suit, action or proceeding arising out of or resulting from a material breach of any representation, warranty or obligation set forth in this Agreement by the Receiving Party or any of its Representatives.

11. No Warranties as to Completeness or Accuracy. Neither the Disclosing Party nor any of its Representatives make any representation or warranty, expressed or implied, as to the accuracy or completeness of the Confidential Information disclosed to the Receiving Party hereunder. Neither the Disclosing Party nor any of its Representatives shall be liable

to the Receiving Party or any of its Representatives relating to or resulting from the Receiving Party's use of any of the Confidential Information or any errors therein or omissions therefrom.

12. No Disclosure Obligation. The Parties agree that this Agreement does not require or compel the Disclosing Party to disclose any Confidential Information to the Receiving Party.

13. Remedies. The Receiving Party acknowledges and agrees that money damages might not be a sufficient remedy for any breach or threatened breach of this Agreement by the Receiving Party or its Representatives. Therefore, in addition to all other remedies available at law (which the Disclosing Party does not waive by the exercise of any rights hereunder), the Disclosing Party shall be entitled to seek specific performance and injunctive and other equitable relief as a remedy for any such breach or threatened breach, and the Receiving Party hereby waives any requirement for the securing or posting of any bond or the showing of actual monetary damages in connection with such claim. In the event that either Party institutes any legal suit, action or proceeding against the other Party arising out of or relating to this Agreement, the prevailing Party in the suit, action or proceeding shall be entitled to receive in addition to all other damages to which it may be entitled, the costs incurred by such Party in conducting the suit, action or proceeding, including reasonable attorneys' fees and expenses and court costs.

14. Governing Law, Jurisdiction and Venue. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Texas without giving effect to any choice or conflict of law provision or rule (whether of the State of Texas or any other jurisdiction) that would cause the application of Laws of any jurisdiction other than those of the State of Texas. Any legal suit, action or proceeding arising out of or related to this Agreement or the matters contemplated hereunder shall be instituted exclusively in the federal courts of the United States or the courts of the State of Texas in each case located in Texas and Harris County, and each Party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding and waives any objection based on improper venue or *forum non conveniens*. Service of process, summons, notice or other document by mail to such Party's address set forth herein shall be effective service of process for any suit, action or other proceeding brought in any such court.

15. Notices. All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and such communications must be sent to the respective parties at the addresses set forth on the first page of this Agreement (or to such other address that may be designated by a Party from time to time in accordance with this Section).

16. Entire Agreement. This Agreement constitutes the sole and entire agreement of the Parties with respect to the subject matter contained herein, and supersedes all prior and contemporaneous understandings, agreements, representations and warranties, both written

and oral, with respect to such subject matter. This Agreement may only be amended, modified or supplemented by an agreement in writing signed by each Party hereto.

17. Severability. If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction.

18. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

19. Assignment. Neither Party may assign any of its rights hereunder without the prior written consent of the other Party, which consent shall not be unreasonably withheld. This Agreement is for the sole benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

20. Waivers. No waiver by any Party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the Party so waiving. No waiver by any Party shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

21. Disclosure to Affiliated Entities and Shared Employees. Absent a waiver granted by FERC or other governmental agency with requisite jurisdiction ("waiver"), the Parties agree that any non-public, operational information shared pursuant to this Agreement shall not be disclosed or otherwise provided to any entity affiliated with a Party. Absent waiver, the Parties further agree that any such non-public, operational information shall not be disclosed or otherwise provided to any employee shared by a Party and a local distribution company, intrastate pipeline or affiliated gathering company.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties have executed this Agreement to be effective as of the Effective Date.

Pine Needle LNG Company, LLC

By: _____

Name: _____

Title: _____

Company: _____

By: _____

Name: _____

Title: _____