

## GAS SALES AGREEMENT

**Effective Date:** June 1, 2026

**Seller:** Targa SouthTex Midstream Marketing Company Ltd. (“Targa”)  
Attn: TPL Contract Administration  
110 W. 7<sup>th</sup> St., Suite 2300  
Tulsa, OK 74119

Telephone Number: (844) 659-9938  
Facsimile Number: (713) 483-2006  
Email: [TPLContractAdmin@targaresources.com](mailto:TPLContractAdmin@targaresources.com)

**Buyer:** City of Corpus Christi (“Corpus Christi”)  
4225 S. Port Avenue  
Corpus Christi, TX 78415

Telephone Number: (361) 885-9938  
Facsimile Number:  
Email: [BillM@corpuschristitx.gov](mailto:BillM@corpuschristitx.gov)

### 1. SCOPE OF AGREEMENT

This Gas Sales Agreement (“*Agreement*”) is entered into between Corpus Christi and Targa as of the Effective Date. Targa agrees to sell and deliver, on a fully interruptible basis, and Corpus Christi agrees to purchase and receive Gas at the Delivery Point to supply a gas distribution system for the City of Rockport, Texas. Targa and Corpus Christi may be referred to herein individually as a “*Party*” and collectively as the “*Parties*”.

### 2. TERM

Except as otherwise provided herein, this Agreement shall remain in full force and effect for a “*Primary Term*” of one (1) year from the Effective Date, and shall continue thereafter year-to-year, until terminated by either Party, upon 30 days’ written notice to the other Party in advance of the expiration of the Primary Term, or any extension thereof.

### 3. DEFINITIONS

“*Adequate Assurance of Performance*” has the meaning given in Section 8.B.

“*Affiliate*” means any Person that directly or indirectly, through one or more intermediaries, controls or is controlled by or is under common control with the specified Person. For purposes of this definition, “control” means (i) ownership, directly or indirectly, of either the outstanding voting stock of the controlled Person or any other ownership interest in the controlled Person if such interest has, directly or indirectly, the power to direct or cause the direction of the management and policies of such relevant Person or (ii) operational control of the controlled Person pursuant to an operating agreement, management agreement, or other contractual rights.

“*Agreement*” has the meaning given in Section 1.

“*Business Day*” means any day except Saturday, Sunday, or a Federal Reserve Bank holiday.

“*Claims*” means suits, actions, liabilities, legal proceedings, claims, demands, damages, liens, fines, penalties, losses, costs, and expenses of whatever kind or character, including court costs, reasonable attorney’s fees and other litigation and dispute resolution costs.

“*Corpus Christi*” means City of Corpus Christi.

“*Corpus Christi Group*” means any of Corpus Christi, its Affiliates, and its and their respective directors, officers, partners, employees, servants, agents, independent contractors, and invitees, but does not include any member of Targa Group.

“*Corpus Christi’s Line*” means the piping and other facilities necessary and sufficient to allow Corpus Christi to receive Gas (a) at the Delivery Point described on Exhibit B, and (b) at the prevailing pressures on Targa’s Gathering System, as existing from time to time at such point(s).

“*Delivery Point*” means the outlet flange of the custody transfer meter and serving as the point of interconnection between Targa’s facilities and the facilities of Corpus Christi, where Gas is delivered to Corpus Christi by Targa. The Delivery Point subject to this Agreement is described on Exhibit B.

“*Delivery Point Fee*” has the meaning given in Section 7.B.

“*Force Majeure*” has the meaning given in Section 10.

“*Gas*” means the raw, untreated, and unprocessed natural gas delivered by Targa to the Delivery Point, in the condition such natural gas exists on Targa’s Gathering System at the time of delivery.

“*Gas Price*” has the meaning given in Exhibit A.

“*Gas Value*” has the meaning given in Section 7.A.

“*Gas Volume*” has the meaning given in Section 7.

“*Gathering System*” means the gas gathering pipelines, facilities, equipment, related infrastructure and real property rights owned or used by Targa upstream of the Delivery Point.

“*Low Volume Fee*” has the meaning set forth in Section 7.C.

“*Maximum Quantity*” has the meaning set forth in Section 5.

“*Mcf*” means one thousand (1,000) Cubic Feet.

“*MMBtu*” means 1,000,000 Btu’s.

“*Party*” or “*Parties*” has the meaning given in Section 1.

“*Person*” means any individual, corporation, partnership, limited liability company, association, joint venture, trust, or other organization of any nature or kind.

“*Primary Term*” has the meaning given in Section 2.

“*Qualified Financial Institution*” has the meaning given in Section 8.B.

“*Targa*” means the entity identified as Targa on the first page of this Agreement and its successors and permitted assigns.

“*Targa Group*” means any of Targa, its Affiliates, and its and their respective directors, officers, partners, employees, servants, agents, independent contractors, and invitees, but does not include any member of Corpus Christi Group.

“*Third Party*” means any Person that is not a Party or is not an Affiliate of a Party.

#### **4. REPRESENTATIONS AND WARRANTIES OF CORPUS CHRISTI; REMEDY FOR BREACH**

- A. As material consideration inducing Targa to enter this Agreement, Corpus Christi represents and warrants that:
- (i) all Gas delivered by Targa to the Delivery Point pursuant to this Agreement will be used strictly for Corpus Christi's gas supply operations to the city of Rockport, Texas, expressly excluding use for any other purpose by Corpus Christi or any other Person;
  - (ii) Corpus Christi will not deliver the Gas, any constituents thereof, or any electricity or other products or energy generated from the Gas to any other Person or to or through any city, municipality, county or local distribution network other than to or through the gas distribution system serving the City of Rockport, Texas; and
  - (iii) Corpus Christi has not and will not act or fail to act in any manner which would result in Corpus Christi delivering Gas or electricity to or through ERCOT or any other electrical transmission grid or selling Gas or electricity to any wholesale electricity supply market.
- B. If there is a breach of any of the representations and warranties of Corpus Christi in this Agreement, then Targa may immediately cease deliveries of Gas and may terminate this Agreement immediately by providing written notice to Corpus Christi. TO THE EXTENT PERMITTED UNDER TEXAS LAW CORPUS CHRISTI AGREES TO INDEMNIFY, DEFEND AND HOLD TARGA AND ITS AFFILIATES HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS CAUSED BY, RELATING TO, BASED UPON, ARISING OUT OF, OR IN CONNECTION WITH (I) CORPUS CHRISTI'S BREACH OF THE REPRESENTATIONS AND WARRANTIES CONTAINED IN THIS SECTION 4 AND/OR (II) ANY MEMBER OF THE CORPUS CHRISTI GROUP'S, ITS CUSTOMERS, OR ANY OTHER PERSON'S USE OF THE GAS DELIVERED HEREUNDER FOR ANY PURPOSE OTHER THAN AN INDUSTRIAL USE IN NUECES COUNTY, TEXAS.

## 5. RECEIPTS AND DELIVERIES; QUANTITIES

Targa agrees to deliver to Corpus Christi at the Delivery Point, such quantities of Gas as may be requested by Corpus Christi (as measured by the measurement facilities installed by Targa at the applicable Delivery Point), which quantities requested may not exceed 1200 MMBtu/day (the "*Maximum Quantity*"); provided, that Targa's deliveries of Gas under this Agreement shall be on a fully interruptible basis. Targa may cease or curtail such deliveries at any time and for any reason, including, without limitation, due to the availability of Gas from the sourcing portion of Targa's Gathering System, as determined by Targa in Targa's sole and absolute direction, and the feasibility of the delivery of such Gas in all respects. Targa shall have no liability for any failure or inability to deliver the Gas requested by Corpus Christi, or for Targa's determination at any point that requested Gas volumes are not available for delivery hereunder. Targa's measurement records shall control for all purposes, subject to the applicable measurement facilities operating within a range of 2% accuracy. Corpus Christi shall be responsible and liable for all pressure regulation and over pressure protection in order to be able to receive the Gas into Corpus Christi's Line. The measurement, testing, and analysis provisions of Exhibit C shall apply to Gas delivered pursuant to this Agreement.

## 6. GAS QUALITY

Corpus Christi expressly acknowledges and agrees that (i) the Gas delivered from the Targa facilities will not be odorized, treated, processed or conditioned in any manner, (ii) Targa shall have no obligation to odorize such Gas for safety, operational, or any other reasons, and (iii) all obligations that may exist, if any, with respect to the quality and odorization of such Gas shall be the sole responsibility of Corpus Christi. Gas delivered under this Agreement will be delivered in the condition as it exists in Targa's Gathering System and Targa makes no warranties or representations regarding the Gas delivered to Corpus Christi hereunder, nor as to the quantity from time to time available for delivery hereunder. **WITHOUT LIMITING THE FOREGOING, TARGA MAKES NO REPRESENTATIONS OR WARRANTIES WITH RESPECT TO THE GAS PROVIDED TO CORPUS CHRISTI HEREUNDER (INCLUDING THE QUALITY, QUANTITY, OR COMPOSITION THEREOF) AND CORPUS CHRISTI ACCEPTS SUCH GAS "AS IS, WHERE IS" IN ITS**

CURRENT STATE WITHOUT WARRANTIES OF ANY KIND (INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE).

## 7. PURCHASE PRICE

Each month, Targa shall determine the quantity of Gas delivered to Corpus Christi during such month ("**Gas Volume**") at the Delivery Point. As full consideration for the Gas Volume delivered at the Delivery Point during such month, the Parties agree that, in addition to any other amounts due to Targa hereunder, Corpus Christi shall pay to Targa the following amounts each month, in accordance with the following:

A. The "**Gas Value**" shall be determined by Targa and shall be an amount equal to the quantity of Gas (in MMBtu, using Targa's gas analysis at the Delivery Point) multiplied by the Gas Price per MMBtu as determined under Paragraph 1 of Exhibit A for the subject month.

B. A delivery point fee equal to \$2.60/MMBtu (the "**Delivery Point Fee**") multiplied by the total quantity (in MMBtu) of Gas delivered at the Delivery Point(s) (using Targa's gas analysis at the Delivery Point(s)).

C. For any Delivery Point in which Corpus Christi's receipt of Gas averages less than 100 MMBtu per month, Corpus Christi will pay Targa \$350 per month per Delivery Point (the "**Low Volume Fee**").

All fees set forth in this Agreement shall be adjusted annually as of each January 1, by multiplying the applicable amount by the sum of one plus the percentage increase (in decimal format), if any, in the final Consumer Price Index for All Urban Consumers U.S. City Average, All Items, Not Seasonally Adjusted (as reported by the United States Department of Labor, Bureau of Labor Statistics) for the most recent 12 month period for which the index is reported.

## 8. PAYMENTS; ADEQUATE ASSURANCE

A. Any amounts due Targa under this Agreement will be included on an invoice furnished by Targa. Any sums due Targa under this Agreement shall be paid by Corpus Christi to Targa no later than 30 days following the date of the applicable invoice. Should such payment date fall on a day other than a Business Day, such payment shall be due on the next succeeding Business Day. Late payments by Corpus Christi shall accrue interest at the rate of 1.5% per month until paid, or the highest rate allowed by applicable law, whichever is less. Without limiting the other rights of Targa pursuant to this section, Targa may at its option net, setoff, or recoup any sums due hereunder, and not paid by Corpus Christi within 5 days of the date due, from any sums otherwise due from Targa under any other agreement(s) between Targa and Corpus Christi, their Affiliates, or both.

B. If Targa has reasonable grounds for insecurity regarding the performance of any obligation under this Agreement (whether or not then due) by Corpus Christi (including the occurrence of a material change in the creditworthiness of Corpus Christi), then Targa may make written demand for Adequate Assurance of Performance, as defined below. If Corpus Christi fails to provide Adequate Assurance of Performance within three (3) Business Days of written demand by Targa, then in addition to other rights and remedies available to Targa under this Agreement, Targa may, in its sole discretion, exercise with immediate effect, until Corpus Christi complies with such demand, any applicable combination of the following options: (i) suspend deliveries of Gas under this Agreement, (ii) terminate this Agreement on 5 days' notice, or (iii) both. "**Adequate Assurance of Performance**" means sufficient security in the amount and for the term reasonably acceptable to Targa in the form of (i) an irrevocable standby letter of credit issued by a Qualified Financial Institution (as defined below) in a format reasonably acceptable to Targa or (ii) cash (either as a deposit or prepayment). If the credit of Corpus Christi's guarantor is deemed to be acceptable to Targa in Targa's sole reasonable opinion, the demand for Adequate Assurance of Performance can be satisfied with a guaranty issued on behalf of Corpus Christi in a format, amount and tenor acceptable to Targa, but only for as long as the credit of Corpus Christi's guarantor continues to be acceptable to Targa, after which time only Adequate Assurance of Performance in the form of (i) or (ii) will be acceptable to Targa. "**Qualified Financial Institution**" is defined as a U.S. commercial bank or the U.S. branch of a

foreign bank which has assets of at least ten billion U.S. dollars (\$10,000,000,000) and with a credit rating of at least A- by Standard & Poor's Financial Services, LLC, a subsidiary of The McGraw-Hill Companies, Inc. or its successor or at least A3 by Moody's Investors Service, Inc. or its successor.

## 9. TAXES

Corpus Christi acknowledges and agrees that Corpus Christi will be expressly responsible for paying any taxes or fees imposed by governmental authorities related to this Agreement and the services provided hereunder. If any such taxes are remitted by Targa on Corpus Christi's behalf, Targa will invoice Corpus Christi for any amounts so remitted in accordance with the provisions of Section 10.

## 10. FORCE MAJEURE

A Party shall not be in breach of this Agreement and shall not be liable to the other Party for failure to perform or delay in performing under this Agreement, other than for failure to timely pay amounts when due, to the extent any such performance is affected, delayed, or prevented by any of the following circumstances or events: (i) any act of God, fire, explosion, landslide, washout, soil erosion, or earthquake; (ii) any storm, tornado, hurricane, flood, lightning, freezing of wells or lines of pipe, or other adverse weather condition, natural disaster, or warning thereof; (iii) any war (whether declared or not), invasion, armed conflict, revolution, insurrection, act of civil or military authority, acts of a public enemy, riot, blockade, embargo, trade sanction, terrorism or threat thereof, sabotage, or civil disturbance; (iv) any epidemic or quarantine restriction; (v) any strike, lock-out, or labor or industrial disturbance or dispute from whatever cause (whether or not the affected Party may be able to influence or procure the settlement thereof); (vi) any compliance with any applicable law or with any action, order, demand, or request of any governmental authority; (vii) any inability, interruption, suspension, or delay in obtaining equipment, materials, supplies, labor, or utility service, each at a reasonable cost, in a timely manner, and under reasonable terms, as determined in Corpus Christi's reasonable discretion; (viii) any termination or adverse modification of, inability or delay in obtaining, or inability to renew, servitudes, easements, rights-of-way, grants, permits, consents, approvals of any governmental authority, or licenses, each at a reasonable cost, in a timely manner, and under reasonable terms, as determined in the acquiring Party's reasonable discretion; (ix) any breakage, disruption, or accident to equipment, machinery, wells, gathering systems, or pipelines; (x) non-routine operating conditions, or circumstances requiring maintenance, repairs, or alterations (whether scheduled or not); (xi) Gas supply constraints; (xii) electric shortages or power outages; (xiv) cyberattacks or any other cyber event or intrusion whether by malicious code, social engineering or other means, including, but not limited to, a software virus, data breaches, malware, ransomware, breach of firewalls or intrusion detection systems, denial of service or other similar events; or (xv) any circumstance or event not enumerated herein, whether foreseeable or not, outside the Party's reasonable control (each, an event of "*Force Majeure*"). A circumstance affecting either a Third Party or an Affiliate of a Party that affects, delays, or prevents a Party from performing under this Agreement is a Force Majeure with respect to such Party to the extent the circumstance is within the definition of Force Majeure. A Party whose ability to perform under this Agreement is affected by an event of Force Majeure shall, within a reasonable time after it learns of such Force Majeure, notify the other Party in writing with reasonable details of such Force Majeure, and shall resume performing as soon as reasonably practicable. Force Majeure shall neither extend the term of nor terminate this Agreement.

## 11. LAWS AND REGULATIONS

A. This Agreement shall be construed in accordance with the laws of the State of Texas, without reference to the conflicts of laws provisions thereof. The Parties irrevocably submit to the exclusive jurisdiction and venue of the state or federal courts located in Dallas, Dallas County, Texas in respect of any dispute arising pursuant to or in connection with this Agreement, and each Party waives any objection that such Party may now or hereafter have to the laying of the venue of any such action, suit, or proceeding. Each Party waives its rights to a trial by jury in respect of any Claims relating to this Agreement.

B. Targa is entering into this Agreement with the understanding that the services provided hereunder are not subject to regulation, and if it is determined by Targa in its sole discretion that said services are likely to become subject to regulation, or a claim is made by any Person that said services are subject to regulation, Targa may, in its sole discretion and at any time thereafter with written notice, discontinue all services contemplated hereunder, effective immediately, with no liability to Corpus Christi. Targa shall thereafter have the right to terminate this Agreement on ten Business Days' notice, provided, if

there are actions that Corpus Christi could undertake to cure or remedy such regulation(s) to Targa's sole satisfaction, Corpus Christi shall be provided the reasonable opportunity to take such actions and the Agreement shall not be terminated for so long as Corpus Christi is diligently pursuing such course of action; provided, further, such period shall not continue for a period of more than 60 days from the date of Targa's notice of termination. For avoidance of doubt, Targa shall retain the right to suspend services during such period.

## **12. INDEMNITIES**

**A. TO THE EXTENT PERMITTED UNDER TEXAS LAW CORPUS CHRISTI SHALL RELEASE, INDEMNIFY, DEFEND, AND HOLD HARMLESS TARGA GROUP FROM ALL CLAIMS ARISING FROM INJURIES TO AND DEATH OF PERSONS AND DAMAGE TO AND LOSS OF PROPERTY DIRECTLY OR INDIRECTLY ARISING FROM OR RELATED TO (I) CORPUS CHRISTI'S PROPERTY, FACILITIES, OR EQUIPMENT OR THE OPERATION THEREOF OR (II) GAS WHILE CORPUS CHRISTI GROUP HAS POSSESSION OR CONTROL THEREOF, EXCEPT TO THE EXTENT SUCH CLAIMS ARE CAUSED BY THE NEGLIGENCE OR WILLFUL MISCONDUCT OF ANY MEMBER OF TARGA GROUP; PROVIDED HOWEVER, THAT CORPUS CHRISTI SHALL BE SOLELY LIABLE FOR AND SHALL RELEASE, DEFEND AND HOLD HARMLESS TARGA FROM ALL CLAIMS ARISING FROM OR RELATED TO THE ODORIZATION OR NON-ODORIZATION OF THE GAS, WHETHER SUCH CLAIMS ARISE IN CONTRACT, TORT, OR UNDER ANY APPLICABLE LAWS OR REGULATIONS. AS BETWEEN THE PARTIES, FOR PURPOSES OF THIS AGREEMENT, CORPUS CHRISTI IS DEEMED TO HAVE POSSESSION AND CONTROL OF GAS UPON RECEIPT BY CORPUS CHRISTI AT THE DELIVERY POINT. WITHOUT LIMITATION OF THE FOREGOING, CORPUS CHRISTI AGREES TO THE EXTENT PERMITTED UNDER TEXAS LAW INDEMNIFY AND HOLD TARGA HARMLESS FROM AND AGAINST ANY AND ALL THIRD PARTY CLAIMS CAUSED BY, RELATING TO, BASED UPON, ARISING OUT OF, OR IN CONNECTION WITH THE SERVICES PROVIDED BY TARGA PURSUANT TO THIS AGREEMENT (INCLUDING THE DELIVERY OF AND, IF APPLICABLE, THE SALE OF GAS HEREUNDER, AND TAXES OR FEES DUE OR TO BECOME DUE WITH RESPECT THERETO) AND THE POSSESSION, USE, AND DISPOSITION OF GAS PROVIDED FOR HEREUNDER. NOTHING IN THIS SECTION OR ANY OTHER PROVISION OF THIS AGREEMENT SHALL REQUIRE, OR BE DEEMED OR CONSTRUED AS HAVING REQUIRED CORPUS CHRISTI TO ASSESS OR COLLECT REVENUE OR TO CREATE A SINKING FUND TO SATISFY ANY INDEMNIFICATION OBLIGATION UNDER THIS AGREEMENT.**

**B. TARGA SHALL RELEASE, INDEMNIFY, DEFEND, AND HOLD HARMLESS CORPUS CHRISTI GROUP FROM ALL CLAIMS ARISING FROM INJURIES TO AND DEATH OF PERSONS AND DAMAGE TO AND LOSS OF PROPERTY DIRECTLY ARISING FROM OR RELATED TO (I) TARGA'S FACILITIES OR THE OPERATION THEREOF OR (II) THE GAS WHILE TARGA GROUP HAS POSSESSION OR CONTROL THEREOF, EXCEPT TO THE EXTENT SUCH CLAIMS ARE CAUSED BY THE NEGLIGENCE OR WILLFUL MISCONDUCT OF ANY MEMBER OF CORPUS CHRISTI GROUP. AS BETWEEN THE PARTIES FOR PURPOSES OF THIS AGREEMENT, TARGA IS DEEMED TO HAVE POSSESSION AND CONTROL OF GAS PRIOR TO RECEIPT BY CORPUS CHRISTI AT THE DELIVERY POINT.**

## **13. LIMITATION OF LIABILITY**

**EXCEPT WITH RESPECT TO THIRD PARTY CLAIMS FOR WHICH A PARTY IS INDEMNIFIED TO THE EXTENT PERMITTED UNDER TEXAS LAW UNDER SECTION 4, EACH PARTY'S LIABILITY UNDER THIS AGREEMENT SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES, AND NEITHER PARTY SHALL BE LIABLE FOR SPECIAL, INDIRECT, CONSEQUENTIAL, INCIDENTAL, PUNITIVE, OR EXEMPLARY DAMAGES DIRECTLY OR INDIRECTLY ARISING FROM OR RELATED TO THIS AGREEMENT, INCLUDING DAMAGES RELATED TO LOSS OF USE, INCREASED COST OF OPERATIONS, LOSS OF PROFIT OR REVENUE, LOSS OF PRODUCTION, OR BUSINESS INTERRUPTION, UNDER APPLICABLE LAW, IN TORT OR CONTRACT, UNDER ANY**

**INDEMNITY PROVISION OR OTHERWISE, AND REGARDLESS OF WHETHER CAUSED BY NEGLIGENCE (WHETHER SOLE, JOINT, CONCURRENT, ACTIVE, PASSIVE, OR GROSS NEGLIGENCE), FAULT, OR LIABILITY WITHOUT FAULT; PROVIDED, HOWEVER, THAT THIS LIMITATION SHALL NOT LIMIT THE OBLIGATION OF A PARTY TO INDEMNIFY, DEFEND, AND HOLD HARMLESS THE OTHER PARTY AGAINST THIRD PARTY CLAIMS FOR SPECIAL, INDIRECT, CONSEQUENTIAL, INCIDENTAL, PUNITIVE, OR EXEMPLARY DAMAGES.**

**14. NOTICE**

All communications under this Agreement shall be given in writing sent to the mailing or e-mail addresses or facsimile number set forth on the first page of this Agreement and shall be delivered by personal delivery, certified mail return receipt requested, or nationally recognized overnight courier service, facsimile, or e-mail. A communication is deemed effective and delivered upon actual receipt except in the case of a communication sent by facsimile, which is deemed effective and delivered upon the sending Party's receipt of its facsimile machine's confirmation of successful transmission if sent before 5:00 PM Central time on a Business Day, otherwise on the next Business Day.

**15. MISCELLANEOUS**

A. **Entire Agreement; Amendment.** This Agreement is the Parties' complete and final expression of agreement on the subject matter of this Agreement and supersedes all prior agreements, representations, understandings, negotiations, offers, and communications, whether oral or written, regarding the subject matter of this Agreement. No course of dealing between the Parties can alter the terms of this Agreement, which can be amended only by a written agreement executed by an authorized representative of each Party.

B. **Severability.** If a provision of this Agreement is held invalid or unenforceable, all other provisions shall not be affected and this Agreement shall be amended to effect the Parties' original intent as closely as possible concerning the provision held invalid or unenforceable.

C. **No Waiver.** The failure by any Party hereto to exercise a right or enforce an obligation shall not constitute a waiver unless waived in writing by an authorized representative of the waiving Party and such waiver shall not constitute a continuing waiver unless the waiver in writing explicitly states such.

D. **Assignment.** This Agreement shall inure to the benefit of and is binding on the Parties hereto and their successors and permitted assigns; provided, however, this Agreement shall not be assigned or transferred by Corpus Christi without the express written consent of Targa, which consent may be withheld by Targa in its sole and complete discretion.

E. **Confidentiality.** Targa and Corpus Christi agree that "Confidential Information" means documentation that is not publicly known and is marked on each page as "Confidential and Proprietary Business Information". Corpus Christi agrees not to release properly marked confidential documents that have been marked "Confidential" to a private party unless said release is required by another governmental entity, which may include, but is not limited to, a Court or the Texas Attorney General. Company acknowledges that Corpus Christi is a governmental entity and must comply with the Texas Public Information Act (TPIA) and other laws that require disclosure and/or release of the Confidential Information. If Corpus Christi receives a valid, properly paid Request for Information for any of the Confidential Information, Corpus Christi will notify Targa of the requested disclosure in accordance with the TPIA. If Corpus Christi is legally compelled to disclose any of the Confidential Information, City will notify Targa of the required disclosure. Further, Targa acknowledges that Corpus Christi provides highly regulated services, and City may submit any Confidential Information to any federal, state, or local government agency and/or entity in support or defense of any regulatory proceeding, grant application or permit application.

F. **Survival.** All provisions of this Agreement that should be reasonably interpreted as surviving termination of this Agreement will survive, including those relating to payments, warranty, indemnification, limitation of damages, and governing law and venue.

G. **Third Party Beneficiaries.** Unless otherwise specifically provided in this Agreement, no Person shall be deemed a Third Party beneficiary hereunder.

H. **Interpretation.** In this Agreement (i) the headings are for convenience of reference only and shall be ignored in construing this Agreement, (ii) where the context requires, the singular includes the plural and vice versa, (iii) the words “include,” “includes,” and “including” shall be deemed to be followed by the words “without limitation,” (iv) unless the context otherwise indicates, references in this Agreement to sections or exhibits are references, respectively, to sections or exhibits of or to this Agreement, (v) all references in this Agreement to contracts, agreements, and other documents shall be deemed to refer to such contracts, agreements, and other documents as amended, modified, and supplemented from time to time, and (vi) no consideration shall be given to the fact or presumption that either Party had a greater or lesser hand in drafting this Agreement.

[Signature page follows.]

This Agreement may be executed in counterparts, each of which when executed shall be deemed to be an original, but all of which when taken together shall constitute one and the same agreement. Signatures by facsimile or .pdf shall be as effective as original signatures to this Agreement.

**TARGA SOUTHTEX MIDSTREAM  
MARKETING COMPANY LTD.**

By: Targa SouthTex Energy GP LLC,  
its general partner

DocuSigned by:  
By: John Coonce  
0A7525F15958461...  
John Coonce  
Senior Vice President,  
Commercial and Business Development - Central

Initial Initial  
MM EG

**CITY OF CORPUS CHRISTI**

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

Approved as to legal form:

By: [Signature]  
Assistant City Attorney

**Exhibit A**

**Pricing**

1. Gas Price. The "***Gas Price***" will be a price per MMBtu equal to the monthly average of the Houston Ship Channel (HSC) index price (IGBAP03) as published in the first of the month edition for the Delivery Month for which the Gas Price is being calculated pursuant to Section 7, by S&P Global Platts in its *Gas Daily Price Guide*, under the heading Monthly Bidweek Spot Gas Prices, expressed in dollars/MMBtu.

**Exhibit B**

**Delivery Point**

<u>Meter Name</u>	<u>Meter #</u>	<u>County/State</u>
Lamar	204C315519	Aransas Co., TX
Airport Sales	204315517	Aransas Co., TX
Cape Valero Sales	204315520	Aransas Co., TX

**Exhibit C**

Gas delivered and sold under this Agreement will be measured, tested, and analyzed as follows:

- (a) Targa shall install and maintain a natural gas measuring station properly equipped with an orifice meter and an electronic flow recorder of standard design and manufacture. The measurements of this measuring station shall establish the total quantity of Gas delivered at the Delivery Point and shall be deemed the exclusive method of measuring Gas delivered by Targa. Such metering equipment shall be installed, operated and the volumes calculated in accordance with the prescribed recommendations of American Petroleum Institute Manual of Petroleum Measurement Standards (“API MPMS”), Chapter 14, Natural Gas Fluids Measurement, Section 3, Concentric, Square-Edged Orifice Meters, Parts 1, 2, 3 & 4, latest revision. Revisions to such edition shall apply to computations and operation of meter installations but shall not be construed to require modifications to, or replacement of, said equipment. The computation of all Gas volumes measured by orifice meter shall also be made in accordance with API Chapter 20, as amended from time to time; provided, however, that all factors involved in the computation of Gas volumes measured hereunder shall be subject to and in accordance with applicable state laws.
- (b) Corpus Christi shall have access to the metering equipment at reasonable times upon request, but only Targa will do adjustments and calibration. Targa shall keep the measuring equipment accurate and in repair and shall test the orifice meter in service according to the applicable frequency set forth in paragraph (f) below or upon request of Corpus Christi. If the results of a test requested by Corpus Christi are within two percent by volume high or low Corpus Christi shall pay for such test.
- (c) The meter found on test to register not more than two percent by volume high or low shall be deemed to be correct as to past measurements but shall be corrected to record accurately. If the meter upon test proves to be more than two percent by volume high or low, adjustment shall be made for the Gas delivered during the period such meter was registering inaccurately; provided that such period shall not exceed half of the time since the last test, and no retroactive adjustments will be made for volume discrepancies less than 100 Mcf. If Targa’s meter is not registering accurately, the registration of Corpus Christi’s check meter, if accurately indicating within the tolerances provided above, shall be used to determine the volume of Gas delivered by Targa until such time as Targa’s meter is adjusted, repaired, or replaced. If Corpus Christi has not installed a check meter, or if such check meter has been installed and fails to record accurately, then the volume of Gas delivered during the period Targa’s meter was inoperative shall be determined upon the basis of the best data available, either by correcting the error if the percentage of error is ascertainable by calibration test, or mathematical calculation, or by determining the volume delivered by reference to deliveries during a different period under similar conditions when the meter was registering accurately.
- (d) The quantity of Gas delivered and sold under this Agreement shall be determined as follows:
  - (1) The volume unit for the purpose of measurement shall be a Cubic Foot of Gas.
  - (2) Targa may calculate the average absolute atmospheric (barometric) pressure based on the actual elevation of a Delivery Point above or below sea level, or by actual measurement, or may assume the atmospheric pressure to be 13.2 pounds per square inch irrespective of actual elevation of a Delivery Point above sea level or variations in actual barometric pressure from time to time.
  - (3) Targa may determine the temperature of Gas by using a temperature recording device or may assume a flowing temperature of 60 degrees Fahrenheit.

- (4) The specific gravity of Gas shall be determined using chromatographic analysis pursuant to paragraph (e) below or other methods as agreed to by the Parties.
  - (5) Targa will determine the thermal content and composition of Targa’s Gas delivered at the Delivery Point using an industry-accepted, standard methodology.
  - (6) “Cubic Foot” means the volume of Gas contained in one cubic foot of space, corrected for water content, at a temperature base of 60 degrees Fahrenheit and the pressure base used by Corpus Christi for allocation and settlement.
- (e) Samples of Targa’s Gas will be obtained according to the applicable frequency set forth in paragraph (f) below, or more often at Targa’s option, and tested by chromatography or by such other methods as the Parties may agree to determine the composition of Targa’s Gas.
- (f) The following chart shall be used to determine the frequency, following first flow of Gas at a given Delivery Point, with which Targa is obligated to test the measuring equipment, obtain Gas samples, and re-determine specific gravity for a Delivery Point based upon the average daily volume of Gas delivered to the Delivery Point. If no Gas is flowing through a Delivery Point at the scheduled sampling time, no sample will be taken and the sampling and specific gravity data from the prior period will continue in effect through the next period. The average daily volume received at a Delivery Point shall be calculated by dividing the total volume received in a month at such Delivery Point by the number of days in such month.

Delivery Point Average Daily Volume (Mcf per day)		Minimum Sampling and Testing Frequencies	
Greater Than	Equal to or Less Than	Gas Sampling/Specific Gravity Update	Measurement Equipment Testing
4,000	N/A	Continuous / Monthly	Monthly
2,000	4,000	Monthly	Monthly
500	2,000	Monthly	Quarterly
25	500	Semi-Annually	Semi-Annually
0	25	Annually	Annually

- (g) Targa and Corpus Christi shall each give the other reasonable notice prior to the time of all tests so that the other may conveniently have a representative present. The measurement and testing records shall remain the property of their owner, but upon request, each Party shall submit to the other its records and charts, together with calculations therefrom, for inspection and verification, subject to return within 30 days after receipt thereof. Each Party shall preserve for the use of both Parties for a period of two years all test data, charts, and other similar records pertaining to the sale and purchase of Gas under this Agreement.