



**INTERLOCAL COOPERATION CONTRACT
GLO CONTRACT NO. 16-088-000-4221**

This Interlocal Cooperation Contract (the "Contract") is entered into by and between the Texas General Land Office ("GLO") and City of Mesquite, Vendor ID #75-6000606 (the "Receiving Agency") pursuant to the authority granted by and in compliance with the provisions of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code.

Confidentiality Notice. The contents of this Contract and any information related to it are excepted from disclosure and may not be released to a member of the public without the authorization of the General Land Office, a ruling from the Office of the Attorney General, or an order from a court to do so. Any request for disclosure of the contents of this Contract or any information related to it must be submitted to the Office of the Attorney General in accordance with Section 552.301 of the Texas Government Code. The General Land Office must be notified of the request in accordance with Section 552.305 of the Texas Government Code.

I. TERM AND AMOUNT OF CONTRACT

1.01 **Term:** This Contract shall be effective for a Primary Term of October 1, 2015 through September 30, 2018.

HOWEVER, the Contract shall be extended for each subsequent biennium if the requisite funding is appropriated by the Texas Legislature for the GLO and Receiving Agency for such biennium.

1.02 For and in consideration of the GLO's satisfactory performance under this Contract, which requires the delivery of an undeterminable quantity of natural gas, the Receiving Agency shall pay to the GLO, on a unit basis, the amount specified by the terms of this contract.

II. DEFINITIONS

Certain Defined Terms: Unless the context clearly requires otherwise, the capitalized terms defined below have the following meanings:

"Btu" means one (1) British thermal unit.

"Contract Maintenance Fee" means the fee the GLO charges per MMBtu delivered in accordance with 31 Texas Administrative Code §3.31.

"Early Termination Damages" means the difference between (a) the Fixed Gas Price times the Fixed Gas Volume(s) remaining to be supplied or purchased under this Contract, plus the Index Gas Price times the Index Gas Volume(s) remaining to be supplied or purchased under this Contract and (b) the Market Value of the Fixed Gas Volume(s) and Index Gas Volume(s) remaining to be supplied or purchased under similar circumstances under this Contract.

"Early Termination Date" means the date the Party authorized to do so establishes as the date the Contract terminates upon an Event of Default or the date of written termination notification by either Party that occurs prior to the termination date contemplated under Section 1.01. An Early Termination Date established under Sections 6.02 and 6.03 must be on the first day of a month.

"Event of Default" means that a Party fails to perform any material term or condition of the Contract, provided that such failure is not caused by Force Majeure.

"Fixed Gas Price" means the predetermined price of natural gas per MMBtu recorded on Exhibit A.

"Fixed Gas Volume(s)" means the volume(s) of natural gas designated by Receiving Agency on Exhibit B to be priced at the Fixed Gas Price.

"Force Majeure" means the occurrence of any of the following for the period of time, if any, that the performance by either or both Party's material obligations under this Contract are actually, materially, or reasonably delayed or prevented thereby: the enactment, imposition, or modification of any applicable law which occurs after the effective date of this Contract; governmental actions, whether federal, state, military or local, or any application of governmental conservation or curtailment rules or regulations; transportation or natural gas supplier strikes, lockouts, or other industrial disturbances; acts of God, terrorism, wars, blockades, insurrections, riots, civil disturbances, epidemics, landslides, lightning, earthquakes, fire, hurricanes, storms, floods, wash-outs, explosions, nuclear reaction, radiation, or radioactive contamination; accidents to machinery or lines of pipe; production of lines of pipe; imposed, scheduled or unscheduled shutdowns or curtailments of lines of pipe for inspection, testing, maintenance, or repair; or any other occurrence, whether of the kind herein enumerated or otherwise, which is not reasonably within the control of the Party claiming the right to delay performance on account of such occurrence and which is not a result of the negligence, willful misconduct, or actions under the control of, the Party claiming the right to delay performance on account of such occurrence. Force Majeure does not include fluctuations in the market price for natural gas or System Operating Expenses.

"Full Requirements" means the Receiving Agency's total natural gas requirements to be used only for operations, which includes providing gas to Receiving Agency's tenants, if any, at the facilities identified in Exhibit A.

"Gas Daily Price" means the midpoint price stated in the *Platts Daily Price Guide* or successor publication for the applicable Index Gas Price as referenced in Exhibit A.

"Imbalance Costs" means all costs, including mitigation costs, incurred by the GLO for Imbalance Gas, resulting from the GLO's use of information in Exhibit B or any subsequent amendment(s) thereto.

"Imbalance Gas" means the difference between a Transporter's receipts and deliveries of natural gas for the complete transportation path of the gas to the Points of Delivery.

"Index Price" means the price posting as first published each month in *Platts Gas Daily* price guide in the section titled "Market Centers," under the heading and subheading specified in Exhibit A, or in the event such publication is unavailable, a price agreed to by the GLO and Receiving Agency.

"Index Gas Price" means Index Price plus Market Demand Factor.

"Index Gas Volume(s)" means the volume(s) of natural gas designated by Receiving Agency in Exhibit B to be priced at the Index Gas Price, including any amount of natural gas supplied pursuant to Section 4.04.

"LDC" means a local distribution company.

"Market Demand Factor" means an adjustment to the Index Price, as determined by the GLO, to account for market factors, including but not limited to, supply, transportation and imbalance management and aggregation services performed by the GLO.

"Market Value" means any or all of the settlement prices of NYMEX natural gas futures contracts, quotations from leading dealers in energy swap contracts or physical gas trading markets, similar sales or purchase and any other bona fide third-party offers, all adjusted for the length of term and transportation costs to the Points of Delivery recorded in Exhibit A.

"MMBtu" means one million (1,000,000) Btu's.

"Monthly Gas Consumption Form" means the form attached hereto as Exhibit B that the Receiving Agency shall submit to the GLO wherein Receiving Agency designates its Monthly Scheduled Quantity.

"Monthly Invoices" means invoice(s) generated by the GLO for the delivery of natural gas, the balance forward from the preceding billing month and payments received during the current billing month setting out the total amount due by Receiving Agency for the time periods specified therein.

"Monthly Scheduled Quantity" means the total volume(s) of natural gas consumption per month in MMBtu the Receiving Agency reported on the most recent Exhibit B, filed in accordance with Section 3.03, and which is the amount of natural gas GLO will schedule for delivery to the Receiving Agency for the designated period(s). If no current Exhibit B from the Receiving Agency is on file at the GLO or, if one is filed, does not contain schedules volume(s) of natural gas

consumption for a specific time period, the GLO will, in its sole discretion, schedule the volume(s) of natural gas to supply to the Receiving Agency for that period.

"NYMEX" means the New York Mercantile Exchange.

"Party" or "Parties" means the GLO or Receiving Agency individually or collectively as use of the term implies.

"Points of Delivery" means the delivery interconnects more specifically identified in Exhibit A.

"Prior Period Adjustment" means any adjustments, including but not limited to, actual delivered natural gas volumes, meter reading errors, or any other factor(s) which may affect the resulting actual cost of delivered natural gas supplies and other services made to any previous monthly invoice resulting in the actual cost to the Receiving Agency.

"Service Meter" means the instrument for measuring and indicating or recording the volume of natural gas consumed by Receiving Agency.

"Swing Gas Price" means the price posting as published each day in *Platts Gas Daily* price guide in the section titled "Daily Price Survey", under the heading and subheading specified in Exhibit A, or in the event such publication is unavailable, a price agreed to by the GLO and Receiving Agency.

"Swing Gas Volume(s)" means the volume(s) of natural gas both purchased and sold during the month, to be priced at the appropriate Swing Gas Price.

"System Operating Expense(s)" means the cost incurred by the GLO to supply volume(s) of natural gas to the Points of Delivery identified in Exhibit A, and includes but is not limited to, transportation charges, park-and-loan charges, cash outs, fuel charges, meter or metering charges, fees and taxes, including all Imbalance Costs actually incurred or reasonably allocated by the GLO before or after the Points of Delivery. The System Operating Expense(s) may be modified by the GLO to reflect any actual cost increases or decreases to the various cost components comprising the System Operating Expense(s).

"Telemetry Recovery Charges" means actual telemetry costs, if any, incurred by the GLO. Receiving Agency has the option prior to the initial month of flow to notify the GLO in writing that it desires to prorate the actual telemetry costs plus 4% annual interest over a term not to exceed the last month noted on Exhibit B. These charges will be calculated as follows: (actual telemetry costs plus (actual telemetry costs multiplied by (4% multiplied by the desired months of proration divided by 12))) divided by the desired months of proration to determine the monthly recovery charge billed.

"Transporter" means the pipeline company(s) that transports natural gas for the GLO.

III. STATEMENT OF SERVICES TO BE PERFORMED

3.01 Provision of Natural Gas: The GLO agrees to sell and the Receiving Agency agrees to buy the Receiving Agency's Full Requirements of natural gas on the terms and conditions set forth herein. If this contract is extended into a new biennium pursuant to Section 1.01, the GLO and the Receiving Agency shall, by written agreement, amend Exhibit A and Exhibit B, otherwise the GLO will, in its sole discretion, schedule the volume(s) of natural gas to supply to the Receiving Agency for that period.

3.02 Use of Natural Gas: The Receiving Agency agrees that the natural gas purchased under the terms and conditions of this Contract shall be used only for the operational needs of the facilities, which includes providing gas to Receiving Agency's tenants, if any, identified in Exhibit A and may not be resold for any purpose or use whatsoever.

3.03 Monthly Gas Consumption Form: Upon execution of the Contract and annually thereafter, or from time to time as changed conditions require, the Receiving Agency shall complete and submit to the GLO a Monthly Gas Consumption Form in accordance with 31 Tex. Admin. Code §8.8.

3.04 Fixed Gas Volume(s): The Parties will execute an Exhibit A for purposes of locking in a Fixed Gas Price for the duration of time designated in Exhibit A and will execute an Exhibit B to designate the monthly volume of natural gas to be purchased at the Fixed Gas Price. Exhibit A and Exhibit B shall be amended in accordance with Section 3.10.

3.05 Future Month Quantity Amendments: In accordance with Section 3.10, volume(s) of natural gas designated to be purchased at the Index Gas Price on the most recent Exhibit B may be amended by execution of Exhibit C (Confirmation Of Amendments to Scheduled Gas Volumes) and attaching a revised Exhibit B at any time no less than two (2) weeks prior to the month for which the change is to be effective. The amended Exhibit B volume(s) shall not be effective until the GLO acknowledges its approval in writing.

3.06 Intra-Month Quantity Amendments: In order to mitigate the inevitable discrepancies between scheduled volume(s) and actual consumption of natural gas designated as Index Gas Price the Parties agree that the Receiving Agency may amend its scheduled volume(s) at any mutually agreeable time by execution of Exhibit C. The execution of Exhibit C will have the effect of amending Exhibit B; however, intra-month amended Exhibit B volume(s) are not binding on the GLO. The GLO will make commercially reasonable attempts to effectuate intra-month scheduled amendments, but makes no guarantee that they can be implemented or that avoidance of Imbalance Costs can be achieved.

3.07 Imbalance Costs: The Receiving Agency shall bear all Imbalance Costs.

3.08 Transportation Agreements: The Receiving Agency, if necessary, shall enter into separate agreements to transport the volume(s) of natural gas received under this Contract. The

Receiving Agency is directly and independently responsible to such Transporter or LDC for all transportation costs from the Points of Delivery to the Service Meter(s) at Receiving Agency's facilities identified in Exhibit A.

3.09 Title to Gas: Title to the natural gas, its control and possession, risk of loss, and liability for damages and injuries, shall pass to the Receiving Agency upon delivery of the natural gas to the Service Meter(s) at Receiving Agency's facilities identified in Exhibit A.

3.10 Exhibit Amendments: Exhibit A, Exhibit B, and Exhibit C of this Contract may be amended through the mutual agreement of the Parties by the execution of new exhibits signed and dated by both Parties. Receiving Agency hereby expressly grants authority to the Director of Finance or Managing Director of Administration Services to execute amendments to Exhibit A, Exhibit B, and Exhibit C.

IV. BILLING AND STATEMENT OF CHARGES

4.01 Billing: The GLO shall bill the Receiving Agency via Monthly Invoices that shall be delivered via the United States Postal Service, electronic mail, or facsimile at the GLO's option to the Receiving Agency on or before the last working day of the month following the month of delivery.

4.02 Invoicing: The Monthly Invoices indicate the total sum of:

- (i) Fixed Gas Volume(s) times the Fixed Gas Price, WHETHER OR NOT SUCH QUANTITY IS ACTUALLY TAKEN BY THE RECEIVING AGENCY DURING THE MONTH, plus
- (ii) the product of the month's designated or scheduled Index Gas Volume(s) times the Index Gas Price, plus
- (iii) a positive or negative Prior Period Adjustment reflecting the difference, if any, between the previous month's designated or scheduled Index Gas Volume(s) and the actual Index Gas Volume(s) supplied, plus
- (iv) the Contract Maintenance Fee, plus
- (v) System Operating Expenses, plus
- (vi) Telemetry Recovery Charges, plus
- (vii) any charges incurred under Sections 4.04, 4.05 or 4.06.

4.03 Default Gas Pricing: For any month during the term of this Contract for which Exhibit A pricing is not in effect, all natural gas supplied to Receiving Agency will be sold per MMBtu at a price equal to the total sum of: the greater of (i) the first of the month Index Price for the month of flow times 120% or (ii) the average of the Gas Daily Price relative to the referenced Index Price for the month of flow times 120%, plus (a) the Contract Maintenance Fee, and (b) the System Operating Expenses.

4.04 Excess Usage Pricing: If the Index Gas Volume(s) of natural gas received by the Receiving Agency exceeds the Monthly Scheduled Quantity of Index Gas Price gas, such excess will be priced as follows:

- (i) if the Transporter utilizes a cash out provision, the actual excess quantity used times the Transporter's cash out contract price plus the associated transportation charges; or
- (ii) if the Transporter does not utilize a cash out provision and the natural gas received by the Receiving Agency exceeds 105% of the Monthly Scheduled Quantity of Index Gas Volume(s), all volume of natural gas exceeding 100% of the Monthly Scheduled Quantity will be priced at the greater of (a) the first of the month Index Price for the month of flow times 120% or (b) the average of the Gas Daily Price relative to the referenced Index Price for the month of flow times 120%.

4.05 Shortfall Usage Pricing: If the Receiving Agency does not accept delivery of the Monthly Scheduled Quantity of Index Gas Volume(s), the Receiving Agency shall pay the GLO as follows:

- (i) if the Transporter utilizes a cash out provision, the quantity of natural gas not accepted times the positive difference between the Index Gas Price for that particular quantity of natural gas minus the cash out price the Transporter paid the GLO for the Monthly Scheduled Quantity not accepted plus associated transportation charges; or
- (ii) if the Transporter does not utilize a cash out provision and the Receiving Agency does not accept delivery of at least 95% of the Monthly Scheduled Quantity of Index Gas Volume(s), the positive difference between the Index Gas Price for that quantity of natural gas not accepted less the lesser of (a) 80% of the first of month Index Price for the month of flow times the quantity of natural gas not accepted or (b) 80% of the average of the Gas Daily Price for the referenced index for the month of flow times the quantity of natural gas not accepted, plus (c) the actual transportation cost for all scheduled volume(s). For the purposes of subsection (i) and (ii), the phrase "quantity of natural gas not accepted" means the difference in the volume(s) of gas listed on the most recently filed or amended Exhibit B or Exhibit C and the gas actually accepted for the applicable time periods.

4.06 Special Aggregation Provision: For the calculations contemplated by subsections (ii) of sections 4.04 and 4.05, the GLO will aggregate the Monthly Scheduled Quantity of Index Gas Volume(s) for the Receiving Agency and other gas customers of the GLO whose Points of Delivery are located in areas where the LDC creates or allows a pool (together, the "Receiving Agencies"), and aggregate the natural gas index volumes actually accepted by the pooled Receiving Agencies at the locations provided for in their respective contracts. Any imbalance fee imposed by the GLO will be apportioned among those Receiving Agencies based upon their pro rata contribution to any resulting imbalance. However, in no event will the imbalance fee under this section exceed the imbalance fee for the Receiving Agency on a stand-alone basis. The aggregation provided for in this special provision shall apply to each LDC, provided that the LDC provides an aggregation benefit for gas customers.

V. PAYMENT FOR SERVICES

Payment Methods and Due Date: Payments by check, electronic fund transfer or interagency transaction voucher (ITV), unless otherwise agreed, are the only acceptable methods of Payment. Payment is due no later than thirty (30) calendar days from date of receipt of the Statement of Charges for all undisputed charges. If the invoiced party disputes the amount of any such Statement of Charges, such invoiced party shall, within five (5) days of the payment due date, provide supporting documentation to support the amount disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available to enforce its rights pursuant to this contract. Payment upon receipt of the Statement of Charges after a reasonable process period is encouraged, as the GLO must pay for purchased natural gas by the 25th of the month following the month of delivery. Payments involving ITVs shall be executed according to the guidelines established by Accounting Policy Statement Number 14 (entitled "Interagency Payments and Receipts" in Publication APS-14), or successor guidelines, under the Uniform Statewide Accounting System (Comptroller of Public Accounts, Accounting Policy Statements). ITV payments are to be made to the Texas General Land Office, VENDOR NUMBER 33053053055000, using RTI NUMBER 305002.

VI. DEFAULT AND TERMINATION

6.01 Early Termination: Subject to payment of Early Termination Damages, either Party may terminate this Contract early by giving at least thirty (30) days written notice to the other Party.

6.02 Early Termination Date: The terminating Party may establish the Early Termination Date. The non-terminating Party shall thereafter determine any Early Termination Damages in a commercially reasonable manner.

6.03 Event of Default Early Termination Date: The non-defaulting Party may establish the Early Termination Date. The non-defaulting Party shall thereafter determine any Early Termination Damages in a commercially reasonable manner.

6.04 Non-Performance due to Force Majeure: Any delays in or failure of performance by either Party, except in respect of the obligation of payments under this Contract, due to Force Majeure shall not constitute an Event of Default. In any such event, the Party claiming Force Majeure shall promptly notify the other Party of the Force Majeure event in writing and, if possible, such notice shall set forth the extent and duration thereof. The Party claiming Force Majeure shall, to the extent practical, exercise due diligence to prevent, eliminate, or overcome such Force Majeure event and resume performance at the earliest possible date. However, if non-performance continues for more than thirty (30) days, either Party may terminate this Contract immediately upon written notification to the other Party. Upon such termination, the terminating Party shall be responsible for Early Termination Damages, which shall be due and payable in accordance with Section 6.05 below.

6.05 Early Termination Damages Payment Obligation and Due Date: Early Termination Damages and all previously incurred charges pursuant to this Contract, are due and payable to the

non-defaulting or non-terminating Party upon early termination or default. Early Termination Damages are due and payable thirty (30) days after the non-terminating or non-defaulting Party invoices the other Party.

VII. MISCELLANEOUS PROVISIONS

7.01 Assignment: Either Party may assign this Contract upon written notice and prior approval of the other Party. Such approval shall not be unreasonably refused.

7.02 Entire Agreement: This Contract constitutes the entire agreement of the Parties. No other agreement, statement, or promise that is not contained in this Contract shall be binding except by a subsequent written modification signed by both Parties. The foregoing notwithstanding, the Parties may change non-substantive terms, including but not limited to names, addresses and account numbers, without the approval of the other Party. The Party making the non-substantive change shall provide the other Party written notice of the change within five (5) days of the change.

7.03 Compliance with Other Laws: Incorporated by reference, the same as if specifically written herein, are the rules, regulations, and all other requirements imposed by law, including but not limited to compliance with those pertinent rules and regulations of the State of Texas and those of federal agencies providing funds to the State of Texas, all of which shall apply to the performance of the Parties hereunder.

7.04 Dispute Resolution: The Parties agree to use good-faith efforts to decide all questions, difficulties, or disputes of any nature that may arise under or by this Contract. The dispute resolution process in Chapter 2009 and Chapter 2260, Government Code, must, to the extent applicable to this Contract, be used to resolve any dispute, other than a dispute regarding an invoiced amount, arising under this Contract; provided however, that nothing in this paragraph shall preclude either Party from pursuing any remedies as may be available under Texas state law. All disputes arising out of alleged errors in the monthly invoice shall be conducted in accordance with §771.008, Government Code "The Interagency Cooperation Act". This provision shall not apply to any matter with respect to which the GLO or Receiving Agency may make a decision within its sole and complete discretion.

7.05 Venue: Venue of any suit brought for breach of this Contract is fixed in any court of competent jurisdiction in Travis County, Texas; provided, however, the foregoing shall not be construed as a waiver of sovereign immunity by the GLO or Receiving Agency.

7.06 Termination for Non-Appropriation: This Contract shall not be construed as creating any debt on behalf of the State of Texas and/or the GLO or Receiving Agency in violation of Tex. Const. art. III §49. In compliance with Tex. Const. art. VIII §6, it is understood that all obligations of the GLO and Receiving Agency are subject to the availability of funds. If such funds are not appropriated or become unavailable, this Contract may be terminated. In that event, the Parties shall be discharged from further obligations, subject to the equitable settlement of their respective interests accrued up to the date of termination.

7.07 Severability: Should any one or more provisions of this Contract be held to be void, voidable, or for any reason whatsoever of no force and effect, such provision(s) shall be construed as severable from the remainder of this Contract and shall not affect the validity of all other provisions of this Contract, which shall remain of full force and effect; so long as such severance does not deprive either Party of the benefit of the bargain.

7.08 Execution: This Contract shall be executed in multiple originals and/or several counterparts, each of which shall constitute an original. A complete set of said counterparts, when taken together, shall constitute a single instrument.

7.09 Pipeline Integrity Testing: During the term of this Contract, if any pipeline used to transport natural gas to the Receiving Agency ceases or interrupts regular operation, to include, but not limited to, inspection, maintenance, testing or repair, as a result of governmental action, order, rule or regulation, any resulting additional costs involved in delivering or providing natural gas under this Contract shall be borne entirely by the Receiving Agency. In such instance the GLO will assist the Receiving Agency in mitigating such additional costs by any operational means reasonably available to the GLO.

7.10 Exhibits: Exhibit A, Exhibit B, Exhibit C, and the Limited Agency Authorization attached hereto, and any subsequent amendments thereto, are incorporated by reference into this Contract.

7.11 Continued Obligations: Notwithstanding any other provision herein to the contrary, the Receiving Agency shall not be relieved of its obligation to make payments due to the GLO for natural gas actually supplied or tendered for delivery to the Points of Delivery set out in Exhibit A and any related expenses or liabilities incurred by the GLO in the performance of this Contract, except that the GLO and the Receiving Agency agree that each entity is responsible for its own proportionate share of any liability for its negligent acts or omissions.

7.12 Confidentiality: The contents of this Contract and any information related to it are excepted from disclosure and may not be released to a member of the public without the authorization of the General Land Office, a ruling from the Office of the Attorney General, or an order from a court to do so. Any request for disclosure of the contents of this Contract or any information related to it must be submitted to the Office of the Attorney General in accordance with Section 552.301 of the Texas Government Code. The General Land Office must be notified of the request in accordance with Section 552.305 of the Texas Government Code.

VIII. CONTACT INFORMATION

Texas General Land Office

Texas General Land Office
1700 North Congress, Room 840
Austin, TX 78701
512/463-5042 Energy Resources
512/475-1404 Fax

For Notices

Attn: Brenda Rivera
512/463-5327
brenda.rivera@glo.texas.gov

For Scheduling

Attn: Jennie Weidler
512/475-1462
jennie.weidler@glo.texas.gov

For Payment by ACH with Addenda

JP Morgan Chase Bank
Austin, TX
ABA #021409169 – Acct #0133051015
Details: GLO/SEMP Gas

For Payment By Wire

Texas Comptroller of Public Accounts
208 E 10th St, Austin, TX 78701
ABA # 114900164
Acct # 463600305
Addendum: TGLO/SEMP
Federal Reserve

For Payment By Check

Texas General Land Office
Attn: SEMP
P.O. Box 12873
Austin, TX 78711-2873

City of Mesquite

City of Mesquite
1515 North Galloway Avenue
Mesquite, TX 75149
972/288-7711
972/329-8552 Fax

For Notices

Attn: Ted Chinn
972/216-6406
tchinn@cityofmesquite.com

For Scheduling

Attn: Donnie Taylor
972/329-8355
dtaylor@cityofmesquite.com

For Invoices

Accounting Department
accounting@cityofmesquite.com

Pam K. Smith

pksmith@cityofmesquite.com


THE UNDERSIGNED do hereby certify that: (1) the services specified above are necessary and essential and are properly within the statutory functions and programs of the affected agencies of state government; (2) the proposed arrangements serve the interest of efficient and economical administration of those agencies; and (3) the services, supplies or materials contracted for are not

required by §21 of Article 16 of the Constitution of Texas to be supplied under contract to the lowest responsible bidder.

THE RECEIVING AGENCY further certifies that it has the authority to enter into this Contract by virtue of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code.

THE GLO further certifies that it has the authority to enter into this Contract by virtue of the authority granted in §52.133, Tex. Nat. Res. Code and in the applicable Texas Appropriations Act.

TEXAS GENERAL LAND OFFICE

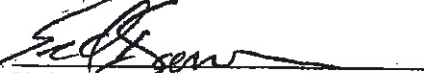

Anne L. Idsal
Chief Clerk

Date of execution: 8/17/15

SA  Deputy 

 DIV  CC 

RECEIVING AGENCY


Ted Balron
City Manager

Date of execution: 7/21/15

Exhibit A

GLO CONTRACT NUMBER: 16-088-000-4221

EFFECTIVE DATE OF CONTRACT: October 1, 2015

EFFECTIVE DATE OF EXHIBIT A: October 1, 2015

AGENCY NAME: City of Mesquite

AGENCY LOCATION: 1515 North Galloway Avenue, Mesquite TX
75149

POINT OF DELIVERY: Atmos Meter # 3031858104

FIXED GAS PRICE: Price of \$ N/A per MMBtu effective
beginning _____ through _____

INDEX GAS PRICE: Effective October 1, 2015, an Index Gas Price
equal to the Index Price posting as first
published each month in Platts Gas Daily
price guide report in section titled "Market
Centers" under the heading "West Texas" and
under the subheading "Waha" plus a Market
Demand Factor of \$0.47 per MMBtu,
inclusive of Contract Maintenance Fee.

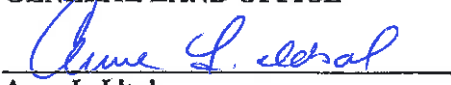
AUTHORIZED BY:

RECEIVING AGENCY:


Ted Barron
City Manager

DATE: 7/21/15

GENERAL LAND OFFICE


Anne L. Idsal
Chief Clerk

DATE: 8/17/15


EXHIBIT B
MONTHLY GAS CONSUMPTION ELECTION (MGCE)
CONTRACT # 16-088-000-4221

AGENCY: City of Mesquite
FACILITY NAME: City Hall
ADDRESS: 1515 North Galloway Avenue, Mesquite TX, 75149
CONTACT NAME: Ted Chinn
CONTACT PHONE NUMBER: 972-216-6406
EMAIL ADDRESS: tchinn@cityofmesquite.com

Gas Consumption Per Month in MMBtu

	<u>Fixed</u>	<u>Index</u>	<u>Total</u>
Oct-15	0	1,269	1,269
Nov-15	0	1,412	1,412
Dec-15	0	1,624	1,624
Jan-16	0	1,343	1,343
Feb-16	0	1,352	1,352
Mar-16	0	1,201	1,201
Apr-16	0	417	417
May-16	0	1,673	1,673
Jun-16	0	682	682
Jul-16	0	993	993
Aug-16	0	778	778
Sep-16	0	914	914
TOTAL	0	13,658	13,658

	<u>Fixed</u>	<u>Index</u>	<u>Total</u>
Oct-16	0	1,269	1,269
Nov-16	0	1,412	1,412
Dec-16	0	1,624	1,624
Jan-17	0	1,343	1,343
Feb-17	0	1,305	1,305
Mar-17	0	1,201	1,201
Apr-17	0	417	417
May-17	0	1,673	1,673
Jun-17	0	682	682
Jul-17	0	993	993
Aug-17	0	778	778
Sep-17	0	914	914
TOTAL	0	13,611	13,611

Receiving Agency: 
 Title: Ted Barron, City Manager

Effective Date: 10/1/2015

GLO Initials: 

Form: Monthly Gas Consumption
 Approved by Legal SEMP
 October 14, 2008

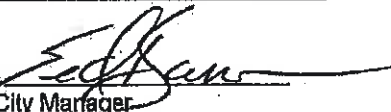
Rec'd by Semp Initial/Date _____
 Updated GMS Initial Date _____
 Routed to Legal Initial/Date _____
 Posted into DocuShare Initial/Date _____

EXHIBIT B
MONTHLY GAS CONSUMPTION ELECTION (MGCE)
CONTRACT # 16-088-000-4221

AGENCY: City of Mesquite
FACILITY NAME: City Hall
ADDRESS: 1515 North Galloway Avenue, Mesquite TX, 75149
CONTACT NAME: Ted Chinn
CONTACT PHONE NUMBER: 972-216-6406
EMAIL ADDRESS: tchinn@cityofmesquite.com

Gas Consumption Per Month in MMBtu

	<u>Fixed</u>	<u>Index</u>	<u>Total</u>
Oct-17	0	1,269	1,269
Nov-17	0	1,412	1,412
Dec-17	0	1,624	1,624
Jan-18	0	1,343	1,343
Feb-18	0	1,305	1,305
Mar-18	0	1,201	1,201
Apr-18	0	417	417
May-18	0	1,673	1,673
Jun-18	0	682	682
Jul-18	0	993	993
Aug-18	0	778	778
Sep-18	0	914	914
TOTAL	0	13,611	13,611

Receiving Agency: 
 Title: Ted Barron, City Manager

Effective Date: 10/1/2015

GLO Initials: 

Form: Monthly Gas Consumption
 Approved by Legal SEMP
 October 14, 2008

Rec'd by Semp Initial/Date _____
 Updated GMS Initial Date _____
 Routed to Legal Initial/Date _____
 Posted into DocuShare Initial/Date _____

EXHIBIT C**CONFIRMATION OF AMENDMENTS TO SCHEDULED GAS VOLUMES FOR
EXHIBIT B GLO CONTRACT NO. 16-088-000-4221 ("Contract")_City of Mesquite**

Date: _____

1). In an effort to reduce Receiving Agency's Pipeline Imbalance caused by discrepancies between Receiving Agency's actual gas consumption and its estimated consumption scheduled for delivery pursuant to Exhibit B of the Contract, the Texas General Land Office (GLO) and Receiving Agency hereby agree to amend the scheduled volume for the time period indicated below. Provided however the GLO can only accept nomination changes when applicable upstream pipeline carriers accept nomination changes. Nomination changes are typically not accepted on holidays, Sundays, and Mondays, therefore the GLO cannot accept Receiving Agency's changes relative to these days. Nomination changes for Saturday are applicable without change for the following Sunday and Monday, and thereafter until changed.

2). Receiving Agency hereby amends its scheduled volume by checking the appropriate box below:

- ☐ a) In accordance with the GLO's suggested volume of _____/day. Resulting in total nominated volumes _____ for the month.
- ☐ b) to _____/day.
- or,
- ☐ c) The volumes will remain _____ as established in Exhibit B.

3). The Receiving Agency amends its scheduled volumes for gas for the following time period(s) _____.

4). Receiving Agency's selection in Section 2 and 3 of this Confirmation Form and return of via email to the GLO constitutes Receiving Agency's agreement to the change in the scheduled volumes and to execution of this Confirmation Form.

5). In order for the Receiving Agency's selection to be immediately effective, the Receiving Agency must remit by FAX (512-475-1404) the Confirmation Form before 6:00 AM Central time the day before the effective day of flow. Failure to remit the Confirmation Form by 6:00 AM Central time will void the submitted selection. The Receiving Agency will contact the GLO the next business day to re-amend the scheduled volumes.

6). This Confirmation Form dated _____ supercedes all other such Confirmation Forms and the current Exhibit B for the time period indicated in Section 3 of this form.

7). Receiving Party acknowledges and agrees that this amendment to its scheduled volumes for gas does not guarantee elimination of imbalance charges nor does it relieve Receiving Agency's obligation to pay any imbalance charges pursuant to the Contract.

8). Receiving Agency acknowledges and agrees that the person signing below is authorized to amend Receiving Agency's scheduled volumes.

BY: _____

Form: CAN1
Approved by Legal & SEMP
September 9, 2009

<input type="checkbox"/> Received by SEMP Initials/Date	_____
<input type="checkbox"/> Updated GMS Initials/Date	_____
<input type="checkbox"/> Routed to Legal Initials/Date	_____
<input type="checkbox"/> Posted into DocuShare Initials/Date	_____

ATTACHMENT 1

Limited Agency Authorization
GLO Contract No. 16-088-000-4221


In an effort to reduce Pipeline Imbalances caused by discrepancies between Receiving Agency's actual gas consumption and its estimated consumption scheduled for delivery pursuant to Exhibit B of the Contract, be able to make more timely mid-month corrections, and reduce excessive paperwork, Receiving Agency hereby appoints the GLO (Agent) as its limited agent with authority to act on its behalf in regards to the following:

Agent is authorized to make nominations of natural gas volumes on Receiving Agency's behalf in accordance with the GLO Contract No. noted above. Such nominations will be based upon Receiving Agency's historical usage or written instructions received from Receiving Agency, and shall be binding upon Receiving Agency without recourse.


This limited agency authorization shall be effective October 1, 2015 and shall remain in full force and effect until terminated by either party upon ten (10) days' prior written notice.

TEXAS GENERAL LAND OFFICE

RECEIVING AGENCY


Anne L. Idsal
Chief Clerk

Date of execution: 8/17/15


Ted Barron
City Manager

Date of execution: 7/21/15

Atmos Energy Corp.,
Mid-Tex Division
Attn: Transportation Contract Administration
P. O. Box 223705
Dallas, Texas 75222-3705

Re: Limited Agency Authorization

Ladies and Gentlemen:

Please be advised that City of Mesquite (Customer) hereby appoints the Texas General Land Office

(Agent) as its limited agent with authority to act on its behalf in regards to the following functions

effective October 1, 2015:

1. Agent is hereby authorized to obtain any information which Atmos Energy Corporation (Atmos Energy) would otherwise release to Customer, which includes, but is not necessarily limited to, all transportation rates to Customer, all information concerning historic transportation gas to Customer, all available tax rate information with respect to the transportation of natural gas to or for Customer, and any other information or document copies in the possession of Atmos Energy which pertain to Customer's transportation of natural gas via Atmos Energy. Said authorization expressly excludes pricing-related information of any other third party supplier of Customer.
2. Agent is authorized to make nominations of natural gas volumes on Customer's behalf in accordance with Customer's transportation agreement(s) with Atmos Energy. Such nominations will be based upon Customer's historical usage and/or written or verbal instructions received by Agent directly from Customer.
3. Agent may have access to the most timely information possible with respect to Customer's daily and monthly usage and/or transportation volumes, provided, however, Customer and Agent recognize that it is Customer's responsibility to maintain a balance between receipts and deliveries, which includes the responsibility to know the amount of gas that is consumed at Customer's facility and the amount of gas that is delivered to Atmos Energy's system on Customer's behalf. Atmos Energy provides certain volume information as a customer service, however, unavailability or changes to such information will not constitute a waiver of imbalance penalties or fees.
4. Customer and Agent recognize that this agency agreement does not relieve Customer of Customer's responsibilities pursuant to Customer's transportation agreement(s). Any imbalances created by Agent on Customer's transportation agreement(s) shall be Customer's responsibility to correct. Moreover, if any transportation imbalances are resolved through Agent's pooling agreement with Atmos Energy and Agent fails or refuses to satisfy its imbalance obligations under such pooling agreement, then Customer will be responsible for its pro rata share of the quantity of Agent's imbalance, based on the quantity of gas transported to Customer during the applicable period in which the imbalance was incurred and the total quantity of gas transported under Agent's pooling agreement with Atmos Energy during such period. In such event, it will be deemed that Customer has incurred an imbalance equivalent to such pro rata quantity, and Customer will be responsible to resolve such imbalance in accordance with Customer's transportation agreement(s).

This Limited Agency Authorization shall become effective from the date written above and shall remain in full force and effect until terminated by Customer or Agent upon ten (10) days' prior written notice; provided that Atmos Energy will have the right to reject this Limited Agency Authorization at any time in the event that Atmos Energy, in its reasonable discretion, determine that Agent will not be capable of fulfilling all of its agency obligations hereunder. Notice information for said parties is set forth below:

Agent
Texas General Land Office
1700 North Congress
Austin, TX 78701

Attn: Jennie Weidler
Phone: 512.475.1462
Fax: 512.475.1404

By: 
Anne L. Idsal
Chief Clerk

Date: 8/17/15

Customer
City of Mesquite
1515 North Galloway
Mesquite, TX 75149

Attn: Donnie Taylor
972.329.8355
972.329.8552

By: 
Ted Barron
City Manager

Date: 7/21/15

Request Type:

- ☐ Add
☐ Delete
☐ Modify

Atmos Energy Corporation
Customer Website
Industrial Account Request Form

Customer (Company Name) City of Mesquite	
DUNS Number 06 - 8986 -181	
Representative Donnie Taylor	
Email Address dtaylor@cityofmesquite.com	Phone Number 972-329-8355
Mailing Address 1515 North Galloway Avenue	Fax Number 972-329-8552
City Mesquite	State TX Zip 75149

Please note all fields in the section above are required to setup an account

Atmos Energy Use Only	
ATMOS ENERGY-OUA #	
Received Date:	Contract Admin Approved:
Group:	System Admin Approved:
User ID:	Account Setup:
Initial PW:	Account Info Sent