SECOND AMENDED AND RESTATED REQUEST FOR PROPOSALS FOR THE DEVELOPMENT OF A NATURAL GAS PIPELINE FROM THE WAHA HUB TO PRESIDIO, TEXAS

1. Comisión Federal de Electricidad

The Comisión Federal de Electricidad ("**CFE**") is a ~~Productive Company~~productive company of the State, which aims to provide the public service of transmission and distribution of electricity, for and on behalf of the Mexican State. ~~Also, within the public object~~Additionally, CFE performs the generation~~ divided into units~~ and sale of electricity and related products, as well as import, export, transport, storage, purchase and sale of natural gas, coal and any other fuel, the development and execution of engineering projects, geological and geophysical activities, research, development and implementation of energy sources. CFE serves approximately 37.3 million customers, including residential, commercial, industrial and agricultural customers, and state and central agencies.

This Second Amended and Restated Request for Proposal shall govern this solicitation and shall control in the case of any inconsistency in the answers to bidder questions CFE has provided.

2. Project Background

By this request for ~~proposal~~proposals, CFE solicits proposals from bidders and/or members of a consortium ("**Bidder**" or "**Bidders**"), for (i) the design, development, construction, and operation of a header system near the Waha Hub area~~ capable of transporting capacity of 2.831 Bcf/d~~ (the "**CFE Waha Header**") with a capacity of 6 Bcf/d (the "**Header Capacity**"), (ii) the design, development, construction, and operation of a new natural gas transportation pipeline of at least 42" in diameter from the CFE Waha Header to the Mexico/United States border at Presidio, Texas, with transporting capacity of 1.356 Bcf/d ("**Presidio Pipeline**"), (iii) the design, development, construction and operation of a directionally-drilled (42~~"~~" minimum diameter) in border-crossing pipeline interconnecting with the future pipeline running from Ojinaga, Chihuahua, Mexico (near the Mexico/United States border) to El Encino (the "**Directionally-Drilled Works**"), and (iv) the design, development, construction and operation of fiber optic lines and associated ducts, hatchways, and network connections, (together, the "**Fiber Optic Lines**") as set forth in **Appendix B** (the CFE Waha Header, the Presidio Pipeline, the Directionally-Drilled Works and the Fiber Optic Lines are collectively referenced herein as the "**Project**"). Design and technical requirements of the Project are set forth in **Appendix A** and **Appendix B**. The Bidder selected by CFE as the winning bidder (referred to herein as the "**Winning Bidder**" or the "**Transporter**", as applicable) shall be responsible for ensuring that the design, construction, installation, compression equipment, regulatory permitting and operation of the Project will be sufficient to provide the services specified in this RFP. The CFE Waha Header must enter into commercial operations by January 31, 2017 (the "**Waha In-Service Date**") and the Presidio Pipeline, the Directionally-Drilled Works and the Fiber Optic Lines must enter into commercial operations by March 31, 2017 (the "**Presidio In-Service Date**"). CFE and the Winning Bidder shall execute

two twenty-~~five~~four (~~25~~24) year firm Transportation Service Agreements (each, a "**TSA**" and collectively the "**TSAs**"), one such TSA in connection with the Waha Header and the other in connection with the Presidio Pipeline.

The CFE Waha Header will be capable of receiving ~~up to 2.831 Bcf/d gas~~the Header Capacity from the Waha Region~~, delivering up to 1.356 Bcf/d of gas to the Project~~ by the Waha In-Service Date~~, and also interconnect to the pipeline running from Waha to San Elizario, Texas for delivery of up to 1.475 Bcf/d ("**San Elizario Pipeline**"), which is not part of the Project and will be developed under a separate "Request for Proposals", as further described in **Appendix A**~~. The Transporter will be responsible for designing, constructing and operating the Project with the CFE Waha Header to accommodate the interconnection of multiple gas pipelines. Initially, the CFE Waha Header will be required to interconnect, as of the Waha In-Service Date, ~~with ten pipelines plus the San Elizario Pipeline and the Presidio Pipeline (twelve total). The CFE Waha Header shall have a total capacity equal to at least two hundred percent (200%) of the maximum aggregated capacity of the San Elizario Pipeline and the Presidio Pipeline (i.e., 2.831 Bcf/d), and each interconnection the pipelines identified below shall have interconnect capacity equal to the maximum capacity of the respective pipeline.~~ to the following thirteen (13) pipelines: (i) the Presidio Pipeline for delivery of up to 1.356 Bcf/d; (ii) the pipeline running from Waha to San Elizario, Texas for delivery of up to 1.220 Bcf/d ("**San Elizario Pipeline**"), which is not part of the Project and will be developed under a separate request for proposals; (iii) a potential third pipeline flowing south to Mexico for delivery up to the remaining Header Capacity; and (iv) the ten pipelines listed in Section 6 of this request for proposals, as further described in **Appendix A**. Additionally, the CFE Waha Header design shall have the capability of immediately accommodating two future interconnections with additional pipelines on the header. This will allow CFE to choose gas from any of the interconnections on a given day to deliver up to a maximum of ~~2.831~~2.576 Bcf/d to the San Elizario and Presidio Pipelines while also allowing the header to provide additional transportation to a potential third pipeline or between the Waha Header interconnections on the remaining amount of the Waha Header's 6 Bcf/d of capacity. The Waha Header also shall be designed so that it can be expanded to include six future interconnections with additional pipelines.

In addition, the CFE Waha Header shall be designed to operate at pressure necessary to flow gas ~~bidirectionally~~bi-directionally across each of the interconnection points, and capable of receiving and delivering gas between all of these interconnects. The Presidio ~~pipeline~~Pipeline must be designed to allow for conversion to ~~bidirectional~~bi-directional service.

The Winning Bidder shall be responsible for obtaining all regulatory approvals necessary for construction and operation of the Project including from the Texas Railroad Commission and/or the Federal Energy Regulatory Commission ("**FERC**"), as applicable. It shall be the Winning Bidder's responsibility to determine the jurisdictional nature of the Project. So long as a Bidder's proposal sets forth the means for obtaining all necessary regulatory approvals for commencing service timely, CFE has no preference as to whether a Bidder proposes interstate or intrastate service for the Project. The Winning Bidder shall host an open season (even if one is not required by the relevant regulatory authority) to solicit other shippers to subscribe to any additional capacity on top of the Project's capacity.

The Project's annual revenue requirement will be determined to take into consideration the rate of return required by the Transporter. That revenue requirement will be used to design: (i) a rate (also referred to as 'tariff') for the CFE Waha Header for the full capacity utilization and (ii) a rate for the firm transportation service that will be subscribed by CFE for the full delivered capacity of the Project. **All proposals should be submitted in United States dollars.**

After the ~~25~~24th year of service under the TSAs, the Transporter shall, at CFE's election enter into a joint venture ("**JV**") with CFE or an affiliate and/or subsidiary of CFE ("**Subsidiary**") to own and operate the assets of the Project and any improvements or additions added subsequently ("**Improvements**"). Upon written notice from CFE of its election to enter into the JV, the Transporter must, at its sole expense, (1) transfer the assets of the Project and Improvements to the JV and (2) obtain the corresponding permits and licenses, if any, required for the JV to continue operations. CFE and/or Subsidiary shall acquire its portion of the JV's equity at no cost. CFE and/or Subsidiary shall be entitled to forty-nine percent (49%) of the Project's net income, according to the terms of the JV, from the start of year ~~26.~~25. Transporter and CFE shall, not later than twenty-four (24) months prior to expiration of the initial term, finalize, execute and deliver the formal agreement for organization and governance of the joint venture; provided, however, the preceding paragraph shall be subject to applicable Mexican regulations in place at such time. CFE and/or Subsidiary shall obtain any necessary regulatory approvals from the relevant Mexican authorities to exercise the option to enter the JV.

The cash and other benefits generated by the JV, except for normal capital additions and required maintenance capital of the Project and Improvements, shall not be used, without the express written consent of CFE, for additional project development, which includes but is not limited to additional compression stations, loops, interconnects and metering stations.

The JV shall include the terms and conditions specified in **Appendix D** hereto and such other terms and conditions as may be agreed to by the parties.

3. RFP Schedule – Bidding Procedure

Send invitations to meeting with Bidders (Electronic) ..... August 25, 2014

Meeting with Bidders (Houston, Texas) ..... September 9, 2014

RFP release (Electronic) ..... September 30, 2014

Submission of Bidder questions
(Electronic) ..... 6:00 P.M. (US Central Time), October 10, 2014

Initial publication of questions and answers (Electronic) ..... October 15, 2014

Bidder question and answer session (Houston, Texas) ..... October 17, 2014

Release of revised RFP (Electronic) ..... October 22, 2014

Submission of additional Bidder
questions (Electronic) ..... 6:00 P.M. (US Central Time), October 27, 2014

Publish final set of questions and answers and revised RFP ..... November 5, 2014

Submission of final proposals hand delivered (Houston, Texas,
exact location TBD)..... 10:00 A.M. to 1:00 P.M. (US Central Time), December ~~2,~~9, 2014

Announcement of Winning Bidder
(Houston, Texas, exact location TBD) .....January 8, 2015

Execution of TSAs (Mexico City, Mexico, exact location TBD) .....February 20, 2015

Each Bidder should submit its proposal during the above-referenced timeframe. Each Bidder should submit one printed copy and one electronic copy. The text of the printed copy should be single-spaced, typed, on 8.5 x 11 inch paper, with each page numbered. The electronic copy should be submitted on digital media with data saved in Adobe Portable Document Format (.pdf), Microsoft Word, Microsoft Excel, or other applicable formats.

CFE reserves the right to adjust the foregoing schedule as it deems necessary and to conduct additional meetings with bidders provided all such modifications are fair and transparent. ~~**All additional questions with respect to the RFP shall be submitted by 6:00 P.M. (US Central Time) on October 27, 2014 via email to waha.pipelines@cfe.gob.mx.** Questions submitted after this deadline will not be addressed. Answers to all such~~As of the date of the release of this final request, the next step is submission of proposals and CFE will not answer additional questions ~~will be answered by CFE in written format to be published on November 5, 2014. Any solicitation for clarification or communication between bidders and CFE will be conducted in writing and made available for all Bidders~~. CFE reserves the right to comment or ask questions of Bidders after the proposals are submitted.

All proposals shall be submitted by personal delivery between 10:00 A.M. and 1:00 P.M. (US Central Time) on December ~~2,~~9, 2014 in public session in Houston, Texas at the location to be announced by CFE. All proposals shall be executed by an authorized representative of the corresponding Bidder (Powers of Attorney need to be incorporated with the bid documents that have been submitted). CFE will accept a certificate of incumbency or other similar evidence of signatory authority. CFE reserves the right to request clarification by a Bidder with respect to any item of such Bidder's proposal. The deadline for commercial operations set forth below is firm and time is of the essence for this Project.

4. Commitment Bond and Performance Bond

Each Bidder will be required to submit an irrevocable standby letter of credit to guarantee the seriousness of its proposal issued by a first class international bank having a branch office in the City of New York, State of New York, U.S.A., and a credit rating of at least "A3" from Moody's, "A-" from Standard and Poor's or "A-" from Fitch ("**Qualified Bank**") for an amount of five million U.S. dollars ($5,000,000). Such submission shall include a commitment bond letter~~ (~~, letter of credit, and payment request (collectively, "**Commitment Bond**"), ~~letter of~~

~~credit, and payment request,~~ forms of which are attached hereto as **Appendix E** and **Attachments E-1 and E-2** (respectively).

CFE will select and notify in writing the Winning Bidder and two back-up bidders based on the evaluation of the economic proposal ("**Economic Proposal**") using the methodology described hereunder. The two back-up bidders designated by CFE shall keep their Commitment Bond open for sixty (60) calendar days after the date proposed for the execution of the TSAs (as such date is determined in Section 3 of this RFP). In the event CFE cannot reach an agreement with the Winning Bidder, CFE will (i) within five (5) business days after the original proposed execution of the TSAs, select another Winning Bidder from the non-selected Bidders according to their place in the evaluation process, and (ii) within the following ten (10) business days of the selection of the Winning Bidder mentioned in item (i) above, execute corresponding TSAs. After such sixty (60) calendar days, the Commitment Bonds can be collected by all the Bidders, except for the Bidder executing the corresponding TSAs. CFE reserves the right not to assign a Winning Bidder for this RFP. If negotiations between CFE and the Winning Bidder do not result in an executed TSA, CFE will not collect the Commitment Bond if the Winning Bidder acted in good faith.

Within ten (10) business days after the execution of the TSAs with the Transporter, the Transporter shall (i) exchange the Commitment Bond for an irrevocable standby letter of credit to guarantee the performance of the TSAs, issued by a Qualified Bank for an amount of fifty million U.S. dollars ($50,000,000) (including a form of letter of credit payment request, a "**Performance Bond**"), a form of which is attached hereto as **Appendix F** and **Attachment F-1** (respectively), or (ii) issue a Parent Guarantee ("**PG**") from any of the holders of the special purpose vehicle or the company submitting the corresponding proposal, provided such holder must have an investment grade qualification of at least "A3" from Moody's, "A-" from Standard and Poor's or "A-" from Fitch; a form of such PG is attached hereto as **Appendix G**. The Performance Bond or PG (as the case may be) shall be available as recourse to compensate CFE for damages arising from breach by the Transporter, but such Performance Bond or PG shall not limit CFE's damages and CFE's rights to additional remedies set forth in the TSAs. The Performance Bond or PG shall apply to both TSAs.

In the event that the Transporter provides a Performance Bond as contemplated in clause (i) of the preceding paragraph, the amount of such Performance Bond shall be ratably reduced as follows:

Timetable	**Amount of Performance Bond Required**
Within 10 business days of execution of the TSAs – ~~[TBD],~~February 20, 2015	U.S.$50,000,000
100% of the Rights of Way (ROWs)	U.S.$47,000,000
100% of Permits	U.S.$44,500,000
Commercial Operation Date (COD)	U.S.$42,150,000
From year 2 to year 25 of operation	The amount of guarantee shall decrease 9.14% in relation to the amount of guarantee for previous year of operation.

5. Proposal Deliverables

Each Bidder should submit its proposal with the information listed below provided separately. CFE shall keep all bidder submissions and proprietary materials confidential. The Winning Bidder or consortium may create a special purpose vehicle/entity to enter the TSAs provided that such special purpose vehicle/entity is capable of meeting all standards and requirements of the Project.

a. A set of fixed rates set forth as US$/MMBtu to be charged to CFE for firm services in accordance with the material terms of the TSAs based on a one hundred percent (100%) load factor of the transportation capacity for the CFE Waha Header, the Presidio Pipeline (~~inclusive~~including demand and usage charges), the Directionally-Drilled Works, and the indefeasible right of use of the Fiber Optic Lines pursuant to the following~~:~~ chart. These rates shall be fixed for the 288 months, but these rates do not need to be flat. Bidders shall use the following heat rate for conversion from Bcf to MMBtu: 1 Bcf = 1,077,000 MMBtu.

Facility	**Quote specified as US$/MMBtu (1Bcf = 1,077,000 MMBtu)**
CFE Waha Header for capacity of ~~2.8316~~ Bcf/d	
Presidio Pipeline for capacity of 1.356 Bcf/d, separately identifying: • Demand charge • Usage charge	
Directionally-Drilled Works	
Fiber Optic Lines , separately identifying the cost for: • The Waha Header • The Presidio Pipeline	
Total	

b. A percentage of the fuel for each of the ~~300~~288 months of the term to be used for the compression on the system that will be used by CFE to determine the efficiency of the compression. CFE will consider this efficiency in the evaluation.

c. Background and experience of the Bidder in development, construction and operation of natural gas transportation projects, highlighting projects in the United States and of similar size. Experience may be demonstrated through contractors, sub-contractors, and/or service providers. Experience obtained through contractors, sub-contractors, and/or service providers must be

documented and supported. A signed commitment letter is required from each contractor, sub-contractor, and/or service provider material to accomplishing the Project (e.g., Directional Driller) to show its availability, willingness, and ability to perform its duties to the Project.

d. Brief description of the Bidder's experience in successfully obtaining permits for natural gas transportation pipelines, cross-border permits, including permits and authorizations before FERC and the Texas Railroad Commission. Bidders should include reference to relevant docket numbers and final orders for such regulatory approvals.

e. Brief description of the permits required for the Project and the Bidder's plan and schedule for obtaining such permits, including a timeline for the Project's schedule.

f. Brief description of the Bidder´s experience in financing projects of similar dollar amount and similar infrastructure for transportation of natural gas, and evidence that the Bidder's proposal is supported by fully committed financing – **note, proposals with contingent financing plans will not be accepted**. A binding letter of intent from a qualified financial institution shall be acceptable to satisfy the committed financing requirement.

g. Brief description of the Bidder's plan and schedule for obtaining the financing required for the Project, including the debt/equity ratio, the projected sources of financing, the levels and types of sponsor support required for such financing, the budgeted interest rate and the anticipated fees for closing such financing, if any. If the Bidder does not anticipate using financing for the development of the Project, then such Bidder shall provide a description of the source and availability of funds to be used.

h. Brief description of the Bidder's experience in route selection and obtaining rights of way, relevant environmental impact statements, and any and all federal and state regulatory approvals (including, but not limited to, all FERC approvals). or Texas Railroad Commission approvals). So long as a Bidder's proposal sets forth the means for obtaining all necessary regulatory approvals for commencing service timely, CFE has no preference as to whether a Bidder proposes interstate or intrastate service for the Project.

i. Brief description of the Bidder's plan, with a detailed schedule, for finalizing the entire route and acquiring the necessary permits and rights of way.

j. Brief description of the Bidder's plan, with a detailed schedule, for construction of the Project, including the identity of potential engineering, procurement and construction contractors and general contractors. The detailed schedule should include the number and general location of compression stations or other compression equipment for the Project.

k. Brief description of the Bidder's plan for operation of the Project, plus the Bidder's operating expenses and expected fuel cost (as a percentage of throughput) by month and year of operation in an Excel spreadsheet.

l. Brief description identifying the Project's costs, including the development costs, risks and uncertainties, and the strategy to mitigate such risks and uncertainties.

m. A statement certifying the Bidder has the capability of meeting the overall project schedule along with a preliminary schedule that shows key project activities/milestones (i.e., financing, permitting, right of way acquisition) and construction critical path. Critical dates should be specified in the permitting process required to meet the project schedule. Additionally, in certifying such capabilities of Bidder, Bidder shall indicate other examples of similar projects done by Bidder on a similar timeline.

n. An acknowledgement that the Bidder accepts the technical requirement of the Project, pursuant to **Appendix A**.

o. A statement indicating willingness and ability to provide interconnects at the CFE Waha Header, requested by CFE in **Appendix A**.

p. An acknowledgement that the Bidder accepts the fiber optics requirements of the Project, pursuant to **Appendix B**.

q. Names and roles of the key personnel who will work on the development, construction, permitting and financing of the Project. Bidders should provide signed commitment letters from any contractors, sub-contractors, and/or any service providers whose performance is material to completion of the Project.

r. In the event of a consortium, the Bidder should provide the roles and responsibilities of each of the consortium members and a statement that each member of the consortium will be jointly and severally liable for the Project.

s. An acknowledgement that the Bidder accepts the material terms and conditions specified in **Appendix C**. CFE reserves the right to negotiate the final terms of the TSAs with the Winning Bidder.

t. An executed Commitment Bond.

u. A copy of the pipeline's *pro forma* operating terms and conditions, tariffs, and rates for the CFE Waha Header and the Presidio Pipeline to be filed before the FERC or the Texas Railroad Commission, as applicable.

v. A description of the Bidder's plan to hold an open season (even if an open season is not required by the relevant regulatory authority) to determine interest in additional capacity of the Project and how any savings related to the increase in capacity will be passed on to CFE and/or the Project.

w. Any additional information with respect to the Project and/or the Bidder that is considered material by the Bidder.

6. Proposal Evaluation

CFE shall evaluate the proposals based on the following criteria:

a. The Bidder's technical and financial capability, experience and commitment to develop, construct, finance and operate the Project as specified and in the required time frame;

b. Whether or not the Bidder has complied with all requirements of this RFP;

c. The extent to which the Bidder's plan for developing the Project will minimize the construction and operational risks;

d. For evaluation purposes only, the header capacity should be designed based upon the following capacities using the ~~corresponding pressures~~maximum pressures that are published, otherwise publicly available or available to the Bidder with minimum research to give the header the most operational flexibility:

PIPELINE	VOLUME FOR DESIGN
Oneok Westex	350 MMSCFD
El Paso Pipeline 36"	750 MMSCFD
Oasis – ETC 36"	750 MMSCFD
Atmos Pipeline Line X 36"	500 MMSCFD
NGPL 30"	500 MMSCFD
ETF/ETP NTX-36"	750 MMSCFD
Regency Plant Tailgates	200 MMSCFD
Northern Natural 30"	700 MMSCFD
Transwestern 36"	500 MMSCFD
Enterprise	500 MMSCFD

e. CFE will determine final actual capacities and pressures for each interconnection with the Winning Bidder pursuant to Section 2 of this RFP.

f. Assuming full compliance with the RFP requirements, using the set of rates shown in **Appendix C** at one hundred percent (100%) load factor for the firm capacity charge, CFE will determine the net present value using a ten percent (10%) discount rate of the twenty-~~five~~four (~~25~~24) year monthly cash flows to be charged by Transporter for transportation services over the life of the TSAs.

g. The set of fuel percentages for the ~~300~~288 months proposed in part b of ~~section~~Section 5 will be converted to a cash figure using a standard formula for all the Bidders.

h. The Bidder with the lowest net present value complying with the RFP requirements and offering CFE the best value will be awarded the contract. "Best value" means the most advantageous balance of price, quality, and performance achieved through this competitive procurement process in accordance with stated selection criteria. Bidders shall submit their proposed price(s) based on a fixed (but not necessarily flat) price for the first ~~three~~two hundred ~~(300~~and eighty-eight (288) months following the In-Service Date (such ~~300~~288 month period, the "**Term**").

7. Additional RFP Requirements

a. Cost Responsibilities. CFE will not be responsible or accountable for any expenses incurred by Bidders or potential Bidders in connection with the development of the proposal, including, but not limited to, legal expenses, travel costs and/or preparation of documents.

b. Governing Law. This RFP, the TSAs and all related documentation shall be governed in accordance with the laws of the State of Texas.

c. Language. The Bidder's proposal and all related documents must be submitted in English. If support of a proposal requires the use of Spanish documents, please provide an unofficial English translation of the documents (a certified translation is not required).

d. CFE Supervision. The Bidder's proposal shall include provision for CFE to have technical representatives monitor and supervise the construction of the Project. The cost of such supervision ~~for CFE shall be paid by the Winning Bidder subject to CFE approval of invoices and a maximum liability of~~will be $3 million, which will be credited back to CFE within the first twenty-four (24) months following the In-Service Date by a mechanism to be set forth in the TSA.

e. Financial Data. The Bidder must provide CFE the financial model in an Excel file with access to all sheets, formulas and data to analyze the calculations and assumptions that were reflected in the proposal. Such file shall contain all calculations for the set of rates described in **Appendix C**, the details of estimate of Project costs specified in Section 5(k), any commodity or fuel charges, depreciation, reserves and all other considerations, calculations and/or formulas that need to be considered in order to fully understand the proposal and cost estimates.

8. Reservation of Rights; Sole Discretion/No Liability

CFE may at any time without modifying or amending the RFP (i) so long as fair and transparent, take such decisions and adopt such procedures that it may deem appropriate, (ii) select the Winning Bidder based on the criteria set forth in Section 6 of this RFP, (iii) terminate this RFP process without selecting a Winning Bidder, and/or (iv) negotiate such other terms and conditions with a participant or other third party as it may deem appropriate for development of the Project. All decisions made by CFE in connection with the RFP process

or the Project shall be subject to its sole and absolute discretion and shall be final and non-appealable.

Nothing in this RFP or any other document or statement made or delivered by or on behalf of CFE in connection with the RFP process, and no decision or other action taken by or on behalf of CFE in connection with the RFP process, shall create any legal right or claim of any nature on the part of any Bidder or potential Bidder, or any affiliate of any Bidder or potential Bidder against CFE or any of its affiliates or any officer, director, employee, agent, attorney-in-fact or other representative of CFE or any of its affiliates; and CFE shall not be under any legal obligation to any Bidder or potential Bidder.

9. Disclosure of Location

Due to the sensitive nature of the Project and related agreements and documentation, the exact location of the delivery point of the Project will be disclosed as soon as practicable. The point shall be at the United States border within the range shown in **Appendix A**.

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Appendices

A. CFE Waha Header and Pipeline Conceptual Design, Preliminary Route and other Technical Information, Project Schematics (Attachment A-1), ~~and~~ Gas Quality Standards (Attachment A-2), and Unofficial English Translation of Gas Quality Standards (Attachment A-3).

B. Fiber Optic Technical Specifications

C. Material TSA Terms applicable to each of the CFE Waha Header and the Presidio Pipeline

D. Material JV Terms

E. Form of Commitment Bond and supporting letter of credit

F. Performance Bond and supporting letter of credit

G. Form of Parent Guarantee

APPENDIX A

HEADER AND PIPELINE CONCEPTUAL DESIGN, PRELIMINARY ROUTE AND OTHER TECHNICAL INFORMATION

The Project will include the CFE Waha Header at no more than 3 miles from the geographical coordinates of 31°16'47.17" N; 103°5'34.67" W. CFE's consent is required in the event the Transporter plans to use the CFE Waha Header for any services with a third party or parties.

This Project will include (i) the design, development, construction, and operation of the CFE Waha Header, (ii) the design, development, construction and operation of the Presidio Pipeline, (iii) the design, development, construction and operation of the Directionally-Drilled Works, and (iv) the design, development, construction and operation of the Fiber Optic Lines as set forth in **Appendix B**. The proposed route will extend for approximately 127 miles from the Waha area to the Mexico/United States Border and will allow the supply of intrastate pipelines, processing plants, storage facilities and interstate pipelines; provided, however, the final length and route of the Project are at the discretion of the Bidder.

The CFE Waha Header shall be designed, developed, constructed and operated so as (i) to interconnect with the Presidio Pipeline, the San Elizario Pipeline and a potential third pipeline flowing south to Mexico, (ii) so as to be capable of interconnecting with an initial ten pipelines with the capability of immediately connecting to two expansion pipelines (twelve (12) different pipelines), and (iii) so as to be capable of adding six (6) further expansion pipelines as may be identified in the future. Upon delivery for commercial operation the CFE Waha Header shall be interconnected with the following ten pipelines in no particular order:

1. Oneok Westex
2. El Paso Pipeline 36"
3. Oasis – ETC 36"
4. Atmos Pipeline Line X 36"
5. NGPL 30"
6. ETF/ETP NTX-36"
7. Regency Plant Tailgates
8. Northern Natural 30"
9. Transwestern 36"
10. Enterprise

The capacity of the Presidio Pipeline will be 1.356 Bcf/d, deliverable at the international border at a minimum pressure of 1,170 psig. The remaining~~ capacity of the CFE Waha~~ Header ~~capacity~~Capacity will need to serve the San Elizario Pipeline (the San Elizario Pipeline is not part of the Project and will be developed under a separate ~~"Request~~request for ~~Proposals"~~proposals) and a third pipeline flowing south to Mexico.

Design, permitting and construction are expected to span approximately 23-25 months.

An interconnection and operating agreement shall be entered into between the Project and the Mexican pipeline and each of the pipelines interconnected with the CFE Waha Header, which interconnection agreements will provide for the coordination of, and responsibility for, activities including, but not limited to, meter accuracy and inspections, repair and maintenance, access to real time data, gas quality specifications up to C9+, gas control and scheduling, capacity priority scheme, and volume balancing. CFE's rights in the event of stalled negotiations between the Transporter and the interconnecting Mexican Pipeline and upstream pipelines interconnecting with the CFE Waha Header shall be set forth in the TSAs.

All data from the quality measurement, ultrasonic flow meter, and SCADA from receiving and delivery points shall be delivered to the SCADA of the Subdirección de Energéticos in Periferico Sur No. 4156 7° piso, Col. Jardines del Pedregal, C.P. 01900 Mexico City, and for the delivery point the data shall be available for the Mexican pipeline to engage in remote flow monitoring, with a copy to Comisión Federal de Electricidad, Subdirector de Modernización y Nuevas Áreas de Oportunidad, Paseo de la Reforma No. 164- 1er. piso, Col. Juárez, C.P. 06600 México, D.F.

The Transporter will be responsible for installing facilities in the United States of America, at least a 42~~"~~" diameter border-crossing pipeline to accommodate pig–runs for maintenance purposes, an automated control valve on the United States Border for pressure management, and meter skids on United States Border, all of which are to be installed using common standard commercial practices. The Project will terminate at the U.S.-Mexican border. The responsibilities related to the construction and permitting of the border crossing will be determined by the Transporter and the interconnecting Mexican pipeline in related interconnection and operating agreement(s).

The Transporter will be responsible for obtaining all environmental and jurisdictional permits including a FERC Presidential Permit, temporary work space, and the Rights of Way (ROW). So long as a Bidder's proposal sets forth the means for obtaining all necessary regulatory approvals for commencing service timely, CFE has no preference as to whether a Bidder proposes interstate or intrastate service for the Project. CFE or CFE affiliates and/or Subsidiaries shall appoint certain technical personnel (i) to supervise the construction period of the Project (beginning on the date of execution of the TSA), and (ii) to work with the Transporter on technical matters. The costs of these personnel will be capitalized into the overall cost of the Project and CFE will~~ submit requests for payment of the costs to the Transporter. This amount shall be capped as specified in Section 7(d) of the RFP. If CFE does not use this allowance it shall be credited back to CFE either as a payment, a reduction in the rates paid by CFE, or as a prepayment of~~

~~rates, at the discretion of CFE~~ be credited back the $3 million within the first twenty-four (24) months following the In-Service Date by a mechanism to be set forth in the TSA.

The Transporter may design and locate the header in a way to meet the RFP requirements and maximize the flexibility of the system permitting ~~to receive~~receipt and ~~deliver~~delivery of natural gas between all the pipelines interconnected.

The Transporter should provide meter size, receipt point locations, and estimated operating pressures for the proposed receipt points on the CFE Waha Header. The Transporter should base its sizing requirements on the maximum possible receipt and delivery capacity of each interconnecting point. The CFE Waha Header shall have a total initial design capacity equaling ~~the sum of the maximum delivery capacity of the Presidio and San Elizario Pipelines (i.e., 2.831 Bcf/d) and a potential third pipeline flowing south to Mexico, plus the sum of the maximum capacity of each of the ten header interconnects, plus the capability of immediately accommodating two future interconnections with additional pipelines on the header~~6 Bcf/d. The priority for the Waha In-Service date is for the header to be capable of delivering ~~100% of the available capacity of 2.831 Bcf/d, 1.475~~1.220 Bcf/d for the San Elizario Pipeline and 1.356 Bcf/d for the Presidio Pipeline with the greatest amount of flexibility between the header interconnects and the potential third pipeline running south to Mexico. Please support any proposals related to phasing-in of the header interconnects or sourcing of natural gas supply, as it relates to jurisdictional status or any other relevant consideration to the development of the Project. It is the Transporter's responsibility to secure interconnection agreements with each of the header interconnects. For evaluation purposes, the header ~~capacity~~ should be designed based upon the ~~maximum receipt and delivery capacities at the maximum pressures that are published or are otherwise publicly available for each of the header interconnections.~~ requirements set forth in Section 6 of this request. CFE will determine final actual capacities and pressures for each interconnection with the Winning Bidder.

Each point of receipt and delivery will be equipped with continuous quality measurement, ultrasonic flow meter and SCADA capable of allowing CFE or any other shipper to engage in remote flow monitoring. Meter at the receipt and delivery point must be designed to provide accurate measurement from nearly zero flow to the maximum flow.

The following technical specifications shall also apply to the Project:

1. All meters must meet or exceed AGA 9 specifications and have turndown capability to five percent (5%). The meter on the United States Border will be used for measurement of custody transfer volumes and invoicing.

2. Gas Quality shall be monitored continuously by chromatographs capable of measuring up to C9+, installed at each meter station and at the border crossing. Chromatographs will be tied into the SCADA system. Gas quality into the system, and at the Delivery Point, must meet the most stringent standards contained in NOM-001-SECRE-2010 (attached hereto as Attachment A-2), and the gas quality standards set forth in the tariffs of each of the pipelines specified for interconnection with the CFE Waha Header. Transporter will be responsible for the costs of bringing U.S. gas into compliance with

the NOM-001-SECRE-2010, if applicable (please fully explain any facilities required to bring U.S. quality gas into compliance prior to its transit into Mexico).

3. It is the Transporter´s responsibility to design the international border crossing which needs to detect and respond to leaks, monitor pipeline integrity and shut the system down in the event of an emergency.

4. All equipment must utilize state of the art technology and be maintained to meet customary industry standards for natural gas pipelines operating in the United States. All designs, construction, and operations must comply with the safety, environmental, and other standards and regulations for all applicable federal, state, and local jurisdictions, for both the United States and Mexico, as applicable. The design must contain appropriate emergency shutdown systems, active cathodic protection, proper fusion bonded epoxy pipeline coating (epoxy-based powder coating or equivalent), increased pipeline wall thickness and appropriate coating at crossings, and other practices consistent with the safe and long term operation of a pipeline of this scale and purpose.

5. All Bidders must comply with all existing EPA regulations applicable to gas-fired compressors when formulating their bids.

6. The Project must include SCADA systems to respond to emergencies and to monitor and control critical equipment, valves, regulators, meters, fiber optics, *etc.* The systems must include, but not be limited to: a network for data and voice transmission for operations; paging and alarm systems for compressor sites, regulators, and measurement stations; and a central control room or reasonable alternative to monitor and manage all operations.

7. Transporter ~~should provide a~~shall use the following reliability standard for the Project~~ that meets or exceeds industry standards~~:

   - Within one (1) year, 99.73% is required.
   - Within five (5) years, 99.90% is required.
   - Within ten (10) years, 99.92% is required.

8. The Transporter must provide line pack volumes for the Project.

Suggested Preliminary Route

The Transporter is responsible for the definition of the route~~,~~; CFE presents a suggested preliminary route ("**Route**"):

The Route starts from the UTM: 13R X: 681878.9181m, Y: 3460781.4917m, heading west (220.68 ° to the east) for 783,979 meters, until the Km 0 + 783 979 in the UTM coordinate: 13R X: 681284.3479, Y: 3460270.5025. changes to South direction (251.72 ° to the East) by 1289,266 meters to reach 73,245 Km 2 + in the UTM coordinate: 13R X: 680880.0308, Y: 3459046.2739 switch to west direction (235.46 ° to the East) by 5702,671 meters to reach the

775,916 + Km 7 in UTM coordinate: 13R X: 677646.9418, Y: 3454348,658 switch to west direction (227.7 ° to the East) by 9277,349 meters to reach 53,265 + Km 17 on the UTM coordinate : 13R X: 671402.7521, Y: 3447487.2228 switch to west direction (229.66 ° to the East) by 3055,908 meters to reach the 109,173 + Km 20 on the UTM coordinate: 13R X: 669424.5297, Y: 3445158.0151, changes to west direction (239.73 ° to the East) by 5742,709 meters to get to Km 25 + 851 882 in the UTM coordinate: 13R X: 666530.0555, Y: 3440198.1037 switch to west direction (227.93 ° to the East) by 2909,151 meters until the Km 28 + 761 033 in the UTM coordinate: 13R X: 664580,974, Y: 3438038.4186 switch to west direction (239.43 ° to the East) by 9887,447 meters to reach the 38 + Km 648.48 in the UTM coordinate: 13R , X: 659552.6468, Y: 3429525.0447 switch to west direction (243.39 ° to the East) by 10819,968 meters to get to Km 49 + 468 448 in the UTM coordinate: 13R X: 654706.5056, Y: 3419851.0267 switch to west direction (230.78 ° to the East) by 1738,924 meters to get to Km 51 + 207 372 in the UTM coordinate: 13R X: 653607,096, Y: 3418503.7497 switch to west direction (246.2 ° to the East) by 6188,104 meters, reaching to Km 57 + 395 476 in the UTM coordinate: 13R X: 651110.0749, Y: 3412841.8138 switch to west direction (216.94 ° to the East) by 2536,394 meters to reach the 59 + Km 931.87 in the UTM coordinate: 13R X : 649082.7972, Y: 3411317.5298 switch to west direction (230.11 ° to the East) by 7815,036 meters to get to Km 67 + 746 906 in the UTM coordinate: 13R X: 644070.8559, Y: 3405321.2616 switch to west direction (231.2 ° to the East) by 5323.201 meters to reach the 73 + Km 70.107 in the UTM coordinate: 13R X: 640735.2601, Y: 3401172.7355 switch to west direction (238.34 ° to the East) by 15925,075 meters to reach the Km 88 + 995 182 in the UTM coordinate: 13R X: 632377.3121, Y: 3387617.1939 switch to southward (254.19 ° to the East) by 3299,368 meters to reach the 92 + Km 294.55 in the UTM coordinate: 13R X: 631478,657 , Y: 3384442.5683 changes to a southwesterly direction (240 ° to the East) by 4665,836 meters to get to Km 96 + 960 386 in the UTM coordinate: 13R X: 629145.8439, Y: 3380401.7749 switch to west direction (226.3 ° to East) by 10765.932 meters to reach Km 107 + 726 318 in the UTM coordinate: 13R X: 621707.8645, Y: 3372618.3472 switch to west direction (227.49 ° to the East) by 4241,698 meters to get to 111 + Km 968,016 in the UTM coordinate: 13R X: 618841.8244, Y: 3369491.3966 switch to west direction (212.31 ° to the East) by 2455,042 meters to reach Km 114 + 423 058 in the UTM coordinate: 13R X: 616766.9111, Y : 3368179.1594 switch to west direction (237.78 ° to the East) by 3773,593 meters to reach Km 118 + 196 651 in the UTM coordinate: 13R X: 614755.0344, Y: 3364986.6126 switch to west direction (206.57 ° to This) by 3301.914 meters to reach Km 121 + 498 565 in the UTM coordinate: 13R X: 611801.9333, Y: 3363509.51, switch to west direction (226.97 ° to the East) by 6407,083 meters to reach Km 127 + 905 648 in 13R, X: 607429.4888, Y: the UTM coordinate 3358826.3017 switch to west direction (241.84 ° to the East) by 21607,278 meters to reach Km 149 + 512 926 in the UTM coordinate: 13R X: 597231.2301, Y: 3339777,155 changes to address Southwest (234.61 ° to the East) by 12168,853 meters to reach Km 161 + 681 779 in the UTM coordinate: 13R X: 590184.6059, Y: 3329856.1641 switch to west direction (236.55 ° to the East) by 18632.834 meters to reach Km 180 + 314 613 in the UTM coordinate: 13R X: 579913.2937, Y: 3314310.0179 changes to a southwesterly direction (234 ° to the East) by 4121,931 meters to reach Km 184 + 436 544 in the coordinate UTM: 13R X: 577490.6332, Y: 3310975.1974 switch to west direction (222.65 ° to the East) by 8888,587 meters to reach Km 193 + 325 131 in the UTM coordinate: 13R X: 570952.6794, Y: 3304953.3927 changes a southwesterly direction (242.46 ° to the East) by 1204,009 meters to get to 194 + Km 529.14 in the UTM coordinate: 13R X: 570395.9247, Y: 3303885.8434 switch to west direction (233.28 °

to the East) by 2365,355 meters , until the Km 196 + 894 495 in the UTM coordinate: 13R X: 568981.7342, Y: 3301989.8027 switch to west direction (221.1 ° to the East) by 2716,163 meters to reach Km 199 + 610 658 in the UTM coordinate: 13R, X: 566935.0559, Y: 3300204.1232 switch to west direction (214.13 ° to the East) by 2175,885 meters to reach Km 201 + 786 543 in the UTM coordinate: 13R X: 565133,923, Y: 3298983.3048 changes to direction southwest (225.57 ° to the East) by 5531,376 meters to reach Km 207 + 317 919 in the UTM coordinate: 13R X: 561261.6153, Y: 3295033.4499 switch to west direction (208.01 ° to the East) by 804,495 meters until reach 208 + Km 122.414 in the UTM coordinate: 13R X: 560551.3751, Y: 3294655.5983 switch to west direction (220.1 ° to the East) by 19411,437 meters to reach the Point of Interconnection at Km 227 + 533 851 in UTM coordinates: 13R X: 545703.7858, Y: 3282151.4805.

(***This route is meant for indicative purposes only and should not be considered a requirement.)

APPENDIX A

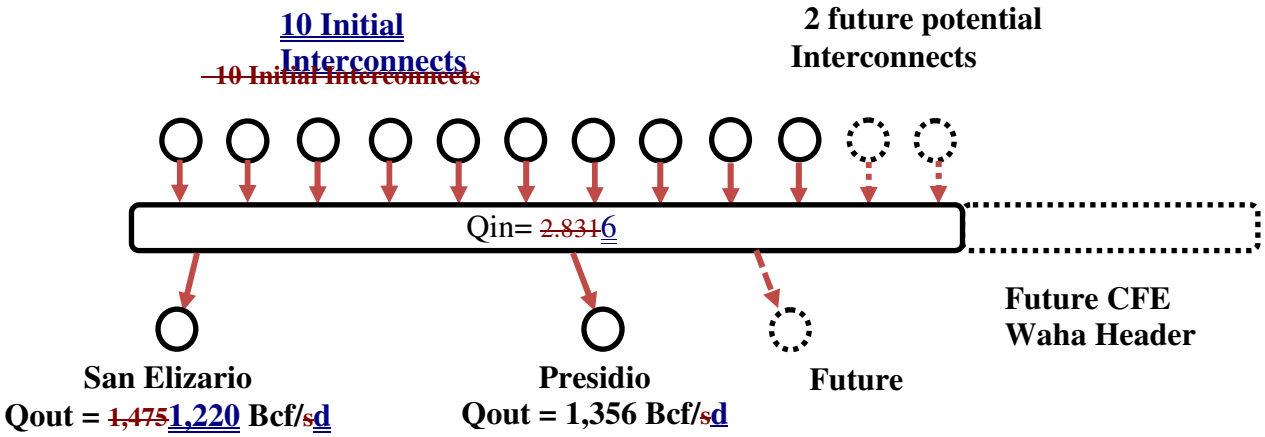
ATTACHMENT A-1

Project Schematics

CFE Waha Header

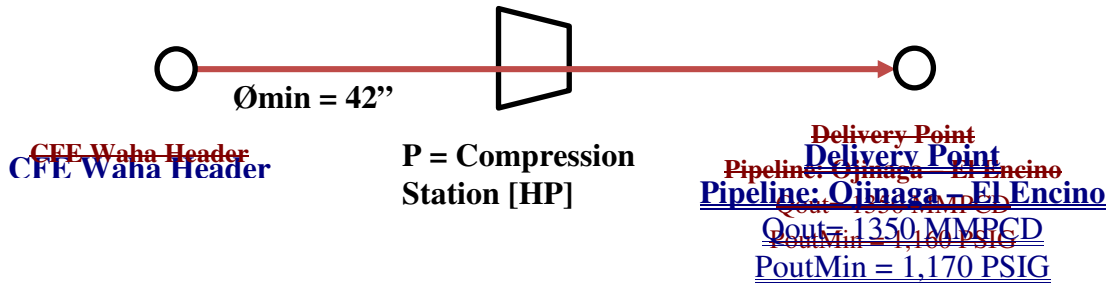
Qin= ~~2,831~~2,576 MMPCD

Design for 12 Interconnects



Waha - Presidio Pipeline

Qin= 1350 MMPCD



Pressures and Volumes required at "Presidio"

Year	Delivery Point ~~"Presidio"~~for CFE					
	"Presidio" at the Border			"San Elizario" at the Header		
Indicative	Volume	Pressure		Volume	Pressure	
	[MMSCFD]	Min [PSIG]	Max [PSIG]	[MMSCFD]	Min [PSIG]	Max [PSIG]
2017	577	~~730~~755	765	643	800	810
2018	1021	~~960~~995	1005	680	800	810
2019	962	~~930~~960	970	626	800	810
2020	951	~~920~~955	965	875	800	810
2021	1000	~~950~~985	995	724	800	810
2022	1000	~~950~~985	995	856	800	810
2023	1004	~~950~~985	995	990	800	810
2024	1219	~~1080~~1120	1130	1168	800	810
2025	1292	~~1125~~1165	1175	1220	800	810
2026	1324	~~1145~~1185	1195	1220	800	810
2027	1324	~~1145~~1185	1195	1220	800	810
2028-2041	1356	~~1165~~1205	1215	1220	800	810

APPENDIX A

ATTACHMENT A-2

Gas Quality Standard

APPENDIX A

ATTACHMENT A-3

Gas Quality Standard (unofficial English translation)***

***This English translation is for informational purposes only and the Spanish version shall govern.

APPENDIX B

Fiber Optic Technical Specifications

Table of Contents

PURPOSE 3

START DATE 3

GENERAL SPECIFICATIONS 3

Cable 3

Optical Fiber 4

Junction Boxes 6

Hatches 6

Duct 7

SPECIFICATIONS FOR THE FIBER OPTIC LINE FOR THE CFE WAHA HEADER AND THE PRESIDIO PIPELINE

PURPOSE

Integration of a complete solution, which includes the design, installation, commissioning and maintenance of fiber optic equipment, for custom applications for security, surveillance, telemetering and automation of the natural gas transportation process, for the CFE Waha Header and the Presidio Pipeline.

The fiber optic cable with 48 reinforced dielectric cable fibers is contained within a duct located next to the trajectory of the header and the pipeline. The Transporter is responsible for meeting regulatory requirements related to installation of the fiber optic cable.

START DATE

The start of operations of the fiber optic line should start on the In-Service Date (as such term will be defined in the corresponding TSAs to be executed between CFE and the Transporter). The excess capacity in the fiber optic network (i.e., capacity not used for security, surveillance, telemetering and automation of the natural as transportation process) and/or the excess capacity in the duct containing the cable fibers, shall from the In-Service Date be available for the discretionary use and enjoyment of CFE. CFE contemplates the sole use of the cable at the In-Service date to be monitoring and surveillance of the cable. Any future use of the cable, including but not limited to regulatory requirements, will be CFE's responsibility.

GENERAL SPECIFICATIONS

The Transporter should provide CFE with the final configuration of the fiber optic cables, including arrangements within the fiber optic distributors, distances in kilometers between the junction boxes, georeferenced location of hatches and fiber connections.

The cable, optical fiber, junction boxes, hatches (transition and connection) and ducts should comply with the minimum standards set forth by the U.S. Telecommunications industry, which include, but it is not limited to, the following:

Cable

- Insulated dielectric optical cable for underground installation.
- Composed of 48 fibers.
- With central tension element.
- Minimum of 3 tubes for loosely accommodating optical fibers with gel to prevent the ingress of moisture to the fibers.
- Traction elements.

- ➢ Tear cord.
- ➢ With inner and outer flame retardant and low smoke covers.
- ➢ Dielectric fiberglass casing.
- ➢ Outer thermoplastic covering.
- ➢ Resistant to rodents.
- ➢ 100% dielectric.
- ➢ Anti-moisture.
- ➢ Resistant to ultraviolet rays
- ➢ Bending radius 20 x outer diameter.
- ➢ Outer diameter between 13 - 14.5 mm.
- ➢ Must support minimum installation tension of 2000N
- ➢ □□□□□□□□□□□□□□□□□□□□□□□□□□□□□□□□□C to + 70 °C
- ➢ Must comply with EIA/TIA 598 color coding.
- ➢ Crushing strength equal to or greater than 1800N/10cm.

Optical Fiber

- ➢ The optical fibers of the cable must be single-mode with zero water peak for extended wavelength spectrum.9/125 µm diameter single-mode optical fiber, to operate within the window of 1310 to 1625 nm. Attenuation less than or equal to 0.17 dB/km within the 1550 nm window.

~~**Maximum Attenuation**~~

~~**Wavelength**~~

~~**(nm)**~~**Maximum** ~~**Value**~~

~~**(dB/km)**~~**Attenuation**

Wavelength (nm)	**Maximum Value (dB/km)**
1310	0.31
1550	0.17
1625	0.20

~~**Attenuation vs. Wavelength**~~

Attenuation vs. Wavelength

Range (nm)	Ref. λ (nm)	Max. variation in α (dB/km)
1285 – 1330	1310	0.03
1525 – 1575	1550	0.02
1625	1550	0.03

~~Macrobending Loss~~

~~Mandrel diameter (nm)~~	~~Number of Turns~~	~~Wavelength (nm)~~	~~Induced Attenuation (dB)~~
~~32~~	~~1~~	~~1550~~	~~≤ 0.1~~
~~50~~	~~100~~	~~1310~~	~~≤ 0.05~~
~~50~~	~~100~~	~~1550~~	~~≤ 0.05~~

~~Break point~~

~~Wavelength (nm)~~	~~Break point (dB)~~
~~1310~~	~~≤ 0.05~~
~~1550~~	~~≤ 0.05~~

~~Cable cut-off wavelength~~

~~$CC_\lambda \leq 1260$nm~~

~~Mode Field Diameter~~

~~Wavelength (nm)~~	~~FDM (μm)~~
~~1310~~	~~9.2 ± 0.5~~
~~1550~~	~~10.5 ± 0.5~~

~~Dispersion~~

Break point

Wavelength (nm)	Break point (dB)

1310	< 0.05
1550	< 0.05

Cable cut-off wavelength

CCλ < 1260nm

Mode Field Diameter

Wavelength (nm)	**FDM (µm)**
1310	9.2 + 0.5
1550	10.5 + 0.5

Dispersion

Wavelength (nm)	**Dispersion Value [(ps/(nm*km)]**
1550	≤≤ 18.0
1625	≤≤ 22.0

~~**Polarization Mode Dispersion (PMD)**~~

Polarization Mode Dispersion (PMD)

	Dispersion Value [(ps/(nm*km)]
PMD Link Design Value	≤≤ 0.04
Maximum Individual Fiber PMD	≤≤ 0.1

~~**Geometry of the crystal**~~

Geometry of the crystal

Fiber Curl	≥≥ 4.0m radius of curvature
Cladding Diameter	125.0 ±± 0.7 µmµm
Core-cladding concentricity	≤≤ 0.5 µmµm
Cladding non-circularity	≤≤ 0.7%

~~**Geometry of the coating**~~

Geometry of the coating

Coating diameter	242 ±± 5 µmµm
Coating-cladding concentricity	< 12 µmµm

Junction Boxes

- ➢ Plastic junction box with dimensions 375 mm high x 76 mm deep x 216 mm wide, optional for overhead, underground or buried installations.
- ➢ Pressurization valve.

- Lock-Tape system splice trays.
- Capacity for 3 cables (3-way)
- The covers should come with neoprene gaskets.
- For 48 junctions.
- □□□.
- With the necessary tools and/or accessories to attach it in manhole type hatches.
- The Carrier should locate 15 meters of reserves of fiber optic cable per point in each hatch with a junction box, except the first and last hatch, meaning a minimum of 100 meters is required; the reserves must be placed in the accessories intended for that purpose within the hatch. Stainless steel straps should be placed to secure the heads.
- The boxes shall be installed in the specified hatches in the underground sections, above the level of the reserves of optical fibers in the hatches, centered and mounted horizontally on the side of the entrance to the pipeline on the framework provided for this purpose in the hatches.
- The joint should be welded by electric arc fusion with attenuation $\leq$0.02 db.

Hatches

- Transition Hatches only used to pull the optical fiber during installation, or where there are drastic changes of trajectory and to accommodate lengths of optical fiber.
- Connection Hatches will have the functions of the transition hatches and will also be used at junctions.
- Manhole type hatches made of fiberglass (5 mm thick) reinforced with three reinforcement ribs per wall, with sump and drainage grill for water filtration, dimensions 1.22 m x 1.22 m x 1.22 m, designed to be installed underground.
- All pieces included in this hatch must be made from fiberglass or reinforced polymer concrete, except for the rings and the locking screws for the lid.

- The lid should be made from stratified polymer concrete with a sheet metal insert, and it must ensure that the interior remains hermetically sealed against all types of terrain along the trajectory of the link.

- Must comply with flammability tests

- With 3 reinforcement ribs for each face.

- Polymer concrete framework and extension ring

- Useful lifetime of at least 25 years

- Anti-theft polymer concrete cap

- Circular hermetic cover made from stratified polymer concrete with a small metal plaque mounted on the internal face of the hatch.

- Stainless steel security screw with 20 keys to supply all hatches.

- With access for 8 1.5”" diameter tubes, 2 on each face of the hatch, duly sealed against powder and moisture.

- □□U” type fixings for fiber optic reserves without perforating the hatch.

- The same type of hatch and accessories shall be placed along the entire trajectory of the link.

- The Carrier should place a junction hatch at a maximum distance of 6,000 meters in length.

Duct

- A duct bank is the entire trajectory of the link made up of 2 tubes (different colors) of rigid 1.5”" diameter smooth inside and outside wall HDPE.

- Coupling: High-strength plastic, with pressure caps on the ends, for RD-11 1.5” diameter PAD pipe and cold contractile sleeve to cover coupling and ends of 1.5” pipe.

- Warning tape: Plastic warning tape manufactured from 100% virgin resin, pigmented and stabilized to resist alkaline agents, orange color with black color nomenclature, chemically inert ink which does not degrade from exposure to acids, alkalis and other substances commonly found in soil.

APPENDIX C
Material Terms for Foundational Shipper
Transportation Service Agreement

Rate Schedule

The following material terms~~ set forth the negotiated rate agreement, which~~ shall be incorporated in a Transportation Service Agreement ("**TSA**") for each of the Presidio Pipeline and the CFE Waha Header, both to be executed and delivered by the Winning Bidder and CFE:

1. ***Transporter:*** [●●]

2. ***Shipper:*** COMISIÓN FEDERAL DE ELECTRICIDAD ("CFE")

3. ***Transporter Obligations:***

   a. **Project Construction** – Transporter shall perform, at its exclusive cost, either itself or through Subcontractors, all of the work required for the design, engineering, procurement, equipping, placement, construction, pre-start, tests and start-up of the Project and the interconnection facilities in accordance with the RFP, applicable law, prudent industry practices and the terms and conditions of the TSA.

   b. **Transportation Services** – Shipper shall have the rights and privileges of a "foundational shipper." Transporter, as of the In-Service Date and up to the Maximum Daily Quantity ("**MDQ**"), shall provide firm transportation services at the pressures and the receipt and delivery points as specified in the TSA.

   c. **Financing** – Transporter shall obtain all required financing to develop the Project and bring it in to commercial operation and to execute its obligations under the TSA.

   d. **Permits** – Transporter shall obtain all required permits and approvals required to construct and operate the Project under applicable law, including a Presidential Permit and the necessary authorization under Section 3 of the Natural Gas Act to construct, operate and utilize the facilities that will connect the pipeline with the Ojinaga Pipeline at the international border.

   e. **Operation** – Transporter shall operate the Project in accordance with the terms of the TSA, applicable law and prudent industry practices.

   f. **Security Interest and Step-in rights** – Transporter shall execute and deliver customary documentation conveying a security interest in the Project and all of the Transporter's parent company(ies)'s interest in the Project to Shipper in order to secure Transporter's obligation under the TSA, and further deliver a consent to assignment or direct agreement under which Shipper shall have the right to step-in and take over operation of the Project in the event of an uncured default under the

TSA. Such agreements shall be acknowledged and accepted by all lenders to the Project, and subject to customary intercreditor agreement terms, such terms to include that Shipper's security interest and step-in rights shall be pari passu with any security interest and step-in rights of the Project lender(s). The time for cure of a default under the TSA shall be of the essence. For the construction period (beginning on the date of execution of the TSA), falling behind the construction timetable by more than thirty (30) days is an event of default and if Transporter does not deliver to Shipper a proposal for cure that is satisfactory to Shipper within five (5) days, Shipper shall have the right to step-in and take over operation of the Project. Post commercial operations date, failure to deliver for the contracted volume for more than fifteen (15) days during the Term is an event of default and Shipper shall have the right to step-in and take over operation of the Project. Shipper's right as concerns the security interest and step-in rights shall be subject to an intercreditor agreement with the Transporter and any Project lenders.

g. **Transporter's Tariff** – Transporter's Federal Energy Regulatory Commission ("**FERC**") Gas Tariff and the General Terms and Conditions of such tariff, and Transporter's intrastate tariff and terms and conditions, shall be customary and ordinary for a pipeline of this type, and reasonably acceptable to Shipper.

4. ***Tariff:*** Shipper shall pay Transporter each month a rate or tariff ("**Tariff**") for the transportation services provided during the preceding month which is equal to (a) the product of the MDQ set forth in the TSA times the number of days in such month times the Reservation Charge (for the purpose of this RFP Reservation Charge is synonymous with Demand Charge) plus (b) the product of the volume actually delivered during each month in MMBtu times the applicable Commodity Charge (for the purpose of this RFP Commodity Charge is synonymous with Usage Charge). The Reservation Charge and Commodity Charge shall be fixed ~~for~~(but not necessarily flat) for the 288 months of the Term~~ of the TSA~~, subject to adjustment only to reflect (i) the effects of compliance with any change in tax or other law, and (ii) any changes to the project design requested and agreed to by CFE. Actual Fuel~~, power costs for electric compression and GLU~~ and Gas Lost and Unaccounted-for will be paid in-kind and other applicable regulatory mandated surcharges will be assessed in addition to the Reservation Charge and the Commodity Charge as set forth in an Exhibit ~~B~~to be set forth in the TSA. Transporter~~ and Shipper~~ shall execute an operational balancing agreement applicable for each receipt and delivery point. Costs associated with electric compression shall be included in the Reservation Charge. Transporter shall bear the cost of line pack gas.

5. ***Fiber Optic Lines:*** Per the specifications described in Appendix B to the RFP, the project construction shall include the development, construction and operation of the Fiber Optic Lines. The Transporter shall use one of the Fiber Optic Lines for monitoring and surveillance of the Project. The Shipper shall have an indefeasible right to use the remaining fibers and the conduit or duct and shall be responsible for all associated regulatory permits. The charge for an indefeasible right of use for the Fiber Optic Lines shall be included in the Tariff.

6. ***Interconnection and Operating Agreement:*** Transporter must use its commercially reasonable efforts to negotiate an interconnection and operating agreement with the transporter of the Ojinaga pipeline and the upstream pipelines connecting to the CFE Waha Header as of the In-Service Date. Transporter must keep Shipper apprised of the status of the negotiations. If negotiations between Transporter and any interconnecting pipeline unreasonably threaten delay of the In-Service Date, CFE will have step-in rights to negotiate directly with the interconnecting pipeline regarding the terms of the interconnection agreement, using commercially reasonable terms. Transporter has a reasonable right of approval but such approval may not be unreasonably withheld, conditioned, or delayed.

7. ***Joint Venture:*** Prior to the end of the Term of the Project, Shipper may elect to create a separate legal entity (the "**JV**") to be owned fifty-one percent (51%) by the Transporter and forty-nine percent (49%) by Shipper and Transporter shall transfer to the JV, effective as of the end of the Term, all right, title and interest to the Project for no consideration. The JV will be structured and operated as a bankruptcy-remote entity based on customary terms and conditions for such entities, with Shipper having the right to forty-nine (49%) of the voting interest and net income. Transporter and Shipper shall, not later than twenty-four (24) months prior to expiration of the Term, finalize, execute and deliver the formal agreement for organization and governance of the joint venture. If Shipper and Transporter do not finalize such agreement prior to expiration of the Term, all right, title and interest to the Project shall be transferred to a limited liability company formed under the minimum requirements set forth in the Delaware Limited Liability Company Act, with the Transporter and Shipper as members.

8. ***Cross Default:*** Each TSA for the San Elizario Pipeline, the Presidio Pipeline, and the CFE Waha Header shall be cross-defaulted to the other TSAs such that a default under any one TSA shall constitute a default under all three TSAs triggering the respective rights and remedies thereunder for default. This Section 8 shall only apply if the San Elizario Pipeline and the Project are designed, operated and owned by the same company or affiliates thereof.

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

10. ***Incorporation by Reference:*** This Agreement in all respects shall be subject to the provisions of the Rate Schedule and to the applicable provisions of the General Terms and Conditions of the Tariff as filed with, and made effective by, the FERC or the Texas Railroad Commission as same may change from time to time.

11. ***Receipt Points, Delivery Points and Flow Paths:*** Transportation service at and between primary receipt points and primary delivery points shall utilize a Flow Path and shall be transported on a firm basis in accordance with the Tariff. Shipper agrees to tender gas for transportation service and Transporter agrees to accept receipt quantities at the primary receipt points identified in the final TSA. Transporter agrees to provide transportation service and deliver gas to Shipper (or for Shipper's account) at the primary delivery points identified in Exhibit A. Receipts and deliveries of gas for transportation service shall be accommodated by the Flow Path(s) identified on Appendix A Attachment A-1. Minimum and maximum delivery pressures, as applicable, are listed in Appendix A Attachment A-1.

12. ***Rates and Surcharges:*** As set forth in the final TSA, Shipper shall pay a fixed (but not necessarily flat) set of rates for the Term, regardless of any rate increases that the FERC may authorize during the Term, which shall cover only the ratable share of the Project subscribed to by Shipper. If at any time during the Term, including pre-award, post-award, during construction, or after the commercial operations date, another party becomes a customer on any of the Project facilities, CFE's fixed rates will be reduced by an amount equal to any financial benefit created by the increase in volume of natural gas transported or otherwise transacted, in order to recognize that CFE should share in the benefits created by any increase in economy of scale and the savings created by efficiency that such an increase in overall volume would create. If CFE requires the addition of any incremental capacity for the CFE Waha Header or the Presidio Pipeline, the parties will negotiate a rate increment that will be proportionate to the amount of investments necessary to comply with such increment in capacity. Under no circumstances will any rate component, including FL&U, charged to Shipper be raised as a result of providing third party service.

13. ***Fuel and Lost and Unaccounted for Charges ("FL&U"):*** For service provided on the Project under the TSA, Shipper shall pay in-kind all applicable FL&U charges, as may be revised from time to time.

14. ***Most Favored Nations:*** CFE's rate shall be no higher than the lowest rate applicable to any other shipper under a Firm Transportation Service Agreement for service on the Project, which benefit shall apply to all service forms provided by Transporter including without limitation forward and reverse hauls, ~~bidirectional~~bi-directional flows, park and loan services, and balancing services. For purposes of this Section 14, the term "rates" shall include the Reservation Rates, ~~the commodity rate~~Commodity Rates, and all reservation and commodity surcharges. Transporter on each one year anniversary of the TSA shall provide Shipper with a notarized certification from an officer that it has not in the previous year provided any other shipper with a lower rate for firm transportation service, as described in this Section 14. Where third parties utilize the Project, the benefits from any economy of scale will flow equitably to CFE and CFE will not be responsible for any incremental costs of providing the service.

15. ***Term of Agreement; Transfer of Ownership:*** The Term of the TSA shall be for twenty-~~five~~four (~~25~~24) years from the In-Service Date (the "**Term**"), subject to extensions for force majeure and subject to the right of CFE to terminate the TSA for convenience. At

expiration of the Term, forty-nine percent (49%) of all right, title and interest in the Project shall transfer from Transporter (and/or its parent company(ies)) to Shipper and/or its assignee. Transporter shall execute and deliver all documentation necessary to effectuate such transfer of ownership, and Transporter shall obtain the execution and consent of its parent company(ies) as necessary to effectuate such ownership transfer.

16. ***In-Service Date:*** **The Presidio Pipeline, the Directionally Drilled Works, and the Fiber Optic Lines shall have a Scheduled In-Service Date of March 31, 2017, and the CFE Waha Header shall have a Scheduled In-Service Date of January 31, 2017.** Additionally, Shipper shall have the right, by written notice to Transporter delivered on or before November 30, 2016 for the CFE Waha Header and on or before January 31, 2017 for the Presidio Pipeline, to cause the Scheduled In-Service Date to be extended for up to four months (e.g., to May 31, 2017), without incremental cost to Shipper. In the event Shipper causes the In-Service Date to be delayed, Shipper shall begin payments on the original In-Service Date. Any payments made for services not received during the delay shall be credited back to Shipper in the form of an extension at the end of the Term so that Shipper's number of monthly payments and number of months of service will both equal 288. Shipper shall be entitled to all actual or direct damages flowing from a breach of the TSA by the Transporter. For the avoidance of doubt, Shipper shall not be entitled to any consequential or indirect damages as a result of any such breach.

17. ***Termination for Convenience:*** CFE shall have the right to terminate the TSA for convenience. In the event that CFE elects to terminate the TSA for convenience, CFE will provide Transporter with a termination payment calculated as the remaining value of the TSA excluding profits and what has already been amortized. Such termination payment(s) shall consist of sunk costs and liquidation costs, however, shall not include any future profits or returns.

18. ***Payment:*** Beginning on the In-Service Date and subject only to the availability of Transportation Services, Shipper shall pay the Tariff on a monthly basis in accordance with the terms of the TSA. Payment for services during the preceding month shall be made in U.S. dollars by wire transfer twenty (20) business days after the date of receipt of a proper invoice therefor.

19. ***Notices, Statements, and Bills:*** Transporter and Shipper shall follow notices, statements, and billing practices that are customary and ordinary for a pipeline project of this type.

20. ~~*Commitment*~~***Performance*** ***Bond:*** Transporter shall provide a letter of credit in the amount of US$50 million to secure performance of its obligations under the TSA. This provision shall not apply in in the event that Transporter provides a guarantee from a parent of qualifying credit rating.

21. ***Governing Law:*** Transporter and Shipper expressly agree that the laws of the State of Texas shall govern the validity, construction, interpretation and effect of this Agreement and of the applicable Tariff provisions. This Agreement is subject to all applicable rules, regulations, or orders issued by any court or regulatory agency with proper jurisdiction.

22. ***Arbitration:*** Any dispute arising out of or in connection with the TSA, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration under the LCIA Rules, which Rules are deemed to be incorporated by reference into this Section 22. The number of arbitrators shall be three. The seat, or legal place, of arbitration shall be Houston, Texas. The language to be used in the arbitral proceedings shall be English. The governing law of the TSA shall be the substantive law of the State of Texas.

23. ***Force Majeure:*** Force Majeure shall mean any act or event that (a) renders the affected Party unable to comply with its obligations under the TSA; (b) is beyond the affected Party's control and is not the result of the fault or negligence of the affected Party, and (c) could not be prevented or avoided by the affected Party through the exercise of due diligence and the expenditure of reasonable amounts of money considering the scope of the service being provided. Subject to the satisfaction of the conditions set forth in the preceding provision, Force Majeure shall include, without being limited to, the following acts or events: (i) natural phenomena such as storms, floods, lightning, freezes and earthquakes, (ii) wars (whether declared or not), terrorist acts, civil disturbances, riots, insurrections, sabotage and commercial embargoes, (iii) transportation disasters, be they maritime, railroad, air or land, (iv) fires; (v) inability to obtain rights of way or necessary permits despite reasonable efforts to do so; (vi) acts of a Governmental Authority that have not been voluntarily induced by the affected Party or any of its affiliates (with the understanding that neither Party shall be deemed to be an affiliate of the other Party), and that are not the result of an affected Party's noncompliance with its obligations and (vii) failure to meet regulatory requirements in a reasonably timely manner. Act of God or Force Majeure shall not include any of the following events: (A) economic difficulty; (B) change in market conditions; (C) failures by any of the Subcontractors, except when such failure is caused by an act that meets the requirements of Force Majeure as provided above. Shipper shall be entitled to treat as an event of Force Majeure hereunder any declaration of Force Majeure by the Mexican pipeline that prevents or reduces Shipper's ability to take delivery of contract quantities at the Delivery Point. ~~During the pendency of an event of~~For any Force Majeure ~~after~~invoked by the ~~In Service Date~~Transporter, Shipper shall not be relieved of Reservation Charge payment obligations in respect of any service reductions attributable to the Force Majeure, but the Term~~ of the TSA~~ shall be extended for a period sufficient to achieve delivery (without payment of additional Reservation Charges) of such reduced volumes. Any payments made for services not received during any delay shall be credited back to Shipper in the form of an extension at the end of the Term so that Shipper's number of monthly payments and number of months of service will both equal 288. During the construction period~~,~~ (beginning on the date of execution of the TSA), if there is a Force Majeure of ~~longer than thirty (30) days shall be an event of default for which Shipper can exercise remedies~~more than thirty (30) continuous or non-continuous days during any rolling three hundred and sixty-five (365) day period, Shipper shall have the right to terminate the TSA and/or to step-in and take over the Project. During commercial operations, if there is a Force Majeure for more than one-hundred and twenty (120) continuous or non-continuous days during any rolling three- hundred~~ and~~ sixty-five (365) day period~~ shall be an event of default for which Shipper can exercise remedies.~~, Shipper shall have the right to terminate the TSA and/or to step-in and take over the Project. In the event Shipper elects to terminate the TSA and take over the Project as a result of a prolonged

Force Majeure, Shipper will provide Transporter with a termination payment calculated as described in Section 17.

24. ***Assignment and Capacity Release:*** Shipper shall retain its status as a Foundation Shipper, and its attendant rights to Shipper's Reservation Rates and the ROFR set forth in Section 25 below, even if Shipper makes an assignment of any portion of the capacity reserved pursuant to its TSA as may be permitted by Transporter's Gas Tariff or pursuant to a permanent capacity release governed by Transporter's Gas Tariff, as revised from time to time. Shipper may transfer its Foundation Shipper status only in the limited circumstance where the TSA is permanently assigned or released, as applicable, pursuant to the provisions of Transporter's Gas Tariff, at the same time to a single successor shipper. With respect to rate, this means that Transporter shall deem Shipper's Reservation Rate acceptable for purposes of Shipper's assignment or permanent capacity release, subject to any bidding requirements that apply under the General Terms and Conditions of Transporter's Gas Tariff. No such limitations apply to the transfer of Shipper's~~ Negotiated~~ Reservation Rate in a temporary capacity release. Shipper shall have the right on ordinary and customary terms to release capacity to third parties when Shipper is not using such capacity.

25. ***Right of First Refusal "ROFR":*** At the end of the ~~term of the TSA~~Term and any extension thereof pursuant to Shipper's exercise of its rights under this Section 25, Shipper shall have a ROFR to retain capacity under the TSA for an additional term of one year at the end of the Term~~ of the TSA~~ or any extension thereof, which shall be applicable to any portion of the MDQ set forth in the TSA. Shipper shall provide notice to Transporter twelve (12) months prior to the end of the ~~term of the TSA~~Term or any subsequent term of its intent to exercise this ROFR right, consistent with the notice provisions set forth in Transporter's Gas Tariff, as may be revised from time to time. Shipper shall obtain any necessary regulatory approval from the relevant Mexican authorities prior to exercise of this ROFR right.

APPENDIX D

MATERIAL TERMS OF JOINT VENTURE

Formation of JV	Prior to the end of the Term, CFE may elect to create a separate legal entity (the "JV") to be owned fifty-one percent (51%) by the Transporter and forty-nine percent (49%) by CFE and Transporter shall transfer to the JV, effective as of the end of the Term, all right, title and interest to the Project for no consideration. The JV will be structured and operated as a bankruptcy-remote entity based on customary terms and conditions for such entities, with CFE having the right to forty-nine (49%) of the voting interest and net income. If Transporter and CFE have failed to execute a formal agreement for organization and governance of the JV twenty-four (24) months prior to expiration of the Term, a limited liability company shall be formed according to the terms of the TSA. CFE shall obtain any necessary regulatory approval from relevant Mexican authorities to exercise the option to form the JV.
Governance Principles	The JV shall operate through a board of managers. Each of Transporter and CFE shall have rights to designate members of the board of JV and any committees thereof in proportion to their respective ratio of interests. For the avoidance of doubt, upon commencement of the JV, if the Board of Managers is comprised of 10 members, Transporter shall have the right to designate 6 members and CFE shall have the right to designate 4 members. All decisions by the board of managers of JV shall be determined by majority vote, provided that certain actions also shall require the consent of each of the members of the board appointed, including, without limitation, the following: ~~1.~~ 1. entry into, or any material change in the terms of, any agreements or transactions between the JV and any related party; ~~2.~~ 2. any material amendment of the JV organizational documents (except for such amendments as may be required in connection with the sale or issuance of equity that is otherwise permitted); ~~3.~~ 3. any issuance of equity of the JV or any issuance of rights, warrants, options or other rights to acquire equity interests of the JV or the repurchase or redemption of any existing equity interests; ~~4.~~ 4. any change in any accounting policy or tax election that would be reasonably likely to have a material effect on the accounting or tax position of the JV or its owners;

	~~5.~~5. incurrence of any indebtedness (including guarantees or refinancings) to the extent the indebtedness of the JV would, after such incurrence, exceed a mutually agreed upon amount; ~~6.~~6. any voluntary bankruptcy, liquidation, receivership or assignment for benefit of creditors; ~~7.~~7. any material amendments or modification of existing transportation services agreements or other material contracts relating to the Project or the entry into any new transportation services agreements or other material contracts relating to the Project; ~~8.~~8. approval of the Business Plan (as defined below) and any material amendments thereto or deviations therefrom; ~~9.~~9. approval of a distribution policy with respect to net income of the JV and any amendments thereto; ~~10.~~10. approval of compensation plans for executive officers of the JV that , in part, tie compensation of such executive officers to conditions other than the profitable operation of the JV; ~~11.~~11. any change in the cash flow waterfall and in any then outstanding Project loan documents ; ~~12.~~12. approval of a risk policy for the JV, or any change in or deviation therefrom; ~~13.~~13. the election, appointment or termination of any executive officer of JV; ~~14.~~14. any capital expenditures not provided for in the Business Plan; ~~15.~~15. any capital calls or other requirements for capital contributions not provided for in the Business Plan; ~~16.~~16. the admission of any new member to the JV, other than in connection with transfers of interests approved by the Board; ~~17.~~17. any increase or decrease in the size of the Board; ~~18.~~18. the commencement, settlement or resolution of any litigation involving the JV; ~~19.~~19. except in the ordinary course of business, the sale, lease, license or pledge of or other encumbrance upon the assets of JV having an aggregate value exceeding a mutually agreed upon amount;

	~~20.~~ 20. except in the ordinary course of business, any acquisition of an interest in, or the assets of, any business, person or entity, or the entry into any joint venture having an aggregate value exceeding a mutually agreed upon amount; and ~~21.~~ 21. such other matters as are agreed to by CFE and Transporter included in the definitive agreements. Without limiting other rights to be granted, the JV organizational documents shall also provide for: (i) preemptive rights with respect to additional issuances of equity of JV and (ii) drag-along rights to the extent that the majority holder wishes to sell its interests in the JV, and for tag-along rights in favor of CFE in the event of a sale by the majority holder of its JV interests.
Business Plan	JV shall be operated pursuant to an annual business plan unanimously approved by the JV board of managers (collectively, the "**Business Plan**"). The Business Plan will focus on all activities material to the operation of the JV, including but not limited to: personnel, budgets, sales targets including appropriate margins, and other matters to be agreed. The Business Plan will also set forth certain policies of JV, including accounting practices and policies and compensation policies for management and employees, including base compensation levels, incentive plans and equity incentive plans.
Liquidation/ Termination; Dispute Resolution	The organizational documents will include provisions regarding triggers for a liquidation/termination of JV. Such triggers will include certain deadlock situations as well as termination of the material contracts. The organizational documents will also contain certain other dispute resolution procedures.

APPENDIX E
FORM OF COMMITMENT BOND LETTER

Comisión Federal de Electricidad
Subdirección de Energéticos
Paseo de la Reforma No. 164- 1er. piso,
Col. Juárez, C.P. 06600
México, D.F.

Dear Sirs:

Reference is made to the (i) Request for Proposals entitled "Request for Proposals for the Development of a Natural Gas Pipeline from the CFE Waha Header to Presidio, Texas" dated [●●], 2014, and all amendments and modifications, thereto (the "**Request for Proposals**"), and (ii) proposal dated [●●], 2014 submitted by (*insert name of Participant*) (*the Company*) in response thereto, (the "**Proposal**"). Capitalized terms not defined herein shall have the meanings ascribed to them in the RFP

26. ~~1.~~ The Company hereby agrees that if the Company is designated as the Transporter by CFE:

a) The Company shall provide the Commitment Bond as specified under the terms of the RFP and in accordance with the RFP; and

b) The Company shall enter into good faith negotiations to execute the TSAs in accordance with material terms set forth in Appendix C of the RFP on or before [●●], 2014.

27. ~~2.~~ This Commitment Letter shall be considered as an unconditional offer for all applicable legal purposes until sixty (60) calendar days after the date proposed for the execution of the TSAs.

28. ~~3.~~ The Company acknowledges and agrees, unless and until the TSAs shall have been executed and delivered by the Company and CFE, that:

a) CFE may, in its sole and absolute discretion, at any time (i) take such decisions and adopt such procedures in connection with the RFP process as it may deem appropriate without modifying or amending the RFP, (ii) select the winning Participant, (iii) terminate this RFP process without selecting a winning Participant and (iv) negotiate such other terms and conditions with a Participant or other third party as it may deem appropriate for development of the Project;

b) All decisions taken by CFE in connection with the RFP process or the Project shall be subject to its sole and absolute discretion and shall be final;

c) Nothing in this Commitment Bond Letter, the RFP or any other document or statement made or delivered by or on behalf of CFE in connection with the RFP

process, and no decision or other action taken by or on behalf of CFE in connection with the RFP process, shall create any legal right or claim of any nature on the part of the Company or any affiliate of the Company against CFE or any of its affiliates or any officer, director, employee, agent, attorney or other representative of CFE or any of its affiliates;

d) CFE shall not be under any legal obligation to the Company or any affiliate of the Company; and

e) CFE shall not be liable or responsible in any way to the Company or any affiliate of the Company in respect of any cost or expense incurred in connection with the RFP Process, the preparation of submission of a Proposal, or any related investigation, due diligence, negotiation or transaction, whether incurred prior to or after commencement of the RFP Process.

If the Company fails to enter into good faith negotiations as specified herein, or otherwise refuses to enter into such agreements in accordance with the terms of the RFP and Proposal, then the Company shall pay to CFE liquidated damages in the amount of US$5 million. The Parties acknowledge and agree that because of the unique nature of the Project, the unavailability of a substitute Project, and the effect of delay upon CFE's other projects, it is difficult or impossible to determine with precision the amount of damages that would or might be incurred by CFE as a result of the Company's failure to negotiate and enter into the agreements as promised. It is understood and agreed by the Parties that (i) CFE shall be damaged by failure of the Company to meet such obligations, (ii) it would be impracticable or extremely difficult to fix the actual damages resulting there from, (iii) any sums that would be payable under this guarantee are in the nature of liquidated damages, and not a penalty, and are fair and reasonable, and (iv) such payment represents a reasonable estimate of fair compensation for the losses that may reasonably be anticipated from such failure. To secure the Company's obligation under this Commitment Letter, the Company shall deliver to the CFE a letter of credit substantially in the form attached hereto as Attachment D-1.

29. ~~4.~~ Any dispute arising out of or in connection with this Commitment Letter, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration under the LCIA Rules, which Rules are deemed to be incorporated by reference into this Section 4. The number of arbitrators shall be three. The seat, or legal place, of arbitration shall be Houston, Texas. The language to be used in the arbitral proceedings shall be English. The governing law of the Commitment Letter shall be the substantive law of the State of Texas.

30. ~~5.~~ No modification of this Commitment Letter or waiver of the terms and conditions hereof shall be binding upon the Company or CFE unless approved in writing by an authorized officer of each party.

31. ~~6.~~ No failure or delay by CFE in exercising any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or remedy hereunder.

[NAME OF THE COMPANY]

By:
[NAME/TITLE OF THE DULY AUTHORIZED REPRESENTATIVE]

APPENDIX E
ATTACHMENT E-1
COMMITMENT BOND

[LETTERHEAD OF THE ISSUING BANK]

STANDBY IRREVOCABLE LETTER OF CREDIT

~~ISSUER AND PAYING BANK:~~ ~~ADVISING BANK:~~

~~ACCOUNT PARTY:~~ ~~BENEFICIARY:~~

~~xxxxx, L.P.~~ ~~Comisión Federal de Electricidad~~
~~Subdirección de Energéticos~~
~~Av. Paseo de la Reforma #164, piso 1~~
~~Attention:~~ ~~Col. Juarez, C.P. 06600~~
~~Telephone No.: (x) x~~ ~~México D.F.~~
~~Facsimile No.: (x)~~

ISSUER AND PAYING BANK: ADVISING BANK:

ACCOUNT PARTY: BENEFICIARY:

xxxxx, L.P. Comisión Federal de Electricidad
Subdirección de Energéticos
Av. Paseo de la Reforma #164, piso 1
Attention: Col. Juarez, C.P. 06600
Telephone No.: (x) x México D.F.
Facsimile No.: (x)

Dear Sirs:

At the request of and for the account of _____ ("the **Account Party**"), we hereby establish in your favor, our Irrevocable Standby, Letter of Credit No. _____ (this "**Letter of Credit**") for the aggregate amount not exceeding five million United States Dollars ($5,000,000.00) (the "**Guaranteed Sum**") in support of the obligations of the Account Party under the Commitment Bond Letter executed by the Account Party submitted with its proposal in response to CFE's Request for Proposals entitled "Request for Proposal for the Development of a Natural Gas Pipeline From the CFE Waha Header to Presidio, Texas" (the "**Commitment Letter**").

~~This Letter of Credit shall expire on the Expiration Date (as hereinafter defined).~~ The amount available under this Letter of Credit is available to the Beneficiary in the event that any of the following events or circumstances have occurred as evidenced conclusively by submission of a completed payment request in the form of Attachment [●] indicating the applicable event or circumstance:

a. the Account Party has failed to comply with its obligations under the Commitment Letter; and

b. the Beneficiary is entitled to payment in the above mentioned in connection therewith

and purportedly signed by an officer or other authorized person behalf of the Beneficiary.

The Guaranteed Sum shall be automatically reduced by the amount of any drawings paid through the Issuing Bank referencing this Letter of Credit No. _____. Partial drawings are permitted hereunder.

We hereby agree with you that documents drawn under and in compliance with the terms of this Letter of Credit shall be duly honored upon presentation as specified.

This Letter of Credit shall expire on the earliest of the following dates (the "**Expiration Date**"): (a) the date on which the Account Party delivers this original Letter of Credit to the Issuing Bank for cancellation, (b) the date on which payments of the full amount of the Guaranteed Sum have been made in accordance with the terms of this Letter of Credit, or (c) [●●], 2014. CFE may not submit any Payment Request to the Issuing Bank after the Expiration Date, nor shall the Issuing Bank be obligated to make any payment hereunder in respect of any Payment Request submitted after the Expiration Date of this Letter of Credit, except to the extent otherwise allowed by the Uniform Customs and Practice for Documentary Credits, 2007 Revision, International Chamber of Commerce Publication No. 600 (the "**UCP**").

This Letter of Credit shall be governed by the UCP, except to the extent that the terms hereof are inconsistent with the provisions of the UCP, including but not limited to Articles 14(b) and 36 of the UCP, in which case the terms of this Letter of Credit shall govern.

With respect to Article 14(b) of the UCP, the Issuing Bank shall have a reasonable amount of time, not to exceed three (3) banking days following the date of its receipt of documents from the beneficiary, to examine the documents and determine whether to take up or refuse the documents and to inform the beneficiary accordingly.

Any condition or event that interrupts our business and causes the place for presentation of this Letter of Credit to be closed for business on the last day for presentation shall cause the expiry date of this Letter of Credit to be automatically extended without amendment to a date thirty (30) calendar days after the place for presentation reopens for business.

Very truly yours,

By:
Name:
Title:
AUTHORIZED SIGNATORY

APPENDIX E
ATTACHMENT E-2

FORM OF LETTER OF CREDIT PAYMENT REQUEST

Standby Irrevocable
Letter of Credit
No. _____

[The document is to be on the letterhead of the BENEFICIARY.]
SIGHT DRAFT AND CERTIFICATE
[Insert date on or prior to Expiration Date]

[INSERT NAME AND ADDRESS OF BANK]

Re: Irrevocable Standby Letter of Credit No.____

At Sight

Pay to Bank account **[Insert Bank and account details]** in the name of Comisión Federal de Electricidad (CFE) the amount of _____United States Dollars ($) pursuant to Irrevocable Standby Letter of Credit No. _____.

We hereby certify that we are entitled to draw under the Irrevocable Standby Letter of Credit No. _____, due to

(a) The ~~Company~~Account Party has failed to comply with its obligations under the Commitment Letter; and

(b) CFE is entitled to payment in the above mentioned in connection therewith.

IN WITNESS WHEREOF, this certificate has been executed by a duly authorized officer of the undersigned on the date first above written.

[BENEFICIARY]

_____

_____
Name:
Title:

APPENDIX F
PERFORMANCE BOND

STANDBY IRREVOCABLE LETTER OF CREDIT

~~ISSUER AND PAYING BANK:~~ ~~ADVISING BANK:~~

~~ACCOUNT PARTY:~~ ~~BENEFICIARY:~~

~~xxxxx, L.P.~~ ~~Comisión Federal de Electricidad~~
~~Subdirección de Energéticos~~
~~Av. Paseo de la Reforma #164, piso 1~~
~~Col. Juarez, C.P. 06600~~
~~Attention:~~ ~~México D.F.~~
~~Telephone No.: (x) x~~
~~Facsimile No.: (x)~~

ISSUER AND PAYING BANK: ADVISING BANK:

ACCOUNT PARTY: BENEFICIARY:

xxxxx, L.P. Comisión Federal de Electricidad
Subdirección de Energéticos
Av. Paseo de la Reforma #164, piso 1
Col. Juarez, C.P. 06600
Attention: México D.F.
Telephone No.: (x) x
Facsimile No.: (x)

Dear Sirs:

At the request of and for the account of ----- ("**the Account Party**"), we hereby establish in your favor, our Irrevocable Standby Letter of Credit No. _____ (this "**Letter of Credit**"), for the aggregate amount not exceeding Fifty Million United States Dollars ($50,000,000.00) (the "**Guaranteed Sum**").

[Note to Bidders: the letter of credit provided for as performance bond may be for an amount that reduces as set forth in the section 4 of the RFP as follows:

Timetable	Amount of Performance Bond Required
Within 10 business days of execution of the TSAs – January 26, 2015	U.S.$50,000,000
100% of the Rights of Way (ROWs)	U.S.$47,000,000
100% of Permits	U.S.$44,500,000
Commercial Operation Date (COD)	U.S.$42,150,000
From year 2 to year 25 of operation	The amount of guarantee shall decrease 9.14% in relation to the amount of guarantee for previous year of operation.

]

1. The amount available under this Letter of Credit is available to the Beneficiary in the event that any of the following events or circumstances have occurred as evidenced conclusively by submission of a completed payment request in the form of Attachment [●] indicating the applicable event or circumstance:

   a. Either:

      i. the Account Party has failed to comply with its obligations under the Transportation Service Agreement; or

      ii. the issuer of the Letter of Credit is rated less than A- by S&P or less than A3 by Moody's and the Letter of Credit has not been replaced with a new Letter of Credit meeting the requirements of the TSA, or

      iii. the Letter of Credit is due to expire in thirty (30) days and has not been renewed or extended, or replaced with a new Letter of Credit meeting the requirements of the TSA, or

      iv. the issuer of the Letter of Credit has delivered notice of its intent not to renew the Letter of Credit beyond its current Expiration Date and the Letter of Credit has not been renewed or extended, or replaced with a new Letter of Credit meeting the requirements of the TSA; and

   b. The undersigned Beneficiary is entitled to payment in the above mentioned in connection therewith

   and purportedly signed by an officer or other authorized person on behalf of the Beneficiary.

2. ~~1. This Letter of Credit shall expire on the Expiration Date (as hereinafter defined).~~ The Guaranteed Sum shall be automatically reduced by the amount of any drawings paid through the Issuing Bank referencing this Letter of Credit No. _____. Partial drawings are permitted hereunder.

3. ~~2.~~ We hereby agree with you that documents drawn under and in compliance with the terms of this Letter of Credit shall be duly honored upon presentation as specified.

4. ~~3.~~ This Letter of Credit shall expire on the earliest of the following dates (the "**Expiration Date**"): (a) the date on which the Account Party delivers this original Letter of Credit to the Issuing Bank for cancellation, (b) the date on which payments of the full amount of the Stated Amount have been made in accordance with the terms of this Letter of Credit, or (c) [●●], as such date may be extended pursuant to the immediately following sentence. It is a further condition of this Letter of Credit that the date specified in section (c) of the immediately preceding sentence (as such date may have previously been extended hereunder) shall be deemed automatically extended without any

amendment hereto for an additional twelve (12) month period and for consecutive twelve (12) month periods from each successive anniversary of the date specified in section (c), unless at least thirty (30) days prior to such specified date (as it may have previously been extended hereunder) we ~~advise you~~send written notice by registered mail or overnight courier at the above address that we have elected not to renew this Letter of Credit. You may not submit any Payment Request to the Issuing Bank after the Expiration Date, nor shall the Issuing Bank be obligated to make any payment hereunder in respect of any Payment Request submitted after the Expiration Date of this Letter of Credit, except to the extent otherwise allowed by the Uniform Customs and Practice for Documentary Credits, 2007 Revision, International Chamber of Commerce Publication No. 600 (the "**UCP**").

5. ~~4.~~ This Letter of Credit shall be governed by the UCP, except to the extent that the terms hereof are inconsistent with the provisions of the UCP, including but not limited to Articles 14(b) and 36 of the UCP, in which case the terms of this Letter of Credit shall govern.

With respect to Article 14(b) of the UCP, the Issuing Bank shall have a reasonable amount of time, not to exceed three (3) banking days following the date of its receipt of documents from the beneficiary, to examine the documents and determine whether to take up or refuse the documents and to inform the beneficiary accordingly.

6. ~~5.~~ Any condition or event that interrupts our business and causes the place for presentation of this Letter of Credit to be closed for business on the last day for presentation shall cause the expiry date of this Letter of Credit to be automatically extended without amendment to a date thirty (30) calendar days after the place for presentation reopens for business.

7. ~~6.~~ This Letter of Credit is transferable one or more times, but in each instance to a single transferee and only in the full amount available to be drawn under this Letter of Credit at the time of each transfer. Any such transfer may be affected only through ourselves and only upon presentation to us at our above-specified office of a duly executed instrument of transfer in a form reasonably acceptable to us together with the original of this Letter of Credit. Each transfer shall be evidenced by our endorsement on the reverse of the original of this Letter of Credit, and we shall deliver the original of this Letter of Credit so endorsed to the transferee. Each such transfer will be affected at no cost to you. Any transfer fee to be paid to us for a transfer will be payable solely by the applicant, and the payment of any such transfer fee will not be a condition to the validity or effectiveness of such transfer of this Letter of Credit.

Very truly yours,

By: _____
Name:
Title:
AUTHORIZED SIGNATORY

~~Authorized Signature~~

APPENDIX F
ATTACHMENT F-1

FORM OF LETTER OF CREDIT PAYMENT REQUEST

Standby Irrevocable
Letter of Credit
No. ~~_____~~ _____

[THE DOCUMENT IS TO BE ON THE LETTERHEAD OF THE BENEFICIARY.]
SIGHT DRAFT AND CERTIFICATE
[INSERT DATE ON OR PRIOR TO EXPIRATION DATE~~.~~]

[INSERT NAME AND ADDRESS OF BANK]

Re: Irrevocable Standby Letter of Credit No.

At Sight

Pay to Bank Account (**Insert Bank and account details**), in the name of the undersigned Beneficiary, the amount of _____ United States Dollars ($_____) pursuant to Irrevocable Standby Letter of Credit No. _____

We hereby certify that we are entitled to draw under the Irrevocable Standby Letter of Credit No. _____, due to

(a) ~~(a)~~ Either:

(i) ~~(i) [Newco]~~The Account Party has failed to comply with its obligations under the ~~TSAs~~Transportation Service Agreements; or

(ii) ~~(ii)~~ the issuer of the Letter of Credit is rated less than A- by S&P or less than A3 by Moody's and the Letter of Credit has not been replaced with a new Letter of Credit meeting the requirements of the ~~TSAs~~Transportation Service Agreements, or

(iii) ~~(iii)~~ the Letter of Credit is due to expire in thirty (30) days and has not been renewed or extended, or replaced with a new Letter of Credit meeting the requirements of the ~~TSAs~~Transportation Service Agreements, or

(iv) ~~(iv)~~ the issuer of the Letter of Credit has delivered notice of its intent not to renew the Letter of Credit beyond its current Expiration Date and the Letter of Credit has not been renewed or extended, or replaced with a new Letter of Credit meeting the requirements of the ~~TSAs~~Transportation Service Agreements; and

(b) ~~(b)~~ The undersigned Beneficiary is entitled to payment in the above mentioned in connection therewith.

IN WITNESS WHEREOF, this certificate has been executed by a duly authorized officer of the undersigned on the date first above written.

[BENEFICIARY]

By: _____
Name:
Title:

APPENDIX G

Form of Parent Company Guarantee

GUARANTEE

This Guarantee (the "**Guarantee**") is made by [-] ("**Guarantor**"), in favor of Comisión Federal de Electricidad (the "**Beneficiary**" and together with Guarantor, the "**Parties**" and each a "**Party**").

WHEREAS, [-] ("**Principal**") and Beneficiary are parties to that certain [TSA] dated as of [_____], [ ] (as such agreement may be amended or modified from time to time, the "**Guaranteed Agreement**").

WHEREAS, Guarantor is the [indirect] parent of Principal, will receive substantial and direct benefits from Beneficiary's execution of the Guaranteed Agreement with Principal, and has agreed to enter into this Guarantee to provide assurance for the performance of Principal's obligations in connection with the Guaranteed Agreement to induce the Beneficiary to enter into the Guaranteed Agreement; and

WHEREAS, the execution and delivery of this Guarantee is a condition to Beneficiary's performance of its obligations under the terms of the Guaranteed Agreement.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the adequacy, receipt and sufficiency of which are hereby acknowledged, Guarantor hereby agrees as follows:

1. **Guarantee.** Guarantor hereby unconditionally and irrevocably:

   a) guarantees to Beneficiary the punctual payment when due of all Principal's payment obligations arising under the Guaranteed Agreement and additionally the performance of Principal's obligations due under the agreement for (i) the design, development, construction, and operation of the CFE Waha Header, (ii) the design, development, construction, and operation of the Presidio Pipeline, (iii) the design, development, construction and operation of the Directionally-Drilled Works, and (iv) the design, development, construction and operation of the Fiber Optic Lines (collectively, the "**Guaranteed Obligations**"); and

   b) (as principal debtor and not merely as surety) undertakes to the Beneficiary that, if and each time that Principal does not make payment of any amount of or performance any of the Guaranteed Obligations to Beneficiary in accordance with the Guaranteed Agreement, the Guarantor shall pay to the Beneficiary, upon first written demand (made in accordance with Section 10) by the Beneficiary, the amounts not so paid or promptly perform said obligation.

Guarantor's obligations and liability under this Guarantee shall be limited to payment obligations only and Guarantor shall have no obligation to perform under the

Guaranteed Agreement, including, without limitation, to sell, deliver, supply or transport natural gas or any other commodity. For the avoidance of doubt, this Guarantee shall constitute an absolute, unconditional and irrevocable guarantee of payment and not a guarantee of collection. Notwithstanding anything to the contrary herein, Guarantor's obligations and liability under this Guarantee with respect to Principal's obligations under the Guaranteed Agreement shall apply to and secure all payment and performance obligations thereunder.

2. **Indemnity.** As a separate, additional, continuing and primary obligation the Guarantor hereby unconditionally and irrevocably undertakes with the Beneficiary that, should the Guaranteed Obligations not be recoverable from the Guarantor under Section 1 for any reason (including, without limitation, by reason of any provision of the Guaranteed Agreement being or becoming void, unenforceable or otherwise invalid under any applicable law) then, notwithstanding that it may have been known to the Beneficiary, the Guarantor shall, upon first written demand by the Beneficiary under Section 1, make payment of the Guaranteed Obligations by way of a full indemnity in the manner provided for in such Guaranteed Agreement and shall indemnify the Beneficiary against all losses, claims, costs, charges and expenses to which it may be subject or which it may incur under or in connection with such Guaranteed Agreement or this Guarantee.

3. **Continuing Guarantee.** The guarantee constituted by this Guarantee shall be continuing and shall extend to the ultimate balance of the Guaranteed Obligations, regardless of any intermediate payment or discharge in whole or in part.

4. **Preservation of Rights.** The liability of Guarantor under this Guarantee shall remain in full force and effect notwithstanding any act, omission, neglect, event or matter whatsoever whether or not known to the Guarantor or the Beneficiary (other than the irrevocable payment of the Guaranteed Obligations) and irrespective of:

any lack of validity or enforceability of, or defect or any deficiency applicable to Principal, in the Guaranteed Agreement or any other documents executed in connection with the Guaranteed Obligations; or

any modification, change in the time, manner, terms or place of payment, or in any other term, of all or any of the Guaranteed Obligations, or any other amendment, modification, extension, variation, assignment, novation or waiver of, or any consent to departure (however substantial or material) from, the Guaranteed Agreement or any other agreement or instrument executed in connection therewith; or

a) except as to applicable statutes of limitation, any failure, omission, postponement, delay, waiver or refusal by Beneficiary to exercise, in whole or in part, any right or remedy held by Beneficiary with respect to the Guaranteed Agreement or any transaction executed in connection with the Guaranteed Obligations; or

b) any change in the existence, structure or ownership of Guarantor or Principal, or any insolvency, bankruptcy, dissolution, winding up,

reconstruction, reorganization or other similar proceeding affecting Principal or its assets; or

c) any release or granting of any time or of any indulgence of any kind to Principal or any third party with respect to the Guaranteed Obligations (including, without limitation, the waiver of any breach of the Guaranteed Agreement), or entering into any transaction or arrangements whatsoever with or in relation to the Principal and/or any third party; or

d) any claim, acceptance or transfer of, or proof for, any payment in respect of the Guaranteed Obligations in any composition by, or winding up of, Principal and/or any third party or abstaining from so claiming, proving for, accepting or transferring.

The obligations of the Guarantor hereunder are several from Principal or any other person, and are primary obligations concerning which the Guarantor is the principal obligor.

This Guarantee shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Guaranteed Obligations are annulled, set aside, invalidated, declared to be fraudulent or preferential, rescinded or must otherwise be returned, refunded or repaid by Beneficiary upon the insolvency, bankruptcy, dissolution, winding up, reconstruction, reorganization or other similar proceeding affecting Principal, or upon or as a result of the appointment of a receiver or conservator of, or trustee for Principal or any substantial part of its property or otherwise, all as though such payment or payments had not been made.

5. **Waiver.** Guarantor hereby waives:

a) notice of acceptance of this Guarantee, of the creation or existence of any of the Guaranteed Obligations and of any action by Beneficiary in reliance hereon or in connection herewith;

b) notice of the entry into the Guaranteed Agreement between Principal and Beneficiary and of any amendments, supplements or modifications thereto, or of any waiver of consent under the Guaranteed Agreement or executed in connection with the Guaranteed Obligations, including waivers of the payment and performance of any obligations thereunder;

c) notice of any increase, reduction or rearrangement of Principal's obligations under the Guaranteed Agreement and the Guaranteed Obligations, or any extension of time for the payment of any sums due and payable to the Beneficiary under the Guaranteed Agreement;

d) protest or notice of presentment, demand for payment (except as expressly set forth in Section 10), dishonor, default, nonpayment, protest or any other notice with respect to the Guaranteed Obligations;

e) any requirement that suit be brought against, or any other action by Beneficiary be taken against, Principal or any other person, or that any other action be taken or not taken as a condition to Guarantor's liability for the Guaranteed Obligations under this Guarantee or as a condition to the enforcement of this Guarantee against Guarantor; and

f) any conditions precedent to the enforcement of this Guarantee, except as expressly set forth in Section 11.

6. **Expenses.** Guarantor agrees to pay on demand any and all out-of-pocket costs including reasonable legal and attorneys' fees and expenses, and other expenses incurred by Beneficiary in enforcing Guarantor's payment obligations under this Guarantee; provided that the Guarantor shall not be liable for any expenses of the Beneficiary if Guarantor successfully defends such enforcement action pursuant to a final, non-appealable judgment.

7. **Subrogation.** Guarantor shall be subrogated to all rights of Beneficiary against Principal in respect of any amounts previously paid by Guarantor to Beneficiary pursuant to the Guarantee, provided, that (i) Guarantor shall be subrogated solely to the extent of such payment, (ii) Guarantor waives any rights it may acquire by way of such subrogation under this Guarantee, by any payment made hereunder, with respect to reimbursement, exoneration, contribution, indemnification, or any right to participate in any claim or remedy of Beneficiary against any collateral which Beneficiary now has or may have in the future, unless and until all of the Guaranteed Obligations shall have been paid to Beneficiary in full, and (iii) if (a) the Guarantor has made payments to Beneficiary pursuant to this Guarantee and (b) the Guaranteed Obligations with respect to such payments shall have been paid in full, then Beneficiary shall, at the Guarantor's request, execute and deliver to the Guarantor reasonable documentation necessary to evidence the transfer by subrogation to the Guarantor of any interest in the Guaranteed Obligations resulting from such payment by Guarantor in accordance with this Section 7.

8. **Reservation of Defenses.** Guarantor agrees that, except as expressly set forth herein, it will remain bound upon this Guarantee notwithstanding any defenses which, pursuant to the laws of suretyship, would otherwise relieve a guarantor of its obligations under a guarantee. Guarantor reserves the right to assert defenses which Principal has asserted with respect to the payment of any obligations of the Principal underlying the Guaranteed Obligation other than defenses arising from the corporate power, authority, bankruptcy or insolvency of Principal.

9. **Notices.** All notices, demands, waivers and other communications required or permitted by this Guarantee shall be in writing and shall be deemed given to a Party when (a) delivered to the appropriate address by hand or by nationally recognized overnight courier service (costs prepaid), (b) sent by facsimile or e-mail with confirmation of transmission by the transmitting equipment or (c) received or rejected by the addressee, if sent by certified mail, return receipt requested, in each case to the following addresses, facsimile numbers or e-mail addresses and marked to the attention of the person (by name

or title) designated below (or to such other address, facsimile number, e-mail address or person as a Party may designate by notice to the other Party):

If to Beneficiary:

[-]

With a copy to:

[-]

If to Guarantor:

[-]

With copies to:

[-]

10. **Demand and Payment.** Any demand by Beneficiary for payment hereunder (a "**Payment Demand**") shall be in writing, signed by a duly authorized representative of Beneficiary and delivered to the Guarantor pursuant to Section 9 hereof, and shall (a) reference this Guarantee, (b) specifically identify Principal, the Guaranteed Obligations to be paid and the amount of such Guaranteed Obligations and (c) set forth payment instructions, including bank name, routing number and bank account number. A Payment Demand shall be in writing and shall reasonably and briefly specify in what manner and what amount the Principal has failed to pay and an explanation of why such payment is due; there are no other requirements of notice, presentment or demand. Guarantor shall pay, or cause to be paid, such Guaranteed Obligations within five (5) Business Days of receipt of such demand. "**Business Day**" means a day other than Saturday, Sunday and any day on which banks located in New York City are authorized or obligated by law or executive order to close.

11. **Amendment and Waiver.** Any provision of this Guarantee may be amended or waived if, and only if, such amendment or waiver is in writing and signed, in the case of an amendment, by Beneficiary and Guarantor, or in the case of a waiver, by Beneficiary. Except as to applicable statutes of limitation, no failure or delay by Beneficiary in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

12. **Term; Termination.** This Guarantee shall continue in full force and effect until the date the Guaranteed Obligations have been paid in full.

13. **Assignment; Successors; No Third-Party Rights.** Neither Beneficiary nor Guarantor may, in whole or in part, assign any of its rights or interests or delegate any of its

obligations under this Guarantee without the prior written consent of the other Party, and any attempt to do so will be void; provided, however, that without the prior written consent of the Guarantor, the Beneficiary may assign any of its rights or interests under this Guarantee to any Affiliate and/or subsidiary so long as the assignee retains Beneficiary's obligations under this Guarantee and remains an Affiliate and/or subsidiary, as applicable, of the Beneficiary. Subject to the preceding sentence, this Guarantee will apply to, be binding in all respects upon and inure to the benefit of the successors and permitted assigns of Beneficiary and Guarantor. Nothing expressed or referred to in this Guarantee will be construed to give any person other than Beneficiary and Guarantor any legal or equitable right, remedy or claim under or with respect to this Guarantee or any provision of this Guarantee, except such rights as shall inure to a successor or permitted assignee pursuant to this Section 13.

14. **Headings.** Sections and other headings contained in this Guarantee are for reference purposes only and are not intended to describe, interpret, define or limit the scope of extent of this Guarantee or any provision hereof.

15. **Representation and Warranties.** The Guarantor represents and warrants as follows:

    a) The Guarantor is duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation and has full corporate power to execute, deliver and perform this Guarantee.

    b) The execution, delivery and performance of this Guarantee have been and remain duly authorized by all necessary corporate action and do not contravene the Guarantor's constitutional documents or any contractual restriction binding on the Guarantor or its assets.

    c) This Guarantee constitutes the legal, valid and binding obligation of the Guarantor enforceable against Guarantor in accordance with its terms, subject, as to enforcement, to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting Beneficiary's rights and to general equity principles.

16. **Limitation by Law**. All rights, remedies and powers provided in this Guarantee may be exercised only to the extent that the exercise thereof does not violate any applicable provision of law, and all the provisions of this Guarantee are intended to be subject to all applicable mandatory provisions of law that may be controlling and to be limited to the extent of any illegality without affecting the legality or enforceability of the remaining provisions hereof.

17. **Confidentiality**. The Beneficiary shall keep the existence and the terms of this Guarantee confidential. The Beneficiary shall only disclose the existence of this Guarantee to those officers, directors and employees and agents who have a need to know and who agree to keep the existence and terms of this Guarantee confidential. The Beneficiary shall be responsible for any breach of this confidentiality provision by its officers, directors and employees and agents.

18. **Governing Law; Submission to Jurisdiction; Selection of Forum; Waiver of Trial by Jury**. THE GUARANTEE SHALL BE GOVERNED BY AND CONSTRUED, ENFORCED AND PERFORMED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW. Each Party hereto agrees that it shall bring any action or proceeding in respect of any claim arising out of or related to this Guarantee or the transactions contained in or contemplated by this Guarantee, exclusively in United States District Court in Texas (or if subject matter jurisdiction before the federal court does not exist, then before Texas State District Court) (the "**Chosen Courts**"), and solely in connection with claims arising under this Guarantee (i) irrevocably submits to the exclusive jurisdiction of the Chosen Courts, (ii) waives any objection to laying venue in any such action or proceeding in the Chosen Courts, (iii) waives any objection that the Chosen Courts are an inconvenient forum or do not have jurisdiction over any Party hereto and (iv) agrees that service of process upon such Party in any such action or proceeding shall be effective if notice is given in accordance with Section 9 of this Guarantee. Guarantor hereto irrevocably designates C.T. Corporation as its agent and attorney-in-fact for the acceptance of service of process and making an appearance on its behalf in any such claim or proceeding and for the taking of all such acts as may be necessary or appropriate in order to confer jurisdiction over it before the Chosen Courts and each Party hereto stipulates that such consent and appointment is irrevocable and coupled with an interest. EACH PARTY HERETO IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS GUARANTEE OR THE TRANSACTIONS CONTEMPLATED HEREBY.

19. **Severability**. The provisions of this Guarantee shall be deemed severable, and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof. If any provision of this Guarantee, or the application thereof to any person or any circumstance, is invalid or unenforceable, (a) a suitable and equitable provision shall be substituted therefor in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provision, and (b) the remainder of this Guarantee and the application of such provision to other persons or circumstances shall not be effected by such invalidity or unenforceability, nor shall such invalidity or unenforceability effect the validity or enforceability of such provision, or the application thereof, in any other jurisdiction.

20. **Entire Agreement**. This Guarantee constitutes the entire agreement and understanding of the Parties with respect to its subject matter and supersedes and extinguishes any representations previously given or made with respect to its subject matter other than those given in this Guarantee, but nothing in this Section 20 limits or excludes any liability for fraud in relation to those representations.

21. **Taxes and Currency**. All payments hereunder are to be made free and clear and without any reduction on account of any present or future tax levy, impost, tariff, duty, charge, assessment or fee of any nature that is imposed by any government or other taxing authority in respect of a payment hereunder. No payment to the Beneficiary under this Guarantee pursuant to any judgment or order of any court or otherwise shall discharge the Obligations of the Guarantor in respect of which it was made unless and until payment

has been received in full in the currency in which it is payable. To the extent that the amount of any such payment shall on actual conversion into the currency in which it is payable (reasonably and promptly made) fall short of the amount of the Obligation expressed in the currency in which it is payable, the Guarantor shall pay the shortfall.

IN WITNESS WHEREOF, Guarantor has caused this Guarantee to be duly executed and delivered as of this [____] day of [_____], [ ].

[~~]~~ENTITY]

By:_____
Name:
Title:

Document comparison by Workshare Professional on Thursday, November 06, 2014 9:43:13 PM

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