

10.3. If a Section 10 Event of Default has occurred and is continuing, the Non-Defaulting Party shall have the right, by notice to the Defaulting Party, to designate a day, no earlier than the day such notice is ~~effective-given~~ and no later than 20 days after such notice is ~~effectivegiven~~, as an early termination date (the "Early Termination Date") for the liquidation and termination ~~pursuant to Section 10.3.1 of any-and~~ all transactions under the Contract. ~~On the Early Termination Date, all transactions will terminate, (other than those transactions, if any, that may not be liquidated and terminated under applicable law or that are, in the reasonable opinion of the Non-Defaulting Party, commercially impracticable to liquidate and terminate, which transactions must be liquidated and terminated as soon thereafter as is reasonably practicable.), as follows:-~~

The parties have selected either "Forward Contract Damages Apply" or "Forward Contract Damages Do Not Apply" as indicated on the Base Contract. If no selection has been made, the "Forward Contract Damages Apply" provision will be applicable

Forward Contract Damages Apply: ~~Copy changes to 10.3.1 alt Section~~

10.3.1. ~~Upon the designation of an As of the~~ Early Termination Date, the Non-Defaulting Party shall determine, in good faith and in a commercially reasonable manner, (i) the amount owed (~~whether or not then due~~), ~~if any~~, by each party with respect to all Gas delivered and received between the parties under transactions on and before the Early Termination Date, and all other applicable charges relating to such deliveries and receipts (including without limitation any amounts ~~due-owed~~ under Section 3.2), for which payment has not yet been made by the party that owes such payment under this Contract and (ii) the Market Value, as defined below, of each ~~FIRM terminated~~ transaction ~~closed-out pursuant to Section 10.2~~. The Non-Defaulting Party shall (x) liquidate ~~and accelerate~~ each ~~terminated closed-out FIRM~~ transaction at its Market Value, ~~as defined below~~, so that each amount equal to the difference between such Market Value and the Contract Value, as defined below, of such transaction(s) shall be due to the Buyer under the transaction(s) if such Market Value exceeds the Contract Value and to the Seller if the opposite is the case; and (y) ~~where appropriate~~, discount each amount then due under clause (x) above to present value in a commercially reasonable manner as of the Early Termination Date (to take account of the period between the date of liquidation and the date on which such amount would have otherwise been due pursuant to the relevant transactions). For purposes of the Section 10.3.1, "Contract Value" means the amount of Gas remaining to be delivered or purchased ~~on a Firm basis~~ under a transaction multiplied by the Contract Price, and "Market Value" means the amount of Gas remaining to be delivered or purchased ~~on a Firm basis~~ under a transaction multiplied by the market price determined by the Non-Defaulting Party in a commercially reasonable manner. To ascertain the Market Value, the Non-Defaulting Party may consider, among other valuations, any or all of the settlement prices of NYMEX Gas futures contracts, quotations from leading dealers in energy swap contracts, similar sales or purchases and any other bona fide third-party offers, all adjusted for the length of the term and differences in transportation casts. A party shall

not be required to enter into a replacement transaction(s) IN ORDER TO DETERMINE THE market Value. Any extension(s) of the term of a transaction to which parties are not bound as of the Early Termination Date (including but not limited to "Evergreen" Provisions and options to extend) shall not be considered in determining Contract Values and Market Values. The rate of interest used in calculating net present value shall be determined by the Non-Defaulting Party in a commercially reasonable manner.

Forward Contract Damages Do Not Apply:

10.3.1. Upon the designation of an Early Termination Date, the Non-Defaulting Party shall determine, in good faith and in a commercially reasonable manner, (i) the amount owed, if any, by each party with respect to all Gas delivered and received between the parties under transactions on and before the Early Termination Date, and all other applicable charges relating to such deliveries and receipts (including without limitation any amounts due under Section 3.3, for which payment has not yet been made by the party that owes such payment under this Contract.

The parties have selected wither "Other Agreement Setoffs Apply" or "Other Agreement Setoffs Do Not Apply" as indicated on the Base Contract. If no selection has been made, the "Other Agreement Setoffs Apply" provisions will be applicable.

Other Agreement Setoffs Apply:

10.3.2. The Non-Defaulting Party shall net or aggregate, as appropriate, any and all amounts owing between the parties under Section 10.3.1, so that all such amounts are netted or aggregated to a single liquidated amount payable by one party to the other (the "Net Settlement Amount"). At its SOEL option and without prior notice to the Defaulting Party, the Non-Defaulting Party may setoff (i) any Net Settlement Amount owed to the Non-Defaulting Party against any margin or other collateral held by it in connection with any Credit Support Obligation relating to the Contract or (ii) any Net Settlement Amount payable to the Defaulting Party against any amount(s) payable by the Defaulting Party to the Non-Defaulting Party under any other agreement or arrangement between the parties.

Other Agreement Setoff Do Not Apply:

10.3.2. The Non-Defaulting Party shall net or aggregate, as appropriate, any and all amounts owing between the parties under Section 10.3.1, so that all such amounts are netted or aggregated to a single liquidated amount payable by one party to the other (the "Net Settlement Amount"). At its SOEL option and without prior notice to the Defaulting Party, the Non-Defaulting Party may setoff any Net Settlement Amount owed to the Non-Defaulting Party against any margin or other collateral held by it in connection with any Credit Support Obligation relating to the Contract.

10.3.3 If any obligation that is to be included in any netting, aggregation or setoff pursuant to Section 10.3.2 is unascertained, the Non-Defaulting Party may in good faith estimate that obligation and net, aggregate or set-off, as applicable, in respect of the estimate, subject to the Non-Defaulting Party accounting to the Defaulting Party when the obligation is ascertained. Any amount not then due which is included in any netting, aggregation or setoff pursuant to Section 10.3.2 shall be discounted to net present value in a

commercially reasonable manner determined by the Non-Defaulting Party.