

CONFIDENTIAL

MITIGATION PROJECT AGREEMENT

THIS MITIGATION PROJECT AGREEMENT ("Agreement") is made and entered into this ___ day of December, 2017, by and between the STATE OF NORTH CAROLINA and ATLANTIC COAST PIPELINE, LLC, a Delaware limited liability company of 120 Tredegar Street, Richmond, Virginia 23219 ("Atlantic").

ending in
WITNESSETH:

WHEREAS, Atlantic is proposing to construct the Atlantic Coast Pipeline ("ACP"), an underground natural gas transmission pipeline of approximately 600 miles from West Virginia, through Virginia into North Carolina; and

WHEREAS, the ACP will deliver up to 1.5 billion cubic feet per day of natural gas to meet the demand for *electricity* electric generation, natural gas distribution, and end use markets in North Carolina and Virginia; and *then of NAT?*

WHEREAS, the ACP route was approved by the Federal Energy Regulatory Commission ("FERC") on October 13, 2017 and will traverse eight counties in the State of North Carolina and will include a natural gas compressor station in Northampton County and other related facilities along the route; and

WHEREAS, the pipeline, access roads, and all associated aboveground facilities and contractor yards will result in total direct impacts of over 3,000 acres from construction activities and a significantly reduced impact during operation; and

WHEREAS, while the ACP has been routed to minimize disruptions to migratory birds and federally listed species by avoiding preferred habitat, including wetland areas, waterbodies and associated riparian vegetation to the extent practicable, there remain unavoidable impacts to over 300 acres to interior forest habitat; and

WHEREAS, the ACP route and access roads would cross approximately 320 waterbodies in North Carolina; and

WHEREAS, Atlantic has conducted numerous open houses, participated in many public meetings held by FERC and the North Carolina Department of Environmental Quality, and held individual information sessions with local governments, state-recognized Indian tribes and other stakeholders along the route; and

WHEREAS, Atlantic recognizes that construction of the ACP and maintenance of the permanent right-of-way for the ACP may result in temporary and/or permanent impacts to the habitats upon which interior forest wildlife species depend; and

WHEREAS, Atlantic desires to take all reasonable measures to comply with North Carolina natural resources laws and to provide for the restoration and preservation of habitats for

WHEREAS, understand local communities, aboriginal.
pop - 12 Indian tribes have a significant interest in preserving their traditional lifestyle, and quality of life.

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interior forest wildlife in North Carolina where the ACP will be constructed, operated, and maintained; and

WHEREAS, the Director of the North Carolina Wildlife Resources Commission has authority and responsibility under NCGS Section 113-306(a) to act in the overall best interests of the conservation of wildlife resources to accept gifts and grants on behalf of the State;

NOW, THEREFORE, in consideration of the foregoing recitals and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the State of North Carolina and Atlantic (together, the "Parties") agree as follows:

1) Atlantic agrees to provide mitigation funding in the amount of \$55,000,000 to the State of North Carolina no later than before the date the ACP is placed in-service. Such funding is being provided as required mitigation for the unavoidable effects of the ACP on interior forest habitat, open-space lands; waterbodies; and natural resources of the communities along the ACP's route.

2) The State of North Carolina acknowledges that the mitigation funding sufficiently addresses the effects on the landscape, natural resources, interior forest habitat, agricultural lands and lifestyles of the communities caused by the pipeline, access roads and all associated aboveground facilities and contractor yards as described in the FERC Environmental Impact Statement and any changes thereto subsequently approved by FERC. The funding provided shall be allocated at the State's discretion to mitigate these effects by supporting programs and projects that enhance the well-being of the affected areas and resources.

3) Nothing in this Agreement shall be construed as affecting the authorities of any party or as binding them beyond their respective authorities or responsibilities.

4) The Agreement does not create any right of action for a third party and may not be the basis of any third party challenges or appeals.

STATE OF NORTH CAROLINA

ATLANTIC COAST PIPELINE, LLC, a
Delaware limited liability company

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

3P Trustee