

REIMBURSEMENT AGREEMENT

This REIMBURSEMENT AGREEMENT (this “Agreement”), effective as of January 22, 2021 (the “Effective Date”), is entered into by and between Puget LNG, LLC, a Washington limited liability company (“Puget LNG”), and Puget Sound Energy, Inc., a Washington corporation (“PSE”). Puget LNG and PSE are referred to in this Agreement, in the singular, as a “Party” and, in the plural, as the “Parties”.

RECITALS

A. PSE and Puget LNG are undertaking the development and construction of a liquefied natural gas liquefaction and fueling terminal at the Port of Tacoma, Washington, capable of receiving approximately 21,000 Decatherms per day of natural gas from which it will produce approximately 250,000 gallons of liquefied natural gas when liquefying at nameplate capacity and which will be capable of storing approximately 8,000,000 gallons of liquefied natural gas (the “Tacoma LNG Facility”).

B. PSE and Puget LNG own, as tenants in common, the Tacoma LNG Facility, and the terms and conditions governing the ownership of their respective undivided ownership interests in the Tacoma LNG Facility and, among other things, the operation and maintenance of the Tacoma LNG Facility, are set forth in that certain Amended and Restated Joint Ownership Agreement, dated as of November 3, 2020, by and between the Parties (the “Joint Ownership Agreement”).

C. Pursuant to Section 5.1(a) of the Joint Ownership Agreement, the Parties have appointed PSE as the operator to operate, manage, supervise and conduct the business of the Tacoma LNG Facility on behalf of the Parties in accordance with the terms and conditions of this Joint Ownership Agreement.

D. Pursuant to Section 5.1(c) of the Joint Ownership Agreement, PSE has delegated certain of its responsibilities as operator of the Tacoma LNG Facility to NAES Corporation (the “O&M Provider”) pursuant to that certain Operations and Maintenance Contract, dated as of January 27, 2020, by and between PSE and O&M Provider (the “O&M Contract”).

E. Pursuant to Section 5.1(c) of the Joint Ownership Agreement, each Party has also acknowledged that it remains subject to the Settlement Stipulation approved by the Washington Utilities and Transportation Commission issued on November 1, 2016, in Order 10 in *In the Matter of the Petition of PUGET SOUND ENERGY, INC. for (i) Approval of a Special Contract for Liquefied Natural Gas Fuel Service with Totem Ocean Trailer Express, Inc. and (ii) a Declaratory Order Approving the Methodology for Allocating Costs Between Regulated and Non-regulated Liquefied Natural Gas Services*, Docket UG-151663, including but not limited to all provisions therein requiring that PSE customers be held harmless from all operating costs or other liabilities of Puget LNG.

F. PSE and Puget LNG desire to enter into this Agreement to evidence Puget LNG's agreement and obligation to reimburse PSE for Puget LNG's share of obligations under the O&M Contract.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties to this Agreement agree as follows:

ARTICLE 1 DEFINITIONS

As used in this Agreement, the following terms have the respective meanings set forth in the Sections referred to below.

“Affiliate” shall mean with respect to any Person, any other Person that directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such specified Person. For purposes of this definition, “control” when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, through the ownership of voting securities, by contract or otherwise.

“Agreement” is defined in the introductory paragraph.

“Business Day” means: (a) in relation to any notice or other communication, a day on which commercial banks are open for business in the location specified in the notices address provided by the intended recipient; and (b) in relation to any payment or funds transfer, a day on which commercial banks are not required or permitted to be closed in the place where the relevant payor, payor account, payee account, and payee is located; and (c) for purposes of calculating a period of time during which an obligation is to be performed, any day other than a Saturday, Sunday or day on which banks, in the place where a party is required to render performance, are not permitted or required to be closed.

“Calendar Quarter” means each three-month period, or any portion thereof, beginning on January 1, April 1, July 1, and October 1.

“Effective Date” is defined in the introductory paragraph.

“Joint Ownership Agreement” is defined in the Recitals to this Agreement.

“O&M Contract” is defined in the Recitals to this Agreement.

“O&M Provider” is defined in the Recitals to this Agreement.

“Party” and “Parties” is each defined in the introductory paragraph.

“Person” means an individual, corporation, partnership, joint venture, trust, limited liability company, unincorporated organization or other entity.

“PSE” is defined in the introductory paragraph.

“Puget LNG” is defined in the introductory paragraph.

“Tacoma LNG Facility” is defined in the Recitals to this Agreement.

ARTICLE 2 REIMBURSEMENT OBLIGATIONS; BILLING; PAYMENTS

Section 2.1 Reimbursement Obligation. From and after the Effective Date, Puget LNG hereby agrees to reimburse PSE for any and all of Puget LNG’s share of obligations paid by PSE at any time and from time to time under the O&M Contract pursuant to the procedures set forth in this Article 2.

Section 2.2 Billing. Within ten (10) Business Days of the start of a Calendar Quarter, PSE shall invoice Puget LNG for Puget LNG’s share of costs paid by PSE to O&M Provider under the O&M Contract in the preceding Calendar Quarter Month and for any other applicable charges, providing supporting documentation acceptable in industry practice to support the amount charged.

Section 2.3 Payments

(a) Any payment required to be made by Puget LNG under this Agreement shall be made without setoff, deduction or counterclaim not later than 4:00 p.m. (Bellevue, Washington time) on the day when due to PSE pursuant to paragraphs (b) and (c) below. Funds received after such time shall be deemed to have been received on the next Business Day.

(b) Any payment required to be made by Puget LNG under this Agreement shall be made within thirty (30) days of Puget LNG’s receipt of notice of such obligation.

(c) Whenever any payment under this Agreement shall be stated to be due on a day other than a Business Day, such payment shall be made on the immediately succeeding Business Day.

Section 2.4 Disputes Over Invoices. If Puget LNG, in good faith, disputes the amount of any such invoice or any part thereof, Puget LNG shall pay such amount as it concedes to be correct; *provided, however*, if Puget LNG disputes the amount due, it must provide supporting documentation acceptable in industry practice to support the amount paid or disputed. In the event the Parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Article 2.

Section 2.5 Interest Rate on Late Payment. If Puget LNG fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under “Money Rates” by *The Wall Street Journal*, plus two percent per annum; or (ii) the maximum applicable lawful interest rate.

Section 2.6 Audit Rights. A Party shall have the right, at its own expense, upon reasonable notice and at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other Party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under this Agreement. This right to examine, audit, and to obtain copies shall not be available with respect to proprietary information not directly relevant to transactions under this Agreement. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under- or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two years of the date of such invoice.

ARTICLE 3 TERM

This Agreement shall be effective as of the Effective Date and shall continue in effect until the termination or expiration of the O&M Contract in accordance with its terms.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES

Section 4.1 Representations and Warranties of Puget LNG. Puget LNG hereby represents and warrants to PSE as follows:

(a) Organization. Puget LNG is duly organized, validly existing, and in good standing as a limited liability company under the laws of the State of Washington; Puget LNG is duly qualified and in good standing in the jurisdictions required in order to perform its operations, except where failure to be so qualified or in good standing could not reasonably be expected to have a material adverse effect on Puget LNG; and Puget LNG has full power and authority to execute and deliver this Agreement and to perform its obligations under this Agreement;

(b) Authorization; Enforceability. Puget LNG has duly executed and delivered this Agreement, and this Agreement constitutes the legal, valid and binding obligation of Puget LNG, enforceable against it in accordance with its terms (except as may be limited by bankruptcy, insolvency or similar laws of general application and by the effect of general principles of equity, regardless of whether considered at law or in equity); and

(c) No Conflicts. The authorization, execution, delivery, and performance of this Agreement by Puget LNG does not and will not (i) conflict with, or result in a breach, default or violation of, (A) its certificate of formation, (B) any contract or agreement to which it is a party or is otherwise subject, or (C) any law, order, judgment, decree, writ, injunction or arbitral award to which it is subject; or (ii) require any consent, approval or authorization from, filing or registration with, or notice to, any governmental authority or other Person, unless such requirement has already been satisfied, except, in the case of clauses (i)(B) and (i)(C), for such conflicts, breaches, defaults or violations that would not have a material adverse effect on Puget LNG or on its ability to perform its obligations hereunder, and except, in the case of clause (ii), for such consents, approvals,

authorizations, filings, registrations or notice, the failure of which to obtain or make would not have a material adverse effect on Puget LNG or on its ability to perform its obligations hereunder.

Section 4.2 Representations and Warranties of PSE. PSE hereby represents and warrants to Puget LNG as follows:

(a) Organization. PSE is duly organized, validly existing, and in good standing as a limited partnership under the laws of the State of Washington; PSE is duly qualified and in good standing in the States required in order to perform its operations, except where failure to be so qualified or in good standing could not reasonably be expected to have a material adverse effect on PSE; and PSE has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder;

(b) Authorization; Enforceability. PSE has duly executed and delivered this Agreement, and this Agreement constitutes the legal, valid and binding obligation of PSE, enforceable against it in accordance with its terms (except as may be limited by bankruptcy, insolvency or similar laws of general application and by the effect of general principles of equity, regardless of whether considered at law or in equity); and

(c) No Conflicts. The authorization, execution, delivery, and performance of this Agreement by PSE does not and will not (i) conflict with, or result in a breach, default or violation of, (A) its articles of incorporation or bylaws, (B) any contract or agreement to which it is a party or is otherwise subject, or (C) any law, order, judgment, decree, writ, injunction or arbitral award to which it is subject; or (ii) require any consent, approval or authorization from, filing or registration with, or notice to, any governmental authority or other Person, unless such requirement has already been satisfied, except, in the case of clauses (i)(B) and (i)(C), for such conflicts, breaches, defaults or violations that would not have a material adverse effect on PSE or on its ability to perform its obligations hereunder, and except, in the case of clause (ii), for such consents, approvals, authorizations, filings, registrations or notice, the failure of which to obtain or make would not have a material adverse effect on PSE or on its ability to perform its obligations hereunder.

ARTICLE 5 NOTICES AND OTHER COMMUNICATIONS

Each notice, request, demand, statement or routine communication required or permitted under this Agreement, or any notice or communication that either Party may desire to deliver to the other, shall be in writing and shall be considered delivered effective: (a) if sent by personal courier, overnight courier, or mail, two (2) Business Days after it was sent or such earlier time as is confirmed by the receiving Party; or (b) if sent by facsimile or email, when verified by automated receipt or electronic logs if sent by facsimile or email. Each such notice must be addressed to the other Party at its address indicated below or at such other address and by means as either Party may designate for itself in a written notice to the other Party in accordance with this Article 5.

If to PSE:

Puget Sound Energy, Inc.
PO Box 97034, EST-11W
Bellevue, WA 98009
Attn: Ron Roberts
Email: ronald.roberts@pse.com
Phone: 425.456.2442

If to Puget LNG:

Puget LNG, LLC.
PO Box 97034, EST-REM
Bellevue, WA 98009
Attn.: Blake Littauer
Email: blake.littauer@pse.com
Phone: 425.890.2246

**ARTICLE 6
MISCELLANEOUS**

Section 6.1 Exercise of Rights. Subject to the express provisions of this Agreement, a Party may exercise a right or remedy at its discretion, and separately or concurrently with any other right or remedy. A single or partial exercise of a right or remedy by a Party does not prevent a further exercise of that or of any other right or remedy.

Section 6.2 No Waiver. No delay or forbearance by a Party in exercising any right or remedy accruing to such Party upon the occurrence of any breach or default (including an event of default) by the other Party under this Agreement shall impair any such right or remedy of such Party, nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of any similar breach or default thereafter occurring, nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver on the part of either Party hereto of any provision or condition of this Agreement, must be in writing signed by the Party to be bound by such waiver and shall be effective only to the extent specifically set forth in such writing and shall not limit or affect any rights with respect to any other or future circumstance.

Section 6.3 Third Party Beneficiary. This Agreement is for the sole and exclusive benefit of the Parties and shall not create a third party beneficiary relationship with, or cause of action in favor of, any third party.

Section 6.4 Rights and Remedies Cumulative. Except where inconsistent with the express provisions set forth in this Agreement, the rights and remedies provided in this Agreement are cumulative with and not exclusive of the rights or remedies provided by law independently of this Agreement.

Section 6.5 No Merger. The warranties, undertakings and indemnities in this Agreement do not merge on the execution of this Agreement.

Section 6.6 Binding Effect. This Agreement and the rights and obligations of the Parties shall inure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns.

Section 6.7 Further Assurances. Each of the Parties shall from time to time execute and deliver all further documents and instruments and do all things and acts as the other Party may

reasonably require to effectively carry out, clarify or more completely evidence or perfect the full intent and meaning of this Agreement.

Section 6.8 Entire Agreement. This Agreement constitutes the entire agreement of the Parties in connection with the matters set forth in this Agreement and all previous agreements, understandings and negotiations (whether written or oral) on those subject matters are hereby superseded and shall have no further effect after the Effective Date.

Section 6.9 No Other Representations or Warranties. Each Party acknowledges that in entering into this Agreement it has not relied on any representations or warranties about its subject matter except for the representations and warranties as expressly provided in this Agreement.

Section 6.10 Counterparts; Electronic Delivery. This Agreement may be executed in one or more counterparts and the counterparts taken together shall constitute one and the same agreement. The delivery of an executed counterpart of this Agreement by electronic exchange of .pdf documents or facsimile shall be deemed to be a valid delivery thereof.

Section 6.11 Governing Law. This Agreement shall be governed by, and construed and interpreted in accordance with, the laws of the State of Washington without regard to its conflicts of law principles; provided that, with respect to matters of law concerning the internal affairs of any corporation, limited partnership, limited liability company or similar entity which is a party to this Agreement, the law of the jurisdiction under which the respective entity derives its powers shall govern such matters.

Section 6.12 Service of Process. Without preventing any other mode of service, any document in an action (including any writ of summons or other originating process or any third or other party notice) may be served on either Party by being delivered to or left for such Party (by hand) at its address for service of notices set forth in [Article 5](#).

Section 6.13 Fees and Commissions. Each of the Parties shall pay its own legal and accounting costs and expenses incurred in connection with the preparation, execution and delivery of this Agreement and all documents and instruments executed pursuant hereto and any other costs and expenses whatsoever and howsoever incurred and hereby agree to indemnify and hold harmless the other Party from and against any claim for any broker's, finder's or placement fee or commission alleged to have been incurred as a result of any action by it in connection with the transactions under this Agreement.

Section 6.14 Amendments. Except as provided in this Agreement, no amendment or variation of the provisions of this Agreement shall be binding upon the Parties unless evidenced in a writing which indicates that such writing is intended to amend the terms of this Agreement and is signed by duly authorized officers of each Party. The Parties agree that this Agreement shall not be amended in any manner by any course of dealing among the Parties.

Section 6.15 Survival of Rights and Obligations. Upon the expiration or termination of this Agreement, this Agreement shall have no further force and effect, except that any rights and remedies that have arisen or accrued to either Party prior to such expiration or termination, or any obligations or liabilities that have arisen or accrued before such expiration or termination and that

expressly survive such expiration or termination pursuant to this Agreement, shall in each case survive expiration or termination. The rights, remedies and obligations set out in Article 5 (Notices and Other Communications) and Article 6 (Miscellaneous), shall survive in full force and effect the expiration or termination of this Agreement to the extent necessary to enable a Party to exercise any of such accrued rights and remedies.

Section 6.16 Decision Making by Parties. Except where this Agreement expressly provides for a different standard, whenever this Agreement provides for a determination, decision, permission, consent or approval of a Party, the Party shall make such determination, decision, grant or withholding of permission, consent or approval in a commercially reasonable manner and without unreasonable delay. Any denial of an approval, permission, decision, determination or consent required to be made in a commercially reasonable manner shall include in reasonable detail the reason for such denial or aspect of the request that was not acceptable.

Section 6.17 Severability. Any provision of this Agreement that shall be prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Agreement, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. In the event any such provision of this Agreement is so held invalid, the Parties shall, within seven (7) days of such holding, commence to renegotiate in good faith new provisions to restore this Agreement as nearly as possible to its original intent and effect. To the extent permitted by applicable law, the Parties hereby waive any provision of law that renders any provision hereof prohibited or unenforceable in any respect.

PUGET SOUND ENERGY, INC.

PUGET LNG, LLC

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By: Ron Roberts
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DocuSigned by:
By: Blake Littauer
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Name: Ron Roberts
Title: Vice President Energy Supply

Name: Blake Littauer
Name: President