

FINAL SETTLEMENT AND RELEASE OF ALL CLAIMS

I. WHEREAS:

- A. On September 13, 2018, an over pressurization of a portion of the Bay State Gas Company d/b/a Columbia Gas of Massachusetts (“Columbia”) natural gas system in the Merrimack Valley of Massachusetts took place, which resulted in a series of fires, explosions and other damages (“the Event”);
- B. The City of Lawrence, the Town of Andover, and the Town of North Andover (each a “Municipality,” and collectively “the Municipalities”) have asserted various claims against Columbia and NiSource Inc. (“NiSource”), collectively referred to herein as “Columbia/NiSource”, arising out of the Event;
- C. Following the Event, extensive work was performed by Columbia to restore and/or replace underground gas mains and service lines. Columbia is obligated, and the Massachusetts Department of Public Utilities has ordered Columbia (on December 17, 2018), to:

“...repave and restore all streets, roadways, sidewalks and other areas affected by the [Event] in accordance with applicable Department of Public Utilities [] standards and precedents; [and to]

At the request of the affected communities, [] discuss any plan or standards proposed by those communities for restoring hard or soft surfaces affected by the [Event], provided that an agreement reached with any of the affected communities shall be subject to investigation and prudence review by the Department....”

- D. The parties, working cooperatively, hereby agree that, at the Municipalities’ request, and in exchange for the first payment set forth in Section III. below, the Municipalities are solely responsible for, accountable for, assume full control and direction of, and complete all “Paving Restoration,” as defined by all of the provisions set forth in this paragraph. Paving Restoration includes all “hard

surface” paving restoration exclusive of private ways and state highways. The defined area of the Paving Restoration associated with the Event is shown and defined in Schedule A attached hereto and incorporated herein (the “Paving Map”). The Municipalities shall complete all Paving Restoration in accordance with the Department of Public Utilities’ standards and precedents, and shall include, but not be limited to, full, curb-to-curb street restoration, repair or replacement of sidewalks damaged as a result of the Event in the affected area depicted in the Paving Map, installation of ADA transitions, and replacement of damaged signs, street lights and traffic lights. The Municipalities shall be solely responsible and accountable for any liabilities, claims, damages, costs, lost revenues or expenses arising out of, in connection with, related to or resulting from the Paving Restoration. The Municipalities shall complete the Paving Restoration within four full summer paving seasons, or by December 31, 2023, however, the Municipalities shall not be obligated to meet such deadline in the event that any failure or delay results from “Force Majeure,” which is defined as any failure or delay which is caused by or results from acts beyond the Municipalities’ control, including the following force majeure events (a) acts of God; (b) flood, fire, earthquake or explosion; (c) war, invasion, hostilities (whether war is declared or not), terrorist threats or acts, riot or other civil unrest; (d) actions, embargoes or blockades in effect on or after the date of this Agreement; (e) legal action, order or law by any state or federal (but not municipal) governmental authority; (f) national or regional emergency; (g) strikes, labor stoppages or slowdowns or other industrial disturbances; and (h) power outage lasting more than three (3) consecutive days which significantly affects ability to do Paving Restoration work. If the Municipalities are unable to perform as a result of Force Majeure, they shall promptly notify Columbia in writing at the beginning and ending of each such period. In the case of a Force Majeure, the deadline by which the Municipalities must complete the Paving Restoration, as set forth above, shall be extended one day for each one day that the Force Majeure is in effect, unless otherwise agreed to in writing by Columbia/NiSource and the Municipality, or Municipalities, affected by the Force Majeure.

The Municipalities shall provide Columbia with (i) financial information and supporting material with respect to Paving Restoration costs, as reasonably requested, no less than annually; and (ii) reasonable cooperation in connection with any potential future recovery requests by Columbia to the Department Public Utilities and/or Columbia's insurance carriers related to the Paving Restoration.

In any instance where Columbia needs to conduct street opening work on any of the streets subject to the Paving Map, Columbia will not be required to repave curb-to-curb if the Municipality has not yet completed Paving Restoration on that street.

- E. The Municipalities also seek recovery from Columbia/NiSource for their alleged liabilities, claims, damages, costs (including "Soft Surface Restoration" costs), including but not limited to, lost revenues, prior and future permit and inspection fees (including those related to any work by Columbia and/or its contractors or other related parties for any repair or restoration work related to the Event), depreciation and damage to Municipality property, or expenses allegedly incurred or to be incurred, known or unknown, by the Municipalities arising out of or in connection with, or related to or resulting from the Event, and this Release (collectively, hereinafter "the Claims").

"Soft Surface Restoration" includes all costs or expenses associated with the repair, replacement or restoration of municipal-owned property which was used, procured or damaged as a result of the Event and/or the subsequent relief and recovery efforts (including but not limited to parks, fields and tennis courts). At the Municipalities' request, and in exchange for the first payment set forth in Section III. below, the Municipalities shall be solely responsible for, accountable for, assume full control and direction of, and completion of all "Soft Surface Restoration". The Municipalities shall complete the Soft Surface Restoration by December 31, 2021; and

- F. Without Columbia/NiSource acknowledging legal liability for the Event, the Paving Restoration and/or the Claims, the parties seek to amicably resolve any

and all claims for damages, costs, lost revenues, or expenses allegedly incurred or to be incurred, known or unknown, by the Municipalities arising out of or in connection with Paving Restoration, the Claims and the Event, without the need for litigation.

NOW THEREFORE, IN CONSIDERATION OF THE FOREGOING AGREEMENTS SET FORTH IN THE RECITALS, WHICH ARE INCORPORATED HEREIN, AND OF THE MUTUAL PROMISES AND COVENANTS CONTAINED IN THIS AGREEMENT, THE ADEQUACY AND SUFFICIENCY OF WHICH ARE HEREBY ACKNOWLEDGED, THE PARTIES AGREE AS FOLLOWS:

- II. The City of Lawrence, the Town of Andover and the Town of North Andover, for themselves and on behalf of each of their elected and appointed officials, officers, mayors, town managers, city councils, selectmen, employees, agents, servants, attorneys, assigns, all of the foregoing in their official capacities only, departments (including but not limited to departments, divisions, boards or subdivisions devoted to police, fire, emergency services, emergency management, public safety, finance, health, human resources, human services, public works, water, sewer, planning, zoning, development, inspectional services, facilities, community services, community development, historical preservation, environmental protection, conservation, recreation), subsidiaries and divisions, boards, committees, commissions, predecessors and successors in interest, affiliated entities to the extent permitted by law, trustees and legal representatives (with the express intention that this Release shall be broadly construed to cover all entities which the Municipalities control or operate) (hereinafter collectively, the “RELEASORS”), hereby forever release, covenant not to sue and discharge, NiSource Inc., Bay State Gas Company, d/b/a Columbia Gas of Massachusetts, and all of both of their officers, directors, shareholders, employees, agents, servants, contractors, attorneys, affiliates, subsidiaries and divisions, predecessors and successors in interest, legal representatives, insurers, and any and all persons, firms, corporations and other entities in which they may have an interest (hereinafter collectively referred to as “RELEASEE”) for any and all issues, actions, causes of action, claims, demands of any kind, liabilities,

suits, controversies and proceedings for injuries, expenses, to the extent any and all are related to any of the RELEASORS' actions and/or inactions arising out of their duties for Paving Restoration and all Claims.

Except as described in the next paragraph, this Final Settlement and Release of All Claims ("RELEASE") shall also include without limitation third party claims, property damage, lost profit/income, lost revenue and fees, consequential damages, breach of warranty, breach of contract, negligence, violations of G. L., c. 93A and 176D, contribution, and from all other rights, demands, damages and liabilities of any kind or nature (including without limitation all liabilities for costs, charges, losses, expenses and attorneys' fees), which said RELEASORS now have or may ever have had, whether now known or unknown, now existing or hereafter arising only out of the Claims and/or the Paving Restoration.

This RELEASE does not relate to third party claims against Columbia/NiSource or the Municipalities for personal injury, economic loss, repairs or property damage due to the Event, now or in the future, provided however that this RELEASE does cover any and all claims that arise in whole or in part from the actions or inactions of the Municipalities, including the Municipalities' performance of and/or failure to perform the restoration work (including Paving Restoration and Claims).

In exchange for the first payment, set forth in Section III. below, the Municipalities will release Columbia/NiSource from all Claims except for the ability to recover the Remaining Maximum Balance, as described and set forth in Section III, below.

- III. RELEASEE will pay RELEASORS, collectively, up to and no more than \$80,000,000.00, as set forth below. No later than three (3) business days after RELEASORS deliver fully-executed signature pages from each of the Municipalities of this RELEASE, RELEASEE will pay RELEASORS \$67,162,500.00, comprised of \$57,162,500.00 for Paving Restoration and \$10,000,000.00 for Claims. The \$57,162,500.00 for Paving Restoration will be broken down and distributed to the RELEASORS via wire transfer as follows:

Lawrence: \$31,910,000.00;

Andover: \$13,965,000.00; and

North Andover: \$11,287,500.00.

The \$10,000,000.00 for Claims will be broken down and distributed to the RELEASORS via wire transfer as follows:

Lawrence: \$5,000,000.00;

Andover: \$3,000,000.00; and

North Andover: \$2,000,000.00.

The remaining maximum balance of \$12,837,500.00 ("Remaining Maximum Balance") shall be divided and paid no later than January 31, 2020, to each RELEASOR that submits by December 31, 2019, reasonable documentation to substantiate losses directly caused by the Event, in amounts not to exceed the following:

Lawrence, no more than \$6,418,750.00;

Andover, no more than \$3,851,250.00; and

North Andover, no more than \$2,567,500.00.

Except as described below, RELEASORS agree that RELEASEE reserves the right to determine the appropriate substantiation and documentation required to commence any and all payments for the Remaining Maximum Balance, which such determination shall not be unreasonably withheld or delayed by RELEASEE, but in any event RELEASEE shall notify RELEASORS within 30 days of receiving such substantiation and documentation as to whether such substantiation and documentation is sufficient. The parties agree that examples of the appropriate substantiation and documentation of losses directly caused by the Event required to commence any and all payments for the remaining balance of the settlement dollars will be submission of materials, including but not limited to general ledger expenditures, quotes for restoration work completed or

replacement of damaged property (exclusive of Paving Restoration and previously paid or reimbursed losses), bills for payments made, and documents showing waived fees for permits issued. The parties agree that the above constitutes reasonable examples of documentation in support of substantiation of damages sustained. The RELEASORS agree that RELEASEE is under no obligation to reimburse for expenditures for the Remaining Maximum Balance without substantiation and documentation.

Columbia/NiSource shall commence payment within 30 days of the date the substantiation and documentation are deemed sufficient. If there is a dispute regarding whether such substantiation and documentation is sufficient, the parties agree to submit the dispute to binding arbitration at the American Arbitration Association in Boston, MA.

- IV. The RELEASORS acknowledge that the Municipalities have exclusive ownership and control over the public ways and public property within each of their jurisdictions and retain all legal obligations with regard to the maintenance and repair of such ways and property and duty of care owed to users of such public ways. M.G.L., c. 84, § 1. In exchange for the first payment set forth in Section III. above, the Municipalities shall hold the exclusive responsibility and accountability for the Paving Restoration and Soft Surface Restoration, which the Municipalities are responsible for under this RELEASE, both of which shall be done at their sole direction and control. As such, each Municipality shall require its contractors performing the Paving Restoration and Soft Surface Restoration in their respective Municipality to defend and indemnify Columbia/NiSource, and shall take all necessary steps to ensure that each of their contractors performing the Paving Restoration and Soft Surface Restoration carry commercial general liability insurance with minimum limits of \$1,000,000.00 combined single limit per occurrence, and excess or umbrella liability insurance with a combined single limit of not less than \$5,000,000.00 per occurrence and project or per location aggregate, naming Columbia/NiSource as additional insureds, protecting Columbia/NiSource from risk, liability, and/or defense costs associated with carrying out the Paving Restoration and Soft Surface Restoration and any third-party claims arising therefrom. Sample contract language regarding contractor indemnity of Columbia/NiSource is attached hereto as Schedule B. The Municipalities will provide

Columbia/NiSource copies of the certificates of insurance and copies of the endorsements for the foregoing insurance.

- V. Columbia is responsible and liable for its initial paving in response to the Event (including any settling that may take place) up until the time a Municipality first publishes notice of commencement of work or commences work for paving on a particular street, whichever is earlier. Once a Municipality first publishes notice of commencement of work or commences work for paving on a particular street, whichever is earlier, the responsibility and liability for the Paving Restoration will belong exclusively to the Municipality within which that street lies (including any settling that may take place), and in any event no later than December 31, 2023. Columbia/NiSource maintains responsibility and liability for all pipeline replacement work.

Prior to the Municipalities commencing Paving Restoration any issues or third party claims with respect to Columbia's initial paving work shall be directed to: Columbia Gas of Massachusetts, Restoration Leader and Legal Department, 55 Marston Street, Lawrence, MA.

- VI. The RELEASORS acknowledge that the RELEASEE's agreement to make the collective payment of the sum set forth in Section III to The City of Lawrence, the Town of Andover and the Town of North Andover constitutes fair, adequate and reasonable consideration for the Paving Restoration and Claims covered by this RELEASE.
- VII. The RELEASORS and RELEASEE further acknowledge that this RELEASE may be offered in evidence by any RELEASOR or RELEASEE in any judicial or other proceeding to enforce any of its provisions.
- VIII. It is expressly understood and agreed by the RELEASORS and RELEASEE that this RELEASE is not to be construed as an admission of liability on the part of the RELEASEE and that said RELEASEE neither admits nor denies any liability for any injury or damage of any kind or nature to said RELEASORS.
- IX. The RELEASORS and RELEASEE acknowledge that they had the advice of legal counsel of their choosing.

- X. If the facts or law related to the subject matter of this RELEASE are found hereinafter to be other than as now believed by RELEASORS or RELEASEE, each expressly accepts and assumes the risk of such possible difference of fact or law and agree that the RELEASE shall be and remain in effect in accordance with its terms. No promise or inducement which is not herein expressed has been made to the RELEASORS or RELEASEE and in executing this RELEASE, the RELEASORS and RELEASEE do not rely upon any statement or representation made by any person, firm or corporation, hereby released, or any agents, contractor, insurer or any other person representing the RELEASORS or RELEASEE concerning the nature, extent or duration of said damages or losses or the legal liability therefor.
- XI. This RELEASE is effective upon the date of its execution. The RELEASORS and RELEASEE hereby understand and acknowledge that this RELEASE contains the entire understanding and agreement among the parties hereto with respect to the subject matter hereof, supersedes any previous writings and contains contractual terms which are not mere recitals.
- XII. This RELEASE is deemed to be made in the Commonwealth of Massachusetts, and it and the legal relations between the parties hereto shall be governed and construed according to the laws of the Commonwealth of Massachusetts.
- XIII. Each RELEASOR and RELEASEE further states, warrants and represents that: (i) it has full authority to execute this RELEASE as a binding and legal obligation; (ii) it has taken all necessary corporate, municipal, or legal actions to duly approve the making and performance of this RELEASE, and no further corporate, municipal, or other approval is necessary; (iii) it has carefully read the foregoing RELEASE and knows and fully understands the contents hereof; and (iv) it hereby signs and executes, through its duly authorized representative(s), this RELEASE as its free act and deed.
- XIV. Notices related to the agreement shall be delivered to:

City of Lawrence, Mayor and City Attorney
200 Common Street
Lawrence, MA 01840

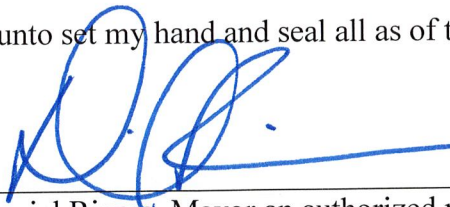
Town of Andover, Town Manager and Town Counsel
36 Bartlet Street
Andover, MA 01810

Town of North Andover, Town Manager and Town Counsel
120 Main Street
North Andover, MA 01845

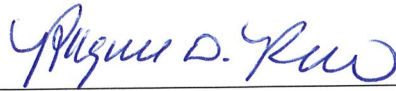
Columbia Gas of Massachusetts, President and Legal Department
4 Technology Drive
Westborough, MA 01581

NiSource, President of Gas Utilities and Legal Department
290 Nationwide Blvd.
Columbus, OH 43215

IN WITNESS WHEREOF, I have hereunto set my hand and seal all as of this 1 day
of May, 2019.



Daniel Rivera, Mayor an authorized representative
of the City of Lawrence, Massachusetts



Raquel D. Ruano, City Attorney
As to Form Only

CITY SEAL:

IN WITNESS WHEREOF, I have hereunto set my hand and seal all as of this ____ day
of May, 2019.

Andrew P. Flanagan, Town Manager, Andover,
Massachusetts

Thomas Urbelis, Town Counsel, Andover,
Massachusetts
As to Form Only

IN WITNESS WHEREOF, I have hereunto set my hand and seal all as of this ____ day
of May, 2019.

Lynn Savage, Town Manager, North Andover,
Massachusetts

Suzanne Egan, Town Counsel, North Andover,
Massachusetts
As to Form Only

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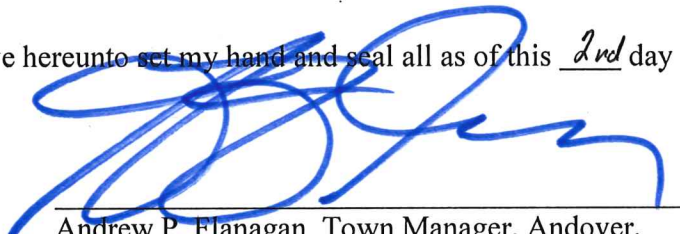
IN WITNESS WHEREOF, I have hereunto set my hand and seal all as of this ____ day
of _____, 2019.

Daniel Rivera, Mayor an authorized representative
of the City of Lawrence, Massachusetts

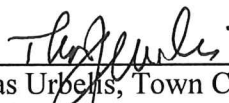
Raquel D. Ruano, City Attorney
As to Form Only

CITY SEAL:

IN WITNESS WHEREOF, I have hereunto ~~set my hand and seal~~ all as of this 2nd day
of MAY, 2019.



Andrew P. Flanagan, Town Manager, Andover,
Massachusetts



Thomas Urbels, Town Counsel, Andover,
Massachusetts
As to Form Only

IN WITNESS WHEREOF, I have hereunto set my hand and seal all as of this ____ day
of _____, 2019.

Lyne Savage, Town Manager, North Andover,
Massachusetts

Suzanne Egan, Town Counsel, North Andover,
Massachusetts
As to Form Only

IN WITNESS WHEREOF, I have hereunto set my hand and seal all as of this ____ day
of _____, 2019.

Daniel Rivera, Mayor an authorized representative
of the City of Lawrence, Massachusetts

Raquel D. Ruano, City Attorney
As to Form Only

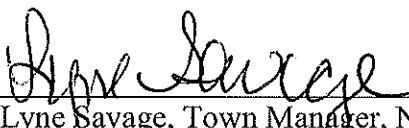
CITY SEAL:

IN WITNESS WHEREOF, I have hereunto set my hand and seal all as of this ____ day
of _____, 2019.

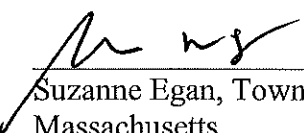
Andrew P. Flanagan, Town Manager, Andover,
Massachusetts

Thomas Urbelis, Town Counsel, Andover,
Massachusetts
As to Form Only

IN WITNESS WHEREOF, I have hereunto set my hand and seal all as of this 30 day
of April, 2019.

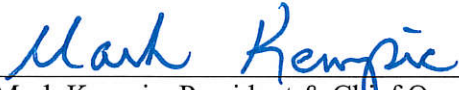


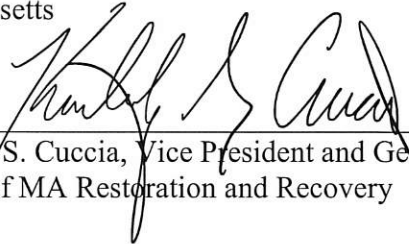
Lyne Savage, Town Manager, North Andover,
Massachusetts



Suzanne Egan, Town Counsel, North Andover,
Massachusetts
As to Form Only

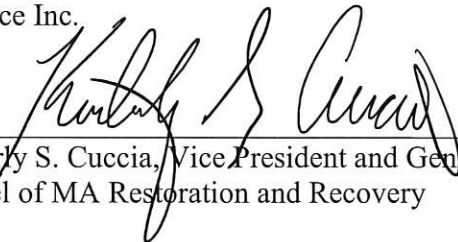
IN WITNESS WHEREOF, I have hereunto set my hand and seal all as of this 30th day of April, 2019.

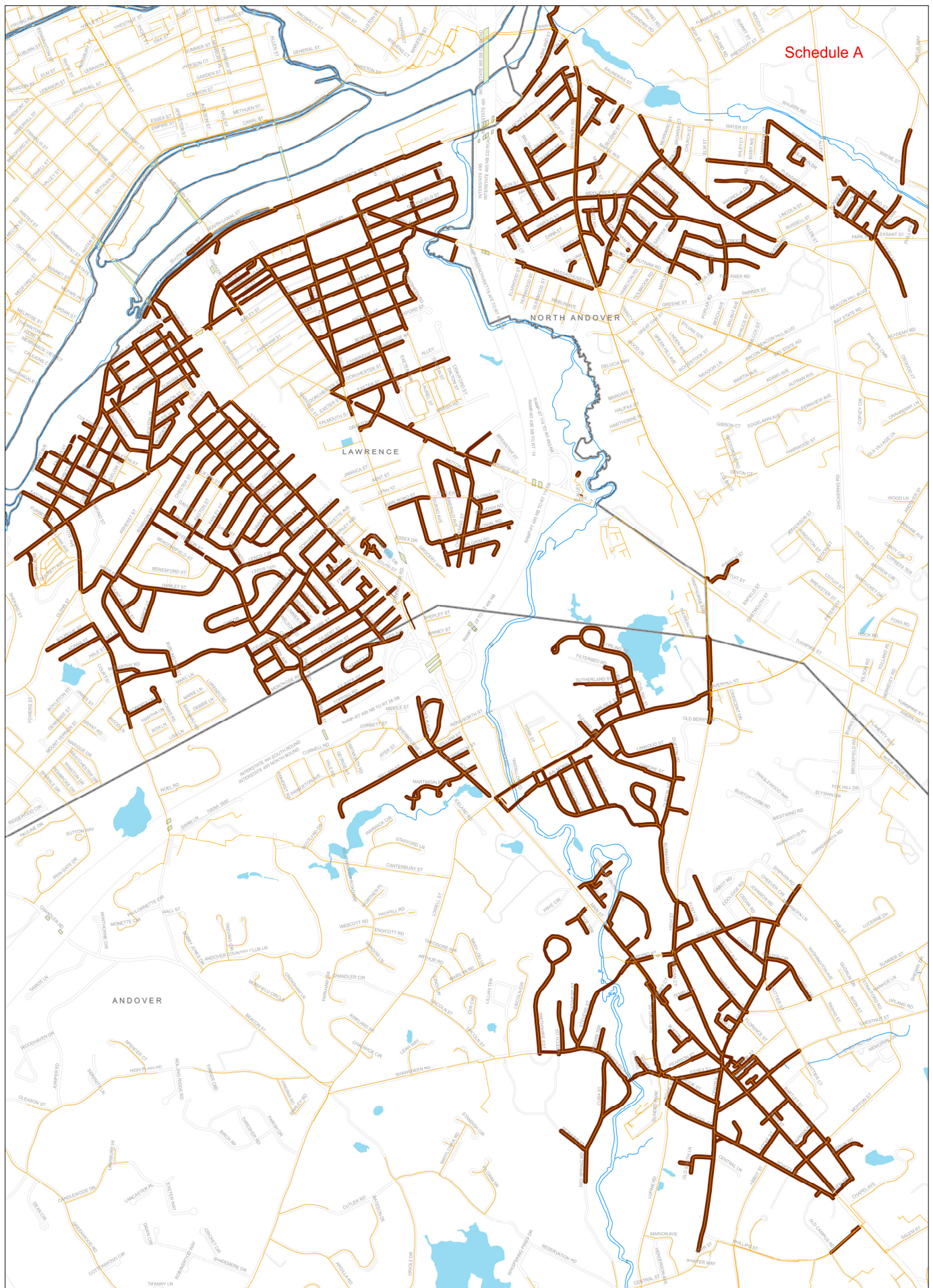

Mark Kempic, President & Chief Operating Officer
Bay State Gas Company d/b/a Columbia Gas of
Massachusetts


Kimberly S. Cuccia, Vice President and General
Counsel of MA Restoration and Recovery

IN WITNESS WHEREOF, I have hereunto set my hand and seal all as of this 30th day of April, 2019.


Pablo A. Vegas, Executive Vice President and
President of Gas Utilities
NiSource Inc.


Kimberly S. Cuccia, Vice President and General
Counsel of MA Restoration and Recovery



Paving Locations for Merrimack Valley Recovery Project

April 29, 2019



Gas Main
Paving Locations

Columbia Gas
of Massachusetts
A NISource Company

1 in = 700 feet

Indemnification. The Contractor agrees to indemnify, defend and hold harmless the City of Lawrence, Bay State Gas Company d/b/a Columbia Gas of Massachusetts and NiSource, Inc., and their agents or employees, hereinafter collectively referred to as “the Indemnitees”, from and against all claims, damages, injuries, costs or losses that may be asserted against the Indemnitees, provided such claims, damages, injuries, costs or losses are alleged to be caused by an act or omission of the Contractor or anyone directly or indirectly employed by the Contractor, arising out of or resulting from the performance or non-performance of the work by the Contractor, as described in the construction contract between the Contractor and the City of Lawrence.