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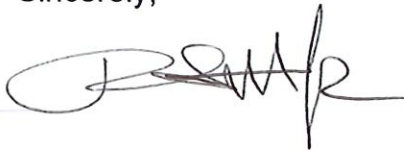
March 19, 2026

Clerk of Council
City Council
City of Hampton, Virginia
22 Lincoln Street, 8th Floor
Hampton, VA 23669

Dear Katherine K. Glass,

The enclosed envelope includes Virginia Natural Gas Inc.'s sealed bid for a non-exclusive franchise for providing Natural Gas Public Utility Services to the citizens of the City of Hampton, Virginia that was advertised in a Public Notice published in the Daily Press on March 11, 2026.

Sincerely,



Robert Hayslett, Jr.
Vice President, Operations
Virginia Natural Gas

RECEIVED

MAR 19 2026

HAMPTON CITY COUNCIL OFFICE



March 19, 2026

The Honorable City Council
The City of Hampton
22 Lincoln Street, 8th Floor
Hampton, VA 23669

RE: *Public Notice to Receive and Open Bids for a Non-Exclusive Franchise in the City Of Hampton for Providing Natural Gas Public Utility Services; Sealed Bid of Virginia Natural Gas, Inc.*

Dear Mayor and Council Members:

Please accept this \$1 bid from Virginia Natural Gas, Inc. ("VNG") as a response to the advertisement and Public Notice published in the Daily Press on March 11, 2026 for a non-exclusive franchise for providing Natural Gas Public Utility Services to the citizens of the City of Hampton, Virginia ("Public Notice").

The proposed franchise, if granted, will allow VNG the right and privilege to install, manage, maintain, and use any or all of the Natural Gas System infrastructure it may determine to be necessary and proper for conveying and distributing natural gas to the public for any and all purposes throughout the City of Hampton ("City").

VNG is a regulated natural gas utility with long-standing operational and engineering expertise in natural gas distribution. The company plans, builds, operates and maintains natural gas distribution systems that deliver safe, reliable and affordable energy to residential, commercial and industrial customers in its service territory in Southeast Virginia. The Company owns and operates a comprehensive natural gas distribution network that includes transmission interconnections, gate stations, distribution mains and service lines. Having served the Commonwealth since 1850, VNG works closely with cities and counties on planning, economic development and public safety, with a strong understanding of local permitting, right of way requirements and community expectations.

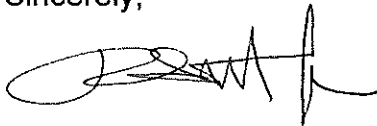
The City is a long-standing part of VNG's service territory. VNG works in close coordination with the City to support the energy needs of neighborhoods, commercial areas and major institutions. VNG continues to invest in system modernization to enhance safety, reliability and resilience for the entire Hampton community.

Accordingly, VNG is a responsible bidder with the capability, in all respects, to fully perform the requirements of the Natural Gas Service Non-Exclusive Franchise Agreement attached as Exhibit 1 to the draft Ordinance referenced in the Public Notice. ("Franchise Agreement"). A final version of the Franchise Agreement is attached to this bid as Exhibit 1. VNG likewise has the moral and business integrity and reliability that will ensure its good faith performance of the Franchise Agreement. VNG is not currently suspended or debarred from contracting by any Virginia or federal public entity. In addition, VNG, as demonstrated through its 175-year history of providing natural gas utility services throughout Southeast Virginia, has the necessary facilities, organization, experience, technical skills, and financial resources to fulfill the terms of the Franchise Agreement.

Finally, if award is made to VNG, VNG shall accept the terms of draft Franchise Agreement without revision, including all terms required by Virginia Code §15.2-2100 *et. seq.* As set forth in the Franchise Agreement, VNG shall install, manage, and maintain the Natural Gas infrastructure in the geographic area identified in Exhibit A for a term of five years, with two automatic five-year term renewals (notwithstanding contract termination). Franchise Agreement §4.1. VNG shall offer the services at its current tariff rates on file with the Virginia State Corporation Commission. Franchise Agreement §6. Additionally, prior to the City's grant of these privileges, VNG shall enter into a bond in the sum of One Hundred Fifty Thousand Dollars (\$150,000.00), with a corporate surety or bank reasonably satisfactory to the City Manager and authorized to conduct business in the Commonwealth of Virginia, conditioned to the effect that VNG will construct and maintain the Natural Gas System infrastructure. Franchise Agreement §§8.8 and 8.9.

Thank you for your consideration of our sealed bid.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Hayslett, Jr.", with a stylized flourish at the end.

Robert Hayslett, Jr.
Vice President, Operations
Virginia Natural Gas

NATURAL GAS SERVICE NON-EXCLUSIVE FRANCHISE AGREEMENT

THIS NATURAL GAS SERVICE FRANCHISE AGREEMENT (this "Agreement") is entered and made effective this ___ day of _____, 2026 (the "Effective Date"), by and between the City of Hampton, Virginia, a municipal corporation of the Commonwealth of Virginia located at 22 Lincoln Street, Hampton, Virginia 23669 (the "City") and Virginia Natural Gas, Inc., a Virginia corporation with its principal place of business located at 544 S. Independence Blvd., Virginia Beach, Virginia 23452 (the "Franchisee").

WHEREAS, pursuant to Virginia Code § 15.2-2100 *et seq.*, the City has the authority to grant franchises and other authorizations for the use and occupancy of Public Ways or Rights-of-Way (as hereinafter defined);

WHEREAS, the Public Ways or Rights-of-Way are a valuable public resource that have required and will continue to require substantial investment by the City;

WHEREAS, the City and the Franchisee have had an ongoing relationship where the Franchisee has provided various services associated with natural gas to the citizens of the City;

WHEREAS, the prior Franchise Agreement between the City and the Franchisee expired; and

WHEREAS, the City and the Franchisee find that it is in the public interest of its citizens and customers, respectively, to enter into a new franchise agreement consistent with all applicable laws to minimize inconvenience and disruption to the public, provide for the orderly and efficient use of the Public Ways and Rights-of-Way now and in the future, and preserve adequate capacity for existing and future uses of the Public Ways and/or Rights-of-Way.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth herein, the City and Franchisee agree as follows:

Section 1: Definitions.

For purposes of this Agreement, the following words and phrases shall have the specific definitions as set out below. Terms, phrases, words, and their derivations shall have such ascribed meanings unless the context clearly indicates that another meaning is intended.

- 1.1 "City." The City of Hampton, a municipal corporation of the Commonwealth of Virginia, as controlled by its governing body.

- 1.2 **“Code.”** The Code of the City of Hampton, in its current form and as may be amended from time to time.
- 1.3 **“Franchise.”** The non-exclusive authorization granted by the City to the Franchisee to construct, maintain, and operate a Natural Gas System within the Public Ways and Rights-of-Way of the Franchise Area for the purpose of providing Natural Gas Public Utility Services to citizens of the City within the terms and conditions of this Agreement.
- 1.4 **“Franchise Area.”** The city limits of the City, more particularly described in Section 6 and Exhibit A, attached hereto.
- 1.5 **“Franchisee.”** Virginia Natural Gas, Inc., a Virginia corporation.
- 1.6 **“Natural Gas System” or “System.”** An above and/or below ground network of pipes, equipment, and other appurtenances that transports or distributes natural gas to customers.
- 1.7 **“Natural Gas Public Utility Services.”** All services, including construction, installation, and maintenance, in connection with providing natural gas that Franchisee provides under this Agreement.
- 1.8 **“Public Ways” or “Rights-of-Way.”** Any street, road, lane, highway, avenue, boulevard, alley, sidewalk, median, shoulder, path, waterway, bridge, easement, public place, or other type of right-of-way which is owned and maintained by the City.
- 1.9 **“Term.”** The time period in which this Agreement shall be in effect, more particularly described in Section 4.

Section 2: Grant of Franchise.

- 2.1 General Grant. Subject to the terms and conditions of this Agreement and all applicable provisions of federal, state, and local law, the City hereby grants a non-exclusive, revocable Franchise to Franchisee for the right and privilege to construct, maintain, expand, and operate a Natural Gas System within the Rights-of-Way of the Franchise Area for the purpose of providing Natural Gas Public Utility Services.
- 2.2 Benefit of Franchisee. Franchisee acknowledges that this Franchise is for the benefit of Franchisee only, and that Franchisee is not authorized to lease, license, sublease, sublicense, assign, or otherwise allow other providers to use or occupy the Public Ways or Rights-of-Way except in accordance with the provisions of this Agreement.
- 2.3 Rights of City. This Agreement is not a grant by the City of any fee simple or other property interest except as expressly contemplated by this Agreement, and is made subject to and subordinated to the prior and continuing right of the City to use its Public Ways and Rights of Way.

Section 3: Scope of Grant of Franchise.

- 3.1 Right of Use. In providing Natural Gas Public Utility Services under this Agreement and subject to meeting City permitting requirements, Franchisee shall have the right to install, manage, maintain, and use any or all of the Natural Gas System it may determine to be necessary and proper for conveying and distributing natural gas to the public for any and all purposes. Subject to the terms and conditions of this Agreement and upon meeting all City permitting requirements, Franchisee shall have control over the installation, management, maintenance, removal, and use of its Natural Gas System infrastructure.
- 3.2 Limited Purpose. Nothing in this Agreement shall be construed as authorizing Franchisee to use, or permit the use of, any portion of its Natural Gas System for any purpose other than providing Natural Gas Public Utility Services, unless prior written approval is provided by the City.

Section 4: Term.

- 4.1 Term of Agreement. The initial term of this Agreement shall be for a term of five (5) years, commencing on the date of approval of this Agreement by the City Council (the "Initial Term"). Unless otherwise terminated, the Agreement will thereafter automatically renew for two additional five-year terms (each, a "Renewal Term"), except in such circumstances as Franchisee is not in compliance with the terms of this Agreement and the City has terminated the Agreement under the procedures outlined in Section 7.11 of the Agreement. Either party may, upon giving one hundred eighty (180) days' prior written notice to the

end of the Initial Term or any Renewal Term, terminate the Agreement. The Initial Term and all Renewal Terms hereunder shall be collectively referenced as the "Term".

Section 5: Franchise Bid.

In accordance with the bid process, Franchisee has submitted a check in the sum of _____, payable to the City of Hampton, Virginia, which check shall be security to City that Franchisee will accept the Franchise within thirty (30) days after the adoption of the ordinance granting the same. Such acceptance shall be in writing, signed by a duly authorized officer of Franchisee.

Section 6: Franchise Area.

Under this Franchise, Franchisee shall provide Natural Gas Public Utility Services to the prescribed commercial and residential areas within the Franchise Area, as identified in Exhibit A, and in accordance with the Franchisee's Tariff, which can be found at [vng-tariff.pdf](https://www.virginianaturalgas.com/content/dam/southern-co-gas/virginianaturalgas/docs/rates-and-tariffs/vng-tariff.pdf) or <https://www.virginianaturalgas.com/content/dam/southern-co-gas/virginianaturalgas/docs/rates-and-tariffs/vng-tariff.pdf> (the "Tariff"). Franchisee shall serve such area in accordance with its Tariff and as allowed and certificated by the State Corporation Commission of the Commonwealth of Virginia.

Section 7: Duties and Responsibilities of Franchisee.

- 7.1 Good Order and Condition. At all times, all present and future infrastructure of the Natural Gas System shall be maintained in good order and condition, in accordance with industry standards and subject to (a) the rules, regulations, orders, and directives of the State Corporation Commission of the Commonwealth of Virginia (the "Commission") and (b) the rates, and general terms and conditions of service contained in the Franchisee's Tariff, as modified from time to time, on file with the Commission.
- 7.2 Requirements, Permits, and Licenses. Franchisee agrees and acknowledges that prior to performing any acts under this Agreement, all bonds and proofs of insurance must be filed with the City. Prior to commencing construction activities, with the exception of emergency situations detailed below, Franchisee shall secure all necessary approvals, permits and/or licenses in connection with work within, on, over, or under the Rights-of-Way. Also prior to construction, Franchisee shall file with the City plans showing the location of proposed Systems in the Rights-of-Way, including the depth of all Systems. The location of the proposed Systems shall be subject to review by the Director of Public Works or designee who may impose such additional conditions, fees, requirements, or restrictions as reasonably necessary to prevent or minimize interference with any Rights-of-Way or other public places. During emergency situations, Franchisee may take all reasonable measures to restore service and alter its System as necessary to ensure the

health, safety, and welfare of the citizens of and visitors to the City. Nothing in this Agreement waives any City ordinance or regulation or the right of the City to require Franchisee to secure appropriate approvals, permits or licenses for use of the Rights-of-Way.

- 7.3 Minimal Interference. Franchisee shall install, maintain, alter, and renovate its Natural Gas System in such a manner and time as to cause as minimum interference and/or obstruction as possible with the public's use of the Public Ways. Franchisee's equipment shall be located so as to cause minimum interference and/or obstruction with any use of the Rights-of-Way, except in cases of emergency or when this requirement is waived by the City. The Rights-of-Way shall not be obstructed for any longer period than necessary to install, maintain, alter, or renovate its System. Franchisee shall take all precautions necessary or proper for the protection of the public and shall maintain adequate warning signs, barricades, signals and other devices to give notice, protection and warning to the public of all actual conditions present. City retains its right to monitor, inspect, and police all activities within its Right-of-Way. The City shall have the right to assign inspectors to monitor the Franchisee's conduct and work within the Franchise Area at Franchisee's expense pursuant to Hampton City Code § 34-28 (b).
- 7.4 Restoration of Public Ways. While installing, maintaining, altering, or renovating the Natural Gas System in a Public Way, within a reasonable time and as early as practicable, Franchisee shall replace and restore the Public Way to a condition reasonably comparable to the condition of the Public Way existing immediately prior to such disturbance and in accordance with the applicable City standards, and provided that the parties shall properly mark all of its underground utilities in accordance with the Virginia Underground Utility Damage Prevention Act § 56-265.14, *et seq.* of the Virginia Code. In restoration of a paved Right-of-Way, Franchisee shall refer to and follow the City of Hampton Utility Policy. All pavement cuts to Rights-of-Way shall be restored in accordance with the City of Hampton Public Works Design & Construction Standards for Pavement and Site Restoration.
- 7.5 Clearing Rights-of-Way. Franchisee may remove, trim, cut, and keep clear of its System trees in the Rights-of-Way, but in the exercise of such right, Franchisee shall not cut or otherwise injure these trees to any greater extent than is reasonably necessary for the installation, upgrade, construction, repair, maintenance, and removal of the System. Franchisee shall not trim, cut, or remove any tree from any Right-of-Way unless prior written notice of its intention to do so is given to the department or agency of the City as shall be designated by the City Manager and permission in writing to do so is granted by the City, except in cases of emergency or when this requirement is waived by the City. Any trimming, cutting, or removal of trees by Franchisee shall be done in accordance with industry standards in urban forestry.
- 7.6 Emergency Response. If the City determines at any time that any of Franchisee's System poses a threat to the health, safety, or welfare of any person or property, the City may order

Franchisee to remove, relocate, or alter its System. Franchisee then shall promptly take necessary action to remedy any unsafe condition to protect public health, safety, or welfare. Franchisee shall provide to City a 24-hour emergency contact number. As soon as practicable, Franchisee shall notify the City Manager or Public Works Director or their designees of any emergency necessitating an obstruction; and as necessary to protect the public health, safety, and welfare, Franchisee shall coordinate its activities in responding to the emergency with the City Manager or Public Works Director or their designees.

- 7.7 Emergency Activity. In the case of fire, disaster, or other emergency, the City may at any time as determined by the City in its sole reasonable discretion, alter the System, in which event the City shall not incur any liability to Franchisee unless such liability is due to the gross negligent or willful acts or omissions of the City. The City will make every reasonable effort to consult with Franchisee prior to any such alteration of the System, and, to the extent possible, Franchisee will be given the opportunity to perform such work itself. The City shall have the obligation to protect Franchisee's System to the maximum extent reasonable under the circumstances. Absent City gross negligence or willful misconduct, all costs to repair or replace such System shall be borne by Franchisee.
- 7.8 Relocation, Removal, and Alteration. Whenever the City shall reasonably determine it is necessary for any of Franchisee's Systems installed in any Public Way should be relocated, removed, or altered in connection with the construction, relocation, or major repairs or improvements to such Public Way or in connection with relocation or major repairs or improvements to any of the City's public utility facilities, for reasons other than aesthetics, it shall be the duty of the Franchisee, upon written request by the City, within ninety (90) days, or such other time agreed upon by the parties, to perform such removal, alteration, and/or relocation of its System in the Public Ways, provided that in the event such removal, alteration or relocation would reasonably require additional time to accomplish, Franchisee shall have such additional time to perform. Franchisee shall pay all expenses for such alteration, removal, or relocation, provided that City will obtain or cause to be obtained, without charge to the Franchisee, suitable permits and/or easements as may be reasonably required by the Franchisee for its relocated facilities. It is further provided that if relocation of the same facilities is required on more than one occasion for a particular project during the term of the Franchise, City shall bear all costs of such second or subsequent removal and relocation and will obtain or cause to obtain, without charge to Franchisee, suitable permits and/or easements as provided hereinabove.
- 7.9 Customer and Citizen Interaction. Franchisee shall directly interact with customers receiving the benefit of the Natural Gas Public Utility Services, including responding to all customer inquiries regarding service options, procedures, fees, initiation of service, termination of service, accounts, billing, payment, and other similar requests in a prompt, courteous, and reasonable fashion. All individuals of the public shall be treated with courtesy and respect by the Franchisee, its agents, contractors, and assigns.

- 7.10 Contractor Expectations. Franchisee shall maintain full control and responsibility for the actions and omissions of its contractors. All contractors will be held to the same terms and conditions set forth for the Franchisee under this Agreement. If the contractor fails to abide by the terms and condition of this Agreement, then the City will notify Franchisee of same via the phone number provided in Paragraph 7.6 above. Franchisee shall take immediate action to remedy the actions or omission of the contractors. Failure of the Franchisee to maintain full control of its contractors is deemed a default under this Agreement.
- 7.11 Default/Termination. In the event Franchisee is for any reason or through any cause is in default under any terms of this Agreement, the City shall give Franchisee written notice of such default as set forth in Section 11.7 of this Agreement. Unless otherwise provided, Franchisee shall have 90 days from the date such notice is deemed given in Section 11.7 below in which to cure the default, but such time may be extended as long as Franchisee is making a good faith effort to effect such cure and prove such good faith effort to the satisfaction of the City. Upon Franchisee's failure to cure the default, the City may immediately take action to cancel and terminate this Agreement as set forth by law. Upon termination, the Franchisee shall cease performance of any further activities under the Agreement.

Section 8: Insurance and Bonds

- 8.1 General Liability Insurance. Franchisee agrees to maintain at all times during the Term of this Agreement and for the duration of the grant of the Franchise a commercial general liability (or equivalent) insurance policy or policies (including, but not limited to, premises-operations, products/completed operations, contractual liability, independent contractors, and personal injury), naming the City and its officials, boards, commissions, councils elected officials, agents and employees as an additional insured, in the minimum amount of \$5,000,000 per occurrence and in the annual aggregate for:
- a. Injury or death to any person or persons;
 - b. Damage to property resulting from any single act or omission.
- 8.2 Automobile Liability Insurance. Franchisee agrees to maintain at all times during the Term of this Agreement and for the duration of the grant of the Franchise automobile liability insurance with limits of at least \$1,000,000 combined single limit for each occurrence for bodily injury and property damage.
- 8.3 Employer's Liability Insurance. Franchisee agrees to maintain at all times during the Term of this Agreement and for the duration of the grant of the Franchise employer's liability insurance with limits of not less than \$1,000,000 per occurrence and in the annual aggregate.

- 8.4 Worker's Compensation. Franchisee agrees to maintain at all times during the Term of this Agreement and for the duration of the grant of the Franchise worker's compensation insurance in an amount as may be required under federal or state law.
- 8.5 Umbrella or Excess Liability Insurance. Franchisee agrees to maintain an Umbrella or Excess Liability Insurance policy following form above the primary General Liability Insurance, Automobile Liability Insurance, and Employer's Liability Insurance required herein. The limit of such Umbrella or Excess Liability Insurance shall not be less than \$10,000,000 per each occurrence and annual aggregate.
- 8.6 Self-Insured Status. Alternatively, and in lieu of the foregoing insurance requirements, the Franchisee may elect to self-insure or insure through its captive insurance carrier, provided that Franchisee or its parent company have sufficient net worth to do so, as determined by customary practice in the natural gas utility industry and as agreed upon by the City.
- 8.7 Certificates of Insurance. Franchisee shall furnish the City with copies of Certificates of Insurance (or, in the event of self-insurance, the substantial equivalent) for the coverage required under this Agreement.
- 8.8 Bonds. This ordinance and the grants of rights and privileges hereby conferred shall not become effective unless and until the Franchisee shall file with the City Manager of the City of Hampton its written acceptance hereof in form satisfactory to the City, and enter into a bond in the sum of One Hundred Fifty Thousand Dollars (\$150,000.00), with a corporate surety or bank reasonably satisfactory to the City Manager and authorized to conduct business in the Commonwealth of Virginia, conditioned to the effect that the Franchisee will construct and maintain, or if constructed, will maintain, the Natural Gas System provided for herein and reasonably necessary for the exercise of the rights and privileges granted in and by this ordinance, and will maintain the same in good order throughout the Term of this Agreement and will comply with the terms, provisions, and conditions of this ordinance in all respects.
- 8.9 Bond Form. Any surety bond that may be required shall contain the following endorsements (or substantially similar endorsements):
"This Bond shall be effective _____, 20____, and shall remain in full force and effect thereafter for a period of one (1) year and will automatically extend for additional one (1) year periods from the expiry date hereof, or any future expiration date, unless the Surety provides to the Oblige not less than sixty (60) days advance written notice of its intent not to renew this Bond or unless the Bond is earlier canceled pursuant to the following. This Bond may be canceled at any time upon sixty (60) days advance written notice from the Surety to the Obligee.

Neither cancellation, termination nor refusal by Surety to extend this Bond, nor inability of Principal to file a replacement Bond or replacement security for its obligations under said Ordinance, shall constitute a loss to the Obligee recoverable under this Bond.”

Section 9: Indemnification.

- 9.1 Franchisee’s Obligations. During the Term of this Franchise, Franchisee agrees to indemnify, defend, and hold the City, its officials, employees, agents, and attorneys harmless from and against any claims, demands, causes of action, suits, losses, liabilities, damages, costs and expenses, regardless of whether special, incidental, consequential, including reasonable attorney fees (collectively, “Claims”), sustained by the City directly, independently, or jointly, caused by any act or omission on the part of the Franchisee in connection with the installation, construction, operation, alteration, or maintenance of the Natural Gas System within the City. In order to trigger these obligations, the City shall provide written notice to Franchisee within forty-five (45) days of the date that the City knows or reasonably should have known of any Claims, by suit or otherwise, levied against the City for which the basis of the claim or demand was caused by the acts or omissions of Franchisee as described above, after which Franchisee shall defend such Claims, provided that failure to give the above notice will not relieve Franchisee from its obligation to indemnify the City unless Franchisee is materially prejudiced by such failure. Franchisee shall be entitled to have sole control over the defense through counsel of its own choosing and over the settlement of such Claims, and the City shall cooperate in the defense of such Claims. The City shall promptly notify Franchisee of any Claims filed against the City which may be covered by this section. The foregoing indemnity obligations shall not apply to Claims arising from the gross negligence or willful misconduct of the City; however, they shall apply to Claims arising from the joint negligence of Franchisee and the City; provided that in such cases, the amount of the Claims for which the City shall be entitled to indemnification shall be limited to that portion attributable to the negligence or willful misconduct of Franchisee.
- 9.2 Neither the City nor its officials, employees, agents, attorneys, consultants, or independent contractors shall be responsible to Franchisee for any liability as a result of or in connection with any acts or omissions committed under this Agreement.
- 9.3 Statutory Indemnification. The City does not waive any indemnification or defenses that it has under the laws of the Commonwealth of Virginia.

Section 10: Assignment and Transfer.

- 10.1 Assignment. The Franchise granted within this Agreement shall not be leased, assigned, or otherwise alienated or disposed of except with the prior express written consent of the City, which shall not be unreasonably withheld or delayed.

10.2 Transfer. Franchisee shall not transfer ownership or control of the System without the prior written notice to the City. Franchisee, or its successor in interest, shall submit to the City, within forty-five (45) days after closing of the transaction, a written certification, executed by an authorized senior officer or executive of Franchisee or its successor in interest that subsequent to the transaction: (a) Franchisee or its successor in interest shall continue to hold all required certificates of public convenience and necessity, or such other successor authorization, issued by the Virginia State Corporation Commission; and (b) Franchisee or its successor in interest shall continue to be bound by the terms and conditions of this Agreement, including but not limited to the insurance and bond requirements of Section 8 of this Agreement.

Section 11: Miscellaneous.

11.1 Severability. If any term, provision, or part of a provision within this Agreement is deemed illegal or invalid for any reason, such determination shall not affect the validity and enforceability of the remainder of the Agreement.

11.2 No Waiver. No waiver of any breach by either party to this Agreement shall constitute a waiver of any subsequent breach of the Agreement.

11.3 Successors and Assigns. This Agreement and the terms and provisions hereof shall inure to the benefit of and be binding upon the heirs, personal representatives, successors, and assigns of the parties hereto. All successors or assigns shall be subject to the same obligations as Franchisee as outlined in this Agreement.

11.4 Governing Law. This Agreement shall be construed in accordance with the laws of the Commonwealth of Virginia.

11.5 Counterparts. This Agreement may be executed simultaneously in one or more counterparts, each of which shall be deemed as original, but all of which together shall constitute one in the same instrument.

11.6 Amendment. No amendment of this Agreement shall be effective unless it is in writing and signed by both parties.

11.7 Notices. Any notice, communication, or request under this Agreement by the City or Franchisee shall be sufficiently given or delivered if dispatched by either (a) certified mail, postage prepaid, return receipt requested, (b) nationally recognized overnight delivery service (next business day service), or (c) hand delivery if receipt is evidenced by a signature of the addressee or authorized agent, and addressed to the applicable parties as follows:

If to City: City Manager
 City of Hampton
 22 Lincoln Street, Eighth Floor

Hampton, VA 23669

With a Copy to: City Attorney
City of Hampton
22 Lincoln Street, Eighth Floor
Hampton, VA 23669

If to Franchisee: Virginia Natural Gas, Inc.
544 S. Independence Blvd.
Virginia Beach, VA 23452
Attention: President

With a Copy to: Southern Company Gas
10 Peachtree Place NE
Atlanta GA 30309
Attention: General Counsel

Either party may change his/her/its address for notice purposes by giving written notification thereof to the other party, except that such change of address notice shall not be deemed to have been given until actually received by the addressee thereof.

- 11.8 Force Majeure. Neither party shall be liable for any delay or failure to perform hereunder, in whole or in part, due to events beyond the party's reasonable control, including but not limited to acts of God, fire, floods, epidemics, earthquakes, embargos, quarantine restrictions, labor strikes, war or act of war (regardless of whether an actual declaration of war is made), technical failure, terrorism, sabotage, or other events not caused by the party, or government acts other than acts by or on behalf of the City. To the extent such causes or other events are beyond Franchisee's control and such delay in performance or failure to perform affects only part of Franchisee's capacity to perform, Franchisee shall perform to the maximum extent it is able to do so and shall take all steps within its power to correct such cause(s) and shall take all reasonable steps in as expeditious a manner as possible.
- 11.9 Venue. The venue for any court proceeding arising out of or related to this Agreement shall be a court of competent jurisdiction in the City of Hampton, Virginia or the U.S. District Court, Eastern District of Virginia, Norfolk/Newport News Division
- 11.10 Entire Agreement. This Agreement contains the entire agreement between the parties with respect to the matters set forth herein, and supersedes all prior agreements, oral or written, that may have existed between the parties as to the subject matter of this Agreement.
- 11.11 Organization, Standing, Power, Authorization, and Enforceability. Franchisee is a Virginia corporation duly organized, validly existing and in good standing under the laws of the

Commonwealth of Virginia. Franchisee has all requisite power and authority to execute, deliver and perform this Agreement and all other agreements entered into or delivered in connection with or as contemplated hereby.

- 11.12 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the City and Franchisee and their respective successors, permitted transferees, and assigns.
- 11.13 Headings; Other Terms. The headings contained in this Agreement are to facilitate reference only, do not form a part of this Ordinance, and shall not in any way affect the construction or interpretation hereof. Terms such as "hereby", "herein", "hereof", "hereinafter", "hereunder", and "hereto" refer to this Agreement as a whole and not to the particular sentence or paragraph where they appear, unless the context otherwise requires. The term "may" is permissive; the terms "shall" and "will" are mandatory, not merely directive. All references to any gender shall be deemed to include all others, as the context may require. Terms used in the plural include the singular, and vice versa, unless the context otherwise requires.
- 11.14 No Third-Party Beneficiary Rights. Nothing in this Franchise is intended to interfere with any tariffs, contracts, or other arrangements between Franchisee and a third party, or to create any third-party beneficiary rights.

WITNESS WHEREOF, the parties have duly executed this Agreement.

[SIGNATURES COMMENCE ON FOLLOWING PAGE]

CITY OF HAMPTON, VIRGINIA

By: _____
City Manager / Authorized Designee

COMMONWEALTH OF VIRGINIA,
City of Hampton, to wit:

On this ____ day of _____, 2026, I hereby certify that the foregoing Franchise Agreement was executed before me by _____, City Manager or Authorized Designee for the City of Hampton, Virginia. She/He is known to me personally.

Notary Public

My Commission Expires: _____
Registration No.: _____

ATTEST:

Clerk or designee

Approved as to Form:

By: _____
City Attorney's Office

Approved as to Content:

By: _____
Department of Public Works

[SIGNATURES CONCLUDE ON FOLLOWING PAGE]

VIRGINIA NATURAL GAS, INC.

By: _____
Name:
Title:

COMMONWEALTH OF VIRGINIA,
City/County of _____, to wit:

On this _____ day of _____, 2026, I hereby certify that the
foregoing Franchise Agreement was executed before me by

(Name), _____ (Title)
for Virginia Natural Gas, Inc. She/He is known to me personally.

Notary Public

My Commission Expires: _____
Registration No.: _____

EXHIBIT A
FRANCHISE AREA