

SURETY BOND

KNOW ALL MEN BY THESE PRESENTS, that _____ (the “Principal”), as Principal and _____ (the “Surety”), as Surety, hereby agree to be and are held and firmly bound unto Piedmont Natural Gas Company, Inc., a corporation existing under the laws of the State of New York and duly qualified and authorized to do business in the states of North Carolina and South Carolina (the “Obligee”), in the amount of _____ Dollars (\$ _____), for the payment of which the Principal and Surety bind themselves, their heirs, legal representatives, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, Principal has contracted with the Obligee for services and products at the following location(s): _____ (the “underlying contract”);

WHEREAS, pursuant to rules and regulations of the pertinent regulatory authorities of North Carolina and South Carolina and in order to secure it from the accumulation of unpaid charges for services and products provided, the Obligee requires an advance deposit in cash, or in lieu thereof, the furnishing of a surety bond, in the amount of _____; and

WHEREAS, Principal desires to furnish said advance deposit by way of this Surety Bond, Surety desires to assume the obligations set forth herein and Obligee agrees to accept this Surety Bond as an advance deposit in lieu of cash payment upon the conditions set forth herein;

NOW, THEREFORE, it is agreed by and among the Principal, Surety and Obligee that:

- 1. The term of the Surety Bond shall be one (1) year from the date hereof, provided that, said Surety Bond shall be continuously and automatically renewed for additional terms of one (1) year until terminated as provided herein.
- 2. This Surety Bond may be terminated upon sixty (60) days written notice from the Surety to the Principal and the Obligee, provided that such termination shall not affect or reduce any liability of any party incurred or accrued under this Security Bond prior to the effective date of such termination;
- 3. The Surety Bond shall immediately terminate upon the termination of the underlying contract between Principal and Obligee, if at the time of such termination of the Principal has fully paid and satisfied all amounts due to Obligee for services and products received under said underlying contract;
- 4. Should the Principal fail to abide by all terms, agreements and conditions of the underlying contract, or fail to make timely and satisfactory payment of all sums due or to become due to Obligee under the underlying contract, then upon written demand by Obligee the Surety shall pay to Obligee within twenty (20) days the amount of all sums so due to Obligee, not to exceed the face amount of this Surety Bond. Such obligations to pay and said payment shall not be subject to negotiation.
- 5. No suit may be brought under this Surety Bond unless such suit is terminated within the period of limitations prescribed by the laws of the State of North Carolina.
- 6. The Surety Bond shall be governed by and constructed in accordance with the laws of the State of North Carolina.
- 7. This Surety Bond Incorporates all understandings and agreements by and among the Principal, Surety and Obligee.

For Individual Signature

IN WITNESS WHEREOF, said Principal and Surety have signed and sealed and the Obligee has accepted this Surety Bond, this the _____ day of _____, ____.

Witness

_____(SEAL)
Principal

Counter-Signature If Required
ACCEPTED:
Piedmont Natural Gas Company, Inc

_____(SEAL)
Surety

By: _____
Attorney In Fact Title

By: _____
Title

Office Location