**SECURITY AGREEMENT**

THIS SECURITY AGREEMENT (this “Agreement”), is dated as of \_\_\_\_\_\_\_\_\_\_\_\_, 202\_, by and between THE EAST OHIO GAS COMPANY (“Secured Party”) located at 1201 E. 55th Street, Cleveland, Ohio, and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ an \_\_\_\_\_\_\_\_ Corporation located at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (“Supplier”).

WHEREAS, Secured Party and Supplier are parties to thatcertain Service Agreement (as such term is defined in Section 1.1);

WHEREAS, pursuant to the Service Agreement, Supplier has agreed to grant Secured Party a security interest in the Collateral (as such term is defined in Section 1.1);

NOW THEREFORE in consideration of the mutual promises and covenants contained in this Agreement, the parties hereby agree as follows:

# DEFINITIONS.

## Defined Terms. In addition to the other terms defined in this Agreement, whenever the following capitalized terms are used, they shall be defined as follows:

“Code” means the Uniform Commercial Code, as enacted in the State of Ohio, as amended from time to time.

“Collateral” means all of Supplier’s right, title and interest in the following, wherever located, whether now owned or hereinafter acquired or arising, and all proceeds, products, and accessions thereof:

#### all financial instruments required by Supplier to meet creditworthiness standards pursuant to the Service Agreement or any other agreement between Supplier and Secured Party, including without limitation, any letter of credit;

#### all Customer Accounts, including without limitation, any and all books and records relating thereto;

#### all Inventory of Supplier located on Secured Party’s property, including but not limited to all natural gas held in Secured Party’s On-System Storage (as such term is defined in the Service Agreement) or otherwise held by Secured Party; and

#### any other gas in kind, as-extracted or otherwise delivered to Secured Party by Supplier, including but not limited to Production Volumes and Transportation Volumes (as such terms are defined in the Service Agreement).

“Customer” means any individual, governmental, business entity, or corporate entity: (i) all of whose natural gas requirements are supplied by the Supplier’s Pool (as such term is defined in the Service Agreement) and taking transportation service from Secured Party pursuant to Secured Party’s “Energy Choice Transportation Service,” “Large Volume Energy Choice Transportation Service,” “General Transportation Service”, or other applicable rate schedule(s), or (ii) that has in effect an Agreement (as such term is defined in the Service Agreement) with Secured Party.

“Customer Accounts” mean all Accounts owing by any Customer to Supplier arising from Secured Party’s billing of commodity services on behalf of Supplier.

“Event of Default” means any default under the Service Agreement or the Other Documents after expiration of any applicable notice and cure period, if any, provided thereunder, or any default relating to any Obligations.

“Obligations” mean all indebtedness and other obligations now or hereafter owing by Supplier to Secured Party, including, without limitation, those arising pursuant to the Service Agreement or the Other Documents.

“Other Documents” mean any and all documents by and between Secured Party and Supplier (other than the Service Agreement) arising out of, or related to, the Service Agreement.

“Service Agreement” means the following agreement and, collectively, agreements entered between Supplier and Secured Party regarding the provision of pooling service, as such agreement or agreements may be amended, modified, supplemented or replaced:

Energy Choice Pooling Service Agreement # \_\_\_\_\_

General Terms and Conditions of Energy Choice Pooling Service

Full Requirements Pooling Service Agreement # \_\_\_\_\_

General Terms and Conditions of Full Requirements Pooling Service

## Other Definitional Provisions; Construction. Unless otherwise specified,

#### As used in this Agreement, accounting terms relating to Supplier not defined in this Agreement have the respective meanings given to them in accordance with GAAP.

#### The definition of any document, instrument or agreement includes all schedules, attachments and exhibits thereto and all renewals, extensions, supplements, restatements and amendments thereof.

#### All of the capitalized terms contained in this Agreement, but not otherwise defined herein, which are now or hereafter defined under the Code will, unless the context indicates otherwise, have the meanings provided for now or hereafter in the Code, including without limitation “Account(s)” and “Inventory”.

# GRANT OF SECURITY INTEREST.

## Security Interest. As security for the full, prompt and complete payment and performance by Supplier of the Obligations, Supplier hereby grants to, creates in favor of, and collaterally assigns to Secured Party a continuing security interest in, and lien on, all of the Collateral, whether now owned or existing or hereafter acquired, created or arising.

# PERFECTION OF SECURED PARTY’S SECURITY INTEREST; DUTY OF CARE.

## Required Supplier Actions. Until the termination of this Agreement, Supplier shall perform any and all steps and take all actions reasonably requested by Secured Party from time to time to perfect, maintain, protect, and enforce Secured Party’s security interest in, and lien on, the Collateral. If Supplier fails to take any action requested by Secured Party under this section within ten (10) business days following request, Secured Party shall have the right, in its sole discretion, but not the obligation, to undertake such actions. All costs and expenses incurred by Secured Party in exercising its discretion under this Section 3.1, including but not limited to reasonable attorneys’ fees, will be part of the Obligations, payable on Secured Party’s demand and secured by the Collateral.

## Financing Statements; Notices. Supplier hereby irrevocably authorizes Secured Party (or any of its authorized representatives) at any time, and from time to time, to file in any filing office in any jurisdiction where the Supplier or any part of the Collateral is located any initial financing statements or amendments thereto in form and substance acceptable to Secured Party. Supplier hereby irrevocably authorizes Secured Party at any time and from time to time to correct or complete, or to cause to be corrected or completed, any financing statements, continuation statements or other such documents that have been filed naming Supplier as debtor and Secured Party as secured party. Secured Party is hereby authorized to give notice to any creditor, bailee, consignee, warehouseman, landlord or any other person as may be reasonably necessary under applicable laws to evidence, protect, perfect, or enforce the security interest and lien granted to Secured Party in the Collateral.

## Secured Party’s Duty of Care. Secured Party shall have no duty of care with respect to the Collateral except that with respect to the custody, safe keeping and physical preservation of the Collateral in its possession. Secured Party’s sole duty, under the Code or otherwise, shall be to deal with such Collateral in the same manner as Secured Party deals with similar property for its own account. Secured Party will not be deemed to have, and nothing in this section may be construed to deem that Secured Party has, failed to exercise reasonable care in the custody or preservation of Collateral in its possession merely because either (a) Secured Party failed to comply with any request of Supplier or (b) Secured Party failed to take steps to preserve rights against any persons in such property. Supplier agrees that Secured Party has no obligation to take steps to preserve rights against any other party.

## Supplier represents and warrants to Lender that (i) its exact legal name is as set forth in this Agreement, (ii) its place of formation is \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, and (iii) its principal place of business is \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

# POWER OF ATTORNEY.

## Grant of Power. Supplier does hereby make, constitute and appoint Secured Party as Supplier’s true and lawful attorney-in-fact, with full power of substitution, in the name of Supplier or in the name of Secured Party or otherwise, for the use and benefit of Secured Party, but at the cost and expense of Supplier, upon the occurrence of an Event of Default, to (a) endorse the name of Supplier on any portion of the Collateral constituting instruments, notes, checks, drafts, money orders, or other media of payment that may come into the possession of Secured Party in full or part payment of any of the Obligations then due and payable; (b) sign and endorse the name of Supplier on any invoice, freight or express bill, bill of lading, storage or warehouse receipts, verifications and notices in connection with any Collateral, and any instrument or document relating thereto or to any of Supplier’s rights therein; (c) file financing statements pursuant to the Code and other notices appropriate under applicable law as Secured Party reasonably deems necessary to perfect, preserve, and protect Secured Party’s rights and interests under this Agreement, the Service Agreement or the Other Documents; and (d) do any and all things reasonably necessary or desirable to perfect Secured Party’s security interest in, and lien on, and other rights and interests in, the Collateral, to preserve and protect the Collateral and to otherwise carry out this Agreement.

## Duration; Ratification of Acts. The power of attorney granted in Section 4.1, being coupled with an interest, will be irrevocable for the term of this Agreement and all transactions under this Agreement and thereafter so long as any of the Obligations remain in existence. Supplier ratifies and approves all that said attorney-in-fact shall lawfully do or cause to be done by virtue hereof, and neither Secured Party nor its agents shall be liable for any acts or omissions or for any error of judgment or mistake of fact or law in its capacity as such attorney-in fact. Supplier will execute and deliver promptly to Secured Party all instruments reasonably necessary to further Secured Party’s exercise of the rights and powers granted it in this Article 4.

## No Duty on Secured Party. The powers conferred on Secured Party hereunder are solely to protect its interests in the Collateral and shall not impose any duty upon it to exercise any such powers. Secured Party shall be accountable only for the amounts that it actually receives as a result of the exercise of such powers, and neither it nor any of its officers, directors, employees or agents shall be responsible to Supplier for any act or failure to act, except for Secured Party’s own gross negligence or willful misconduct.

# COLLATERAL COVENANTS. Until the Obligations are fully paid, performed and satisfied and this Agreement is terminated, Supplier will:

## Claims Against Collateral. Maintain the Collateral, as the same is constituted from time to time, free and clear of all liens, and Supplier will defend the Collateral against all claims and demands of all persons at any time claiming the same or any interests therein adverse to Secured Party. In the event Secured Party discovers that the Collateral, in whole or in part, is subject to any liens existing on the date of this Agreement, Supplier will provide Secured Party an acknowledgment and release from the lien-holder in a form acceptable to Secured Party within thirty (30) days of the date of discovery. In the event that Supplier fails to provide Secured Party the acknowledgement and release, Secured Party may exercise remedial actions permitted under the Service Agreement, including but not limited to an increase of Supplier’s collateral requirements.

## Condition of Collateral. Maintain the Collateral in good operating and salable condition and repair.

## Insurance. Insure the Collateral (to the extent insurable) in the types and amounts typical of a company similar in size to Supplier and in the same industry as Supplier.

# TERM. This Agreement will terminate upon the earlier to occur of: (a) the full and indefeasible performance, payment and satisfaction of the Obligations or (b) the termination of the Service Agreement and the Other Documents.

# SECURED PARTY’S RIGHTS AND REMEDIES.

## Remedies.

### Upon the occurrence of an Event of Default, Secured Party may immediately, at any time, take any one or more of the following actions, without notice, demand or legal process of any kind (except as may be required by law), all of which Supplier waives to the fullest extent permitted by law:

#### proceed to enforce payment of the Obligations, and exercise all of the rights and remedies afforded to Secured Party by the Code and by law and in equity;

#### take possession of the Collateral and maintain such possession on Supplier’s or Secured Party’s premises at no cost to Secured Party, or remove the Collateral, or any part thereof, to such other place(s) as Secured Party may desire;

#### require Supplier, using a form approved by Secured Party, to instruct the Customers to pay any amounts due under any agreement between Supplier and Customer directly to Secured Party;

#### sign any endorsements, assignments, or other writings of conveyance or transfer in connection with any disposition of the Collateral;

#### sell, assign or otherwise dispose of all or any part of the Collateral in any manner permitted by law and do any other thing and exercise any other right or remedy which Secured Party may, with or without judicial process, do or exercise under applicable law, and in any such sale Secured Party may sell, assign, transfer or otherwise dispose of all or any part of the Collateral without giving any warranties and Secured Party may specifically disclaim any warranties of title and the like;

#### terminate the Service Agreement and the Other Documents relating thereto;

#### set off the unpaid balance of any Obligations against any amounts owing to Supplier by Secured Party, including, without limitation, any obligation under the Service Agreement or the Other Documents; and

#### in a bankruptcy or other insolvency proceeding, exercise any and all rights of recoupment under applicable law.

### The remedies in this Section 7.1 are in addition to, not in limitation of, any other right, power, privilege or remedy, either in law, in equity, or otherwise, to which Secured Party may be entitled. No failure or delay on the part of Secured Party in exercising any right, power or remedy will operate as a waiver thereof, nor will any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right or remedy, either in law, in equity, or otherwise, to which Secured Party may be entitled. All Secured Party’s rights and remedies whether evidenced by this Agreement or by any other agreement, instrument or document shall be cumulative and may be exercised singularly or concurrently.

## Notice of Disposition; Allocations. If any notice is required by law to effectuate any sale or other disposition of the Collateral, (a) Secured Party will give Supplier written notice of the time and place of any public sale or of the time after which any private sale or other intended disposition thereof will be made, and at any such public or private sale, Secured Party may purchase all or any of the Collateral; and (b) Secured Party and Supplier agree that such notice will not be unreasonable as to time if given ten (10) days prior to any sale or other disposition. The proceeds of the sale will be applied first to all costs and expenses of such sale, including attorneys’ fees and other costs and expenses, and second to the payment of all Obligations in the manner and order determined by Secured Party in its discretion. Supplier shall remain liable to Secured Party for any deficiency. Unless otherwise directed by law, Secured Party will return any excess to Supplier.

# NOTICE. All notices, requests, demands or other communications provided for hereunder shall be in writing and, mailed or delivered to such party, addressed to such party at the address specified in the introduction of this Agreement. All notices, statements, requests, demands and other communications provided for hereunder shall be deemed to be given or made when delivered or forty-eight (48) hours after being deposited in the mails with postage prepaid by registered or certified mail, addressed as aforesaid, or sent by facsimile with telephonic confirmation of receipt, except that notices from Supplier to Secured Party pursuant to any of the provisions hereof shall not be effective until received by Secured Party.

# GENERAL.

## Severability. If any term of this Agreement is found invalid, illegal, or unenforceable, the validity of all other terms hereof shall in no way be affected thereby and this Agreement shall be construed and be enforceable as if such invalid, illegal, or unenforceable term had not been included herein.

## GOVERNING LAW. THIS AGREEMENT SHALL BE DEEMED TO BE A CONTRACT MADE UNDER AND GOVERNED BY THE INTERNAL LAWS OF THE STATE OF OHIO WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES.

## Equitable Relief. Supplier recognizes that, in the event Supplier fails to perform, observe or discharge any of its obligations or liabilities under this Agreement, any remedy of law may prove to be inadequate relief to Secured Party; therefore, Supplier agrees that Secured Party, if Secured Party so requests, shall be entitled to temporary and permanent injunctive relief in any such case without the necessity of proving actual damages.

## Entire Agreement; Counterparts; Fax and Electronic Signatures. This Agreement along with the Service Agreement and the Other Documents sets forth the entire agreement of the parties with respect to subject matter of this Agreement and supersedes all previous understandings, written or oral, in respect thereof. Two or more duplicate originals of this Agreement may be signed by the parties, each of which shall be an original but all of which together shall constitute one and the same instrument. A fax or electronic (including .pdf) signature hereto shall constitute an original signature and may be relied upon as if it were an original.

## No Waiver by Secured Party. Failure by Secured Party to exercise any right, remedy or option under this Agreement or delay by Secured Party in exercising the same shall not operate as a waiver by Secured Party of its right to exercise any such right, remedy or option. A waiver on any one occasion shall not be construed as a bar to or a waiver of any right or remedy on any future occasion. All rights and remedies of Secured Party with respect to the Obligations or the Collateral, whether evidenced hereby, the Service Agreement or by the Other Documents, shall be cumulative and may be exercised singularly, alternatively, successively or concurrently at such time or at such times as Secured Party deems in its sole discretion expedient.

## Assignment. The provisions of this Agreement shall be binding upon and shall inure to the benefit of the heirs, administrators, successors and assigns of Secured Party and Supplier; provided, however, Supplier may not assign any of its rights or delegate any of its obligations hereunder without the prior written consent of Secured Party.

## Amendments; Waivers. The agreements contained herein may not be modified or terminated orally. No amendment of any provision of this Agreement shall be effective unless it is in writing and signed by the parties hereto.

IN WITNESS WHEREOF, intending to be legally bound, Supplier has caused this Agreement to be duly executed as of the date first above written.

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

By:

Name:

Title:

Accepted at Cleveland, Ohio

as of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_:

**THE EAST OHIO GAS COMPANY**

By:

Name:

Title: