

GENERAL SECURITY AGREEMENT

is from

MISSOURI GAS UTILITY, INC.,
as Debtor

to and for the benefit of

UMB BANK, N.A.
as Secured Party

Dated as of October 28, 2009

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GENERAL SECURITY AGREEMENT

THIS GENERAL SECURITY AGREEMENT (this "Agreement"), dated as of October 28, 2009, is from **MISSOURI GAS UTILITY, INC.**, a Colorado corporation ("Debtor") to and for the benefit of **UMB BANK, N.A.** ("Secured Party").

RECITALS:

A. Summit Utilities, Inc. ("Summit") intends to issue \$10,120,000 Summit Utilities, Inc. Variable Rate Demand Revenue Bonds (Missouri Gas Utility, Inc. Project), Series 2009B (the "2009B Bonds") pursuant to the provisions of a Master Trust Indenture, dated as of August 7, 2008 between Summit, as issuer, and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Indenture").

B. The proceeds of the 2009B Bonds will be loaned by Summit to Debtor pursuant to the provisions of a Series 2009B Loan Agreement dated as of October 28, 2009 between Summit and Debtor. Debtor intends to use the proceeds of the 2009B Bonds together with certain funds of Debtor to (a) finance or refinance the costs of acquiring, constructing, installing and completing improvements to natural gas distribution facilities; (b) refund certain outstanding obligations of Debtor; and (c) pay certain costs associated with the issuance of the 2009B Bonds.

C. Debtor has requested that Secured Party issue a direct pay letter of credit (the "2009B Letter of Credit") to enhance the marketability of the 2009B Bonds.

D. Debtor has requested that UMB Bank Colorado, N.A. a national banking association ("UMB") establish a revolving line of credit (the "Line of Credit") for Debtor to be used as working capital and for other corporate purposes. As a part of the Line of Credit, Debtor is requesting that UMB issue certain letters of credit for the benefit of public entities to guarantee the completion of certain projects (the "Improvement Letters of Credit").

E. Secured Party is willing to issue the 2009B Letter of Credit and UMB is willing to establish the Line of Credit and issue Improvement Letters of Credit subject to the terms and conditions set forth in the Reimbursement and Pledge Agreement dated as of October 28, 2009 (the "Reimbursement Agreement") among Summit, as guarantor, Debtor, Secured Party and UMB.

F. Pursuant to the terms and conditions of the Reimbursement Agreement, on or prior to the issuance of the 2009B Letter of Credit, Debtor is required to execute and deliver to Secured Party an agreement granting to Secured Party, a security interest in the Collateral (as such term is defined below). Debtor acknowledges that Secured Party is relying on this Agreement in providing the 2009B Letter of Credit and Line of Credit.

IN CONSIDERATION OF THE FOREGOING, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, in order to induce Secured Party to provide the 2009B Letter of Credit and establish the Line of Credit as contemplated by the Reimbursement Agreement, Debtor hereby agrees with Secured Party for the benefit of Secured Party as follows:

ARTICLE I

DEFINITIONS AND REFERENCES

Section 1.01. General Definitions. As used herein, the terms "Agreement," "2009B Bonds," "Debtor," "Indenture," "Line of Credit," "Reimbursement Agreement," "Secured Party," "Trustee," "UMB" and "2009B Letter of Credit," have the meanings given to them above, and the following terms have the following meanings:

"*Accounts*" has the meaning given to that term in the Code.

"*Chattel Paper*" has the meaning given to that term in the Code.

"*Code*" means the Uniform Commercial Code, as it may be amended from time-to-time, in the State of Missouri.

"*Collateral*" means all property of whatever type, in which Secured Party at any time has a security interest pursuant to Section 2.01.

"*Deeds of Trust*" means those certain Deeds of Trust, Security Agreement, Assignment of Profits and Proceeds, Financing Statement and Fixture Filing dated the date hereof, from Debtor as grantor, to and for the benefit of Secured Party, as beneficiary, and to and for the benefit of UMB, as beneficiary.

"*Deposit Accounts*" has the meaning given to that term in the Code.

"*Documents*" has the meaning given to that term in the Code.

"*Equipment*" has the meaning ascribed thereto in Section 2.01(b).

"*Event of Default*" has the meaning ascribed thereto in Section 5.01.

"*General Intangibles*" has the meaning ascribed thereto in Section 2.01(d).

"*Instruments*" has the meaning given to that term in the Code.

"*Inventory*" has the meaning ascribed thereto in Section 2.01(a).

"*Investment Property*" has the meaning given to that term in the Code.

"*Letter of Credit Rights*" has the meaning given to that term in the Code.

"*Loan Documents*" means this Agreement, the Notes, the Reimbursement Agreement, the Deeds of Trust and any other document, instrument and/or agreement relating to the 2009B Letter of Credit or the Line of Credit.

"*Notes*" means all indebtedness (including principal, interest, fees and penalties) evidenced by: (a) that certain Promissory Note dated October 28, 2009 from Debtor to the Secured Party evidencing the obligations of the Secured Party related to the 2009B Letter of

Credit, including any amendments or modifications thereof; (b) that certain Promissory Note dated October 28, 2009 from Debtor to UMB evidencing unreimbursed obligations of the Secured Party in connection with the Line of Credit and the Improvement Letters of Credit, including any amendments or modifications thereof; and (c) any other promissory notes from Debtor to UMB or Secured Party related to Letters of Credit issued to secure the Bonds or related to the Line of Credit, including any amendments or modifications thereof.

"Overdue Rate" means a rate per annum equal to 2% above the Prime Rate, until paid, and shall be payable monthly or, at the option of the Secured Party, on demand.

"Prime Rate" means a rate per annum equal to the prime rate of interest announced from time to time by Secured Party or its parent (which is not necessarily the lowest rate charged to any customer), changing when and as said prime rate changes.

"Property" has the meaning ascribed thereto in the Deeds of Trust.

"Receivables" has the meaning ascribed thereto in Section 2.01(c).

"Secured Obligations" means all present and future indebtedness, obligations and liabilities of whatever type which are or shall be secured pursuant to Section 2.02 herein.

Section 1.02. References. Reference is hereby made to the Reimbursement Agreement for a statement of the terms thereof. All capitalized terms used in this Agreement which are defined in the Reimbursement Agreement and not otherwise defined herein have the same meanings herein as set forth therein. All terms used in this Agreement which are defined in Article 9 of the Code and not otherwise defined herein or in the Reimbursement Agreement have the same meanings herein as set forth therein, except where the context otherwise requires.

Section 1.03. Exhibits. All exhibits attached to this Agreement are a part hereof for all purposes.

Section 1.04. Amendment of Defined Instruments. Unless the context otherwise requires or unless otherwise provided herein, references in this Agreement to a particular agreement, instrument or document (including, without limitation, references in Section 2.01) also refer to and include all renewals, extensions, amendments, modifications, supplements or restatements of any such agreement, instrument or document; provided that nothing contained in this Section 1.04 shall be construed to authorize any Person to execute or enter into any such renewal, extension, amendment, modification, supplement or restatement.

Section 1.05. References and Titles. All references in this Agreement to Exhibits, Articles, Sections, clauses, and other subdivisions refer to the Exhibits, Articles, Sections, clauses and other subdivisions of this Agreement unless expressly provided otherwise. Titles and headings appearing at the beginning of any subdivision are for convenience only and do not constitute any part of any such subdivision and shall be disregarded in construing the language contained in this Agreement. The words "this Agreement," "herein," "hereof," "hereby," "hereunder" and words of similar import refer to this Agreement as a whole and not to any particular subdivision unless expressly so limited. The phrases "this Section" and "this clause" and similar phrases refer only to the Sections or clauses hereof in which the phrase occurs. The

word "or" is not exclusive. Pronouns in masculine, feminine and neuter gender shall be construed to include any other gender. Words in the singular form shall be construed to include the plural, and words in the plural form shall be construed to include the singular, unless the context otherwise requires.

ARTICLE II

SECURITY INTEREST

Section 2.01. Grant of Security Interest. As security for the payment and performance in full of all of the Secured Obligations, Debtor hereby pledges and assigns to Secured Party and grants to Secured Party, a continuing security interest in all of the following, wherever located, whether now owned or hereafter acquired (by operation of law or otherwise), and all proceeds, products and supporting obligations thereof (the "Collateral"):

(a) All right, title and interest of Debtor of whatever kind or character, wherever located (whether now owned or hereafter acquired by operation of law or otherwise) in and to all natural gas distribution, storage, purchase, sale, transportation and exchange facilities and related property, interests and rights, related to (A) the distribution of natural gas by Debtor in all the areas being served from time-to-time by Debtor with local natural gas distribution as provided in Certificates of Public Convenience and Necessity (the "Certificates of Public Convenience and Necessity") granted from time-to-time by the State of Missouri Public Service Commission (the "PSC"), including such additional areas as Debtor lawfully extends service to pursuant to the PSC law and the municipalities that have granted franchises to the Company (the "Service Area"); and (B) the operation of the natural gas distribution facilities and utilities owned or to be owned by Debtor involving the distribution of natural gas to customers located in the Service Area, including all distribution lines, customer hookup lines, meters and related equipment, telecommunications conduits installed with the distribution lines, easements and rights of way and related real estate interests and all related equipment and personal property, together with any additions, modifications and substitutions to such facilities (the "Project"), located in Daviess, Harrison, Caldwell, Pettis and Benton Counties, Missouri, and such additional counties that become part of the Service Area, referred to as the Missouri Natural Gas Distribution System (the "Gas Distribution Facilities") including without limitation, the following:

(i) all property, interests and rights of whatever kind or character, wherever located (whether now owned or hereafter acquired by operation of law or otherwise) in and to all presently existing and hereafter acquired or created easements, rights-of-way, servitudes, leases, permits, licenses, franchises, grants, certificates, immunities and privileges and other rights to use the surface attributable to the Gas Distribution Facilities, arising in connection therewith or otherwise relating thereto or used or held in connection therewith (collectively, the "Easements");

(ii) all property, interests and rights of whatever kind or character (whether now owned or hereafter acquired by operation of law or otherwise) in

and to all presently existing and hereafter created contracts and agreements (collectively, the "Contracts") relating to the distribution, storage, purchase, sale, gathering, measurement and processing, transportation or exchange of natural gas, liquefied natural gas and other liquid and gaseous hydrocarbons of whatever kind or character and in whatever form ("Hydrocarbons"), covering, affecting or otherwise relating to the Gas Distribution Facilities or attributable thereto or arising in connection therewith or otherwise relating thereto or used or held in connection therewith (the "Contracts");

(iii) all property, interests and rights of whatever kind or character, wherever located (whether now owned or hereafter acquired by operation of law or otherwise) in, to and under all facilities, buildings, structures, materials, supplies, equipment, fixtures, improvements, and other property, including any asset, property, interest or right considered as regulated by the State of Missouri Public Service Commission in connection with the ownership and operation of a natural gas public utility, which include, but are not limited to, easements, rights-of-way, distribution and/or transportation lines, pipelines, meters, valves, pipe, pipe connections, fittings, flanges, tanks, storage facilities, terminals, buildings, control equipment, cathodic and electrical protection units, bypasses, regulators, metering stations, compressors and compressor equipment, condensers and condenser equipment, scrubbers and scrubber equipment, chillers and chiller equipment, exchanges and exchange equipment, accumulators and accumulator equipment, economizers and economizer equipment, stabilizers and stabilizer equipment, collectors and collector equipment, pumps, pump houses and pumping stations, town border stations, treating equipment, dehydrators and dehydration equipment, separators and separation equipment, and processors and processing equipment, now or hereafter located on or in or used or held for use in connection with the Gas Distribution Facilities, including, without limitation, the entire interests and rights in the items of equipment and property used for or in connection with the regulated natural gas public utility now or hereafter located on or in or used or held for use in connection with the Gas Distribution Facilities, including without limitation, the entire interests and rights in the items of equipment and property of Debtor located in the Counties described on Exhibit A to this Instrument, or hereafter constructed or acquired by Debtor, wherever located (collectively, the "Equipment");

(iv) all property, interests and rights of whatever kind or character (whether now owned or hereafter acquired by operation of law or otherwise) in, to and under all licenses, technology, franchises, servitudes, grants, designs, trademarks, trade names, copyrights, permits, immunities and privileges attributable to the Gas Distribution Facilities, or arising or otherwise used or held in connection therewith, including, without limitation, the entire interests and rights created by the permits and similar authorizations and related instruments and rights in the Certificates of Public Convenience and Necessity described on Exhibit B attached hereto, including any subsequently obtained Certificates of Public Convenience and Necessity and any amendments to or modifications of existing or new Certificates of Public Convenience and Necessity;

(v) all property, rights and interests, present and future, personal and real, tangible and intangible, attributable to, arising in connection with or otherwise used or held in connection with the foregoing;

(vi) all accounts, deposit accounts, chattel paper, documents, equipment, general intangibles, instruments, inventory, investment property and letter of credit rights, together with all proceeds and products of, and supporting obligations with respect to the foregoing (as such terms are defined in the Code) from or relating to the distribution, storage, purchase, sale, transportation or exchange of Hydrocarbons through, or in the Gas Distribution Facilities, or in, or relating to or used or held for use in connection with the Gas Distribution Facilities, including without limitation, Hydrocarbons owned by Debtor at any time in the Gas Distribution Facilities or in storage on or adjacent thereto;

(vii) any and all revenues, income, receipts and/or moneys of Debtor and/or received by Debtor or on behalf of Debtor in any way related, directly or indirectly, to the provision by Debtor of services to customers, including, without limitation, distribution and gas tariffs, meter fees and contributions in aid of construction paid by customers;

(viii) all deposit accounts of Debtor at Secured Party;

(ix) all renewals, extensions, modifications, additions, accessions, replacements, substitutions, products and appurtenances to and of the foregoing;

(x) to the extent not otherwise included in the foregoing, all of the personal and fixture property of every kind and nature (including, without limitation, all furniture, fixtures, raw materials and deposit accounts, books, records, ledger sheets, files and other data and documents, including records in any form (digital or other) and recorded in or through any medium (magnetic, lasergraphic or other) and all machinery and processes (including computer programming instructions) required to read and print such records, now or hereafter existing relating to all types of personal and fixture property described in this Section 2.01), rights and interests, present and future, tangible and intangible, which are owned by Debtor or in which Debtor otherwise has any rights, including without limitation all "accounts," "deposit accounts," "inventory," "equipment," "fixtures," "chattel paper," "documents," "instruments," "investment property," "letter of credit rights" and "general intangibles," as all such quoted terms are defined in or encompassed by the Code; and

(xi) all proceeds, products and supporting obligations of any and all of the foregoing and, to the extent not otherwise included, any payments under insurance (whether or not Secured Party is the loss payee thereof) or under any indemnity, warranty or guaranty by reason of loss to or otherwise with respect to any of the foregoing.

In each case, the foregoing shall be covered by this Agreement, whether Debtor's ownership or other rights therein are presently held or hereafter acquired (by operation of law or otherwise) and howsoever Debtor's interests therein may arise or appear (whether by ownership, security interest, claim or otherwise) and whether owned jointly or severally, individually or collectively and wherever located.

Section 2.02. Obligations Secured. The security interest created hereby in the Collateral constitutes a continuing security interest for all of the following obligations, indebtedness and liabilities, whether now existing or hereafter incurred or arising (the "Secured Obligations"):

(a) **Reimbursement Agreement Indebtedness.** All Obligations (as such term is defined in the Reimbursement Agreement) of Debtor, including the 2009B Letter of Credit and the Line of Credit, under the Reimbursement Agreement.

(b) **Expenditures.** All expenditures made or incurred by Secured Party to protect and maintain the Collateral and to enforce the rights of Secured Party under this Agreement, to the extent not otherwise included as Secured Obligations hereunder.

(c) **Performance.** The due performance and observance by Debtor of all other obligations and undertakings from time-to-time existing under or with respect to the Loan Documents or any other instrument now or hereafter delivered in connection with or as security for any of the Loan Documents.

(d) **Renewals.** All renewals, extensions, amendments, modifications, supplements or restatements of or substitutions for any of the foregoing.

All amounts due and payable by Debtor under this Agreement shall, until paid, be a debt secured by the Collateral and part of the Secured Obligations, and while and so long as there shall exist any uncured default under the Loan Documents, shall bear interest, whether before or after judgment, at the Default Rate.

ARTICLE III

REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 3.01. Representations and Warranties. Debtor represents and warrants to Secured Party as follows:

(a) **Ownership and Liens.** Debtor has good and marketable title to the Collateral pledged by it pursuant to this Agreement and the Collateral is free and clear of all liens, security interests, adverse claims and other charges or encumbrances, except for Permitted Encumbrances, a security interest and lien granted of even date herewith to UMB, and as has otherwise been disclosed by Debtor to Secured Party in writing, and except for the security interest created by this Agreement. No dispute, right of set off, counterclaim or defense exists with respect to all or any part of the Collateral. No effective financing statement or other instrument similar in effect covering all or any part of the Collateral is on file in any recording office except as has otherwise been disclosed

by Debtor to Secured Party in writing, and except such as may have been filed in favor of Secured Party relating to this Agreement. None of the Collateral constitutes, or is the proceeds of, "farm products" as defined in Section 400-9.402(34) of the Code. None of the account debtors in respect of any Accounts or General Intangibles, and none of the obligors in respect of any instruments included in the Collateral is a governmental authority subject to the Federal Assignment of Claims Act.

(b) **No Conflicts or Consents.** Except as is otherwise provided herein, neither the ownership or intended use of the Collateral by Debtor, nor the grant of a security interest by Debtor, nor the exercise by Secured Party of the rights or remedies afforded it hereunder, will (i) conflict with any provision of (A) any applicable domestic or foreign law, statute, rule or regulation; (B) the articles of incorporation or bylaws of Debtor; or (C) any agreement, judgment, license, order or permit applicable to or binding upon, Debtor or the Collateral; or (ii) result in or require the creation of any lien, charge or encumbrance upon any assets or properties of Debtor except as expressly contemplated in the Loan Documents. Except as expressly contemplated in the Loan Documents, no consent, approval, authorization or order of, and no notice to or filing with any court, governmental authority or third party is required in connection with the grant by Debtor of the security interest herein, or the exercise by Secured Party of its rights and remedies hereunder, except such consents or approvals that have already been obtained.

(c) **Security Interest.** Debtor has and will have at all times full right, power and authority to grant a security interest in the Collateral pledged to Secured Party in the manner provided herein, free and clear of any lien, security interest, adverse claims or other charge or encumbrance except as has been created under the terms of the 2009B Bonds, and except for Permitted Encumbrances, the security interest granted to UMB and as Debtor has otherwise disclosed to Secured Party in writing. This Agreement creates a valid and binding security interest in favor of Secured Party in the Collateral securing the Secured Obligations. The taking of possession by Secured Party of all instruments and cash constituting Collateral from time-to-time and the filing of the financing statements will perfect, and establish Secured Party's security interest hereunder, in the Collateral pledged by Debtor as security for the Secured Obligations. No further or subsequent filing, recording, registration, other public notice or other action is necessary or desirable to perfect or otherwise continue, preserve or protect such security interest, except for continuation statements or filings upon the occurrence of the events stated in Section 3.03(e).

(d) **Jurisdiction of Organization; Location of Debtor and Records.** The jurisdiction of Debtor's organization is the State of Colorado. The chief executive office and principal place of business and the office where the records concerning the Collateral are kept is Suite 120, 7810 Shaffer Parkway, Littleton, Colorado 80127. Any changes in the chief executive office, principal place of business or the office where the records concerning the Collateral are kept or in Debtor's name, identity or corporate structure will be effected in accordance with the requirements of Section 3.03(e) below.

(e) **Receivables.** Each Receivable represents the valid and legally binding indebtedness of a bona fide account debtor arising from the sale or lease by Debtor of

goods or the rendition by Debtor of services, and is not subject to contra-accounts, setoffs, defenses or counterclaims by or available to account debtors obligated on the Receivables except as disclosed to Secured Party in writing and except for disputes arising in the ordinary course of business that do not affect a material percentage of the Receivables then outstanding. Goods which have been delivered to, and services which have been rendered by Debtor to, the account debtor have been accepted by the account debtor, and the amount shown as to each Receivable on Debtor's books is the true and undisputed amount owing and unpaid thereon, subject only to discounts, allowances, rebates, credits and adjustments to which the account debtor has a right and which have been disclosed to Secured Party in writing or which arise in the ordinary course of business and do not affect a material percentage of the Receivables then outstanding.

(f) **Chattel Paper, Documents and Instruments.** All chattel paper, documents and instruments included in the Collateral are valid and genuine. Any chattel paper, document or instrument included in the Collateral has only one original counterpart which constitutes collateral within the meaning of the Code or the law of any applicable jurisdiction. No Person other than Debtor or Secured Party is in actual or constructive possession of any chattel paper, documents or instruments.

(g) **Equipment and Inventory.** Debtor owns all of the Equipment and Inventory free and clear of all liens, security interests, adverse claims and other charges or encumbrances, except for the security interest created by this Agreement. Although Debtor and Secured Party agree that all motor vehicles now or hereafter owned by Debtor shall constitute a portion of the Collateral hereunder, Secured Party acknowledges that Debtor shall not be obligated to deliver the titles to such motor vehicles to Secured Party, and Debtor represents that it has not pledged any such motor vehicle to any third party as of the date hereof and warrants that it will not pledge any such motor vehicle to any third party during any period in which any of its assets remain subject to this Agreement or any other Loan Document.

(h) **Prior Names.** Debtor has not operated or does not operate in any jurisdiction under, or has not at any time since its formation operated in any jurisdiction under, any trade, fictitious or other name (including, without limitation, any names of divisions or operations) except its legal name as set forth for such Debtor in the signature block at the end of this Agreement. Debtor has not acquired the assets of any other company or entity within the last five years.

(i) **Reimbursement Agreement Representations.** All of the representations and warranties of Debtor set forth in the Reimbursement Agreement are true and correct as of the date hereof.

Section 3.02. Affirmative Covenants. Unless Secured Party otherwise consents in writing, Debtor shall at all times comply with the covenants and agreements contained in the Reimbursement Agreement and this Section 3.02 from the date hereof and so long as any part of the Secured Obligations are outstanding.

(a) **Ownership and Liens.** Debtor shall maintain good and marketable title to

all Collateral free and clear of all liens, security interests, adverse claims, and other charges or encumbrances, except for Permitted Encumbrances, including the security interest created by this Agreement and the security interest granted in favor of the Trustee for the benefit of the holders of the 2009B Bonds. Debtor shall use its best efforts to resolve any dispute, right of set off, counterclaim or defense with respect to all or any part of the Collateral. Debtor shall cause to be terminated any financing statement or other security instrument with respect to the Collateral, except such as may exist or as may have been filed in favor of Secured Party or be permitted pursuant to the express terms of this Agreement or the Reimbursement Agreement. Debtor shall defend Secured Party's right, title and special property and security interest in and to the Collateral against the claims of any person.

(b) **Condition of Collateral.** Debtor shall maintain the Collateral in good condition and shall not use the same in violation of any law or any policy of insurance thereon, and shall make such Collateral available for inspection by Secured Party. Debtor shall not permit the Collateral or any part thereof to be affixed to or otherwise become a part of any real or personal property, without first making arrangements satisfactory to Secured Party to protect Secured Party's security interest therein. Upon Secured Party's request, Debtor shall make appropriate notations in its ledger to indicate Secured Party's interest in the Collateral.

(c) **Further Assurances.** Debtor shall, at its expense and at any time and from time-to-time, promptly execute and deliver all further instruments and documents and take all further action that may be necessary or desirable or that Secured Party may reasonably request in order (i) to perfect and protect the security interest created hereby and the first priority of such security interest; (ii) to enable Secured Party to exercise and enforce its rights and remedies hereunder with respect to the Collateral; or (iii) to otherwise effect the purposes of this Agreement, including without limitation (A) executing and filing such financing or continuation statements, or amendments thereto, as may be necessary or desirable or that Secured Party may request in order to perfect and preserve the security interest created hereby; and (B) furnishing to Secured Party from time-to-time statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as Secured Party may reasonably request, all in reasonable detail.

(d) **Information.** Debtor shall furnish to Secured Party any information that Secured Party may from time-to-time reasonably request concerning any covenant, provision or representation contained herein or any other matter in connection with the Collateral or Loan Documents.

(e) **Insurance.** Debtor shall maintain or cause to be maintained, insurance which insures the Collateral as is required by the terms of the Reimbursement Agreement or the Deeds of Trust.

(f) **Payment of Taxes, Etc.** Debtor shall (i) timely pay all property and other taxes, assessments and governmental charges or levies imposed upon the Collateral or any part thereof, if any; (ii) timely pay all lawful claims which, if unpaid, might become a

lien or charge upon the Collateral or any part thereof; and (iii) maintain appropriate accruals and reserves for all such liabilities in a timely fashion in accordance with generally accepted accounting procedures. Debtor may, however, delay paying or discharging any such taxes, assessments, charges, claims or liabilities so long as the validity thereof is contested in good faith by proper proceedings and adequate reserves therefor have been set aside on its books.

(g) ***Collection of Receivables and General Intangibles.*** Debtor shall, except as otherwise provided in Section 4.02(i) or 4.04, collect, at its own expense, all amounts due or to become due under each of the Receivables and General Intangibles that are a part of the Collateral. In connection with such collections, Debtor may (and if in Secured Party's reasonable discretion, Debtor is not taking such actions to collect all such amounts due or to become due as a reasonably prudent creditor would take, then at Secured Party's direction, Debtor shall) take such action (not otherwise forbidden by Section 3.03(d)) as Debtor or Secured Party may deem necessary or advisable to enforce collection or performance of each of the Receivables and General Intangibles that are a part of the Collateral to the extent the cost of such action does not exceed the amount of such Receivable or General Intangible.

(h) ***Chattel Paper, Documents and Instruments.*** Debtor shall at all times cause any chattel paper, documents or negotiable and non-negotiable instruments (including certificated securities) which are a part of the Collateral to be valid and genuine. Debtor shall cause all chattel paper included in the Collateral pledged by it to have only one original counterpart which constitutes chattel paper or collateral within the meaning of the Code or the law of any applicable jurisdiction. Upon request by Secured Party, Debtor shall deliver to Secured Party all originals of chattel paper, documents or instruments which are included in the Collateral. Upon request by Secured Party, Debtor shall mark each chattel paper which is a part of the Collateral pledged by it with a legend indicating that such chattel paper is subject to the security interest granted by this Agreement.

Pursuant to the terms hereof, Debtor has endorsed, assigned and delivered to Secured Party all negotiable and non-negotiable instruments (including certificated securities) and chattel paper pledged by it hereunder, together with instruments of transfer or assignment duly executed in blank as Secured Party may have specified. In the event that Debtor shall, after the date of this Agreement, acquire any other negotiable or non-negotiable instruments (including certificated securities) or chattel paper to be pledged by it hereunder, Debtor shall forthwith endorse, assign and deliver the same to Secured Party, accompanied by such instruments of transfer or assignment duly executed in blank as Secured Party may from time-to-time specify. To the extent that any securities are uncertificated, appropriate book-entry transfers reflecting the pledge of such securities created hereby have been or, in the case of uncertificated securities hereafter acquired by Debtor, will at the time of such acquisition be, duly made for the account of Secured Party or one or more nominees of Secured Party with the issuer of such securities or other appropriate book-entry facility or financial intermediary, with Secured Party having at all times the right to obtain definitive certificates (in Secured Party's name or in the name of one or more nominees of Secured Party) where the issuer

customarily or otherwise issues certificates, all to be held as Collateral hereunder. Debtor hereby acknowledges that Secured Party may, in its discretion, appoint one or more financial institutions to act as Secured Party's agent in holding in custodial account instruments or other financial assets in which Secured Party is granted a security interest hereunder, including, without limitation, certificates of deposit and other instruments evidencing short-term obligations.

(i) **Performance Related to Receivables.** Debtor shall duly perform and cause to be performed all of its obligations with respect to the goods or services, the sale or lease or rendition of which gave rise or will give rise to each Receivable that is included in the Collateral.

(j) **Performance of Contracts.** Debtor shall duly perform or cause to be performed all of its obligations, if any, to be performed under or with respect to the General Intangibles that are included in the Collateral.

(k) **Notice of Default.** Debtor shall furnish to Secured Party, immediately upon becoming aware of any default or Event of Default, a written notice specifying the nature and period of existence thereof and what action Debtor is taking or proposes to take with respect thereto.

(l) **Location of After-Acquired Collateral.** All Equipment and Inventory acquired by Debtor subsequent to the date of this Agreement shall be received by Debtor and thereafter kept at one or more of Debtor's locations in the Counties listed in Exhibit A hereto, unless Debtor (i) notifies Secured Party in writing at least thirty (30) days, prior to receipt of such Collateral of the location at which such Equipment or Inventory will be received or kept; and (ii) takes all action required Secured Party for the purpose of ensuring a perfected security interest in favor of Secured Party in such Equipment or Inventory. Any notice furnished pursuant to this Section 3.02(1) shall expressly state that the notice is required by this Agreement and contains facts that may require additional filings of financing statements or other notices for the purposes of continuing perfection of Secured Party's security interest in the Collateral.

Section 3.03. Negative Covenants. Unless Secured Party otherwise consents in writing, Debtor shall at all times comply with the covenants contained in this Section 3.03 from the date hereof and so long as any part of the Secured Obligations are outstanding.

(a) **Transfer or Encumbrance.** Debtor shall not, except in the ordinary course of business and except as otherwise required or permitted pursuant to the Indenture or the Loan Documents, (i) sell, assign (by operation of law or otherwise), transfer, exchange, lease or otherwise dispose of any of the Collateral; (ii) grant a lien on or security interest in or execute, file or record any financing statement or other security instrument with respect to the Collateral; or (iii) deliver actual or constructive possession of the Collateral to any other person, except the Secured Party.

(b) ***Impairment of Security Interest.*** Debtor shall not take or fail to take any action that would in any manner impair the value or enforceability of Secured Party's security interest in any Collateral.

(c) ***Possession of Collateral.*** Except in the ordinary course of business, Debtor shall not cause or permit the removal of any item of the Collateral from its possession, control or risk of loss, or from the locations specified herein, other than removal in connection with possession of Collateral by the Secured Party or by a bailee selected by the Secured Party who is holding the Collateral for the benefit of the Secured Party as agent for the Secured Party.

(d) ***Compromise of Collateral.*** Debtor shall not adjust, settle, compromise, amend or modify any of the Collateral, other than (i) an adjustment, settlement, compromise, amendment or modification in good faith and in the ordinary course of business, other than during the continuance of an Event of Default, of any Receivable included as part of the Collateral; and (ii) any adjustment, settlement, compromise, amendment or modification, other than during the continuance of an Event of Default, of any General Intangible included as part of the Collateral that does not detrimentally affect the rights or benefits of Secured Party hereunder or the value of such General Intangible to Secured Party.

(e) ***Financing Statement Filings.*** Debtor recognizes that financing statements pertaining to the Collateral have been or may be filed where Debtor maintains any Collateral, has its records concerning any Collateral, is incorporated or has its chief executive office or principal place of business. Without limitation of any other covenant herein, Debtor shall not cause or permit any change to be made in its name, identity or corporate structure, or any change to be made to the location outside the Counties listed in Exhibit A hereto of (i) any Collateral; (ii) any records concerning any Collateral; or (iii) its chief executive office or principal place of business, unless Debtor has notified Secured Party of such change at least thirty (30) days prior to the effective date of such change, and has first taken all action required by Secured Party for the purpose of further perfecting or protecting the security interest in favor of Secured Party in the Collateral. In any notice furnished pursuant to this Section 3.03(e), Debtor shall expressly state that the notice is required by this Agreement and contains facts that may require additional filings of financing statements or other notices for the purposes of continuing perfection of Secured Party's security interest in the Collateral.

(f) ***Possession of Chattel Paper, Documents or Instruments.*** Debtor shall not cause or permit any chattel paper, documents or instruments included in the Collateral at any time to be in the actual or constructive possession of any Person other than Debtor or Secured Party.

(g) ***Jurisdiction of Organization.*** Debtor shall not cause or permit any change to be made in its jurisdiction of organization.

ARTICLE IV

POWERS AND AUTHORIZATIONS

Section 4.01. Additional Financing Statement Filings. Debtor hereby authorizes Secured Party to file, without the signature of Debtor where permitted by law, one or more financing or continuation statements, and amendments thereto, relating to the Collateral and describing the Collateral as "All Assets" or "All Personal Property". Debtor further agrees that a carbon, photographic, or other reproduction of this Agreement or any financing statement describing any Collateral is sufficient as a financing statement and may be filed in any jurisdiction that Secured Party may deem appropriate.

Section 4.02. Power of Attorney. Debtor hereby irrevocably appoints Secured Party as Debtor's attorney-in-fact and proxy, with full authority in the place and stead of Debtor and in the name of Debtor or otherwise, in Secured Party's discretion, at any time upon the occurrence and during the continuance of an Event of Default, to take any action and to execute any instrument which Secured Party may deem necessary or advisable to accomplish the purposes of this Agreement, including without limitation (a) to ask, demand, collect, sue for, recover, compound, receive and give acquittance and receipts for moneys due and to become due under or in respect of any of the Collateral; (b) to receive, endorse and collect any drafts in connection with clause (a) above; (c) to file any claims or take any action or institute any proceedings that Secured Party may deem necessary or desirable for the collection of any of the Collateral or otherwise to enforce the rights of Secured Party with respect to any of the Collateral; and (d) to execute and file one or more financing or continuation statements, and amendments thereto, relating to the Collateral. Such appointment is coupled with an interest and shall be irrevocable from the date hereof and so long as any part of the Secured Obligations are outstanding.

Section 4.03. Performance by Secured Party. If Debtor fails to perform any agreement or obligation contained herein, Secured Party may itself, at its option and in its sole discretion, perform, or cause performance of, such agreement or obligation, and the expenses of Secured Party incurred in connection therewith shall be payable by Debtor on demand; provided, however, that nothing herein shall impose any obligation of any kind whatsoever on Secured Party to perform any obligation or agreement of Debtor.

Section 4.04. Collection Rights. Subject to Section 5.02, Secured Party has the right at any time upon the occurrence and during the continuance of an Event of Default to notify any or all obligors under any Receivables or General Intangibles, that are included as part of the Collateral, of the assignment of such Receivables or General Intangibles to Secured Party and to direct such obligors to make payment of all amounts due or to become due to Debtor thereunder directly to Secured Party and, upon such notification and at the expense of Debtor, and to the extent permitted by law, to enforce collection of any such Receivables or General Intangibles and to adjust, settle or compromise the amount or payment thereof, in the same manner and to the same extent as Debtor may have done. After the giving of notice by Secured Party referred to in this Section 4.04: (a) all amounts and proceeds (including instruments and writings) received by Debtor with respect to such Receivables or General Intangibles shall be received in trust for the benefit of Secured Party hereunder, shall be segregated from other funds of Debtor and shall be forthwith paid over to Secured Party in the same form as so received (with any

necessary endorsement) to be held as cash collateral and applied as specified in Section 5.03 hereof; and (b) Debtor shall not adjust, settle or compromise the amount or payment of any Receivables or General Intangible included as part of the Collateral or release wholly or partly any account debtor or obligor thereof or allow any credit or discount thereon.

ARTICLE V

EVENTS OF DEFAULT AND REMEDIES

Section 5.01. Events of Default. The occurrence of any of the following events shall constitute an "Event of Default" hereunder:

- (a) the failure to pay any of the Secured Obligations when due;
- (b) Debtor's failure to perform or observe any other covenant contained in this Agreement, the Notes, the Reimbursement Agreement or any other Loan Document;
- (c) any warranty, representation or statement of Debtor in this Agreement, or otherwise made or furnished to Secured Party by or on behalf of Debtor, proves to have been false in any material respect when made or furnished;
- (d) the dissolution, termination of existence, insolvency, business failure, appointment of a receiver of any part of the property of, assignment for the benefit of creditors by, or the commencement of any proceeding under any bankruptcy or insolvency laws of, by or against Debtor, or any party to any Loan Document or other agreement or document relating to the Secured Obligations;
- (e) any Collateral having an aggregate value in excess of Two Hundred Fifty Thousand Dollars (\$250,000) alone or in combination with other affected Collateral, shall:
 - (i) become lost, stolen, destroyed or otherwise substantially damaged, and such loss, theft or destruction is not covered under policies of insurance the proceeds of which are received within a reasonable time;
 - (ii) be seized or taken by any governmental or similar authority; or become subject to any writ, order of attachment or garnishment;
- (f) Debtor shall cause or permit a change in its jurisdiction of organization; or
- (g) there shall occur or exist an "Event of Default" under and as defined in the Reimbursement Agreement, the Notes or any other Loan Documents (as they may be amended, restated or supplemented).

Section 5.02. Remedies. Upon the occurrence of any Event of Default, or at any time thereafter, in addition to all other rights, powers and remedies herein conferred, conferred in the other Loan Documents or conferred by operation of law, Secured Party may declare the Secured Obligations immediately due, payable and performable, including all principal and interest

remaining unpaid on the Notes and all other amounts secured hereby or thereby, may disallow any further draws on the 2009B Letter of Credit and the Line of Credit, all without demand, presentment or notice, all of which are hereby expressly waived; and from time-to-time in its discretion, without limitation and without notice except as expressly provided below Secured Party may:

(a) exercise with respect to the Collateral all the rights and remedies of a secured party in the event of a default under the Code (whether or not the Code applies to the affected Collateral);

(b) require Debtor to, and Debtor hereby agrees that it shall at its expense and upon request of Secured Party forthwith, assemble all or part of the Collateral as directed by Secured Party and make it available to Secured Party at a place to be designated by Secured Party which is reasonably convenient to both Secured Party and Debtor;

(c) reduce its claim to judgment or foreclose or otherwise enforce, in whole or in part, the security interest created hereby by any available judicial procedure;

(d) dispose of, at its office, on the premises of Debtor or elsewhere, all or any part of the Collateral, as a unit or in parcels, by public or private proceedings, and by way of one or more contracts (it being agreed that the sale of any part of the Collateral shall not exhaust Secured Party's power of sale, but sales may be made from time-to-time, and at any time, until all of the Collateral has been sold or until the Secured Obligations have been paid and performed in full), and at any such sale it shall not be necessary to exhibit any of the Collateral;

(e) buy the Collateral, or any portion thereof, at any public sale;

(f) buy the Collateral, or any portion thereof, at any private sale if the Collateral is of a type customarily sold in a recognized market or is of a type that is the subject of widely distributed standard price quotations;

(g) apply by appropriate judicial proceedings for appointment of a receiver for the Collateral, or any part thereof, and Debtor hereby consents to any such appointment; and

(h) at its discretion, retain the Collateral in satisfaction of the Secured Obligations whenever the circumstances are such that Secured Party is entitled to do so under the Code or otherwise.

Debtor agrees that, to the extent notice of sale shall be required by law, ten (10) calendar days' notice to Debtor of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification, unless the Collateral to be sold is perishable or threatens to decline speedily in value or is of a type customarily sold in a recognized market. Secured Party shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. Secured Party may adjourn any public or private sale from time-to-time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned.

Section 5.03. Application of Proceeds. Subject to the terms of Section 5.02, upon the occurrence of any Event of Default, or at any time thereafter, Secured Party may in its discretion apply any cash held by Secured Party or by the Trustee as Collateral, and any cash proceeds received by Secured Party with respect to any sale of, collection from, or other realization upon all or any part of the Collateral, to any or all of the following in the following order of priority:

FIRST, to the repayment of the reasonable out-of-pocket costs and expenses, including attorneys' fees and legal expenses, incurred by Secured Party in connection with (a) the administration of this Agreement; (b) the custody, preservation, use or operation of, or the sale of, collection from, or other realization upon, any Collateral; (c) the exercise or enforcement of any of the rights of Secured Party hereunder; or (d) the failure of Debtor to perform or observe any of the provisions hereof;

SECOND, to the payment or other satisfaction of any liens and other encumbrances upon any of the Collateral;

THIRD, to the reimbursement of Secured Party for the amount of any obligations of Debtor paid or discharged by Secured Party pursuant to the provisions of this Agreement or the other Loan Documents, and of any expenses of Secured Party payable by Debtor hereunder or under the other Loan Documents;

FOURTH, to the satisfaction of any other Secured Obligations in the order set forth in the Reimbursement Agreement;

FIFTH, to the payment of any other amounts required or permitted by applicable law (including, without limitation, Section 400-9.615(a) of the Code or any successor or similar, applicable statutory provision); and

SIXTH, by delivery to Debtor or to whomsoever shall be lawfully entitled to receive the same or as a court of competent jurisdiction directs.

Section 5.04. Deficiency. In the event that the proceeds of any sale, collection or realization of or upon the Collateral by Secured Party are insufficient to pay all amounts to which Secured Party is legally entitled, Debtor shall be liable for the deficiency, together with interest thereon as provided in the governing Loan Documents or (if no interest is so provided) at such other rate as shall be fixed by applicable law, together with the costs of collection and the fees and expenses of any attorneys employed by Secured Party to collect such deficiency.

Section 5.05. Non-Judicial Remedies. In granting to Secured Party the power to enforce its rights hereunder without prior judicial process or judicial hearing, Debtor expressly waives, renounces and knowingly relinquishes any legal right which might otherwise require Secured Party to enforce its rights by judicial process. In so providing for non-judicial remedies, Debtor recognizes and concedes that the remedies provided for in this Agreement are consistent with the usage of trade, are responsive to commercial necessity, and are the result of a bargain at arm's length. Nothing herein is intended to prevent Secured Party or Debtor from resorting to judicial process at such party's option.

Section 5.06. Other Recourse. Debtor waives any right to require Secured Party to proceed against any other person, exhaust any Collateral or other security for the Secured Obligations, or pursue any other remedy in Secured Party's power. Debtor further waives any and all notice of acceptance of this Agreement. No action that Secured Party may take or omit to take in connection with any of the Loan Documents or any of the Secured Obligations shall release or diminish the obligations, liabilities, duties or agreements of Debtor hereunder, including without limitation, from time-to-time: (a) taking or holding any other property of any type from any other person as security for the Secured Obligations, and exchanging, enforcing, waiving and releasing any or all of such other property; and (b) applying the Collateral or such other property and directing the order or manner of sale thereof as Secured Party may in its discretion determine that is not inconsistent with the Loan Documents.

Section 5.07. Remedies Not Exclusive. All rights, powers and remedies herein conferred are cumulative, and not exclusive, of (a) any and all other rights and remedies herein conferred or provided for; (b) any and all other rights, powers and remedies conferred or provided for in the Loan Documents; and (c) any and all rights, powers and remedies conferred, provided for or existing at law or in equity, and Secured Party shall, in addition to the rights, powers and remedies herein conferred or provided for, be entitled to avail itself of all such other rights, powers and remedies as may now or hereafter exist at law or in equity for the collection of and enforcement of the Secured Obligations and the enforcement of the warranties, representations, covenants, indemnities, and other agreements contained in this Agreement and the Loan Documents. Each and every such right, power and remedy may be exercised from time-to-time and as often and in such order as may be deemed expedient by Secured Party and the exercise of any such right, power or remedy shall not be deemed a waiver of the right to exercise, at the same time or thereafter, any other right, power or remedy. No delay or omission by Secured Party or other person in the exercise of any right, power or remedy will impair any such right, power or remedy or operate as a waiver thereof or of any other right, power or remedy then or thereafter existing.

Section 5.08. No Subrogation. Debtor has no right of subrogation with respect hereto, and Debtor hereby waives any rights to enforce any rights of subrogation, contribution, reimbursement, indemnification, exoneration, and any other remedy which Debtor may have against any other person with respect to this Agreement or the duties of Debtor under the Loan Documents or applicable law. Debtor hereby irrevocably agrees, to the fullest extent permitted by law, that it shall not exercise (and herein waives) any rights against any other person that it may acquire by way of subrogation, contribution, reimbursement, indemnification or exoneration under or with respect to this Agreement, the Loan Documents or applicable law, by any payment made hereunder or otherwise. If the foregoing waivers are adjudicated unenforceable by a court of competent jurisdiction, then Debtor agrees that no liability or obligation of Debtor that shall accrue by virtue of any right to subrogation, contribution, indemnity, reimbursement or exoneration shall be paid, nor shall any such liability or obligation be deemed owed, until all of the Secured Obligations have been paid in full.

Section 5.09. Reserved.

Section 5.10. Proceeds of Insurance.

(a) ***Notice to Secured Party.*** Debtor will give Secured Party prompt notice of any damage to or destruction of the Collateral or any portion thereof, and such notice shall specify whether such damage or destruction gives rise to a claim for insurance proceeds.

(b) ***Right To Settle or Compromise Claims.*** In case of loss covered by policies of insurance, Secured Party may either (i) subject to Section 5.10(c) below, settle and adjust any claim under such policies in conjunction with Debtor; or (ii) allow Debtor to agree with the insurance company or companies on the amount to be paid upon the loss; provided, that Secured Party shall, and is hereby authorized to, collect and receive any such insurance proceeds, subject to the disbursement of such proceeds pursuant to Section 5.10(c) below. Any expenses incurred by Secured Party in the adjustment and collection of insurance proceeds shall become Secured Obligations as if set forth with specificity in Section 2.02 of this Agreement, and, together with interest at the Prime Rate, shall be reimbursed to Secured Party on demand.

(c) ***Application of Insurance Proceeds.*** Any insurance proceeds received by Secured Party with respect to an insured casualty may, subject to the requirements of the following sentence, be retained and applied by Secured Party toward payment of the Secured Obligations (whether or not then due) in such order as is dictated by the provisions of this Agreement and the other Loan Documents. Notwithstanding the foregoing, Secured Party shall make available to Debtor insurance proceeds for the sole purpose of repairing, replacing or substituting Collateral or redeeming 2009B Bonds as set forth in Section 7.02(e) of the Reimbursement Agreement; provided that (i) no Event of Default or unmatured Event of Default has occurred and is continuing at the time the insured casualty occurs or the insurance proceeds are received; (ii) such proceeds will be disbursed subject to and in accordance with the conditions set forth in Section 5.10(d) and in Section 7.02(e) of the Reimbursement Agreement; and (iii) if such proceeds are disbursed to Debtor, Debtor hereby covenants and agrees forthwith to diligently repair or replace such Collateral or provide additional substitute property that is comparable to such Collateral, or to redeem 2009B Bonds in accordance with Section 7.02(e) of the Reimbursement Agreement and the Indenture.

(d) ***Disbursement of Insurance Proceeds.*** If Debtor uses the proceeds to repair, replace or provide substitute Collateral or to redeem 2009B Bonds in accordance with the provisions of Section 5.10(c), such proceeds, (i) if less than One Million Dollars (\$1,000,000) for a single casualty, shall be disbursed directly to Debtor; or (ii) if equal to or more than One Million Dollars (\$1,000,000), may be disbursed from time-to-time by Secured Party to Debtor in accordance with procedures established by Secured Party, unless Secured Party agrees in writing that all such proceeds shall be disbursed directly to Debtor.

ARTICLE VI

MISCELLANEOUS

Section 6.01. Notices. Any notice or communication required or permitted hereunder shall be given as provided in the Reimbursement Agreement.

Section 6.02. Entire Agreement. This Agreement (including any exhibits and schedules hereto), the Loan Documents and the Indenture constitute the entire understanding between the parties with respect to the subject matter hereof and supersede all negotiations, prior discussions and prior agreements and understandings relating to such subject matter.

Section 6.03. Indemnity. Debtor agrees to indemnify Secured Party from and against any and all claims, losses and liabilities (whether or not caused by Secured Party's negligence) growing out of or resulting from this Agreement (including, without limitation, enforcement of this Agreement); provided, however, that Debtor shall not be required to indemnify Secured Party for that portion of any such claims, losses or liabilities that is proximately caused by Secured Party's gross negligence or willful misconduct. If any person ever alleges such gross negligence or willful misconduct by Secured Party, the indemnification provided for in this Section shall nonetheless be paid upon demand, subject to later adjustment or reimbursement, until such time as a court of competent jurisdiction enters a final judgment as to the extent and effect of the alleged gross negligence or willful misconduct.

Section 6.04. Costs and Expenses. Debtor shall upon demand pay to Secured Party the amount of any and all costs and expenses, including the fees and disbursements of Secured Party's counsel and of any experts and agents, that Secured Party may incur in connection with (a) the transactions which give rise to this Agreement, (b) the preparation of this Agreement and the perfection and preservation of the security interest created under this Agreement, (c) the administration of this Agreement, (d) the custody, preservation, use or operation of, or the sale of, collection from, or other realization upon, any Collateral, (e) the exercise or enforcement of any of the rights of Secured Party hereunder, or (f) the failure by Debtor to perform or observe any of the provisions hereof, except expenses resulting from Secured Party's gross negligence or willful misconduct.

Section 6.05. Amendments. No amendment of any provision of this Agreement shall be effective unless it is in writing and signed by Debtor and Secured Party, and no waiver of any provision of this Agreement, and no consent to any departure by Debtor therefrom shall be effective unless it is in writing and signed by Secured Party, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given and to the extent specified in such writing.

Section 6.06. Preservation of Rights. No failure on the part of Secured Party to exercise, and no delay in exercising, any right hereunder or under any other Loan Document shall operate as a waiver thereof; nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right. Neither the execution nor the delivery of this Agreement shall in any manner impair or affect any other security for the Secured Obligations. The rights of Secured Party under any Loan Document

against any party thereto are not conditional or contingent on any attempt by Secured Party to exercise any of its rights under any other Loan Document against such party or against any other Person.

Section 6.07. Unenforceability. All rights, powers and remedies hereunder conferred shall be exercisable by Secured Party only to the extent not prohibited by applicable law; and all waivers or relinquishments of rights and similar matters shall only be effective to the extent such waivers or relinquishments are not prohibited by applicable law. If any provision of this Agreement or of any of the Loan Documents is invalid or unenforceable in any jurisdiction in any respect or to any extent, it is the stated intention and agreement of Debtor and Secured Party that any balance of the obligation created by such provision and all other obligations of Debtor to Secured Party shall remain valid and enforceable and that any unenforceable aspect of such provision shall be fully severable from this Agreement and the balance of such provision and all other provisions hereof and the Loan Documents shall remain valid, enforceable and in full force and effect in such jurisdiction, and such remaining provisions shall be liberally construed in favor of Secured Party in order to carry out the provisions and intent hereof. If by final order a court of competent jurisdiction shall declare any sums which Secured Party may be otherwise entitled to collect from Debtor under this Agreement or any other Loan Document to be in excess of those permitted under any law (including any federal or state fraudulent conveyance or like statute or rule of law) applicable to Debtor's obligations under this Agreement or any other Loan Documents, it is the stated intention and agreement of Debtor and Secured Party that the sums not in excess of those permitted under such applicable law shall remain fully collectible by Secured Party under this Agreement. The invalidity of any provision of this Agreement in any jurisdiction or with respect to any entity comprising Debtor shall not affect the validity or enforceability of any such provision in any other jurisdiction or with respect to any other entity comprising Debtor.

Section 6.08. Survival of Agreements. All representations and warranties of Debtor herein, and all covenants and agreements herein shall survive the execution and delivery of this Agreement, the execution and delivery of any other Loan Documents and the creation of the Secured Obligations.

Section 6.09. Binding Effect and Assignment. This Agreement creates a continuing security interest in the Collateral and (a) shall be binding on Debtor and its successors and permitted assigns; and (b) shall inure, together with all rights and remedies of Secured Party hereunder, to the benefit of Secured Party and the successors, transferees and assigns of Secured Party. Without limiting the generality of the foregoing, Secured Party may assign or otherwise transfer its rights under any Loan Document to any other person as permitted under the Reimbursement Agreement, and such other person shall thereupon become vested with all of the benefits with respect thereto granted to its assignor, herein or otherwise. None of the rights or obligations of Debtor hereunder may be assigned or otherwise transferred without the prior written consent of Secured Party.

Section 6.10. Termination. It is contemplated by the parties hereto that there may be times when no Secured Obligations are outstanding, but notwithstanding such occurrences, this Agreement shall remain valid and shall be in full force and effect as to subsequent outstanding Secured Obligations. Upon the satisfaction in full of the Secured Obligations, and upon written

request delivered by Debtor to Secured Party, the security interest created by this Agreement shall terminate and all rights to the Collateral shall revert to Debtor. Upon such event, Secured Party shall, upon the request and at the expense of Debtor (a) return to Debtor such of the Collateral as shall not have been sold or otherwise disposed of or applied pursuant to the terms hereof, and (b) execute and deliver to Debtor such documents as Debtor shall reasonably request to evidence such termination. The termination of the security interests created by this Agreement, shall not terminate or otherwise affect Secured Party's right or ability as agent for Secured Party to exercise any right, power or remedy on account of any claim for breach of warranty or representation, for failure to perform any covenant or other agreement, under any indemnity or for fraud, deceit or other misrepresentation or omission.

Section 6.11. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Missouri applicable to contracts made and to be performed entirely within such state, except as required by mandatory provisions of law and except to the extent that the perfection and the effect of perfection or non-perfection of the security interest created hereby, with respect to any particular collateral, are governed by the laws of a jurisdiction other than the State of Missouri.

Section 6.12. Obligations Absolute. Debtor acknowledges that this Agreement and Debtor's obligations under this Agreement are and shall at all times continue to be absolute and unconditional in all respects, and shall at all times be valid and enforceable irrespective of any other agreements or circumstances of any nature which might otherwise constitute a defense to this Agreement and the obligations of Debtor under this Agreement or the obligations of any other person or party relating to this Agreement or the obligations of Debtor hereunder or otherwise with respect to the 2009B Letter of Credit or the Line of Credit. Debtor absolutely, unconditionally and irrevocably waives any and all right to assert any defense, set off, counterclaim or cross-claim of any nature whatsoever with respect to this Agreement or the obligations of Debtor under this Agreement or the obligations of any other person or party relating to this Agreement or the obligations of Debtor hereunder or otherwise with respect to the 2009B Letter of Credit or the Line of Credit in any action or proceeding brought by Secured Party as agent for Secured Party to collect the Secured Obligations, or any portion thereof, or to enforce, foreclose and realize upon the liens and security interests created by this Agreement and the other Loan Documents.

Section 6.13. Jurisdiction. Debtor agrees that all actions or proceedings in any manner relating to or arising out of this Agreement or the other Loan Documents may be brought only in any federal or state court located in Jackson County, Missouri and Debtor consents to the jurisdiction of such courts. Debtor waives any objection it may now or hereafter have to the venue of any such court and any right it may have now or hereafter have to claim that any such action or proceeding is in an inconvenient court and, in furtherance of such agreement, Debtor hereby agrees and consents that without limiting other methods of obtaining jurisdiction, personal jurisdiction over Debtor in any such action or proceeding may be obtained within or without the jurisdiction of such courts located in Jackson County, Missouri and that any process or notice of motion or other application to any such court in connection with any such action or proceeding may be served upon Debtor by registered or certified mail to or by personal service at the address set forth in the Reimbursement Agreement (unless such address is changed pursuant to the notice provision set forth in the Reimbursement Agreement) whether such address be

within or without the jurisdiction of any such court.

Section 6.14. WAIVER OF JURY TRIAL. DEBTOR HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, SUIT OR COUNTERCLAIM ARISING IN CONNECTION WITH, OUT OF OR OTHERWISE RELATING TO THIS AGREEMENT OR THE OTHER LOAN DOCUMENTS.

Section 6.15. Marshaling. Secured Party shall not be required to marshal any present or future collateral security, including, without limitation, the Collateral, for, or other assurances of payment of, the Secured Obligations or any of them or to resort to such collateral security or other assurances of payment in any particular order, and all of the rights of Secured Party hereunder and of Secured Party in respect of such collateral security and other assurances of payment shall be cumulative and in addition to all other rights, however existing or arising. To the extent that is lawful, Debtor hereby agrees that it will not invoke any law relating to the marshaling of collateral which might cause delay in or impede enforcement of Secured Party's rights under this Agreement or under any other instrument creating or evidencing the Secured Obligations or under which any of the Secured Obligations is outstanding or by which any of the Secured Obligations is secured or payment thereof is otherwise assured, and, to the extent that it lawfully may, Debtor hereby irrevocably waives the benefit of such laws.

Section 6.16. Counterparts/Facsimiles. This Agreement may be executed in any number of counterparts, each of which shall constitute an original. The exchange of copies of this Agreement and of signature pages by facsimile transmission shall constitute effective execution and delivery of this Agreement as to the parties and may be used in lieu of the original Agreement for all purposes. Signatures of the parties transmitted by facsimile shall be deemed to be their original signatures for all purposes.

Section 6.17. Security Agreements. This Agreement and all other security agreements executed by Debtor in connection with the 2009B Letter of Credit and the Line of Credit are intended to be read together to provide Secured Party the broadest possible rights and remedies. Where possible, effect should be given to each security agreement, but in the case of an irreconcilable conflict this Agreement shall control.

[Remainder of page intentionally left blank]

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, this Agreement is executed and delivered as of the date first above written.

MISSOURI GAS UTILITY, INC.,
a Colorado corporation


By 
Michael P. Earnest, President

EXHIBIT A
EQUIPMENT

The Collateral encumbered by the General Security Agreement includes, without limitation, all of Debtor's right, title and interest in, to and under all the properties, assets and rights of Debtor, wherever located, whether now existing or hereafter acquired or arising, including without limitation the properties, rights and assets of Debtor located in the following Counties of the State of Missouri:

Daviess

Harrison

Caldwell

Pettis

Benton

EXHIBIT B

CERTIFICATES OF PUBLIC CONVENIENCE AND NECESSITY

Certificate of Public Conveyance and Necessity pursuant to Order Granting Certificate of Public Convenience and Necessity, Case No. GA-2009-0264, of the Missouri Public Service Commission, having as Issue Date of April 29, 2008 and an Effective Date of May 9, 2009.

Certificate of Public Convenience and Necessity pursuant to Order Granting Certificate of Public Convenience and Necessity, Case No. GA-2008-0348, of the State of Missouri Public Service Commission, having an Issue Date of June 19, 2008 and an Effective Date of June 29, 2008.

Certificate of Public Convenience and Necessity pursuant to Order Granting Certificate of Public Convenience and Necessity, Case No. GA-2007-0421, of the State of Missouri Public Service Commission, having an Issue Date of June 26, 2007 and an Effective Date of July 6, 2007.

Certificate of Public Convenience and Necessity pursuant to Order Granting Certificate of Public Convenience and Necessity, Case No. GA-2008-0322, of the State of Missouri Public Service Commission, having an Issue Date of June 19, 2008 and an Effective Date of June 29, 2008.

Certificate of Public Convenience and Necessity pursuant to Order Granting Certificate of Public Convenience and Necessity, Case No. GA-2008-0321, of the State of Missouri Public Service Commission, having an Issue Date of June 19, 2008 and an Effective Date of June 29, 2008.

Certificate of Public Convenience and Necessity pursuant to Order Granting Certificate of Public Convenience and Necessity, Case No. GA-2008-0078, of the State of Missouri Public Service Commission, having an Issue Date of November 6, 2007 and an Effective Date of November 16, 2007.

Certificate of Public Convenience and Necessity pursuant to Order Approving Stipulation and Agreement, Case No. GO-2005-0120, of the State of Missouri Public Service Commission, having an Effective Date of December 18, 2004, together with the underlying instruments of sale, transfer and conveyance relating to the municipal natural gas distribution systems.