

ATTACHMENT 7(a)

LOAN DOCUMENTS

LOAN AND SECURITY AGREEMENT

THIS LOAN AND SECURITY AGREEMENT ("Agreement") is made effective this 17th day of October, 2013, by and between **FORT COBB OKLAHOMA IRRIGATION FUEL AUTHORITY L.L.C.**, an Oklahoma limited liability company d/b/a **FORT COBB FUEL AUTHORITY, L.L.C.** ("FCFA"), **NAVITAS ASSETS, L.L.C.**, a Delaware limited liability company ("NALLC"), **NAVITAS UTILITY CORPORATION**, a Nevada corporation ("NUC"), **NAVITAS OK3, LLC**, an Oklahoma limited liability company ("NOK3"), **NAVITAS-WINSTAR, LLC**, an Oklahoma limited liability company ("NWLLC"), **NAVITAS TNNG, LLC**, a Tennessee limited liability company ("NTNNG"), **NAVITAS KY NG, LLC**, a Kentucky limited liability company ("NKYNG") (herein collectively "Borrowers") and **RICHARD VARNER**, an individual ("Varner") and **THOMAS HARTLINE**, an individual ("Hartline") (herein collectively "Guarantors"), of 3186-D Airway Avenue, Costa Mesa, CA 92626, and **BANK 7**, a Banking association ("Bank 7" or "Lender"), 1039 N.W. 63rd Street, Oklahoma City, OK 73116.

RECITALS

WHEREAS Borrowers have requested Lender to extend to Borrowers various term and revolving credit loans in the principal amounts as follows:

	<u>Amount</u>	<u>Borrower(s)</u>
(a) Term Loan A ("Note A")	\$ [REDACTED]	FCFA
(b) Revolving Line of Credit Loan B ("Note B")	\$ [REDACTED]	NWLLC
(c) Term Loan C ("Note C")	\$ [REDACTED]	NTNNG
(d) Term Loan D ("Note D")	\$ [REDACTED]	NKYNG
(e) Term Loan E ("Note E")	\$ [REDACTED]	NOK3
(f) Revolving Line of Credit Loan F ("Note F")	\$ [REDACTED]	NUC
(g) Existing Bank 7 Loan #1004537 dated July 24, 2012	\$ [REDACTED]	FCFA
(h) Existing Bank 7 Loan #1005917 dated December 6, 2012	\$ [REDACTED]	Navitas-Winstar, LLC

WHEREAS Lender is willing to make such loan to Borrowers upon the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, Borrowers and Lender do hereby agree as follows:

1. CONSTRUCTION AND DEFINITION OF TERMS

All terms used herein without definition which are defined by the Oklahoma Uniform Commercial Code shall have the meanings assigned to them by the Oklahoma Uniform Commercial Code, as in effect on the date hereof, unless and to the extent varied by this Agreement. All accounting terms used herein without definition shall have the meanings assigned to them as determined by generally accepted accounting principles. Whenever the phrase "satisfactory to Lender" is used in this Agreement, such phrase shall mean "satisfactory to Lender in its sole discretion." The use of any gender or the neuter herein shall also refer to the other gender or the neuter and the use of the plural shall also refer to the singular, and vice versa. In addition to the terms defined elsewhere in this Agreement, unless the context otherwise requires, when used herein, the following terms shall have the following meanings:

1.1. "Agreement" means this Loan and Security Agreement and all amendments, modifications and supplements hereto.

1.2. "Banking Day" shall mean Monday through Friday, excluding any federal or state holiday or other day that Banks in the State of Oklahoma are closed.

1.3. "Bankruptcy Code" means the United States Bankruptcy Code, as amended from time to time.

1.4. "Business Premises" shall mean Borrowers' offices located at 18218 East McDermott, Suite I, Irvine, CA 92614.

1.5. "Certified" shall mean that the information, statement, schedule, report, or other document required to be "Certified," shall contain a representation of a duly authorized officer of Borrowers that such information, statement, schedule, report, or other document is true and complete.

1.6. "Closing" shall mean the date on which this Agreement is executed.

1.7. "Collateral" shall mean all of each of respective Borrower's personal and real property (all business assets), both now owned and hereafter acquired, as more particularly described on Schedule 1 hereto.

1.8. "Event of Default" shall mean any of the events described in Section 8 hereof.

1.9. "GAAP" shall mean generally accepted accounting principles in the United States of America in effect from time to time.

1.10. "Governmental Authority" means any nation or government, any state or

other political subdivision thereof and any entity exercising executive, legislative, judicial, regulatory, or administrative functions of or pertaining to government.

1.11. "Guarantors" shall mean the following:

- (a) [REDACTED] – all Notes
- (b) [REDACTED] – all Notes
- (c) FCFA – Notes B, C, D, E, and F
- (d) NALLC – all Notes
- (e) NUC – Notes A, B, C, D, and E
- (f) NOK3 – Notes A, B, C, D, and F
- (g) NTNNG – Notes A, B, D, E, and F
- (h) NKYNG – Notes A, B, C, E, and F

1.12. "Hazardous Materials" mean (a) any "hazardous waste" as defined by the Resource Conservation and Recovery Act of 1976, as amended from time to time, and regulations promulgated thereunder; (b) any "hazardous substance" as defined by the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended from time to time, and regulations promulgated thereunder; (c) any substance the presence of which on any property now owned or hereafter owned, operated or acquired by Borrowers is prohibited by any Law similar to those set forth in this definition; and (d) any other substance which by Law requires special handling in its collection, storage, treatment, or disposal.

1.13. "Hazardous Materials Contamination" means the contamination (whether presently existing or occurring after the date of this Agreement) by Hazardous Materials on any property owned, operated or controlled by Borrowers or for which Borrowers have responsibility, including, without limitation, improvements, facilities, soil, ground water, air or other elements on, or of, any property now or hereafter owned, operated or acquired by Borrowers, and any other contamination by Hazardous Materials for which Borrowers are, or are claimed to be, responsible.

1.14. "Indebtedness" shall include all items which would properly be included in the liability section of a balance sheet or in a footnote to a financial statement in accordance with generally accepted accounting principles, and shall also include all contingent liabilities.

1.15. "Laws" shall mean all ordinances, statutes, rules, regulations, orders, injunctions, writs, or decrees of any Governmental Authority or political subdivision or agency thereof, or any court or similar entity established by any thereof.

1.16. "Lien" shall mean any statutory or common law consensual or non-consensual mortgage, pledge, security interest, encumbrance, lien, right of setoff, claim or charge of any kind, including, without limitation, any conditional sale or other title retention transaction, any lease transaction in the nature thereof and any secured transaction under the Uniform Commercial Code of any jurisdiction.

1.17. "Loan Documents" shall mean any and all agreements, contracts, promissory

notes, security agreements, assignments, subordination agreements, pledge or hypothecation agreements, mortgages, deeds of trust, leases, guaranties, instruments, letters of credit, letter of credit agreements and documents now and hereafter existing between Lender and Borrowers, executed and/or delivered pursuant to this Agreement or otherwise or guaranteeing, securing or in any other manner relating to any of the Obligations, including, without limitation, the instruments and documents referred to in Subsection 5.1 hereof together with any other instrument or document executed by Borrowers, Lender or any other person in connection with the Loans.

1.18. “Note” or “Notes” shall mean the Promissory Notes of Borrowers evidencing the Loans and all renewals, replacements, and extensions thereof. The Notes shall be payable jointly and severally by the respective makers thereof.

1.19. “Obligations” shall include the full and punctual observance and performance of all present and future duties, covenants and responsibilities due to Lender by Borrowers under this Agreement, the Notes, the Loan Documents, and otherwise, all present and future obligations and liabilities of Borrowers to Lender for the payment of money under this Agreement, the Notes, the Loan Documents and otherwise (extending to all principal amounts, interest, late charges, fees and all other charges and sums, as well as all costs and expenses payable by Borrowers under this Agreement, the Notes, the Loan Documents and otherwise), whether direct or indirect, contingent or noncontingent, mature or unmatured, accrued or not accrued, related or unrelated to this Agreement, whether or not now contemplated, whether or not any instrument or agreement relating thereto specifically refers to this Agreement and whether or not of the same character or class as Borrowers’ obligations under this Agreement or the Notes, including, without limitation, overdrafts in any checking or any other account of Borrowers at Lender and claims against Borrowers acquired by assignment to Lender, whether or not secured under any other document, or agreement or statutory or common law provision, as well as all renewals, refinancings, consolidations, re-castings, and extension of any of the foregoing, the parties acknowledging that the nature of the relationship created hereby contemplates the making of future advances by Lender to Borrowers.

1.20. “Obligor” shall mean individually and collectively, Borrowers, the Guarantors and each endorser and surety of the Obligations; any person who is primarily or secondarily liable for the repayment of the Obligations, or any portion thereof; and any person who has granted security for the repayment of any of the Obligations.

1.21. “Permitted Liens” shall mean

(a) Liens for taxes, assessments or governmental charges or levies on the Property if the same shall not at the time be delinquent or thereafter can be paid without penalty, or are being contested in good faith and by appropriate proceedings diligently conducted;

(b) Liens incurred and pledges or deposits made in the ordinary course of business in connection with worker’s compensation, unemployment insurance or other social security or retirement benefits, or similar legislation, other than any Lien imposed by ERISA;

(c) Deposits to secure the performance of bids and leases, statutory obligations, surety bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business;

(d) Easements, rights-of-way, restrictions and other similar encumbrances affecting real property which, in the aggregate, are not substantial in amount, and which do not in any case materially detract from the value of the property subject thereto or materially interfere with the ordinary conduct of the business of the Borrower;

(e) Liens pursuant to any of the Loan Documents;

(f) Liens specifically consented to by Lender in writing; and

(g) Other liens securing obligations, actual or contingent, in an aggregate amount no greater than \$100,000.00 at any time.

1.22. "Person" shall include natural persons, corporations, associations, limited liability companies, partnerships, joint ventures, trusts, governments and agencies and departments thereof and every other entity of every kind.

1.23. "Bank7 Base Rate" shall mean that annual rate of interest as determined by Lender in its sole discretion. Each change in the Bank7 Base Rate shall become effective without notice (which notice is hereby waived) on the date of change.

1.24. "Subordinated Indebtedness" shall mean all Indebtedness incurred, at any time by Borrowers, the repayment of which is subordinated to the Obligations.

1.25. "Subsidiary" shall include any corporation or unincorporated business entity at least a majority of the outstanding Voting Stock or interests of which is owned, now or in the future, by Borrowers and/or by one or more Subsidiaries.

2. THE LOANS

2.1. **Loan Advances.** Subject to the terms and conditions hereinafter set forth, Lender agrees to make the following loans to the various Borrowers (the "Loans"):

	<u>Amount</u>	<u>Borrower(s)</u>
(a) Term Loan A ("Note A")	\$ [REDACTED]	FCFA
(b) Revolving Line of Credit Loan B ("Note B")	\$ [REDACTED]	NWLLC
(c) Term Loan C ("Note C")	\$ [REDACTED]	NTNNG

(d)	Term Loan D ("Note D")	\$	██████████	NKYNG
(e)	Term Loan E ("Note E")	\$	██████████	NOK3
(f)	Revolving Line of Credit Loan F ("Note F")	\$	██████████	NUC
(g)	Existing Bank 7 Loan #1004537 dated July 24, 2012	\$	██████████	FCFA
(h)	Existing Bank 7 Loan #1005917 dated December 6, 2012	\$	██████████	Navitas-Winstar, LLC

2.2. **Note.** Each respective Borrower's obligation to repay the Loans with interest shall be evidenced by the respective Notes (Note A, Note B, Note C, Note D, Note E, and Note F).

2.3. **Interest.** Interest shall be payable monthly as provided in the respective Notes and shall be calculated on a year of 360 days based upon the actual number of days elapsed.

2.4. **Loan Fee.** At closing, Borrowers shall pay Lender loan fees on Notes B and F equal to ██████████ of the face amount of said Notes, or ██████████

2.5. **Late Charge; Default Rate.** If any payment required to be made by Borrowers hereunder is not paid within ten (10) days after the date on which such payment is due, Borrowers shall pay to Lender on demand a late charge equal to five percent (5.0%) of the amount of such payment. The late payment charge shall be payable to Lender on demand. Upon the occurrence of an Event of Default hereunder, sums outstanding under the Loan shall bear interest at the default rate of interest as set forth in the Notes (the "Default Rate") until the default is cured. The default shall be cured on the demand by Lender.

2.6. **Revolving Line of Credit Note B and Revolving Line of Credit Note F - Advances.** Subject to the terms and conditions hereof, Lender agrees to make advances to Borrowers upon Note B and Note F (herein called "Advances") from time to time so long as the aggregate amount of Advances outstanding at any time does not exceed ██████████ for Note B and ██████████. Each Advance must be greater than or equal to ██████████. The amount of principal owing on the Note B and Note F at any given time shall be the aggregate amount of all Advances heretofore made minus all payments of principal theretofore received by Lender on the respective Note. Interest on Note B and Note F shall accrue and be due and payable as provided herein and therein. The respective Borrower may borrow funds under Note B and Note F, prepay such funds, and re-borrow, all in accordance with the terms and conditions of Note B, Note F and this Agreement. It is agreed that the sum of approximately ██████████ available under Note F is earmarked to retire debt secured by various motor vehicles.

2.7. **Requests for Advances Under Notes B and F.** Each Borrower under Note B and Note F must give prior notice to Lender of any requested Advance by delivering a Request for

Advance to Lender before 11:00 a.m. CST on the day of any requested Advance. Each request for an Advance shall be in the form of a Request for Advance acceptable to Lender, duly completed and signed by authorized officers of the respective Borrower. If all conditions precedent to such Advance have been met, Lender will on the date requested make such Advance available in immediately available funds by the date following said Request in the respective Borrower's account(s) with Lender.

3. SECURITY

3.1. **Security Interest.** As security for the payment and performance of all of the Obligations, whether or not any instrument or agreement relating to any Obligation specifically refers to this Agreement or the security interest created hereunder, Borrowers hereby assign, pledge and grant to Lender a continuing security interest in the Collateral. Lender's security interest shall continually exist until (a) all Obligations have been paid in full and (b) there exists no commitment by Lender which could give rise to any of the Obligations.

3.2. **Covenants and Representations Concerning Collateral.** With respect to all of the Collateral, each respective Borrower, to the extent of its respective ownership interest in any of the Collateral, covenants, warrants, and represents that:

(a) No financing statement covering any of the Collateral is on file in any public office or land or financing records except for financing statements in favor of Lender and Borrowers are the legal and beneficial owner of all of the Collateral, free and clear of all Liens, except for Permitted Liens identified in writing on Schedule 2 attached hereto and made a part hereof, if applicable.

(b) The security interest granted Lender hereunder shall constitute a first priority Lien upon the Collateral. Borrowers will not, and Lender does not authorize Borrowers to, except in the ordinary course of business, transfer, discount, sell, grant or assign any interest in the Collateral nor, without Lender's prior written consent, permit any other Lien to be created or remain thereon except for Permitted Liens. Borrowers shall execute such additional documents as requested by Lender regarding the Collateral.

(c) Borrowers will maintain the Collateral in good order and condition, ordinary wear and tear excepted, and will use, operate and maintain the Collateral in compliance with all laws, regulations and ordinances and in compliance with all applicable insurance requirements and regulations. Borrowers will promptly notify Lender in writing of any material litigation involving or affecting the Collateral which Borrowers know or have reason to believe is pending or threatened. Borrowers will promptly pay when due all taxes and all transportation, storage, warehousing and other such charges and fees affecting or arising out of or relating to the Collateral and shall defend the Collateral, at Borrowers' expense, against all claims and demands of any persons claiming any interest in the Collateral adverse to Borrowers or Lender.

(d) With prior written notice during normal business hours, Lender and its

agents and designees may enter the Business Premises of Borrowers and inspect the Collateral and all books and records of Borrowers (in whatever form). Lender shall pay the costs of such inspections.

(e) Borrowers will maintain comprehensive casualty insurance on the Collateral against such risks, in such amounts, with such loss deductible amounts and with such companies as may be satisfactory to Lender, and each such policy shall contain a clause or endorsement satisfactory to Lender naming Lender as loss payee and a clause or endorsement satisfactory to Lender that such policy may not be cancelled or altered and Lender may not be removed as loss payee without at least thirty (30) days prior written notice to Lender. In all events, the amounts of such insurance coverages shall conform to prudent business practices and shall be in such minimum amounts that Borrowers will not be deemed a co-insurer under applicable insurance laws, regulations, policies, or practices. Borrowers hereby assign to Lender and grant to Lender a security interest in any and all proceeds of such policies and authorize and empower Lender to adjust or compromise any loss under such policies and to collect and receive all such proceeds. Borrowers authorize and empower Lender to execute and endorse in Borrowers' name all proofs of loss, drafts, checks and any other documents or instruments necessary to accomplish such collection, and any persons making payments to Lender under the terms of this paragraph are hereby relieved absolutely from any obligation or responsibility to see to the application of any sums so paid. After deduction from any such proceeds of all costs and expenses (including reasonable attorneys' fees) incurred by Lender in the collection and handling of such proceeds, the net proceeds shall be applied as follows. If no Event of Default shall have occurred and be continuing, such net proceeds may be applied, at Borrowers' option, either toward replacing or restoring the Collateral, in a manner and on terms satisfactory to Lender, or as a credit against such of the Obligations, whether matured or unmatured, as Lender shall determine in Lender's sole discretion. In the event that Borrowers may and do elect to replace or restore as aforesaid, then such net proceeds shall be deposited in a segregated account of Borrowers at Lender and subject to the sole order of Lender and shall be disbursed therefrom by Lender in such manner and at such times as Lender deems appropriate to complete such replacement or restoration; provided, however, that if an Event of Default shall occur at any time before or after replacement or restoration has commenced, then thereupon Lender shall have the option to apply all remaining net proceeds either toward replacing or restoring the Collateral, in a manner and on terms satisfactory to Lender, or as a credit against such of the Obligations, whether matured or unmatured, as Lender shall determine in Lender's sole discretion. If an Event of Default shall occur prior to such deposit of the net proceeds, then Lender may, in its sole discretion, apply such net proceeds either toward replacing or restoring the Collateral, in a manner and on terms satisfactory to Lender, or as a credit against such of the Obligations, whether matured or unmatured, as Lender shall determine in Lender's sole discretion.

(f) Borrowers shall do, make, execute and deliver all such additional and further acts, things, deeds, assurances, instruments and documents as Lender may request to vest in and assure to Lender its rights hereunder or in any of the Collateral, including, without limitation, placing legends on Collateral stating that Lender has a security interest therein.

(g) Borrowers shall cooperate with Lender to obtain and keep in effect one or more control agreements in covering its deposit accounts with Lender.

(h) Borrowers authorize Lender to file financing statements covering the Collateral containing such legends as Lender shall deem necessary or desirable to protect Lender's interest in the Collateral. Borrowers agree to pay all taxes, fees and costs (including attorneys' fees) paid or incurred by Lender in connection with the preparation, filing or recordation thereof.

(i) Whenever required by Lender, Borrowers shall promptly deliver to Lender, with all endorsements and/or assignments required by Lender, all instruments, writings, records, and the like received by Borrowers constituting, evidencing or relating to any of the Collateral or proceeds of any of the Collateral.

(j) Borrowers shall not file any amendments, correction statements, or termination statements concerning the Collateral without the prior written consent of Lender.

(k) If any Collateral arises out of a contract with the United States Government or any department, agency or instrumentality thereof, Borrowers shall immediately notify Lender thereof and shall execute and deliver to Lender specific assignments, of those contracts and the related United States Government accounts of Borrowers and shall do such other things as may be satisfactory to Lender in order that all sums due and to become due to Borrowers under such contract shall be duly assigned to Lender in accordance with the Federal Assignment of Claims Act (31 United States Code § 3727; 41 United States Code § 15) as in effect on the date hereof and as hereafter amended and/or any other applicable laws and regulations relating to the assignment of governmental obligations.

(l) Borrower shall do, make, execute and deliver all such additional and further acts, things, deeds, assurances, instruments and documents as Lender may request to vest in and assure to Lender its rights hereunder or in any of the Collateral, including, without limitation, placing legends on Collateral stating that Lender has a security interest therein.

3.3. Collateral Collections. After an Event of Default shall have occurred, Lender shall have the right at any and all times to enforce Borrowers' rights against account debtors and other parties obligated on Collateral, including, but not limited to, the right to: (a) notify and/or require Borrowers to notify any or all account debtors and other parties obligated on Collateral to make payments directly to Lender or in care of a post office lock box under the sole control of Lender established at Borrowers' expense subject to Lender's customary arrangements and charges therefor, and to take any or all action with respect to Collateral as Lender shall determine in its sole discretion, including, without limitation, the right to demand, collect, sue for and receive any money or property at any time due, payable or receivable on account thereof, compromise and settle with any person liable thereon, and extend the time of payment or otherwise change the terms thereof,

without incurring liability or responsibility to Borrowers; (b) require Borrowers to segregate and hold in trust for Lender and, on the day of Borrowers' receipt thereof, transmit to Lender in the exact form received by Borrowers (except for such assignments and endorsements as may be required by Lender), all cash, checks, drafts, money orders and other items of payment constituting Collateral or proceeds of Collateral. Lender's collection and enforcement against account debtors and other persons obligated thereon shall be deemed to be commercially reasonable if Lender exercises the care and follows the procedures that Lender generally applies to the collection of obligations owed to Lender. All cash and non-cash proceeds of the Collateral may be applied by Lender upon Lender's actual receipt of cash proceeds against such of the Obligations, matured or unmatured, as Lender shall determine in Lender's sole discretion.

3.4. Care of Collateral. Borrowers shall have all risk of loss of the Collateral. Lender shall have no liability or duty, either before or after the occurrence of an Event of Default, on account of loss of or damage to, to collect or enforce any of its rights against, the Collateral, to collect any income accruing on the Collateral, or to preserve rights against account debtors or other parties with prior interests in the Collateral. If Lender actually receives any notices requiring action with respect to Collateral in Lender's possession, Lender shall take reasonable steps to forward such notices to Borrowers. Borrowers are responsible for responding to notices concerning the Collateral. Lender's sole responsibility is to take such action as is reasonably requested by Borrowers in writing, however, Lender is not responsible to take any action that, in Lender's sole judgment, would affect the value of the Collateral as security for the Obligations adversely. While Lender is not required to take certain actions, if action is needed, in Lender's sole discretion, to preserve and maintain the Collateral, Borrowers authorize Lender to take such actions, but Lender is not obligated to do so.

3.5. Cross Collateral. Borrowers and each of them herein stipulate, acknowledge and agree that all Collateral secures all Notes and all Loan Documents.

4. REPRESENTATIONS AND WARRANTIES

To induce Lender to enter into this Agreement, Borrowers represent and warrant to Lender that:

4.1. State of Incorporation and Legal Name. Each Borrower's state of incorporation or formation and exact legal name are as set forth in the first paragraph of this Agreement.

4.2. Good Standing. Borrowers are individuals or duly organized business organizations, legally existing and in good standing under the laws of the State of their organization, have the power to own their property, and to carry on their businesses, and are duly qualified to do business, and are in good standing in each jurisdiction in which the character of the properties owned by it therein or in which the transaction of its business makes such qualification necessary.

4.3. Authority. Each of the Borrowers has the full power and authority to enter into this Agreement, to make the borrowings hereunder, to execute and deliver all documents and

instruments required hereunder, and to incur and perform the obligations provided for herein, all of which have been duly authorized by all necessary and proper corporate and other action, and no consent or approval of any person, including, without limitation, members or stockholders of Borrowers and any public authority or regulatory body, which has not been obtained is required as a condition to the validity or enforceability hereof or thereof.

4.4. **Binding Agreements.** This Agreement has been duly and properly executed by each of the Borrowers, constitutes the valid and legally binding obligation of each of the Borrowers, and is fully enforceable against each of the Borrowers in accordance with its terms, subject only to laws affecting the rights of banks generally and application of general principles of equity.

4.5. **No Conflicting Agreements.** The execution, delivery and performance by Borrowers of this Agreement and the borrowings hereunder will not (a) violate (i) any provision of law or any order, rule or regulation of any court or agency of government, (ii) any award of any arbitrator, (iii) the Bylaws or Operating Agreements of Borrowers or (iv) any indenture, contract, agreement, mortgage, deed of trust or other instrument to which Borrowers are a party or by which Borrowers or any of their property is bound, or (b) be in conflict with, result in a breach of or constitute (with due notice and/or lapse of time) a material default under, any such award, indenture, contract, agreement, mortgage, deed of trust or other instrument, or result in the creation or imposition of any Lien upon any of the property or assets of Borrowers except for Liens created in favor of Lender under or pursuant to this Agreement.

4.6. **Litigation.** Except as disclosed to Lender in writing, there are no judgments, injunctions or similar orders or decrees, claims, actions, suits or proceedings pending or, to the knowledge of Borrowers, threatened against or affecting Borrowers or any property of Borrowers, at law or in equity, by or before any court or any federal, State, county, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, which could result in any material adverse change in the business, operations, prospects, properties or in the condition, financial or otherwise, of Borrowers, and Borrowers are not, to Borrowers' knowledge, in default with respect to any judgment, order, writ, injunction, decree, rule or regulation of any court or any federal, State, county, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, which could have a material adverse effect on Borrowers.

4.7. **Financial Condition.** The financial statements of Borrowers heretofore delivered to Lender are true and complete in all material respects, fairly present the financial condition of Borrowers as at such dates and the results of its operations for the period then ended and were prepared in accordance with GAAP applied on a consistent basis for prior periods. There is no Indebtedness of Borrowers as of the date of such statements which is not reflected therein and no material adverse change in Borrowers' financial condition has occurred since the date of such statements.

4.8. **Taxes.** Borrowers have paid or caused to be paid all federal, State and local taxes to the extent that such taxes have become due and has filed or caused to be filed all federal,

State and local tax returns which are required to be filed by Borrowers.

4.9. **Title to Properties.** Borrowers have good and marketable title to all of their properties and assets (including the Collateral).

4.10. **Place of Business.** Borrowers have only such business locations as disclosed to Lender prior to the date hereof. Borrowers will not change the location of the Business Premises or open additional business locations (other than those locations heretofore disclosed to Lender) without Lender's prior written consent, which shall not be unreasonably withheld.

4.11. **Financial Information.** All financial statements, schedules, reports and other information supplied to Lender by or on behalf of Borrowers heretofore and hereafter are and will be true and complete.

4.12. **Licenses and Permits.** Borrowers have duly obtained and now holds all licenses, permits, certifications, approvals and the like required by federal, State and local laws of the jurisdictions in which Borrowers conduct their business, and each remains valid and in full force and effect.

4.13. **Certain Indebtedness.** There is no Indebtedness of Borrowers employee, officer, stockholder or director of Borrowers other than accrued salaries, com the like.

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4.14. **Outstanding Indebtedness.** Borrowers have no outstanding li except as described to Lender in writing prior to the date hereof and there exists no defa provisions of any instrument evidencing such Indebtedness or under the provisions of any relating thereto.

INSURANCE

4.15. **Regulation U.** Borrowers do not own or presently intend to acquire any "margin stock" as defined in Regulation U (12 CFR Part 221) of the Board of Governors of the Federal Reserve System. None of the proceeds of any of the Loan hereunder will be used, directly or indirectly, for the purpose of purchasing or carrying any margin stock or for the purpose of reducing or retiring any indebtedness which was originally incurred to purchase or carry a margin stock or for any other purpose which might constitute this transaction a "purpose credit" within the meaning of Regulation U. Neither Borrowers nor any agent acting on their behalf have taken or will take any action which might cause this Agreement to violate Regulation U or any other regulation of the Board of Governors of the Federal Reserve System or to violate the Securities Exchange Act of 1934, in each case as in effect now or as the same may hereafter be in effect.

4.16. **Patents, Trademarks, etc.** Borrowers own, possess or have the right to use all necessary patents, patent rights, licenses, trademarks, trade names, trade name rights, copyrights and franchises to conduct their business as now conducted, without any known conflict with any patent, patent right, license, trademark, trademark rights, trade name right, trade name, copyright or franchise right of any other person.

4.17. **Perfection and Priority of Collateral.** Lender has or upon proper recording of any financing statement, execution of any control agreement or delivery of Collateral to Lender's possession, will have and will continue to have as security for the Obligations, a valid and perfected Lien on and security interest in all Collateral free of all other Liens, claims and rights of third parties whatsoever except Permitted Liens.

4.18. **Commercial Purpose.** The Loan is not a "consumer transaction" as defined in the Uniform Commercial Code and none of the Collateral was or will be purchased or held primarily for personal, family or household purposes.

4.19. **Survival; Updates of Representations and Warranties.** All representations and warranties contained in or made in connection with this Agreement and the other Loan Documents shall survive the Closing and any advance made hereunder. Lender acknowledges and agrees that any and all representations and warranties contained in or made under or in connection with this Agreement may be amended, changed or otherwise modified by Borrowers, with the consent of Lender, at any time and from time to time after the Closing so as to accurately reflect the matters represented and warranted therein; provided, that such amendments, changes and/or modifications are disclosed in writing to and approved by Lender. Lender shall have no obligation to waive any Event of Default due to any present or future inaccuracy of such representation or warranty or to agree to any amendment, change, or modification of such representation or warranty.

4.20. **Easements – Continuing Validity.** To the Borrower's knowledge, each Easement owned by Borrowers is valid, existing and enforceable; there has not been, and there currently is not any event (with or without notice, lapse of time, or both with respect thereto) that would result in the termination, impairment, or limitation of any such Easement; no future payments of any kind are due under any Easement in order to maintain its existence; each Easement is perpetual; and the continuation, validity, and enforceability of each Easement will not be disturbed by the transaction contemplated herein.

5. CONDITIONS OF LENDING

Unless Lender shall otherwise agree, Lender shall have no obligation to advance any funds to Borrowers hereunder unless each of the following conditions precedent shall be satisfied as provided below:

5.1. **Documents.** There shall have been delivered to Lender, appropriately completed and duly executed (when applicable), the following, each in form and substance satisfactory to Lender:

(a) Note A, Note B, Note C, Note D, Note E, Note F, this Agreement, the Loan Guaranty Agreements and the Mortgages.

(b) Resolutions from the Borrowers in form and content acceptable to Lender authorizing Borrowers to enter into the Loans.

(c) Certificate of Good Standing of each non-individual Borrower issued by the State of organization.

(d) Evidence satisfactory to Lender that all insurance coverages and all insurance clauses or endorsements required pursuant to this Agreement and the Loan Documents are in effect, together with copies of all insurance policies and endorsements.

5.2. **No Default.** At Closing and at the time of every subsequent advance upon Note B or Note F, Lender shall be fully satisfied that (a) all of the covenants, conditions, warranties and representations set forth herein and in the Loan Documents have been complied with and are true and complete on and as of such time with the same effect as though such covenants, conditions, warranties and representations had been made on and as of such time, (b) no Event of Default nor any event which, upon the giving of notice and/or the lapse of time, could constitute an Event of Default shall have occurred, and (c) the documents and matters required to be executed, delivered, opined and/or Certified pursuant to Subsection 5.1 hereof shall be in full force and effect and/or true and complete, as the case may be.

5.3. **Legal Matters.** At Closing, all legal matters in connection therewith or incidental thereto shall be fully satisfactory to Lender's counsel.

6. AFFIRMATIVE COVENANTS

Borrowers covenant and agree with Lender that, until (a) all Obligations have been paid in full, (b) there exists no commitment by Lender which could give rise to any Obligations, and (c) all appropriate termination statements have been filed terminating the security interest granted Lender hereunder, Borrowers will:

6.1. Financial Statements:

(a) **Annual Statements.** (i) **Borrowers.** As soon as available, and in any event within one hundred twenty (120) days after the end of each fiscal year, the Borrower shall provide to Lender complete annual reviewed consolidated financial statements (consisting of a balance sheet, income statement, cash flow statements, accounts receivable aging, accounts payable aging, and a schedule of notes payable with a description of the debt, note terms, and payment amounts), all in form and scope acceptable to Lender. These financial statements shall include accounts wherever maintained as of the end of such fiscal year. Said review shall be performed by a Certified Public Accountant firm acceptable to Lender. (ii) **Guarantors.** Within one hundred twenty (120) days after the end of each calendar year, the Guarantors shall provide to Lender their respective complete financial statements (consisting of a balance sheet, income statement and net worth statement), all in form acceptable to Lender.

(b) **Quarterly Financial Statements.** Within thirty (30) days of each calendar quarter end, Borrowers shall provide to Lender complete certified consolidated financial statements (consisting of a balance sheet, income statement, cash flow statement,

accounts receivable aging, and accounts payable aging, and a schedule of notes payable with a description of the debt, note terms, and payment amounts, all in form and scope acceptable to Lender). The financial statements shall include accounts wherever maintained as of the end of such fiscal quarter. The financial statements shall be certified by Borrower to be accurate and complete.

(c) Tax Returns. Within thirty (30) days of the tax submittal deadline each Borrower and Guarantor shall provide to Lender a copy of their respective filed federal income tax return (with all schedules) for the prior calendar year. If extensions are filed said filer shall provide to Lender a copy of the extension applications.

(d) Monthly Account Receivable Aging Report. Within thirty (30) days of each month-end, Borrowers shall provide to Lender a complete accounts receivable report.

(e) Annual Customer Report. Upon request of Lender, but less often than annually, within one hundred twenty (120) days of the end of each fiscal year, Borrowers shall provide to Lender a complete Customer Report consisting of all account numbers, names, addresses, further indicating whether the account is delinquent, if so further detailing the delinquency, to the extent it will not violate the Corporation Commission's customer privacy limitations.

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(f) Equipment Report. Upon request of Lender, but in no event less often than annually, within one hundred twenty (120) days of the end of each fiscal year, Borrowers shall provide to Lender a complete Equipment Report consisting of all machinery, equipment, and rolling stock owned by Borrowers.

(g) Additional Financial Reports. Upon request of Lender, Borrowers shall provide Financial Statements of any or all companies owned or managed by Borrowers in such form and substance and at such times as requested by Lender.

(h) Subordinated Indebtedness or Obligations: Until payment of the Loans, NUC, FCFA, NOK3, NALLC, NWLLC, NTNNG, and NKYNG shall be made, Borrowers shall not incur any indebtedness or obligation to any stockholder, owner, officer, or affiliate without the prior written consent of Lender.

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(i) Other Information. Such other information concerning the financial affairs of the Borrowers or others as the Lender might request from time to time.

6.2. **Taxes.** Pay and discharge all taxes, assessments and governmental charges levied upon Borrowers, their income and properties, prior to the date on which penalties attach, unless and to the extent only that the same are being diligently contested by Borrowers in good faith in the normal course of business by appropriate proceedings, provided, however, that: (a) Lender shall have been given reasonable prior written notice of intention to contest; (b) nonpayment of the same will not, in Lender's sole discretion, materially impair any of the Collateral or Lender's rights

or remedies with respect thereto or the prospect for full and punctual payment of all of the Obligations; (c) Borrowers at all times effectively stays or prevents any official or judicial sale of or action or filing against any of the Collateral by reason of nonpayment of the same; and (d) Borrowers establishes reasonable reserves for any liabilities being contested and for expenses arising out of such contest.

6.3. Corporate Existence, Continuation of Business and Compliance with Laws. Maintain its corporate existence in good standing; continue its business operations as now being conducted; and comply with all applicable federal, State and local laws, rules, ordinances, regulations and orders unless and to the extent only that the validity or applicability thereof is being diligently contested by Borrowers in good faith by appropriate proceedings, provided, however, that: (a) Lender shall have been given reasonable prior written notice of intention to contest; (b) such noncompliance will not, in Lender's sole discretion, materially impair any of the Collateral or Lender's rights or remedies with respect thereto or the prospect for full and punctual payment of all of the Obligations; (c) Borrowers at all times effectively stays or prevents any official or judicial sale of or action or filing against any of the Collateral by reason of such noncompliance; and (d) Borrowers establishes reasonable reserves for any liabilities or expenses which may arise out of such noncompliance and contest.

6.4. Extraordinary Loss. Promptly notify Lender in writing of any event causing extraordinary loss or depreciation of the value of Borrowers' assets (whether or not insured) and the facts with respect thereto.

6.5. Books and Records. Keep and maintain proper and current books and records in accordance with GAAP and permit access by Lender to, reproduction by Lender of and copying by Lender from, such books and records during normal business hours. All reasonable costs and expenses of such inspections and examinations shall be paid by Borrowers.

6.6. Conferences with Officers. Permit Lender to discuss Borrowers' affairs, finances, and accounts with any officers of Borrowers.

6.7. Maintenance of Properties. Maintain all properties and improvements necessary to the conduct of its business in good working order and condition, ordinary wear and tear excepted, and cause replacements and repairs to be made when necessary for the proper conduct of its business.

6.8. Patents, Franchises, etc. Maintain, preserve and protect all licenses, patents, franchises, trademarks, and trade names of Borrowers or licensed by Borrowers which are necessary to the conduct of the business of Borrowers as now conducted, free of any conflict with the rights of any other person.

6.9. Insurance. Maintain with duly licensed insurers and in amounts satisfactory to Lender such insurance on Borrowers' tangible personal property against such risks and with such loss deductible amounts as may be satisfactory to Lender.

6.10. **Evidence of Insurance.** Deliver to Lender from time to time, and periodically if Lender shall so require, evidence satisfactory to Lender that all insurance and endorsements required pursuant to this Agreement and the Loan Documents are in effect.

6.11. **Further Assurances and Corrective Instruments.** Promptly execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, to Lender from time to time such supplements hereto and such financing statements and other instruments and documents as may be requested by Lender to protect and preserve the Collateral, Lender's security interest therein, perfection of Lender's security interest and/or Lender's rights and remedies hereunder.

6.12. **Financial Information.** Deliver to Lender promptly upon Lender's request, and periodically if Lender shall so require, such written statements, schedules or reports (which shall be Certified if required by Lender) in such form, containing such information and accompanied by such documents as may be satisfactory to Lender from time to time concerning the Collateral, Borrowers' financial condition or business operations or any other matter or matters, including, without limitation, copies of federal, State and local tax returns of Borrowers, and permit Lender, its agents and designees, to discuss Borrowers' financial condition and business operations with Borrowers' officers and employees.

6.13. **Notice of Event of Default.** Immediately notify Lender in writing of the occurrence of any Event of Default or any event or existing condition which, with the giving of notice and/or the lapse of time, could constitute an Event of Default or which might materially and adversely affect the financial conditions or operations of Borrowers and the facts with respect thereto.

6.14. **ERISA.** (a) At all times maintain its employee pension benefit plans, if any, as that term is defined in Section 3(2) of the Employee Retirement Income Security Act of 1974, as amended from time to time ("ERISA"), in conformity with all applicable provisions of ERISA and other federal and State statutes relating to employee benefit plans; (b) at all times make prompt payments of contributions required to meet the minimum funding standards set forth in Sections 302 and 305 of ERISA with respect to each such plan; (c) if requested by Lender, promptly after the filing thereof, furnish to Lender copies of each annual report required to be filed pursuant to Section 103 of ERISA in connection with each such plan for each plan year, including any certified financial statements or actuarial statements required pursuant to said Section 103; (d) notify Lender immediately of any fact, including, without limitation, any "Reportable Event" (as that term is defined in Section 4043(b) of ERISA) arising in connection with any such plan which might constitute grounds for the termination thereof by the Pension Benefit Guaranty Corporation or for the appointment by the appropriate United States District Court of a trustee to administer the plan; and (e) furnish to Lender, promptly upon its request therefor such additional information concerning any such plan as Lender may request.

6.15. **Field Audits.** Lender may, as it deems necessary, conduct audits of Borrowers' business.

6.16. **Continuance of Business.** Continue to operate the business as set forth in

Borrowers' loan application to Lender and not to acquire or operate any non-energy infrastructure business enterprise without Lender's prior consent.

6.17. **Proceeds.** Use of the proceeds of advances hereunder only for the purposes set forth herein and to pay the costs, expenses and fees payable by Borrowers under this Agreement and the other Loan Documents.

6.18. **Hazardous Materials: Contamination.** Borrowers agrees to, (a) promptly take action to comply with any Laws requiring the removal, treatment or disposal of Hazardous Materials or Hazardous Materials Contamination and provide Lender with satisfactory evidence of such action, which action must be in all respects sufficient to avoid any penalty, assessment or notice of non-compliance with any required remedial or corrective action on the part of any Governmental Authority; (b) provide Lender, within 30 days after a demand by Lender, with a bond, letter of credit or similar financial assurance evidencing to Lender's reasonable satisfaction that the necessary funds are available to pay the cost of removing, treating and disposing of Hazardous Materials described in item (a) or Hazardous Materials Contamination and discharging any Lien which may be established as a result thereof on any property owned or controlled by Borrowers or for which Borrowers are responsible; and (c) defend, indemnify and hold harmless Lender and its employees, trustees, successors and assigns from any and all claims which may now or in the future (whether before or after the termination of this Agreement) be asserted as a result of the presence of any Hazardous Materials on any property owned or controlled by Borrowers or for which Borrowers are responsible for any Hazardous Materials Contamination.

6.19. **Lender as Depository.** Borrowers shall maintain Lender as its principal depository for deposits and other commercial accounts.

7. NEGATIVE COVENANTS

Borrowers covenant and agree with Lender that, until (a) all Obligations have been paid in full and (b) there exists no commitment by Lender which could give rise to any Obligations, Borrowers will not, directly or indirectly, without Lender's prior written consent:

7.1. **Indebtedness.** Create, incur, assume or permit to exist, directly or indirectly, any Indebtedness except: (a) Indebtedness to Lender; (b) trade indebtedness (which shall not include any borrowing, or notes given in settlement of trade indebtedness) incurred in the ordinary course of business and not in dispute or more than thirty days past due; (c) existing Indebtedness previously disclosed by Borrowers to Lender in writing; (d) Indebtedness for the purchase of equipment; (e) Debt of one Borrower to another Borrower; and (f) Indebtedness which shall be consented to by Lender in writing in advance, in Lender's sole but reasonable discretion, and if required by Lender, subordinated to the Obligations by a written agreement satisfactory to Lender in form and substance.

7.2. **Liens.** Except for Permitted Liens, create, incur, assume, or permit to exist, directly or indirectly, any Lien upon any of the Collateral.

7.3. **Merger.** Enter into or be a party to any merger, consolidation, reorganization,

or exchange of stock or assets.

7.4. **Sale of Assets, etc.** Sell, assign, transfer, convey or lease any interest in all or any substantial part of its property except in the ordinary course of Borrowers' businesses as now being conducted.

7.5. **Investments.** Make any capital contribution to any other person or purchase or acquire a beneficial interest in any stock, securities or evidences of Indebtedness of, or make any investment or acquire any interest in, any other person, except investments in federally insured certificates of deposit, investments in direct obligations of the United States of America maturing within one year from the date of acquisition or investments as follows:

7.5.1 Investments existing on the Closing Date;

7.5.2 Advances to officers, directors and employees of the Borrowers in an aggregate amount not to exceed [REDACTED] at any time outstanding, for travel, entertainment, relocation and analogous ordinary business purposes;

7.5.3 Investments of a Borrower in another Borrower;

7.5.4 Investments consisting of extensions of credit in the nature of accounts receivable or notes receivable arising from the grant of trade credit in the ordinary course of business, and investments received in satisfaction or partial satisfaction thereof from financially troubled account debtors to the extent reasonably necessary in order to prevent or limit loss; and

7.5.5 Other investments (including acquisitions) not exceeding [REDACTED] in the aggregate in any fiscal year.

7.6. **Subsidiaries.** Within the State of Oklahoma, organize or cause to exist any Subsidiaries without Lender's prior written consent, which consent may be conditioned, without limitation, upon the granting by such Subsidiary of a guarantee of payment of the Note and all other indebtedness of Borrowers to Lender. Lender shall have the right at any time and from time to time at its sole discretion to require any existing Subsidiaries to guarantee the Obligations.

7.7. **Change of Name.** Change the name of any of the Borrowers.

7.8. **ERISA Compliance.** Engage in any "prohibited transaction" (as defined in Section 406 or Section 2003(a) of ERISA and not otherwise exempted under Title I, Part 4 of ERISA), any "accumulated funding deficiency" (as defined in Section 302 of ERISA), whether or not waived, or terminate any pension plan in a manner which could result in the imposition of a Lien on the property of Borrowers pursuant to Section 4068 of ERISA.

7.9. **Sale of Stock.** Sell, convey, transfer, assign, pledge or otherwise encumber any of the stock or membership interests of any of the Borrowers to any person. However, the

transfer of stock or membership interests between and/or among shareholders and/or members of Borrowers shall be permitted.

7.10. **Loans and Guaranties.** Make advances to any other person or guarantee, endorse or otherwise be or become liable or contingently liable in connection with the obligations or Indebtedness of any other person, firm or corporation, directly or indirectly, except:

(i) as an endorser of negotiable instruments for the payment of money deposited to Borrowers' Lender account for collection in the ordinary course of business;

(ii) trade credit extended in the ordinary course of Borrowers' business; or

(iii) advances made in the usual course of business to officers and employees of Borrowers for travel and other out-of-pocket expenses incurred by them on behalf of Borrowers in connection with such business.

8. **EVENTS OF DEFAULT**

The occurrence of any one or more of the following events shall constitute an "Event of Default":

8.1. **Failure to Pay.** The failure of Borrowers to pay any of the Obligations as and when due and payable (whether by acceleration, declaration, extension or otherwise).

8.2. **Covenants and Agreements.** The failure of Borrowers to perform, observe or comply with any of the covenants of this Agreement or any of the Loan Documents.

8.3. **Information, Representations, and Warranties.** If any material representation or warranty made herein or if any material information contained in any financial statement, application, schedule, report or any other document given by Borrowers, or by any person in connection with the Obligations, with the Collateral, or with any of the Loan Documents is not in all material respects true and accurate or if Borrowers, or such other person omitted to state any material fact or any fact necessary to make such information not misleading.

8.4. **Default under Loan Documents.** The occurrence of an Event of Default under any of the Loan Documents constitutes a default under all Loan Documents.

8.5. **Default on Other Obligations.** The occurrence of any default under any other borrowing if the result of such default would permit the acceleration of the maturity of any note, loan or other agreement between Borrowers and any person other than Lender but only if said default is not cured within ninety (90) days after the other persons' acceleration of said obligation.

8.6. **Insolvency.** Borrowers shall be or become insolvent (as defined in Section 101 of the United States Bankruptcy Code) or unable to pay their debts as they become due, or admit in writing to such insolvency or to such inability to pay their debts as they become due.

8.7. **Involuntary Bankruptcy.** There shall be filed against any of the Borrowers an involuntary petition or other pleading seeking the entry of a decree or order for relief under the United States Bankruptcy Code or any similar federal or state insolvency or similar laws ordering: (a) the liquidation of any of the Borrowers, or (b) a reorganization of any of the Borrowers, or the business and affairs of any of the Borrowers, or (c) the appointment of a receiver, liquidator, assignee, custodian, trustee or similar official for Borrowers, any Guarantor or other Obligor of the property of Borrowers, the Guarantor or such Obligor and the failure to have such petition or other pleading denied or dismissed within 45 calendar days from the date of filing.

8.8. **Voluntary Bankruptcy.** The commencement by Borrowers or any of the m of a voluntary case under the federal Bankruptcy laws or any federal or state insolvency or similar laws or the consent by Borrower, or any of them to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian or similar official of any of the property of any of the Borrowers, or the making by any of the Borrowers of an assignment for the benefit of Lenders, or the failure by any of the Borrowers generally to pay their debts as the debts become due.

8.9. **Judgments, Awards.** The entry of any judgment, order, award or decree against any of the Borrowers, and a determination by Lender, in good faith that the same, when aggregated with all other judgments, orders, awards and decrees outstanding against any of the Borrowers could have a material adverse effect on the prospect for Lender to fully and punctually realize the full benefits conferred upon Lender by this Agreement.

8.10. **Injunction.** The injunction or restraint of any of the Borrowers in any manner from conducting its business in whole or in part and a determination by Lender, in good faith that the same could have a material adverse effect on the prospect for Lender to fully and punctually realize the full benefits conferred upon Lender by this Agreement.

8.11. **Attachment by Lenders.** Any assets of any of the Borrowers shall be attached, levied upon, seized or repossessed, or come into the possession of a trustee, receiver or other custodian and a determination by Lender, in good faith, that the same could have a material adverse effect on the prospect for Lender to fully and punctually realize the full benefits conferred upon Lender by this Agreement.

8.12. **Dissolution, Merger, Consolidation, Reorganization.** The voluntary or involuntary dissolution, merger, consolidation, winding up, or reorganization of any of the Borrowers or the occurrence of any action preparatory thereto.

8.13. **Adverse Change in Financial Condition.** The determination in good faith by Lender that a material adverse change has occurred in the financial condition of any of the Borrowers from the conditions set forth in the most recent financial statement of said Borrower, heretofore furnished to Lender or from the financial condition of any of the Borrower or any Guarantor as heretofore most recently disclosed to Lender in any other manner.

8.14. **Adverse Change in Value of Collateral.** The determination in good faith by

Lender that the security for the Obligations is or has become inadequate.

8.15. **Prospect of Payment or Performance.** The determination in good faith by Lender that the prospect for payment or performance of any of the Obligations is impaired for any reason.

9. RIGHTS AND REMEDIES

9.1. **Rights and Remedies of Lender.** Upon and after the occurrence of an Event of Default, Lender may exercise in any jurisdiction in which enforcement hereof is sought, the following rights and remedies, in addition to the rights and remedies available to Lender under the Loan Documents, the rights and remedies of a secured party under the Uniform Commercial Code and all other rights and remedies available to Lender under applicable law, all such rights and remedies being cumulative and enforceable alternatively, successively or concurrently provided, however, that in the case of any Event of Default referred to in Sections 8.6, 8.7 and 8.8 above the unpaid principal balance of the Notes, together with all accrued and unpaid interest and all other Obligations then outstanding shall be automatically due and payable by Borrowers to Lender without notice, presentment or demand:

(a) Declare the Notes, all interest accrued and unpaid thereon and all other Obligations to be immediately due and payable and the same shall thereupon become immediately due and payable without presentment, demand for payment, protest or notice of any kind, all of which are hereby expressly waived.

(b) Institute any proceeding or proceedings to enforce the Obligations and any Liens of Lender.

(c) Take possession of the Collateral, and for that purpose, so far as Borrowers may give authority therefor, enter upon any premises on which the Collateral or any part thereof may be situated and remove the same therefrom without any liability for suit, action or other proceeding, BORROWERS HEREBY WAIVING ANY AND ALL RIGHTS TO PRIOR NOTICE AND TO JUDICIAL HEARING WITH RESPECT TO REPOSSESSION OF COLLATERAL, and require Borrowers, at Borrowers' expense, to assemble and deliver the Collateral to such place or places as Lender may designate.

(d) Operate, manage and control the Collateral (including use of the Collateral and any other property or assets of Borrowers in order to continue or complete performance of Borrowers' obligations under any contracts of Borrowers), or permit the Collateral or any portion thereof to remain idle or store the same, and collect all rents and revenues therefrom and sell or otherwise dispose of any or all of the Collateral upon such terms and under such conditions as Lender, in its sole discretion, may determine, and purchase or acquire any of the Collateral at any such sale or other disposition, all to the extent permitted by applicable law.

(e) Enforce Borrowers' rights against any account debtors and other

obligors.

(f) Cease making advances under any of the Notes and under any other commitments or credit accommodations of Lender to any of the Borrowers and stop and retract the making of any advance hereunder or thereunder which may have been requested by any of the Borrowers.

9.2. **Power of Attorney.** Effective upon the occurrence of an Event of Default, each of the Borrowers hereby designate and appoint Lender and its designees as attorney-in-fact of said Borrowers, irrevocably and with power of substitution, with authority to endorse the respective Borrower's name on any notes, acceptances, checks, drafts, money orders, instruments or other evidences of payment or proceeds of the Collateral that may come into Lender's possession; to execute proofs of claim and loss; to adjust and compromise any claims under insurance policies; and to perform all other acts necessary and advisable, in Lender's sole discretion, to carry out and enforce this Agreement and the Loan Documents. All acts of said attorney or designee are hereby ratified and approved by each of the Borrowers and said attorney or designee shall not be liable for any acts of commission or omission nor for any error of judgment or mistake of fact or law. This power of attorney is coupled with an interest and is irrevocable so long as any of the Obligations remain unpaid or unperformed or there exists any commitment by Lender which could give rise to any Obligations.

9.3. **Notice of Disposition of Collateral.** It is mutually agreed that commercial reasonableness and good faith require Lender to give Borrowers no less than ten (10) days prior written notice of the time and place of any public disposition of Collateral or of the time after which any private disposition or any other intended disposition is to be made. It is mutually agreed that it is commercially reasonable for Lender to disclaim all warranties which arise with respect to the disposition of the Collateral.

9.4. **Costs and Expenses.** Upon the occurrence of an Event of Default, Borrowers agree to pay to Lender on demand the amount of all reasonable expenses paid or incurred by Lender in consulting with counsel concerning any of its rights hereunder, under the Loan Documents or under applicable law, all expenses, including reasonable attorneys' fees and court costs paid or incurred by Lender in exercising or enforcing any of its rights hereunder, under the Loan Documents or under applicable law together with interest on all such expenses paid by Lender at an interest rate of [REDACTED] percent ([REDACTED]%) per annum. The provisions of this Subsection shall survive the termination of this Agreement and Lender's security interest hereunder and the payment of all other Obligations.

10. MISCELLANEOUS

10.1. **Performance for Borrowers.** Each of the Borrowers agree and hereby authorize that Lender may, in Lender's sole discretion, but Lender shall not be obligated to, whether or not an Event of Default shall have occurred, advance funds on behalf of Borrowers, without prior notice to Borrowers, in order to insure Borrowers' compliance with any covenant, warranty, representation or agreement of Borrowers made in or pursuant to this Agreement or any of the Loan Documents, to continue or complete, or cause to be continued or completed, performance of Borrowers' obligations under any contracts of Borrowers, to cover overdrafts in any checking or

other accounts of Borrowers at Lender or to preserve or protect any right or interest of Lender in the Collateral or under or pursuant to this Agreement or any of the Loan Documents, including, without limitation, the payment of any insurance premiums or taxes and the satisfaction or discharge of any judgment or any Lien upon the Collateral or other property or assets of Borrowers; provided, however, that the making of any such advance by Lender shall not constitute a waiver by Lender of any Event of Default with respect to which such advance is made nor relieve Borrowers of any such Event of Default. Borrowers shall pay to Lender upon demand all such advances made by Lender with interest thereon at the rate of [REDACTED] percent ([REDACTED]%) per annum. All such advances shall be deemed to be included in the Obligations and secured by the security interest granted Lender hereunder; provided, however, that the provisions of this Subsection shall survive the termination of this Agreement and Lender's security interest hereunder and the payment of all other Obligations.

10.2. **Expenses.** Whether or not any of the transactions contemplated hereby shall be consummated, Borrowers agree to pay to Lender on demand the amount of all expenses paid or incurred by Lender (including the fees and expenses of its counsel) in connection with the preparation of all written commitments of Lender antedating this Agreement, this Agreement and the Loan Documents and all documents and instruments referred to herein and all expenses paid or incurred by Lender in connection with the filing or recordation of all financing statements and instruments as may be required by Lender at the time of, or subsequent to, the execution of this Agreement, including, without limitation, all documentary stamps, recordation and transfer taxes and other costs and taxes incident to recordation of any document or instrument in connection herewith. Borrowers agree to save harmless and indemnify Lender from and against any liability resulting from the failure to pay any required documentary stamps, recordation and transfer taxes, recording costs or any other expenses incurred by Lender in connection with this Agreement. The provisions of this Subsection shall survive the termination of this Agreement and Lender's security interest hereunder and the payment of all other Obligations.

10.3. **Applications of Payments and Collateral.** Except as may be otherwise specifically provided in this Agreement, all Collateral and proceeds of Collateral coming into Lender's possession and all payments made by any Obligor may be applied by Lender to any of the Obligations, whether matured or unmatured, as Lender shall determine in its sole but reasonable discretion. Lender may defer the application of non-cash proceeds of Collateral, including, but not limited to, non-cash proceeds collected under **Subsection 3.3** hereof, to the Obligations until cash proceeds are actually received by Lender.

10.4. **Waivers by Borrowers.** Borrowers hereby waive, to the extent the same may be waived under applicable law: (a) notice of acceptance of this Agreement; (b) all claims, causes of action and rights of Borrowers against Lender on account of actions taken or not taken by Lender in the exercise of Lender's rights or remedies hereunder, under the Loan Documents or under applicable law; (c) all claims of Borrowers for failure of Lender to comply with any requirement of applicable law relating to enforcement of Lender's rights or remedies hereunder, under the Loan Documents or under applicable law; (d) all rights of redemption of Borrowers with respect to the Collateral; (e) in the event Lender seeks to repossess any or all of the Collateral by judicial proceedings, any bond(s) or demand(s) for possession which otherwise may be necessary or required; (f) presentment, demand for payment, protest and notice of non-payment and all exemptions; (g) any

and all other notices or demands which by applicable law must be given to or made upon Borrowers by Lender; (h) settlement, compromise or release of the obligations of any person primarily or secondarily liable upon any of the Obligations; (i) trial by jury in any action or proceeding of any kind or nature in connection with any of the Obligations, this Agreement or any of the Loan Documents; and (j) substitution, impairment, exchange or release of any Collateral for any of the Obligations. Borrowers agree that Lender may exercise any or all of its rights and/or remedies hereunder, under the Loan Documents and under applicable law without resorting to and without regard to any Collateral or sources of liability with respect to any of the Obligations.

10.5. **Waivers by Lender.** Neither any failure nor any delay on the part of Lender in exercising any right, power or remedy hereunder, under any of the Loan Documents or under applicable law shall operate as a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or remedy.

10.6. **Lender's Setoff.** Lender shall have the right, in addition to all other rights and remedies available to it, following an Event of Default, to set off against any Obligations due Lender, any debt owing to any of the Borrowers by Lender, including, without limitation, any funds in any checking or other account now or hereafter maintained by Borrowers at Lender. Borrowers hereby confirm Lender's right to Lender's lien and setoff, and nothing in this Agreement or any of the Loan Documents shall be deemed a waiver or prohibition of Lender's right of Lender's lien and setoff.

10.7. **Modifications.** No modifications or waiver of any provision of this Agreement or any of the Loan Documents, and no consent by Lender to any departure by Borrowers therefrom, shall in any event be effective unless the same shall be in writing, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice to or demand upon Borrowers in any case shall entitle Borrowers to any other or further notice or demand in the same, similar or other circumstances.

10.8. **Notices.** Any notice or other communication in connection with this Agreement, if by registered or certified mail, shall be deemed to have been given when received by the party to whom directed, or, if by mail but not registered or certified, when deposited in the mail, postage prepaid, provided that any such notice or communication shall be addressed to a party hereto as provided below (or at such other address as such party shall specify in writing to the other parties hereto):

(a) If to Borrowers, at 3186-D Airway Avenue, Costa Mesa, CA 92626,
Attention: Thomas Hartline, President;

(b) If to Lender, at Lender 7, 1039 N.W. 63rd Street, Oklahoma City, OK
73116 Attention: Curt Trindle, Sr. Vice-President.

All notices shall be in writing, may be sent by telefacsimile (unless otherwise required by law) and shall be effective when actually delivered, or when deposited with a nationally recognized overnight courier, or if mailed shall be deemed effective when deposited in the United States mail

first class, certified or registered mail, postage prepaid, directed to the addresses provided herein.

10.9. Applicable Law and Consent to Jurisdiction. The performance and construction of this Agreement and the Loan Documents shall be governed by the internal laws of the State of Oklahoma. Borrowers agree that any suit, action or proceeding instituted against Borrowers with respect to any of the Obligations, the Collateral, this Agreement or any of the Loan Documents may be brought in any court of competent jurisdiction located in the State of Oklahoma. By its execution hereof, Borrowers hereby irrevocably waive any objection and any right of immunity on the ground of venue, the convenience of the forum or the jurisdiction of such courts or from the execution of judgments resulting therefrom. Borrowers hereby irrevocably accept and submit to the jurisdiction of the aforesaid courts in any such suit, action, or proceeding.

10.10. Survival: Successors and Assigns. All covenants, agreements, representations and warranties made herein and in the Loan Documents shall survive the execution and delivery hereof and thereof, shall survive Closing and shall continue in full force and effect until all Obligations have been paid in full, there exists no commitment by Lender which could give rise to any Obligations and all appropriate termination statements have been filed terminating the security interest granted Lender hereunder. Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party. In the event that Lender assigns the Note, this Agreement and/or its security interest in the Collateral, Lender shall give written notice to Borrowers of any such assignment. All covenants, agreements, representations, and warranties by or on behalf of Borrowers which are contained in this Agreement and the Loan Documents shall inure to the benefit of Lender, its successors and assigns. Borrowers may not assign this Agreement or any of its rights hereunder without the prior written consent of Lender.

10.11. Severability. If any term, provision or condition, or any part thereof, of this Agreement or any of the Loan Documents shall for any reason be found or held invalid or unenforceable by any court or governmental agency of competent jurisdiction, such invalidity or unenforceability shall not affect the remainder of such term, provision or condition nor any other term, provision or condition, and this Agreement and the Loan Documents shall survive and be construed as if such invalid or unenforceable term, provision or condition had not been contained therein.

10.12. Merger and Integration. This Agreement and the attached Schedules (if any) contain the entire agreement of the parties hereto with respect to the matters covered and the transactions contemplated hereby, and no other agreement, statement or promise made by any party hereto, or by any employee, officer, agent or attorney of any party hereto, which is not contained herein shall be valid or binding.

10.13. WAIVER OF JURY TRIAL. BORROWERS HEREBY (a) COVENANT AND AGREE NOT TO ELECT A TRIAL BY JURY OF ANY ISSUE TRIABLE OF RIGHT BY A JURY, AND (b) WAIVE TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO WHICH LENDER AND BORROWERS MAY BE PARTIES, ARISING OUT OF, IN CONNECTION WITH OR IN ANY WAY PERTAINING TO THIS AGREEMENT, ANY OF

THE LOAN DOCUMENTS AND/OR ANY TRANSACTIONS, OCCURRENCES, COMMUNICATIONS OR UNDERSTANDINGS (OR THE LACK OF ANY OF THE FOREGOING) RELATING IN ANY WAY TO THE BORROWER-LENDER RELATIONSHIP BETWEEN THE PARTIES. IT IS UNDERSTOOD AND AGREED THAT THIS WAIVER CONSTITUTES A WAIVER OF TRIAL BY JURY OF ALL CLAIMS AGAINST ALL PARTIES TO SUCH ACTIONS OR PROCEEDINGS, INCLUDING CLAIMS AGAINST PARTIES WHO ARE NOT PARTIES TO THIS SECURITY AGREEMENT. THIS WAIVER OF JURY TRIAL IS SEPARATELY GIVEN, KNOWINGLY, WILLINGLY, AND VOLUNTARILY MADE BY BORROWERS AND BORROWERS HEREBY AGREE THAT NO REPRESENTATIONS OF FACT OR OPINION HAVE BEEN MADE BY ANY INDIVIDUAL TO INDUCE THIS WAIVER OF TRIAL BY JURY OR TO IN ANY WAY MODIFY OR NULLIFY ITS EFFECT. LENDER IS HEREBY AUTHORIZED TO SUBMIT THIS AGREEMENT TO ANY COURT HAVING JURISDICTION OVER THE SUBJECT MATTER AND BORROWERS AND LENDER, SO AS TO SERVE AS CONCLUSIVE EVIDENCE OF SUCH WAIVER OF RIGHT TO TRIAL BY JURY. BORROWERS REPRESENT AND WARRANT THAT IT HAS BEEN REPRESENTED IN THE SIGNING OF THIS AGREEMENT AND IN THE MAKING OF THIS WAIVER BY INDEPENDENT LEGAL COUNSEL, SELECTED OF ITS OWN FREE WILL, AND/OR THAT IT HAS HAD THE OPPORTUNITY TO DISCUSS THIS WAIVER WITH COUNSEL.

10.14. **Counterparts.** This Agreement may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of which, when so executed and delivered, shall be an original, but all such counterparts shall together constitute one and the same instrument.

10.15. **Headings.** The headings and sub-headings contained in the titling of this Agreement are intended to be used for convenience only and shall not be used or deemed to limit or diminish any of the provisions hereof.

10.16. **Recitals.** The Recitals hereto are hereby incorporated into and made a part of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed or caused this Agreement to be executed as of the date first above written.

BORROWERS/GUARANTORS: FORT COBB OKLAHOMA IRRIGATION FUEL AUTHORITY L.L.C., an Oklahoma limited liability company d/b/a FORT COBB FUEL AUTHORITY, L.L.C.

By: NAVITAS ASSETS, L.L.C., a Delaware limited liability company, its Manager

By: NAVITAS UTILITY CORPORATION, a Nevada corporation, its Manager

By: 
THOMAS E. HARTLINE, President

NAVITAS ASSETS, L.L.C., a Delaware limited liability company

By: NAVITAS UTILITY CORPORATION, a Nevada corporation, its Manager

By: 
THOMAS E. HARTLINE, President

NAVITAS UTILITY CORPORATION, a Nevada corporation

By: 
THOMAS E. HARTLINE, President

NAVITAS OK3, LLC, an Oklahoma limited liability company

By: NAVITAS UTILITY CORPORATION, a Nevada corporation, its Manager

By: 
THOMAS E. HARTLINE, President

NAVITAS-WINSTAR, L.L.C., an Oklahoma limited liability company

By: 
THOMAS E. HARTLINE, President

NAVITAS TN NG, LLC, a Tennessee limited liability company

By: NAVITAS UTILITY CORPORATION, a Nevada corporation, its Manager

By: 
THOMAS E. HARTLINE, President

NAVITAS KY NG, LLC, a Kentucky limited liability company

By: NAVITAS UTILITY CORPORATION, a Nevada corporation, its Manager

By: 
THOMAS E. HARTLINE, President

GUARANTORS:

RICHARD VARNER, an individual



THOMAS E. HARTLINE, an individual

LENDER:

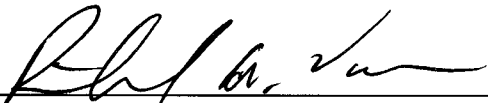
BANK 7



By:

CURT TRINDLE, Sr. Vice-President

GUARANTORS:



RICHARD VARNER, an individual

THOMAS E. HARTLINE, an individual

LENDER:

BANK 7

By: _____
CURT TRINDLE, Sr. Vice-President

SCHEDULE 1

Borrowers' Collateral

1. All of each Borrower's interests, if any, now owned or hereafter acquired, in and to the Equipment, Fixtures, Easements, Right-of-Ways, Pipelines, minerals, oil and gas interests, and the Easements and Right-of-ways associated therewith, including the following hereafter described Pipelines, Equipment, Fixtures, Easements, Right-of-ways, minerals, oil and gas, Inventory, and all of any Borrower's right, title, and interest, now owned or hereafter acquired, in and to those certain contracts and/or agreements (accounts) hereafter described, including but not limited to the following:

All Inventory, Chattel Paper, Accounts, Equipment, General Intangibles, Fixtures, and Pipelines including but not limited to all office furniture, computers, and all accounts receivable, fixtures, minerals, oil and gas, and oil and gas leasehold interests. For purposes herein, Pipelines shall mean and include all of each Borrower's interest, if any, in and to those gas pipeline systems in the State of Oklahoma or wherever located if and when acquired, associated with the gathering and/or transportation of gas and the delivery of gas or residue gas to purchasers or transporter (as the same may now exist or as may hereafter be extended), including, but not by way of limitation, the Right-Of-Way Properties (as hereinafter defined) and all buildings, structures, attachments, fittings and fixtures, facilities, tools, materials, equipment, machinery, appliances, pipeline, piping, power lines, electrical systems, metering and calibration facilities, compressors, dehydrators, sponge units, instrument and equipment housing, equipment storage facilities, tank, engines, valves, traps, pumps, motors, instruments, fencing, expanders, heat exchangers, chillers, separators, tooling powers, boilers and reboilers, turbines, generators, meters and reabsorbers, flash towers, oil reclaimers, loading racks, injection facilities, accumulators, economizers, fans, condensers and valves, and appurtenances of every nature and kind with said Pipelines. For purposes herein, Right-Of-Way Properties shall mean and include all lands, easements, rights-of-way, leases, surface rights, servitudes, grants, permits, licenses, authorizations, privileges, franchises, consents, prescriptive rights, and other title and interest now or hereafter owned by any Borrower and now or hereafter necessary or useful for the construction and/or operation of the Pipelines. "Collateral" shall also specifically include the following items, to-wit:

- a. **LeAnn Gas System**: All of each Borrower's right, title and interest in and to the following assets:
 - i. The installed natural gas distribution pipelines (mainlines and service lines) owned by FCFA that comprise the LeAnn Gas System and the equipment and apparatus affixed thereto or used in its operation, as further described as follows:

Pipelines and Equipment

The System includes all installed natural gas distribution pipelines (main

lines and services lines) and the equipment or apparatus affixed thereto or used in its operation from the outlet side of the tap to the outlet side of the customer meters.

- ii. All natural gas contained in the System, including any and all line fill;
- iii. All Plans;
- iv. The amount of customer deposits for the provision of natural gas distribution services through the System, plus accrued interest thereon;
- v. All customer accounts and all books and records
- vi. The following accounts receivable (i) the Meter Reading Date Accounts Receivable (defined in the Asset Purchase Agreement) and (ii) the accounts receivable associated with any unpaid invoices for services provided to the System Customers and recorded on Borrowers' books as of the Meter Reading Date.
- vii. The Real Property described as follows:

The Real Property related thereto or used in its operation, including without limitation the following described Real Property:

S 53' of Lot 27, Block 5, Original Ochelata, Washington County, Oklahoma,
and

Southside of Lot 19, Block 107, Shidler, Osage County, Oklahoma

- viii. Easements of record, including specifically the following:

A section of land [REDACTED] wide immediately [REDACTED] of the east property line and immediately [REDACTED] property line of property located on the [REDACTED]

- b. Pipelines: [REDACTED] polyethylene pipelines approximately [REDACTED] feet and related interconnect facilities located in [REDACTED]

- c. Equipment and Fixtures:

- i. 12"x3' Peerless Vertical Separator, Model No. [REDACTED] and related station piping located on [REDACTED] Caddo County, Oklahoma (Enogex East Station),

- ii. 16"x5' Lester Moore Vertical Separator, Model No. [REDACTED] and related station piping located in [REDACTED] Caddo County, Oklahoma (Enogex East Station),
- iii. 6"x3' Peerless Vertical Separator, Model No. [REDACTED] and related station piping located in [REDACTED] Caddo County, Oklahoma (TRANSOK Station).

d. **Velma Municipal Gas System:**

- i. Pipelines: [REDACTED] miles of [REDACTED] services, and all equipment related thereto.
- ii. Equipment and Fixtures:
 - a. John Deere 4600HST serial # [REDACTED] and attachments
 - b. McElrow fusion machines
 - c. Detectors (excluding H₂S)
- iii. Meters, as follows:
[REDACTED]
- iv. Gas System tooling located at the VPWA yard and service truck (the service truck itself is not included)
- v. Gas system spare parts inventory located at the VPWA yard and service truck.
- vi. Easements over, under, and across the following tracts:

[REDACTED]

and

[REDACTED]

vii. Pipeline Easement (54-7675) dated February 13, 1992, from Wayne Barry Mills and Sharon Day Mills to Velma Public Works Authority, situated in Stephens County, State of Oklahoma, to-wit:

The East [REDACTED] feet of the following described real estate, to-wit: a tract of land beginning

[REDACTED]

viii. Grant of Easement for Pipeline dated July 30, 1996 from Hazel L. Newman to the Town of Velma, described as follows, to-wit:

[REDACTED]

ix. Right-of-way Easement dated January 22, 2008 from James A. Hall to the Town of Velma, described as follows, to-wit:

Right to enter upon the lands situated in Stephens County, State of Oklahoma, and more particularly described as follows:

[REDACTED]

- e. **Krebs Assets**: all of the assets of the Bankruptcy Estate of Public Gas Co, a/k/a Public Gas Company, a/k/a Public Gas Company, Inc., Case No. 07-80535, United States Bankruptcy Court for the Eastern District of Oklahoma, associated with a natural gas distribution system located in or near Krebs, Oklahoma (“Assets”), including: all rights-of-way; all pipelines; all equipment; all vehicles; all inventory (including inventory of natural gas); all customer lists; all rights under the Contract with Utility Management & Construction Co which was entered into before Bankruptcy with the approval of OCC; and all accounts receivable (whether pre- or post-filing of the Bankruptcy Case No. 07-80535); any claims against third parties relating to the operation of the Assets; and any claims against third parties under the United States Bankruptcy Code. The Assets do include all improvements located upon and under the hereafter described easements located in Pittsburg County, State of Oklahoma, below, in paragraph 6(G) and 6(H).
- f. **LeAnn** is a group of gas distribution systems known by various names as follows:
- i. South Coffeyville, Lenapah, Bowring, L&B and Mullendore segments:
 - (a) Union Gas
 - (b) Conner Gas
 - (c) Oklahoma Natural Gas
 - (d) LeAnn Gas
 - ii. Ochelata segment:
 - (a) Oklahoma Public Service
 - (b) Lucas Gas
 - (c) Raymond Lucas Water & Gas Company
 - (d) LeAnn Gas
 - iii. Oglesby segment:
 - (a) Lucas Gas
 - (b) Raymond Lucas Water & Gas Company
 - (c) LeAnn Gas
 - iv. New Harmony and Dewey segments:
 - (a) Lucas Gas
 - (b) LeAnn Gas
 - v. Shidler, Webb City, Town of Osage, Wesport segments:
 - (a) Baker Gas
 - (b) Midwest Gas
 - (c) LeAnn Gas
 - vi. Mulhall segments:
 - (a) Mulhall Natural Gas

- (b) LeAnn Gas
- vii. Pekham segments:
 - (a) Eckert Gas
 - (b) LeAnn Gas
- viii. Nelagony segment:
 - (a) Rural Gas District No. 1, Osage County
 - (b) LeAnn Gas

g. Dustin Public Works:

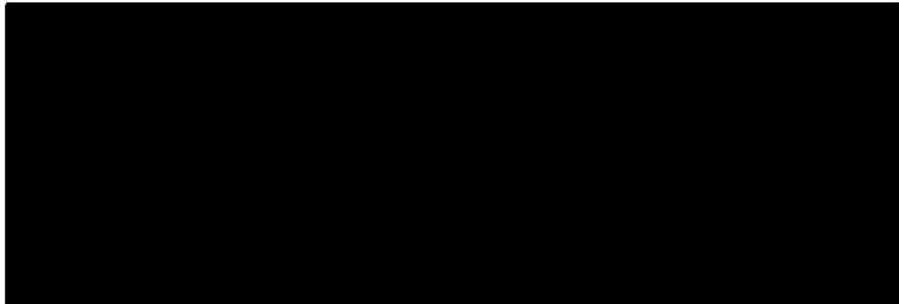
i. All existing materials and equipment owned formerly owned by the Dustin Public Works for the purpose of operating the Dustin Municipal Gas System located in Hughes County, Oklahoma, including the following:

- (a) [REDACTED]
- (b) [REDACTED]

ii. Pipelines: [REDACTED] miles of [REDACTED], and [REDACTED] quarter inch diameter natural gas pipeline from the transmission tap to the outlet side of the meters of Customers, including all above-ground facilities or structures, compressor stations, dehydration stations, and all valves, machinery, equipment, gauges, meters, fixtures, fittings and improvements related thereto.

iii. Easements, over and across the following described real property and premises situated in Hughes County, Oklahoma:

- (a) [REDACTED]
- (b) [REDACTED]
- (c) [REDACTED]
- (d) [REDACTED]



(e)



h. Kinta Public Works Authority:

i. Pipelines: [redacted] miles of [redacted] with [redacted] [redacted] up to an ONG supply point, and all equipment related thereto.

i. Greenfield Gas System (Texas-Kansas-Oklahoma Gas, LLC):

All assets sold by Texas-Kansas-Oklahoma Gas, LLC to Borrowers or any of them pursuant to the Asset Purchase Agreement dated August __, 2008.

j. Rimrock System (Centerpoint Energy Resources Corp):

See the Plant and Equipment List attached hereto as Exhibit B.

k. All of each respective Borrower's interest, if any, in and to the fixtures and equipment, which are or will be located on the property described as follows:

i. LeAnn: (Osage County and Washington County, Oklahoma)

The LeAnn Gas Company System includes all installed natural gas distribution pipelines (main lines and service lines) and the equipment or apparatus affixed thereto or used in its operation from the outlet side of the tap to the outlet side of the customer meters.

The LeAnn Gas Company System also includes all Real Property related thereto or used in its operation, including without limitation the following

described Real Property:

Tract 1:

A pipeline easement and right-of-way over, under, and across the following described real property and premises:

[REDACTED]

[REDACTED] Washington County, Oklahoma.

Tract 2:

[REDACTED] Original Ochelata, Washington County, Oklahoma

Tract 3:

Southside of Lot 19, Block 107, Shidler, Osage County, Oklahoma

ii. Dustin: (Hughes County, Oklahoma)

Tract 1:

Right-of-way Easement dated July 30, 1974 from Vernon E. Monroe and Blanche Monroe to the Dustin Public Works Authority.

A pipeline easement and right-of-way over, under, and across the following described real property and premises:

[REDACTED]

[REDACTED] East, Hughes County, Oklahoma.

Tract 2:

Right-of-way Easement dated July 27, 1974 from H.A. Helton and Bessie Helton to the Dustin Public Works Authority.

A pipeline easement and right-of-way over, under, and across the following described real property and premises:

[REDACTED]

Tract 3:

Right-of-way Easement dated July 29, 1974 from Harlan J. Bryant and

Edna M. Bryant to the Dustin Public Works Authority.

A pipeline easement and right-of-way over, under, and across the following described real property and premises:



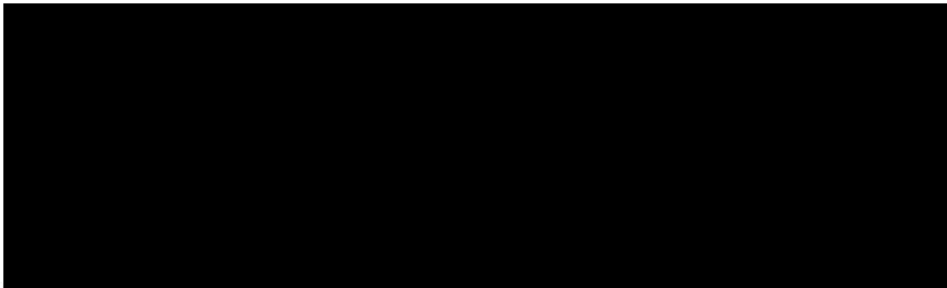
Tract 4:

Gas Pipeline Right-of-way Easement dated June 20, 2002, from Patsy R. Taylor and Curtis D. Taylor to the Town of Dustin.

A perpetual pipeline easement and right-of-way over, under, and across the following described real property and premises:



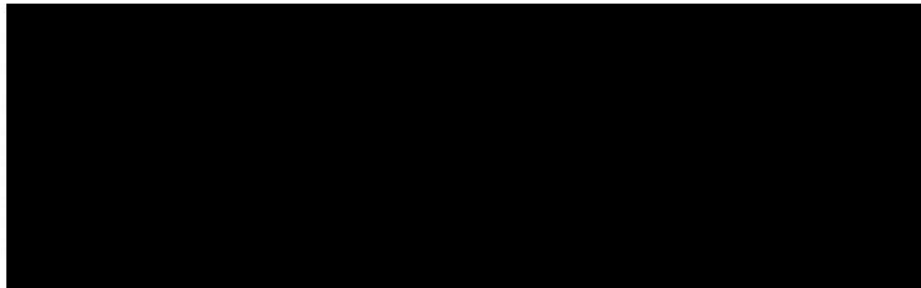
And



Tract 5:

Gas Pipeline Right-of-way Easement dated June 21, 2002, from Robert Lorton to the Town of Dustin.

A perpetual pipeline easement and right-of-way over, under, and across the following described real property and premises:



Section 15, at a point where this gas line easement connects to a pre-existing ONEX pipeline traversing the subject property.

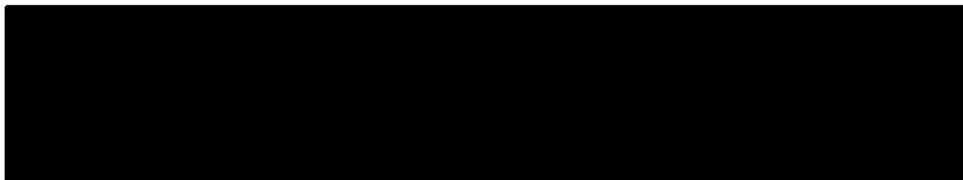
iii. **Kinta**: (Haskell County, Oklahoma)

Grant of Right-of-way for the repair, maintenance, operation, replacement, and/or installation of pipelines and other facilities that make up the local gas distribution system with the town limits of Kinta, dated March 31, 2009 from the Kinta Public Works Authority to Borrowers, Haskell County, Oklahoma.

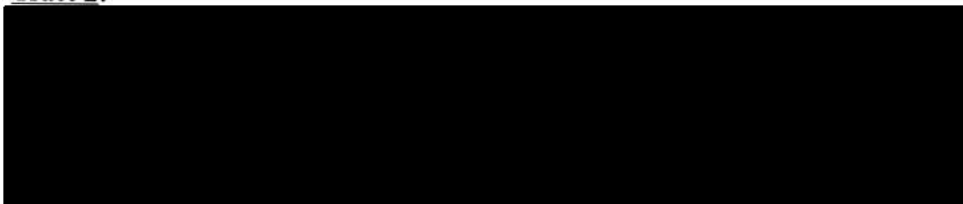
iv. **Velma**: (Stephens County, Oklahoma)

Tract 1:

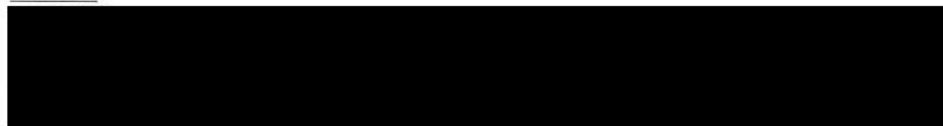
An Easement located in the Southeast Quarter of the Southeast Quarter of the Northeast Quarter (SE/4 SE/4 NE/4) of Section 24, Township 1 South, Range 5 West, Stephens County, Oklahoma, to-wit:



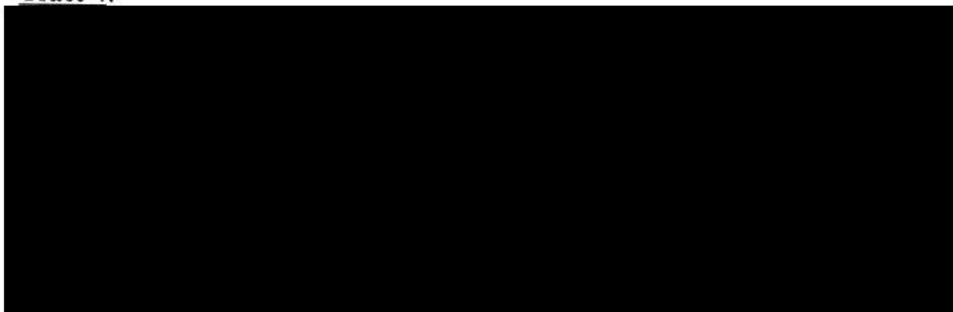
Tract 2:

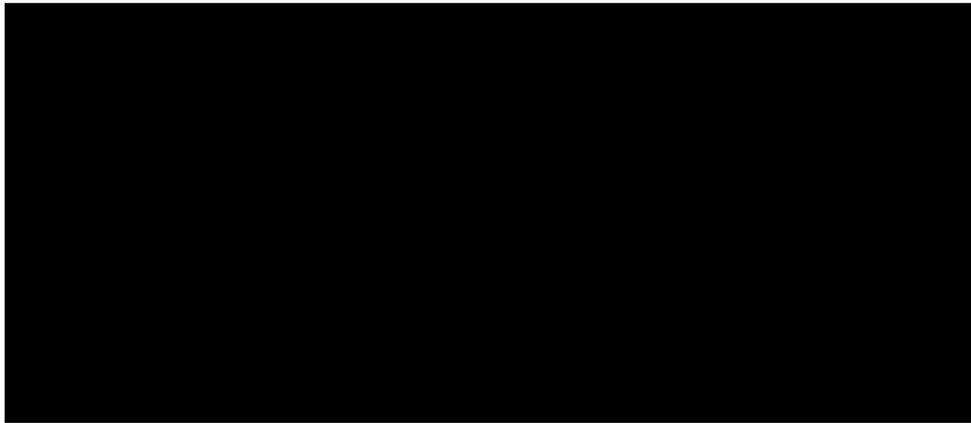


Tract 3:



Tract 4:





Tract 5:

An easement over, under, and across the following tract:



and right-of-way of record.

Tract 6:

Pipeline Easement (54-7675) dated February 13, 1992 from Wayne Barry Mills and Sharon Day Mills to Velma Public Works Authority.

Tract 7:

Grant of Easement for Pipeline dated July 31, 1996 from Hazel L. Newman to the Town of Velma.

Tract 8:

Right-of-way Easement dated January 22, 2008 from James A. Hall to the Town of Velma.

2. Pledge of all Membership Interests in Navitas TN NG, LLC, Navitas KY NG, LLC, Navitas Assets, LLC, Fort Cobb Oklahoma Irrigation Fuel Authority, LLC d/b/a Fort Cobb Fuel Authority, LLC, Navitas OK3, LLC, and Navitas-Winstar, LLC, and shares of stock in Navitas Utility Corporation.
3. **Assignment of Rights Under Purchase Agreements.** Effective _____, Borrowers executed and delivered to Lender those certain Assignment of Rights Under Purchase Agreements as follows:
 - a. Dustin Municipal Gas System. Assignment of Rights Under Purchase Agreement wherein Borrower assigned all of its right, title, and interest in and to the Asset Purchase Agreement and the First Amendment to Asset Purchase Agreement, both dated effective April 2, 2009 for the purchase of assets from Dustin Public Works.
 - b. Greenfield Gas System. Assignment of Rights Under Purchase Agreement wherein

Borrower assigned all of its right, title, and interest in and to the Asset Purchase Agreement, dated effective August ____, 2008 for the purchase of assets from Texas-Kansas-Oklahoma Gas, LLC, a Texas limited liability company.

- c. Kinta Municipal Gas System. Assignment of Rights Under Purchase Agreement wherein Borrower assigned all of its right, title, and interest in and to the Asset Purchase Agreement, dated effective _____ for the purchase of assets from Kinta Public Works Authority.
- d. Rimrock System. Assignment of Rights Under Purchase Agreement wherein NOK3 assigned all of its right, title, and interest in and to the Asset Purchase Agreement, dated effective April 28, 2008, for the purchase of assets from Centerpoint Energy Resources Corp., a Delaware corporation.
- e. LeAnn Gas Distribution System. Assignment of Rights Under Purchase Agreement wherein Borrower assigned all of its right, title, and interest in and to the Asset Purchase Agreement, dated effective January 27, 2009 for the purchase of assets from LeAnn Gas Company, an Oklahoma corporation.
- f. Kinta Municipal Gas System. Assignment of Rights Under Purchase Agreement wherein NUC assigned all of its right, title, and interest in and to the Base Contract for Sale and Purchase of Natural Gas, dated effective March 31, 2009 with Kinta Public Works Authority as Seller and **Navitas Utility Corporation** as Purchaser.
- g. Velma Municipal Gas System. Assignment of Rights Under Purchase Agreement dated June 30, 2008 for the purchase of assets from Velma Public Works Authority.

The foregoing are collectively referred to herein as the "Assignment of Rights". Borrower, and each of them, hereby assume, ratify, and confirm each and every term and provision of the above described Assignment of Rights as if fully restated herein, and such terms and provisions of the Assignment of Rights remain in full force and effect.

- 4. All of each Borrower's interest, if any, now owned or hereafter acquired property as follows:
 - All rolling stock (vehicles), equipment, Accounts, General Intangibles, including but not limited to the Equipment listed on Exhibit A attached hereto.
- 5. All chattel paper, accounts receivable, contract rights, equipment, furniture, fixtures, machinery, inventory (whether consisting of hydrocarbons or not) if any, general intangibles, and pipelines (as defined below), and minerals, oil and gas, and oil and gas leasehold interest(s), and all contract rights including all vendor contracts.
- 6. Right-of-way Properties means and includes all lands, easements, right of ways, leases, surface rights, servitudes, grants, permits, licenses, authorizations, privileges, franchises, consents, prescriptive rights, and other title and interest now or hereafter owned by any

Borrower and now or hereafter necessary or useful for the construction and/or operation of the Pipelines. These Pipelines include, but are not limited to the existing pipelines acquired by any Borrower and generally described as: Rimrock System, Greenfield Gas System, Kinta Municipal Gas System (Kinta Public Works Authority), Dustin Municipal Gas System (Dustin Public Works), & LeAnn Gas Distribution System.

7. Any and all real estate owned or acquired as part of or as a result of any acquisition or purchase or build following any acquisition.
8. Rural pipeline systems and other related intangibles.
9. All GPS and/or map system reports related to the Collateral.
10. All of each Borrowers' interest, if any, in and to the fixtures and equipment, which are or will be located on the property as follows, to-wit:

A. Caddo County, Oklahoma (Range 10 West)

1.	Sections 7, 18, 19, 30 and 31	T-12-N	R-10-W
2.	Section 31	T-12-N	R-10-W
3.	Sections 4, 5, 6, 7, 8, 9, 16, 17, 18, 19, 20, 21, 28, 29, 30, 31, 32, 33	T-12-N	R-10-W
4.	Sections 4, 5, 6, 7	T-7-N	R-10-W

B. Caddo County, Oklahoma (Range 11 West)

1.	Sections 1-12	T-7-N	R-11-W
2.	Sections 1-36	T-8-N	R-11-W
3.	Sections 1-36	T-9-N	R-11-W
4.	Sections 1-36	T-10-N	R-11-W
5.	Sections 1-36	T-11-N	R-11-W
6.	Sections 7-36	T-12-N	R-11-W

C. Caddo County, Oklahoma (Range 12 West)

1.	Sections 10-12	T-7-N	R-12-W
2.	Sections 1-6	T-7-N	R-12-W
3.	Sections 1-36	T-8-N	R-12-W
4.	Sections 1-36	T-9-N	R-12-W
5.	Sections 1-36	T-10-N	R-12-W
6.	Sections 1-36	T-11-N	R-12-W
7.	Sections 1-36	T-12-N	R-12-W

D. Caddo County, Oklahoma (Range 13 West)

1.	Sections 1-6	T-7-N	R-13-W
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- | | | | |
|----|---------------|--------|--------|
| 2. | Sections 1-36 | T-8-N | R-13-W |
| 3. | Sections 1-36 | T-9-N | R-13-W |
| 4. | Sections 1-36 | T-10-N | R-13-W |
| 5. | Sections 1-36 | T-11-N | R-13-W |
| 6. | Sections 1-36 | T-12-N | R-13-W |

E. Washita County, Oklahoma (Range 14 West)

- | | | | |
|----|---------------|--------|--------|
| 1. | Sections 1-6 | T-7-N | R-14-W |
| 2. | Sections 1-36 | T-8-N | R-14-W |
| 3. | Sections 1-36 | T-9-N | R-14-W |
| 4. | Sections 1-36 | T-10-N | R-14-W |
| 5. | Sections 1-36 | T-11-N | R-14-W |
| 6. | Sections 7-36 | T-12-N | R-14-W |

F. Pittsburg County, Oklahoma (Range 15 East)

- | | | | |
|----|---|-------|--------|
| 1. | Sections 2, 4, 11 & 13 | T-5-N | R-15-E |
| 2. | Sections 23, 25, 26,
27, 28, 29, 30, 32 & 33 | T-6-N | R-15-E |

G. Pittsburg County, Oklahoma (Range 15 East)

- | | | | |
|----|---|-------|--------|
| 1. | Sections 17, 18, 21,
22, 27, 25 & 26 | T-5-N | R-15-E |
|----|---|-------|--------|

H. Easements Recorded in Pittsburg County, Oklahoma in above Sections:

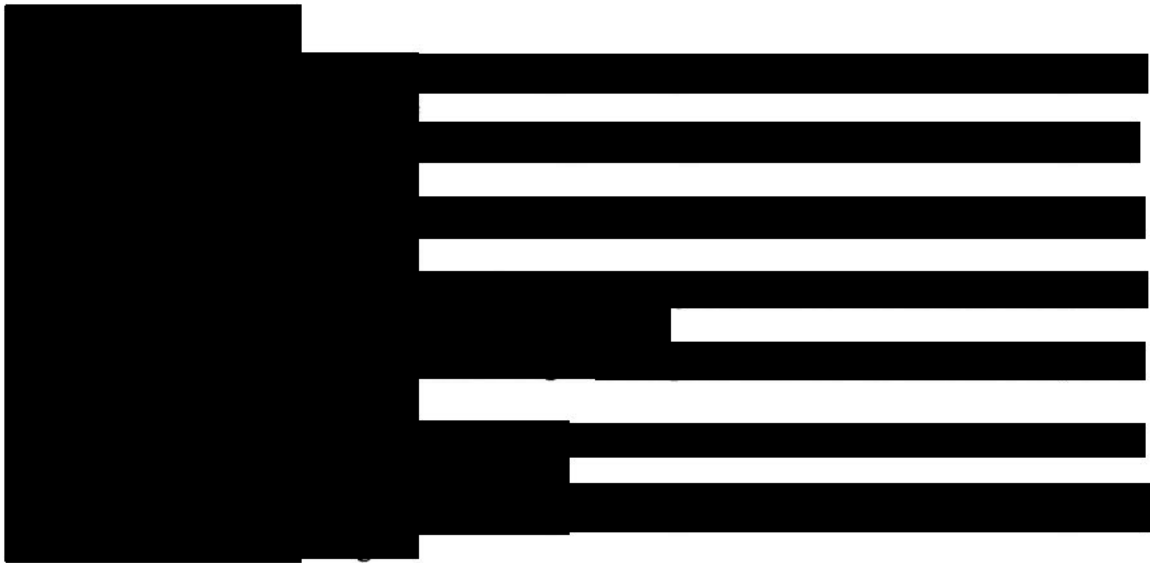
In Sections 2, 3, 4, 11, 12, 13-5N-15E and Sections 18, 176, 21, 22, 27, 26, 25-5N-16E and Sections 23, 25, 26, 27, 28, 29, 30, 32, 33-6N-15E recorded in the Pittsburg County Clerk's Office in the following Books and Pages:

Book / Page	Book / Page	Book / Page
MR 62-537	MR 62-524	MR 62-542
MR 62-497	MR 62-517	MR 62-500
MR 62-536	MR 62-518	MR 62-502
MR 62-535	MR 62-523	MR 62-501
MR 62-534	MR 62-519	MR 62-540
MR 62-533	MR 62-520	MR 62-505
MR 62-514	MR 62-495	MR 62-504
MR 62-545	MR 62-601	MR 62-504
MR 62-513	MR 62-602	MR 62-506
MR 62-512	MR 62-605	MR 62-507
MR 62-553	MR 62-604	MR 62-508
MR 62-511	MR 62-603	MR 62-509

MR 62-510	MR 62-522	MR 62-539
MR 62-532	MR 62-521	MR 62-541
MR 62-531	MR 62-549	MR 62-538
MR 62-530	MR 62-547	MR 62-549
MR 62-539	MR 62-545	MR 62-550
MR 62-528	MR 62-546	MR 62-551
MR 62-527	MR 62-496	31-256
MR 62-526	MR 62-544	326-39
MR 62-515	MR 62-498	29-351
MR 62-525	MR 62-543	84-78
MR 62-516	MR 62-499	84-79
142-236	264-401	30-28
30-44	30-451	30-370
30-371	30-372	D126-123
D126-124	D126-125	D126-126
D126-127	D126-128	593-580
593-590	596-591	593-592
593-593	333-95	333-96
333-97		

11. NOK3 Collateral. All of NOK3's right, title and interest, whether now owned or hereafter arising, in and to the following:





including all of the following, whether now owned or hereafter acquired, whether now existing or hereafter arising, and wherever located: (a) all accessions, attachments, accessories, replacements of and additions to any of the collateral described herein, whether added now or later; (b) all products and produce of any of the property described in this Collateral section; (c) all accounts, general intangibles, instruments, rents, monies, payments, and all other rights, arising out a sale, lease, consignment or other disposition of any of the property described herein; (d) all proceeds (including insurance proceeds) from the sale, destruction, loss or other disposition of any of the property described herein, and sums due from a third party who has damaged or destroyed the Collateral or from that party's insurer, whether due to judgment, settlement, or other process; and (e) all records and data relating to any of the property described herein, whether in the form of a writing, photograph, microfilm, microfiche, or electronic media, together with all of Grantor's right, title, and interest in and to all computer software required to utilize, create, maintain, and process any such records or data on electronic media.

12. **FCFA's Real Property:**

- a. **Shidler Property:** Lot 8, Block 108, Southside Plat of Shidler, Osage County, Oklahoma, according to the recorded plat thereof
- b. **Hollis Property:** Lots Twenty-three (23) and Twenty-four (24), in Block Two (2), of the Original Town of Hollis Addition, to the Town of Hollis, Harmon County, Oklahoma, according to the recorded plat thereof.
- c. **Kinta Property:** Lots 11 & 12 in Block 35 in the Town of Kinta, According to the Cleon O'Neill Plat thereof (same being a part of the W/2 of Lot 3 (also described as the W/2 NW/4 SW/4) and Lot 4 (Also described as the SW/4 SW/4) and the SE/4 SW/4 all in Section 31, township 8 North, Range 20 East of I.B.M., Haskell County, State of Oklahoma, Less and Except all oil, gas and other minerals

- d. Velma Property: Lot Four (4), Block Nine (9), in the Town of Velma, Stephens County, Oklahoma, According to the recorded plat thereof.
- e. Mulhall Property: The South 30 feet of Lot Two (2) and All of Lot Three (3), in Block Ten (10), in the Town of Mulhall, Logan County, Oklahoma, according to the recorded plat thereof.
- f. Eakly Property: A tract of land lying in and being a part of the Southeast Quarter (SE/4) of Section Twenty-Seven (27), Township Ten (10) North, Range Thirteen (13) West of the Indian Meridian, Caddo County, Oklahoma, said Tract being more particularly described as follows: Commencing at a ½" iron rod found for the Southeast Corner of said SE/4; Thence N89°11'22"W on the South line of Said SE/4, a distance of 177.20 feet to Point on said South line; Thence N00°48'38"E perpendicular to said South line, a distance of 580.21 feet to a ½" iron rod with cap set for the Southeast corner of the herein described tract, said corner being the Point of Beginning; Thence S58°31'20"W a distance of 37.29 feet to a ½" iron rod with cap set for a corner; Thence N89°15'40"W a distance of 332.79 feet to a ½" iron rod with cap set for the Southwest corner; Thence N00°46'41"E a distance of 245.17 feet to a ½" iron rod with cap set for the Northwest corner; Thence S89°15'40"E a distance of 365.33 feet to a ½" iron rod with cap set for the Northeast corner; Thence S00°46'41"W a distance of 225.29 feet to the Point of beginning.

Property Address: 121 Eakly Campus Road – Eakly School, Eakly, OK 73033.

The Eakly Property is subject to a prior, first and valid mortgage lien in favor of Lender.

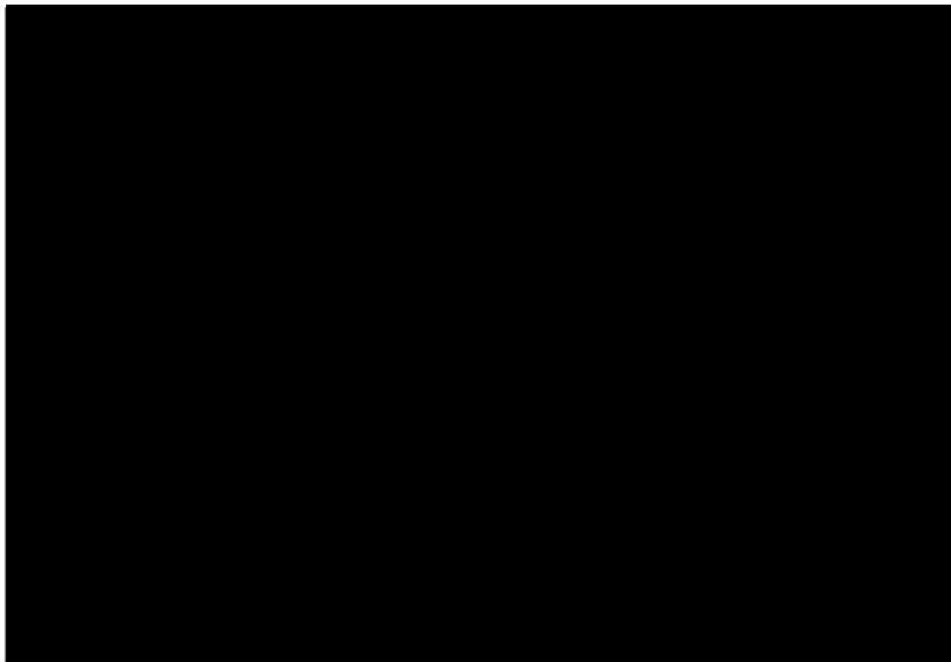
- 13. All of each respective Borrower's interest, if any, in and to the Equipment, Fixtures, Easements, Right-of-Ways, Pipelines, minerals, oil and gas, Inventory, including but not limited to the items described as follows, to-wit:

All Inventory, Chattel Paper, Accounts, Equipment, General Intangibles, and Pipelines including but not limited to all office furniture, computers, and all accounts receivable, fixtures, minerals, oil and gas, and oil and gas leasehold interests. For purposes herein, Pipelines shall mean and include all of each respective Borrower's interest, if any, in and to those gas pipeline systems in the **State of Tennessee and/or the State of Kentucky** or wherever located if and when acquired, associated with the gathering and/or transportation of gas and the delivery of gas or residue gas to purchasers or transporter (as the same may now exist or as may hereafter be extended), including, but not by way of limitation, the Right-Of-Way Properties (as hereinafter defined) and all buildings, structures, attachments, fittings and fixtures, facilities, tools, materials, equipment, machinery, appliances, pipeline, piping, power lines, electrical systems, metering and calibration facilities, compressors, dehydrators, sponge units, instrument and equipment housing, equipment storage facilities, tank, engines, valves, traps, pumps, motors, instruments, fencing, expanders, heat exchangers, chillers, separators, tooling powers, boilers and reboilers, turbines, generators, meters and reabsorbers, flash towers, oil reclaimers, loading racks, injection facilities, accumulators,

economizers, fans, condensers and valves, and appurtenances of every nature and kind with said Pipelines. For purposes herein, Right-Of-Way Properties shall mean and include all lands, easements, rights-of-way, leases, surface rights, servitudes, grants, permits, licenses, authorizations, privileges, franchises, consents, prescriptive rights, and other title and interest now or hereafter owned by any Borrower and now or hereafter necessary or useful for the construction and/or operation of the Pipelines. "Collateral" shall also specifically include the following items:

a. **Albany, Kentucky Natural Gas Transmission Pipeline and Stations Description**

i. **ALBANY LDC PIPELINE SYSTEM:**



ii. **Franchise Area City of Albany, KY;**

All rights including the right to lay pipelines of whatever diameter underlying the streets, sidewalks, driveways, and alleys of the Town of Albany, Kentucky covered by the City Ordinance of the City Council of Albany 85-001 and as amended by City Ordinance 86-003, dated February 15, 1995.

iii. **Albany, Kentucky Natural Gas Transmission Pipeline Easements**

Gasco Distribution Systems, Inc. – Albany Division – right-of-ways recorded in Clinton County, Kentucky:

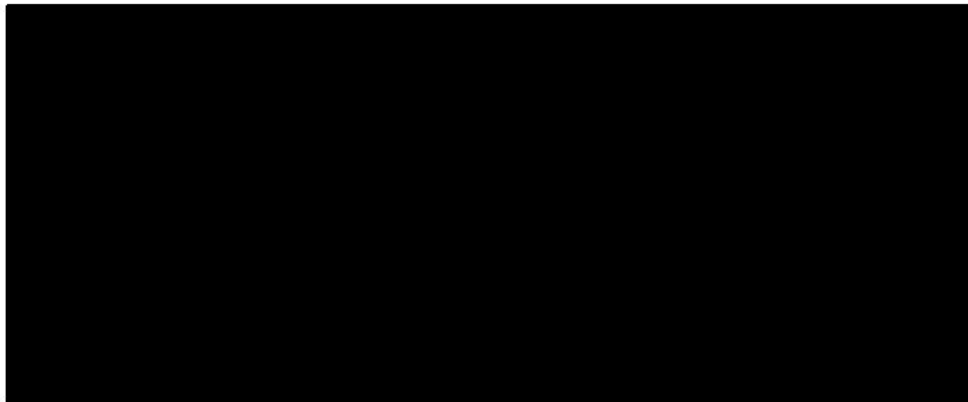
<u>Name of Grantor</u>	<u>Book/Page</u>	<u>Date Recorded</u>
[REDACTED]	V96 P661	1/18/1995
[REDACTED]	V96 P664	1/18/1995
[REDACTED]	V96 P667	1/18/1995
[REDACTED]	V96 P674	1/18/1995
[REDACTED]	V97 P57	2/16/19985
[REDACTED]	V97 P61	2/16/1995
[REDACTED]	V97 P287	3/23/19985
[REDACTED]	V97 P289	3/23/1995
[REDACTED]	V97 P291	3/23/1995
[REDACTED]	V97 P285	3/23/1995
[REDACTED]	V98 P7	6/16/1995
[REDACTED]	V98 P10	6/16/1995
[REDACTED]	V98 P678	9/22/1995
[REDACTED]	V99 P377	11/30/1995
[REDACTED]	V101 P138	6/18/1996
[REDACTED]	V101 P141	6/18/1996
[REDACTED]	V102 P679	11/26/1996
[REDACTED]	V104 P92	4/30/1997
[REDACTED]	V105 P441	10/24/1997
[REDACTED]	V112 P533	1/26/2000
[REDACTED]	V113 P309	4/20/2000
[REDACTED]	V113 P314	4/20/2000
[REDACTED]	V113 P318	4/20/2000
[REDACTED]	V113 P323	4/20/2000
[REDACTED]	V113 P326	6/30/1999
[REDACTED]	V113 P330	4/20/2000
[REDACTED]	V113 P342	4/20/2000
[REDACTED]	V113 P350	4/20/2000
[REDACTED]	V113 P346	4/20/2000

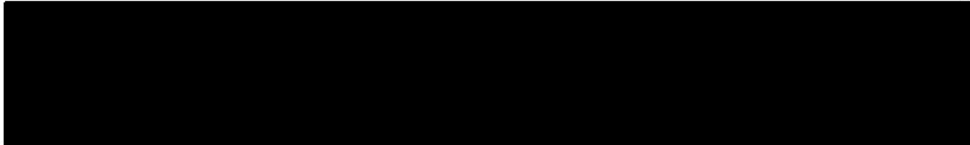
[REDACTED]	V113 P358	4/20/2000
[REDACTED]	V113 P362	4/20/2000
[REDACTED]	V113 P366	4/20/2000
[REDACTED]	V113 P370	4/20/2000
[REDACTED]	V113 P374	4/20/2000
[REDACTED]	V113 P378	4/20/2000
[REDACTED]	V113 P382	4/20/2000
[REDACTED]	V113 P386	4/20/2000
[REDACTED]	V113 P390	4/20/2000
[REDACTED]	V113 P394	4/20/2000
[REDACTED]	V113 P399	4/20/2000
[REDACTED]	V113 P403	4/20/2000
[REDACTED]	V114 P385	8/11/2000
[REDACTED]	V113 P334	4/20/2000
[REDACTED]	V113 P338	4/20/2000
[REDACTED]	V116 P645	5/31/2001
[REDACTED]	V121 P40	10/2/2002
[REDACTED]	V113 P354	4/20/2000

iv. All of [REDACTED] rights under that certain Contract Right-of-way dated March 27, 1985 with [REDACTED] as original Grantor.

b. **JELLICO LDC – LINE DESCRIPTION**

i. **Main Pipeline – Northern Extension:**





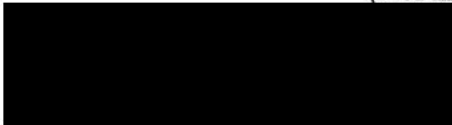
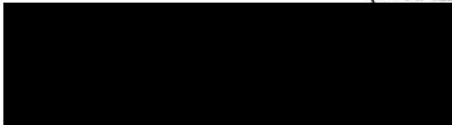
ii. Southern Extension



iii. Town of Jellico, TN (Franchise Area):

All rights, including the right to lay pipelines of whatever diameter underlying the streets, sidewalks, driveways, and alleys of the Town of Jellico, Tennessee covered by the certain city ordinance designated as Ordinance No. 10 of 1993, dated February 17, 1994, and amended by Ordinance No. 5 of 1994, granted by the City of Jellico, Tennessee to Gasco Distribution Systems of Tennessee, Inc.

c. Jellico LDC, Easement Descriptions/Right-of-ways

<u>Grantor</u>	<u>Recording Date</u>	<u>Vol / Page</u>
Whitley Co., Kentucky (Northern Extension)		
	March 8, 1994	84/318
	March 14, 1994	84/321

[REDACTED]	June 28, 1994	31/457
[REDACTED]	June 13, 1994	463/464
[REDACTED]	February 24, 1995	84/320
[REDACTED]	March 1, 1994	N/A
[REDACTED]	March 3, 1994	N/A
[REDACTED]	November 7, 1989	340/154

Campbell Co., Tennessee

[REDACTED]	May 20, 1994	31/479
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**Southern Extension
Campbell Co., Tennessee**

[REDACTED]	October 15, 1990	329/616
[REDACTED]	June 30, 1989	31/507
[REDACTED]	June 29, 1989	31/465
[REDACTED]	October 15, 1990	32/41
[REDACTED]	June 8, 1990	N/A
[REDACTED]	March 7, 1995	329/620
[REDACTED]	October 19, 1989	329/618
[REDACTED]	December 7, 1994	31/459
[REDACTED]	June 30, 1989	31/461
[REDACTED]	September 26, 1989	31/463
[REDACTED]	August 28, 1989	31/467
[REDACTED]	October 6, 1989	31/469
[REDACTED]	August 22, 1989	31/471
[REDACTED]	August 22, 1989	31/473
[REDACTED]	September 27, 1989	31/475
[REDACTED]	August 22, 1989	31/477
[REDACTED]	August 22, 1989	31/481
[REDACTED]	August 17, 1989	31/483
[REDACTED]	September 5, 1989	31/485
[REDACTED]	October 31, 1993	31/487

[REDACTED]	September 27, 1989	31/489
[REDACTED]	November 27, 1990	31/491
[REDACTED]	November 3, 1990	31/493
[REDACTED]	August 17, 1989	31/495
[REDACTED]	November 2, 1990	31/497
[REDACTED]	August 16, 1989	31/499
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[REDACTED]	August 21, 1989	31/511
[REDACTED]	August 29, 1989	31/513
[REDACTED]	August 17, 1989	31/517
[REDACTED]	August 29, 1989	31/515
[REDACTED]	October 19, 1989	32/43

EXHIBIT A

**Navitas Utility Corporation
Equipment Collateral List**

Make	Model	Year	Date Acquired
Autos & Pickups			
		2003	5/31/2007
		2003	5/31/2007
		2007	9/26/2007
		2007	9/26/2007
		2008	7/1/2008
		2009	3/5/2009
		2009	3/31/2009
		2009	4/2/2009
		2009	4/2/2009
		2009	4/11/2009
		2009	4/11/2009
		2010	4/1/2010
		2010	4/1/2010
		2010	4/1/2010
		2011	1/24/2011
2011	3/4/2011		
Trucks			
		1998	5/31/2007
		2006	5/31/2007
		2012	1/12/2012
Heavy Equipment			
		1996	5/31/2007
			6/30/2008
		2009	2/27/2009
	2009	4/22/2009	
Tools & Equipment			
		2009	12/22/2008
			10/13/2009
			12/28/2009
			12/30/2009
			12/31/2009
			2/5/2010
			3/5/2010
		3/10/2010	
			3/27/2010
			4/12/2010
		2010	4/16/2010
			4/21/2010
		2010	4/22/2010
			4/27/2010
			4/29/2010
			5/3/2010
			5/10/2010
	5/24/2010		
	5/25/2010		



2010 6/3/2010
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8/6/2010
9/30/2010
2010 10/4/2010
10/14/2010
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10/16/2012

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3/30/2013

Office equipment

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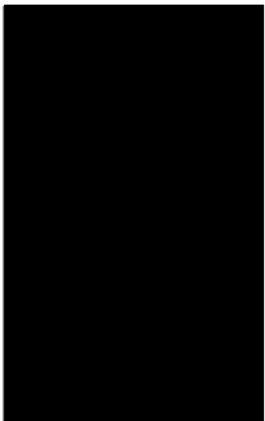
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3/31/2009
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 3/25/2013
 3/28/2013

Meters & regulators



5/31/2007
 5/31/2007
 11/30/2007
 6/30/2007
 7/31/2007
 8/31/2007
 9/30/2007
 10/31/2007
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 4/30/2008

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[Redacted]

[Large Redacted Block]

5/31/2008
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6/28/2012

7/2/2012

8/28/2012

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11/30/2012

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12/18/2012
12/18/2012
12/31/2012

1/29/2013

2/13/2013

**RIMROCK
PLANT AND EQUIPMENT**

EXHIBIT B

Purchasing entity : Navitas OK3
Purchase price : \$1
Post transaction status : Regulated distribution system

<u>Main number</u>	<u>Cap.date</u>	<u>Name</u>	<u>Quantity</u>	<u>UT</u>
83892	12/31/83	PURCHASE METER LOT	1	EA
83894	12/31/88	PURCHASE METER LOT	1	EA
83897	12/31/86	PURCHASE METER LOT	-	EA
Assetclass	G37401	DIST - LAND	2	
84532	12/31/86	PURCHASE METER LOT	-	EA
Assetclass	G37402	DIST - LAND RIGHTS	-	
88029	12/31/82	DIST-STRUC-CTY GT/ML, TRUCT-CG ML IND M/R, A01447	1	EA
88031	12/31/82	DIST-STRUC-CTY GT/ML, TRUCT-CG ML IND M/R, A01448	1	EA
88033	12/31/85	INSTALL METER HOUSE	1	EA
Assetclass	G37501	DIST-STRUC-CTY GT/ML	3	
100096	12/31/87	MAINS, CATH PROT, R. E. 1086 HOLLIS CK	1	FT
100099	12/31/67	MAINS, 1 " PLASTIC, R. E. 1086 HOLLIS CK	57,147	FT
100102	12/31/67	MAINS, 2 " PLASTIC, R. E. 1086 HOLLIS CK	161,411	FT
100102	12/31/88	MAINS, 2 " PLASTIC, R. E. 1086 HOLLIS CK	104	FT
100102	12/31/90	MAINS, 2 " PLASTIC, R. E. 1086 HOLLIS CK	3,615	FT
100102	12/31/91	MAINS, 2 " PLASTIC, R. E. 1086 HOLLIS CK	6,442	FT
100102	12/31/92	MAINS, 2 " PLASTIC, R. E. 1086 HOLLIS CK	166	FT
100102	03/31/99	MAINS, 2 " PLASTIC, R. E. 1086 HOLLIS CK	462	FT
100102	08/31/00	MAINS, 2 " PLASTIC, R. E. 1086 HOLLIS CK	96	FT
100102	06/30/01	MAINS, 2 " PLASTIC, R. E. 1086 HOLLIS CK	1,014	FT

100102	06/25/04	MAINS, 2 " PLASTIC, R. E. 1086 HOLLIS CK	35	FT
100102	03/31/05	MAINS, 2 " PLASTIC, R. E. 1086 HOLLIS CK	596	FT
100102	04/30/06	MAINS, 2 " PLASTIC, R. E. 1086 HOLLIS CK	12	FT
100118	12/31/67	MAINS, 3 " PLASTIC, R. E. 1086 HOLLIS CK	5,586	FT
100118	12/31/88	MAINS, 3 " PLASTIC, R. E. 1086 HOLLIS CK	4,618	FT
100118	12/31/93	MAINS, 3 " PLASTIC, R. E. 1086 HOLLIS CK	1,080	FT
100118	06/30/01	MAINS, 3 " PLASTIC, R. E. 1086 HOLLIS CK	2	FT
100128	12/31/67	MAINS, 4 " PLASTIC, R. E. 1086 HOLLIS CK	52,092	FT
100128	12/31/83	MAINS, 4 " PLASTIC, R. E. 1086 HOLLIS CK	40	FT
100128	12/31/86	MAINS, 4 " PLASTIC, R. E. 1086 HOLLIS CK	95	FT
100128	12/31/88	MAINS, 4 " PLASTIC, R. E. 1086 HOLLIS CK	5,800	FT
100128	12/31/89	MAINS, 4 " PLASTIC, R. E. 1086 HOLLIS CK	177	FT
100128	12/31/91	MAINS, 4 " PLASTIC, R. E. 1086 HOLLIS CK	233	FT
100128	12/31/93	MAINS, 4 " PLASTIC, R. E. 1086 HOLLIS CK	180	FT
100128	12/31/96	MAINS, 4 " PLASTIC, R. E. 1086 HOLLIS CK	2,087	FT
100128	12/31/01	MAINS, 4 " PLASTIC, R. E. 1086 HOLLIS CK	427	FT
100128	03/31/03	MAINS, 4 " PLASTIC, R. E. 1086 HOLLIS CK	2,640	FT
100128	11/30/04	MAINS, 4 " PLASTIC, R. E. 1086 HOLLIS CK	5	FT
100128	03/31/06	MAINS, 4 " PLASTIC, R. E. 1086 HOLLIS CK	2	FT
100152	12/31/92	MAINS, 3 " STEEL, R. E. 1086 HOLLIS CK	107	FT
100156	12/31/86	MAINS, 4 " STEEL, R. E. 1086 HOLLIS CK	60	FT
100156	12/31/89	MAINS, 4 " STEEL, R. E. 1086 HOLLIS CK	44	FT
100156	12/31/90	MAINS, 4 " STEEL, R. E. 1086 HOLLIS CK	60	FT
100165	12/31/84	MAINS, CATH PROT, R. E. 1087 HOLLIS CK	3	FT
100169	12/31/67	MAINS, 1.5 " PLASTIC, R. E. 1087 HOLLIS CK	37,641	FT
100173	12/31/67	MAINS, 2 " PLASTIC, R. E. 1087 HOLLIS CK	99,110	FT
100173	12/31/87	MAINS, 2 " PLASTIC, R. E. 1087 HOLLIS CK	1,624	FT
100173	12/31/91	MAINS, 2 " PLASTIC, R. E. 1087 HOLLIS CK	1,142	FT
100173	05/31/01	MAINS, 2 " PLASTIC, R. E. 1087 HOLLIS CK		FT

		CK	1,138	
100173	03/31/02	MAINS, 2 " PLASTIC, R. E. 1087 HOLLIS CK	713	FT
100173	04/30/04	MAINS, 2 " PLASTIC, R. E. 1087 HOLLIS CK	1,378	FT
100173	05/31/05	MAINS, 2 " PLASTIC, R. E. 1087 HOLLIS CK	15	FT
100173	05/31/06	MAINS, 2 " PLASTIC, R. E. 1087 HOLLIS CK	828	FT
100173	02/28/07	MAINS, 2 " PLASTIC, R. E. 1087 HOLLIS CK	787	FT
100182	12/31/67	MAINS, 3 " PLASTIC, R. E. 1087 HOLLIS CK	15,641	FT
100182	12/31/86	MAINS, 3 " PLASTIC, R. E. 1087 HOLLIS CK	400	FT
100182	12/31/90	MAINS, 3 " PLASTIC, R. E. 1087 HOLLIS CK	811	FT
100182	12/31/91	MAINS, 3 " PLASTIC, R. E. 1087 HOLLIS CK	4,221	FT
100182	12/31/03	MAINS, 3 " PLASTIC, R. E. 1087 HOLLIS CK	100	FT
100195	12/31/67	MAINS, 4 " PLASTIC, R. E. 1087 HOLLIS CK	29,352	FT
100195	12/31/91	MAINS, 4 " PLASTIC, R. E. 1087 HOLLIS CK	342	FT
100195	12/31/03	MAINS, 4 " PLASTIC, R. E. 1087 HOLLIS CK	14	FT
100195	04/30/04	MAINS, 4 " PLASTIC, R. E. 1087 HOLLIS CK	20	FT
100195	12/31/06	MAINS, 4 " PLASTIC, R. E. 1087 HOLLIS CK	7	FT
100195	02/28/07	MAINS, 4 " PLASTIC, R. E. 1087 HOLLIS CK	4	FT
100200	12/31/84	MAINS, CATH PROT, R. E. 1088 RIM	6	FT
100203	12/31/67	MAINS, 1.5 " PLASTIC, R. E. 1088 RIM	101,994	FT
100206	12/31/67	MAINS, 2 " PLASTIC, R. E. 1088 RIM	189,579	FT
100206	12/31/83	MAINS, 2 " PLASTIC, R. E. 1088 RIM	201	FT
100206	12/31/87	MAINS, 2 " PLASTIC, R. E. 1088 RIM	250	FT
100206	12/31/88	MAINS, 2 " PLASTIC, R. E. 1088 RIM	1,073	FT
100206	12/31/91	MAINS, 2 " PLASTIC, R. E. 1088 RIM	185	FT
100206	07/31/01	MAINS, 2 " PLASTIC, R. E. 1088 RIM	88	FT
100206	12/31/02	MAINS, 2 " PLASTIC, R. E. 1088 RIM	140	FT
100206	04/30/04	MAINS, 2 " PLASTIC, R. E. 1088 RIM	10	FT
100206	05/31/05	MAINS, 2 " PLASTIC, R. E. 1088 RIM	1,671	FT
100206	02/28/06	MAINS, 2 " PLASTIC, R. E. 1088 RIM	2	FT

100206	02/28/07	MAINS, 2 " PLASTIC, R. E. 1088 RIM	8	FT
100221	12/31/67	MAINS, 3 " PLASTIC, R. E. 1088 RIM	28,948	FT
100221	12/31/87	MAINS, 3 " PLASTIC, R. E. 1088 RIM	50	FT
100221	12/31/89	MAINS, 3 " PLASTIC, R. E. 1088 RIM	11,940	FT
100221	12/31/94	MAINS, 3 " PLASTIC, R. E. 1088 RIM	2,223	FT
100221	03/31/99	MAINS, 3 " PLASTIC, R. E. 1088 RIM	523	FT
100221	12/31/05	MAINS, 3 " PLASTIC, R. E. 1088 RIM	10	FT
100231	12/31/67	MAINS, 4 " PLASTIC, R. E. 1088 RIM	9,755	FT
100231	12/31/05	MAINS, 4 " PLASTIC, R. E. 1088 RIM	642	FT
100231	05/31/06	MAINS, 4 " PLASTIC, R. E. 1088 RIM	2	FT
100234	12/31/67	MAINS, 1.5 " PLASTIC, R. E. 1089 HOLLIS CK	70,708	FT
100237	12/31/67	MAINS, 2 " PLASTIC, R. E. 1089 HOLLIS CK	131,035	FT
100237	12/31/83	MAINS, 2 " PLASTIC, R. E. 1089 HOLLIS CK	250	FT
100237	04/30/01	MAINS, 2 " PLASTIC, R. E. 1089 HOLLIS CK	491	FT
100237	10/31/04	MAINS, 2 " PLASTIC, R. E. 1089 HOLLIS CK	2	FT
100237	07/31/05	MAINS, 2 " PLASTIC, R. E. 1089 HOLLIS CK	4	FT
100237	07/31/06	MAINS, 2 " PLASTIC, R. E. 1089 HOLLIS CK	4	FT
100242	12/31/67	MAINS, 3 " PLASTIC, R. E. 1089 HOLLIS CK	21,019	FT
100245	12/31/67	MAINS, 4 " PLASTIC, R. E. 1089 HOLLIS CK	42,821	FT
100245	12/31/87	MAINS, 4 " PLASTIC, R. E. 1089 HOLLIS CK	67	FT
100245	12/31/03	MAINS, 4 " PLASTIC, R. E. 1089 HOLLIS CK	31	FT
100250	12/31/90	MAINS, CATH PROT, DL-37 HOLLIS SUP	1	EA
100250	12/31/91	MAINS, CATH PROT, DL-37 HOLLIS SUP	15	EA
100250	01/31/01	MAINS, CATH PROT, DL-37 HOLLIS SUP	1	EA
100250	10/08/04	MAINS, CATH PROT, DL-37 HOLLIS SUP	1	EA
100250	04/13/07	MAINS, CATH PROT, DL-37 HOLLIS SUP	1	EA
100255	12/31/67	MAINS, 1 " PLASTIC, DL-37 HOLLIS SUP	912	FT
100258	12/31/67	MAINS, 2 " PLASTIC, DL-37 HOLLIS SUP	6,448	FT
100258	12/31/05	MAINS, 2 " PLASTIC, DL-37 HOLLIS SUP		FT

			80	
100258	11/30/06	MAINS, 2 " PLASTIC, DL-37 HOLLIS SUP	2	FT
399741	05/31/01	MAINS, 1 1/4 " PLASTIC, R.E. 1089, HOLLIS	350	FT
399776	06/30/01	MAINS, 1 1/4 " PLASTIC, R.E. 1087, HOLLIS	137	FT
521749	01/07/02	MAINS, 1.25 " PLASTIC, R. E. 1086 HOLLIS CK	109	FT

Assetclass	G37601	DIST - MAINS	1,125,516	
103336	12/31/67	DIST-M/R STAT EQ-GEN, /R STAT EQUIP-GEN, A01447	1	EA
103338	12/31/67	DIST-M/R STAT EQ-GEN, /R STAT EQUIP-GEN, A01448	1	EA
103341	12/31/67	DIST-M/R STAT EQ-GEN, /R STAT EQUIP-GEN, A01450	2	EA
592925	07/29/02	INST 1" REG STA SECTION 26 T 6N R 24W ID #20	1	EA
765655	09/10/03	INST 1" RS THREE MILES WEST OF REED ST ON HWY 9	1	EA
765657	09/10/03	INST 1" RS @ SITE #8		EA
765659	09/10/03	INST 1" RS @ SITE #9	1	EA
765662	09/10/03	INST 1" RS @ SITE #7	1	EA
765670	09/10/03	INST 1" RS @ SITE #17	1	EA
765671	09/10/03	INST 1" RS @ SITE #6	1	EA
765672	09/10/03	INST 1" RS @ SITE #12	1	EA
765673	09/10/03	INST 1" RS @ SITE #14	1	EA
765674	09/10/03	INST 1" RS @ SITE #15	1	EA
765675	09/10/03	INST 1" RS @ SITE #10	1	EA
765676	09/10/03	INST 1" RS @ SITE #3		EA
765677	09/10/03	INST 1" RS @ SITE #1	1	EA
765678	09/10/03	INST 1" RS @ SITE #19	1	EA
765679	09/10/03	INST 1" RS @ SITE #18	1	EA

Assetclass	G37801	DIST-M/R STAT EQ-GEN	17	
107350	12/31/83	INSTALL U-SHAPE METER STATION DIST-M/R STAT EQ-CG, /R STAT EQ - CTY GT, A01447	1	EA
107353	12/31/82	DIST-M/R STAT EQ-CG, /R STAT EQ - CTY GT, A01447	1	EA
107356	12/31/82	DIST-M/R STAT EQ-CG, /R STAT EQ - CTY GT, A01448	1	EA

107358	12/31/82	DIST-M/R STAT EQ-CG, /R STAT EQ - CTY GT, A01449	1	EA
Assetclass	G37901	DIST-M/R STAT EQ-CG	4	
77743	12/31/67	SERVICES, R. E. 1086 HOLLIS CK	121	EA
77743	12/31/90	SERVICES, R. E. 1086 HOLLIS CK	4	EA
77743	12/31/94	SERVICES, R. E. 1086 HOLLIS CK	1	EA
77743	04/30/99	SERVICES, R. E. 1086 HOLLIS CK	1	EA
77743	07/31/01	SERVICES, R. E. 1086 HOLLIS CK	2	EA
77743	06/30/04	SERVICES, R. E. 1086 HOLLIS CK	2	EA
77743	09/30/05	SERVICES, R. E. 1086 HOLLIS CK	1	EA
77743	11/30/2007	SERVICES, R. E. 1086 HOLLIS CK	1	EA
77748	12/31/67	SERVICES, R. E. 1087 HOLLIS CK	129	EA
77748	12/31/91	SERVICES, R. E. 1087 HOLLIS CK	2	EA
77748	12/31/93	SERVICES, R. E. 1087 HOLLIS CK	2	EA
77748	06/30/00	SERVICES, R. E. 1087 HOLLIS CK	3	EA
77748	03/31/01	SERVICES, R. E. 1087 HOLLIS CK	1	EA
77748	03/31/02	SERVICES, R. E. 1087 HOLLIS CK	3	EA
77748	03/31/03	SERVICES, R. E. 1087 HOLLIS CK	1	EA
77748	05/31/04	SERVICES, R. E. 1087 HOLLIS CK	3	EA
77748	10/31/05	SERVICES, R. E. 1087 HOLLIS CK	1	EA
77748	05/31/06	SERVICES, R. E. 1087 HOLLIS CK	3	EA
77748	03/31/07	SERVICES, R. E. 1087 HOLLIS CK	4	EA
77752	12/31/67	SERVICES, R. E. 1088 RIM	143	EA
77752	12/31/91	SERVICES, R. E. 1088 RIM	5	EA
77752	12/31/94	SERVICES, R. E. 1088 RIM	2	EA
77752	12/31/95	SERVICES, R. E. 1088 RIM	2	EA
77752	04/30/99	SERVICES, R. E. 1088 RIM	1	EA
77752	08/31/01	SERVICES, R. E. 1088 RIM	2	EA
77752	03/31/02	SERVICES, R. E. 1088 RIM		EA

			4	
77752	11/30/04	SERVICES, R. E. 1088 RIM	1	EA
77752	09/30/05	SERVICES, R. E. 1088 RIM	2	EA
77759	12/31/67	SERVICES, R. E. 1089 HOLLIS CK	90	EA
77759	12/31/93	SERVICES, R. E. 1089 HOLLIS CK	3	EA
77759	08/31/00	SERVICES, R. E. 1089 HOLLIS CK	1	EA
77759	04/30/02	SERVICES, R. E. 1089 HOLLIS CK	1	EA
77759	05/31/03	SERVICES, R. E. 1089 HOLLIS CK	1	EA
77759	11/30/04	SERVICES, R. E. 1089 HOLLIS CK	1	EA
77759	05/31/06	SERVICES, R. E. 1089 HOLLIS CK	1	EA
80305	12/31/98	SERVICES, R. E. 1086 HOLLIS CK	-	EA
Assetclass	G38001	DIST - SERVICES	545	
110934	12/31/84	REBUILD STD METER SETS--1984	75	EA
110937	12/31/82	INST METER STATION	1	EA
Assetclass	G38201	DIST - METER INSTALL	76	

**FIRST AMENDMENT TO
LOAN AND SECURITY AGREEMENT**

This First Amendment to Loan and Security Agreement (“First Amendment”) is made and entered into effective the 31st day of July, 2014, by and between **FORT COBB OKLAHOMA IRRIGATION FUEL AUTHORITY L.L.C.**, an Oklahoma limited liability company d/b/a **FORT COBB FUEL AUTHORITY, L.L.C.** (“FCFA”), **NAVITAS ASSETS, L.L.C.**, a Delaware limited liability company (“NALLC”), **NAVITAS UTILITY CORPORATION**, a Nevada corporation (“NUC”), **NAVITAS OK3, LLC**, an Oklahoma limited liability company (“NOK3”), **NAVITAS-WINSTAR, LLC**, an Oklahoma limited liability company (“NWLLC”), **NAVITAS TN NG, LLC**, a Tennessee limited liability company (“NTNNG”), **NAVITAS KY NG, LLC**, a Kentucky limited liability company (“NKYNG”) (herein collectively “Borrowers”) and [REDACTED] (herein collectively “Guarantors”), of 3186-D Airway Avenue, Costa Mesa, CA 92626, and **BANK 7**, a Banking association (“Bank 7” or “Lender”), 1039 N.W. 63rd Street, Oklahoma City, OK 73116.

WITNESSETH:

WHEREAS, effective on October 16, 2013, Borrowers, Guarantors, and Lender entered into that certain Loan and Security Agreement (as amended, modified, restated and supplemented, and in effect from time to time, the “Loan Agreement”) pursuant to which Borrowers executed and delivered to Lender certain Promissory Notes described therein; and

WHEREAS, Borrowers have requested that Lender extend to NKYNG a Loan in the principal amount of [REDACTED] (“Note G”), and modify certain terms and provisions of the Loan Agreement; and

WHEREAS, pursuant to said request Lender has agreed to said extension of credit and modification, all as more particularly set forth hereinafter.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Lender, Borrowers, and Guarantors hereby covenant and agree as follows:

1. **Purpose.** Monies advanced by the Lender under Note G and pursuant to the Loan Agreement and this First Amendment shall be in accordance with the disbursement procedure provided in Section 3 hereof, and shall be used by Borrower for the construction of the Keystone Foods Gas System in strict accordance with the plans provided to Lender. Note G proceeds shall be used by Borrower solely for the purposes of (i) paying all contractors, their subcontractors, and all laborers, materialmen and suppliers for services actually performed in the construction of the Keystone Foods Gas System and for materials purchased and either incorporated into utilized for the Keystone Foods Gas System, (ii) purchasing equipment and parts to be installed or used in connection with the operation of the Keystone Foods Gas System; (iii) reimbursing the Lender for expenses incurred pursuant to the Loan Agreement; and (iv) paying

such other costs which may be specifically approved by Lender. In the absence of Lender's express written consent, Borrower specifically covenants and agrees not to use any of the funds advanced to Borrower under Note G to defray any cost or expense not connected with the purposes set forth herein.

2. **Conditions of Lending.** The proceeds of Note G shall be advanced upon satisfaction of the conditions set forth in the Loan Agreement, this First Amendment, and as construction progresses. Lender shall have no obligation to advance any funds to Borrower under Note G unless each of the following conditions precedent shall be satisfied as provided below:

(a) **Documents.** There shall have been delivered to Lender, appropriately completed and duly executed, the following, each in form and substance satisfactory to Lender and its counsel:

- i. First Amendment to Loan and Security Agreement;
- ii. Note G;
- iii. Amended and Restated Loan Guaranty Agreements;
- iv. Collateral Pledge Agreement of CD in the amount of [REDACTED]; and
- v. such other documents and instruments required by Lender or its counsel.

(b) **No Default.** At Closing, Lender shall be fully satisfied that (a) all of the covenants, conditions, warranties and representations set forth herein, in the Loan Agreement, and in the Loan Documents have been complied with and are true and complete on and as of such time with the same effect as though such covenants, conditions, warranties and representations had been made on and as of such time, (b) no Event of Default nor any event which, upon the giving of notice and/or the lapse of time, could constitute an Event of Default shall have occurred, and (c) the documents and matters required to be executed, delivered, opined and/or Certified pursuant to paragraph (a) hereof and paragraph 5.1 of the Loan Agreement shall be in full force and effect and/or true and complete, as the case may be.

(c) **Legal Matters.** At Closing, all legal matters in connection therewith or incidental thereto shall be fully satisfactory to Lender's counsel.

(d) **Loan Fees.** At Closing, NKYNG shall pay to Lender a loan fee on Note G equal to [REDACTED]. In addition, NKYNG shall reimburse Lender for all fees paid in connection with Note G, including without limitation attorney fees, for the preparation of loan documentation and perfection of Lender's security interest in the Collateral.

3. **Disbursement Procedure for Note G:** The parties hereto mutually agree that advances under Note G will be made by Lender to Borrower in accordance with the following covenants and conditions:

3.1 **Requests for Advance.** The Borrower covenants that, all advances upon Note G shall be made upon a written Request for Advance executed by the Borrower, in the form of a Request for Advance acceptable to Lender, duly completed and signed by authorized officers of the respective Borrower, specifying the work and materials for payment of which an advance is requested. Requests for Advances shall be issued by Borrower only in accordance with the construction contracts with the laborers and materialmen for work or material physically incorporated into the construction of the Keystone Foods Gas System together with such other costs as the Lender may approve, such approval not to be unreasonably conditioned, withheld, or delayed. Each Request for Advance shall constitute a representation by Borrower that the Request for Advance is in accordance with the aforesaid, that the work and material for which payment is requested has been physically incorporated into the construction, that the value is as estimated, and that the work and material conform to the plans provided to Lender and to all applicable statutes, Laws, ordinances, administrative rules, regulations and requirements.

3.2 **Information.** If requested by Lender, the Request for Advance for Note G shall be accompanied by:

(a) Billing statements, vouchers, deposits, and invoices to be paid with the requested advance; and

(b) Proof, satisfactory to the Lender, that all invoices for labor and materials have been paid, except those contained in the current Request for Advance and any prior invoices that are being disputed in good faith by the Borrower; and

(c) Lien waivers from payees under previous Requests for Advances, except any such payees subject to a dispute with Borrower; and

(d) A report by and from a construction consultant estimating the percentage of completion of the Keystone Foods Gas System, and containing detailed comments identifying the specific work performed since the date of the last report; and

(e) All costs associated with obtaining and providing the above-described information shall be paid by the Borrower.

3.3 **Lender's Inspection.** If, for any reason, the Lender deems it necessary to cause the Keystone Foods Gas System to be examined by a representative of the Lender prior to making any advance, the Lender shall have a reasonable time (i.e., 48 hours) within which to do so, and the Lender shall not be required to make any advance until such examination has been made.

3.4 **Disbursements.** The Lender shall, not more frequently than twice per month, or as soon thereafter as all conditions precedent to such advance have been satisfactorily met, deposit the requested amount, into the Borrower's account with the

Lender; provided, however, that the Lender may, at its option following the occurrence of an Event of Default, and at the direction of Borrower, cause disbursement checks to be issued to any contractor, any subcontractor, or made jointly payable to either, together with the Borrower. Advances shall not be requested more often than twice per month.

4. **Modification to Schedule 1 to the Loan Agreement:** The following subsection "l." is added to paragraph 1 of Schedule 1 to the Loan Agreement:

*l. **Keystone Foods Gas System:** All of each Borrower's right, title and interest in and to the following assets:*

- i. The installed natural gas distribution pipelines (mainlines and service lines) that comprise the Keystone Foods Gas System, located in Albany, Clinton County, Kentucky (the "Keystone Foods Gas System"), including without limitation all easement and right-of-way rights (including without limitation those certain gas main easements described on Exhibit "A" and "B" attached hereto), and all equipment and apparatus affixed thereto or used in its operation. The Keystone Foods Gas System includes all installed natural gas distribution pipelines (main lines and services lines) and the equipment or apparatus affixed thereto or used in its operation from the outlet side of the tap to the outlet side of the customer meters.*
- ii. All natural gas contained in the Keystone Foods Gas System, including any and all line fill;*
- iii. All Plans for or relating to the Keystone Foods Gas System;*
- iv. The amount of customer deposits for the provision of natural gas distribution services through the Keystone Foods Gas System, plus accrued interest thereon;*
- v. All customer accounts and all books and records relating to the Keystone Foods Gas System;*
- vi. All account receivables relating to the Keystone Foods Gas System.*

5. **Modification to Paragraph 1.11 of the Loan Agreement.** Paragraph 1.11 of the Loan Agreement shall be amended to reflect that [REDACTED], [REDACTED], [REDACTED] are "Guarantors" of Note G.

6. **Modification to Paragraph 2.1 of the Loan Agreement.** The following subsection (g) is hereby added to paragraph 2.1 of the Loan Agreement:

(g) *Term Loan G ("Note G")* § [REDACTED] *NKYNG*

7. **Modification to Paragraph 2.2 of the Loan Agreement.** Paragraph 2.2 of the Loan Agreement is hereby deleted and the following substituted therefor:

2.2 *Note.* Each respective Borrower's obligation to repay the Loans with interest shall be evidenced by the respective Notes (Note A, Note B, Note C, Note D, Note E, Note F, and Note G).

8. **Modification of Paragraph 4.13 of the Loan Agreement.** Paragraph 4.13 of the Loan Agreement is hereby deleted and the following substituted therefor:

4.13 *Certain Indebtedness.* Other than that certain loan from NALLC to [REDACTED] in the original amount of [REDACTED] (the "[REDACTED] Loan"), there is no indebtedness of Borrowers owing to any employee, officer, stockholder, or director of Borrowers other than accrued salaries, commissions, and the like.

9. **Modification of Paragraph 6.1(b), (d), (e), and (h) of the Loan Agreement.** Subparagraphs (b), (d), (e), and (h), of paragraph 6.1 of the Loan Agreement are hereby deleted and the following substituted therefor:

(b) **Quarterly Financial Statements.** Within sixty (60) days of each calendar quarter end, Borrowers shall provide to Lender complete certified consolidated financial statements (consisting of a balance sheet, income statement, cash flow statement, accounts receivable aging, and accounts payable aging, and a schedule of notes payable with a description of the debt, note terms, and payment amounts, all in form and scope acceptable to Lender). The financial statements shall include accounts wherever maintained as of the end of such calendar quarter. The financial statements shall be certified by borrower to be accurate and complete.

(d) **Notification of Delinquency.** Borrower shall promptly notify Lender of any customer account that becomes delinquent in excess of \$10,000 that is not cured within thirty (30) days of such delinquency.

(e) **Annual Customer Report.** Upon request of Lender, but in no event less often than annually, within one hundred twenty (120) days of the end of each fiscal year, Borrowers shall provide to Lender a Customer Report consisting of a customer count and number of delinquent accounts, to the extent it will not violate the Oklahoma Corporation Commission's customer privacy limitations.

(h) **Subordinated Indebtedness or Obligations.** With the exception of the [REDACTED] Loan, until payment in full of the Loans, NUC, FCFA, NOK3, NALLC, NWLLC, NTNNG, and NKYNG shall not repay any indebtedness or obligation to any stockholder, owner, officer, or affiliate without the express written consent of Lender.

10. **Modification to paragraph 7.5.2 of the Loan Agreement.** Paragraph 7.5.2 of the Loan Agreement is hereby modified to read as follows:

7.5.2 Advances to officers, directors, and employees of the Borrowers in an aggregate amount not to exceed [REDACTED] at any time outstanding, unless consented to by Lender in advance;

11. **Effectiveness of Loan Documents.** Except as specifically modified by the terms and provisions hereof, each and every of the terms and provisions of the Loan Documents are and shall remain in full force and effect and are hereby assumed, ratified, and confirmed; and the execution, delivery, and effectiveness of this First Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of Lender under any of the Loan Documents nor constitute a waiver of any provision of any of the Loan Documents. The parties hereto agree that the modifications herein contained to the Loan Documents shall not affect or impair the Loan Documents or any lien(s) securing the same.

12. **Execution Counterparts.** This First Amendment may be executed in any number of counterparts, each of which so executed and delivered shall be deemed to be an original and all of which taken together shall constitute one and the same instrument.

13. **Governing Law.** The terms and provisions hereof shall be governed by, construed, and enforced in accordance with the laws of the State of Oklahoma.

14. **Entire Agreement.** This First Amendment constitutes the entire agreement of the parties with respect to the subject matter hereof, and may be amended only in writing, executed by all parties herein.

15. **Modification Only.** This agreement is only a modification of the Note and not a novation. Except as provided in this First Amendment, all terms and conditions of the Note and all loan agreements executed in connection with said Note shall remain in full force and effect.

Signature page follows.

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment to Loan Agreement to be made effective as of, but not necessarily on, the date first above written.

BORROWERS/GUARANTORS:

**FORT COBB OKLAHOMA
IRRIGATION FUEL AUTHORITY
L.L.C.**, an Oklahoma limited liability
company d/b/a **FORT COBB FUEL
AUTHORITY, L.L.C.**

By: NAVITAS ASSETS, L.L.C., a Delaware
limited liability company, its Manager

By: NAVITAS UTILITY CORPORATION, a
Nevada corporation, its Manager

By: 
THOMAS E. HARTLINE, President

NAVITAS ASSETS, L.L.C., a Delaware
limited liability company

By: NAVITAS UTILITY CORPORATION, a
Nevada corporation, its Manager

By: 
THOMAS E. HARTLINE, President

NAVITAS UTILITY CORPORATION, a
Nevada corporation

By: 
THOMAS E. HARTLINE, President

NAVITAS OK3, LLC, an Oklahoma limited
liability company

By: NAVITAS UTILITY CORPORATION, a Nevada corporation, its Manager

By: 
THOMAS E. HARTLINE, President

NAVITAS-WINSTAR, L.L.C., an Oklahoma limited liability company

By: 
THOMAS E. HARTLINE, President

NAVITAS TN NG, LLC, a Tennessee limited liability company

By: NAVITAS UTILITY CORPORATION, a Nevada corporation, its Manager

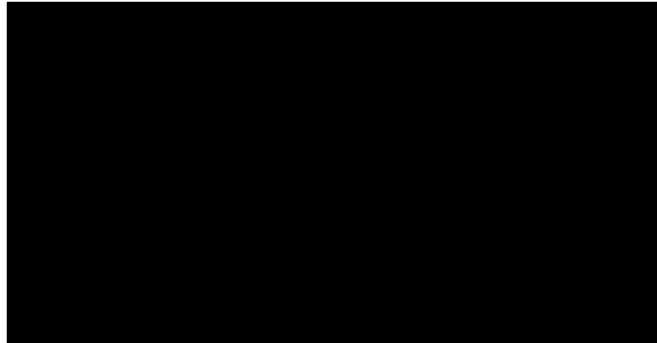
By: 
THOMAS E. HARTLINE, President

NAVITAS KY NG, LLC, a Kentucky limited liability company

By: NAVITAS UTILITY CORPORATION, a Nevada corporation, its Manager

By: 
THOMAS E. HARTLINE, President

GUARANTORS:



LENDER:

BANK 7

By: _____
CURT TRINDLE, Sr. Vice-President

EXHIBIT A

Centerline Description for the Michael L. Staton and Mona Staton Gas Main Easement:

LOCATED in Clinton County, Kentucky;

[REDACTED]

Title Source:

[REDACTED]

EXHIBIT B

Centerline Description for the Kathy Polston Dalton Gas Main Easement:

LOCATED in Clinton County, Kentucky; [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

FIRST AMENDMENT TO LOAN AGREEMENT

Effective June 1, 2017, **BANK7** (the “Lender”), and **FORT COBB OKLAHOMA IRRIGATION FUEL AUTHORITY L.L.C.**, an Oklahoma limited liability company d/b/a **FORT COBB FUEL AUTHORITY, L.L.C.** (“FCFA”), **NAVITAS ASSETS, L.L.C.**, a Delaware limited liability company (“NALLC”), **NAVITAS UTILITY CORPORATION**, a Nevada corporation (“NUC”), **NAVITAS OK3, LLC**, an Oklahoma limited liability company (“NOK3”), **NAVITAS-WINSTAR, LLC**, an Oklahoma limited liability company (“NWLLC”), **NAVITAS TN NG, LLC**, a Tennessee limited liability company (“NTNNG”), **NAVITAS KY NG, LLC**, a Kentucky limited liability company (“NKYNG”) (herein collectively “Borrowers”) and [REDACTED]

[REDACTED] (herein collectively “Guarantors”), hereby agree to change the terms of that certain Loan and Security Agreement dated October 17, 2013, to wit:

The following paragraph shall be added to Paragraph 6 – Affirmative Covenants:

*6.20. **Minimum Debt Coverage Ratio.** Borrowers shall maintain a minimum Debt Coverage Ratio (“DCR”) of [REDACTED]. DCR will be defined as ((Earnings Before Interest, Taxes, Depreciation and Amortization (“EBITDA”) minus (-) Distributions) divided by (Current Maturities Long Term Debt (“CMLTD”) plus (+) interest)). Distributions shall include loans or payments made to members or related entities and parties. Borrower’s DCR will be tested quarterly using the trailing 12 months.*

IN WITNESS WHEREOF, the parties have executed this Change in Terms Agreement to be effective on the date first above written.

BORROWERS/GUARANTORS: FORT COBB OKLAHOMA IRRIGATION FUEL AUTHORITY L.L.C., an Oklahoma limited liability company d/b/a **FORT COBB FUEL AUTHORITY, L.L.C.**

By: **NAVITAS ASSETS, L.L.C.**, a Delaware limited liability company, its Manager

By: **NAVITAS UTILITY CORPORATION**, a Nevada corporation, its Manager

By: 
THOMAS E. HARTLINE, President

NAVITAS ASSETS, L.L.C., a Delaware limited liability company

By: **NAVITAS UTILITY CORPORATION**, a Nevada corporation, its Manager

By: 
THOMAS E. HARTLINE, President

NAVITAS UTILITY CORPORATION, a Nevada corporation

By: 
THOMAS E. HARTLINE, President

NAVITAS OK3, LLC, an Oklahoma limited liability company

By: **NAVITAS UTILITY CORPORATION**, a Nevada corporation, its Manager

By: 
THOMAS E. HARTLINE, President

NAVITAS-WINSTAR, L.L.C., an Oklahoma limited liability company

By: 
THOMAS E. HARTLINE, President

NAVITAS TN NG, LLC, a Tennessee limited liability company

By: NAVITAS UTILITY CORPORATION, a Nevada corporation, its Manager

By: 
THOMAS E. HARTLINE, President

NAVITAS KY NG, LLC, a Kentucky limited liability company

By: NAVITAS UTILITY CORPORATION, a Nevada corporation, its Manager


By: 
THOMAS E. HARTLINE, President

GUARANTORS:



LENDER:

BANK 7

By: 
JASON ESTES, Executive Vice President

**FIRST AMENDED AND RESTATED
LOAN AND SECURITY AGREEMENT**

THIS FIRST AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT (“Agreement”) is made effective this 8th day of December, 2017, by and between **FORT COBB OKLAHOMA IRRIGATION FUEL AUTHORITY L.L.C.**, an Oklahoma limited liability company d/b/a **FORT COBB FUEL AUTHORITY, L.L.C.** (“FCFA”), **NAVITAS ASSETS, L.L.C.**, a Delaware limited liability company (“NALLC”), **NAVITAS UTILITY CORPORATION**, a Nevada corporation (“NUC”), **NAVITAS OK3, LLC**, an Oklahoma limited liability company (“NOK3”), **NAVITAS-WINSTAR, LLC**, an Oklahoma limited liability company (“NWLLC”), **NAVITAS TN NG, LLC**, a Tennessee limited liability company (“NTNNG”), **NAVITAS KY NG, LLC**, a Kentucky limited liability company (“NK YNG”) **NAVITAS TEXAS UTILITY, LLC**, a Texas limited liability company (“NTXU”) (herein collectively “Borrowers”) and [REDACTED] (herein collectively “Guarantors”), of 3186-D Airway Avenue, Costa Mesa, CA 92626, and **BANK 7**, a Banking association (“Bank 7” or “Lender”), 1039 N.W. 63rd Street, Oklahoma City, OK 73116.

RECITALS

WHEREAS, FCFA, NOK3, NALLC, NUC, NWLLC, NTNNG, NK YNG, Guarantors, and Lender are currently parties to that certain Loan and Security Agreement dated October 17, 2013 (as amended, restated, and supplemented) (the “Original Loan Agreement”)

WHEREAS, Borrowers and Guarantors have requested that Lender modify the Original Loan Agreement in order modify the Borrower for Note F, and also to extend a loan to FCFA, a loan to NTXU, a loan to NTNNG, and a loan to NK YNG, and Lender has agreed to said request subject to the terms and conditions found in this Agreement;

WHEREAS, based on the Borrowers’ and Guarantors’ request, Borrowers and Lender are now parties or will be parties to the following loans:

	<u>Amount</u>	<u>Borrower</u>
(a) Term Loan A (“Note A”)	\$ [REDACTED]	[REDACTED]
(b) Revolving Line of Credit Loan B (“Note B”)	\$ [REDACTED]	[REDACTED]
(c) Term Loan C (“Note C”)	\$ [REDACTED]	[REDACTED]
(d) Term Loan D (“Note D”)	\$ [REDACTED]	NK YNG
(f) Revolving Line of Credit Loan F (“Note F”)	\$ [REDACTED]	[REDACTED]

(g) Term Loan G ("Note G")	\$	[REDACTED]	NKYNG
(j) Revolving Line of Credit Loan J ("Note J")	\$	[REDACTED]	[REDACTED]
(k) Revolving Line of Credit Loan K ("Note K")	\$	[REDACTED]	[REDACTED]
(l) Revolving Line of Credit Loan L ("Note L")	\$	[REDACTED]	NKYNG

NOW, THEREFORE, in consideration of the mutual covenants contained herein, Borrowers and Lender do hereby agree as follows:

1. CONSTRUCTION AND DEFINITION OF TERMS

All terms used herein without definition which are defined by the Oklahoma Uniform Commercial Code shall have the meanings assigned to them by the Oklahoma Uniform Commercial Code, as in effect on the date hereof, unless and to the extent varied by this Agreement. All accounting terms used herein without definition shall have the meanings assigned to them as determined by generally accepted accounting principles. Whenever the phrase "satisfactory to Lender" is used in this Agreement, such phrase shall mean "satisfactory to Lender in its sole discretion." The use of any gender or the neuter herein shall also refer to the other gender or the neuter and the use of the plural shall also refer to the singular, and vice versa. In addition to the terms defined elsewhere in this Agreement, unless the context otherwise requires, when used herein, the following terms shall have the following meanings:

1.1. "Agreement" means this First Amended and Restated Loan and Security Agreement and all amendments, modifications and supplements hereto.

1.2. "Banking Day" shall mean Monday through Friday, excluding any federal or state holiday or other day that Banks in the State of Oklahoma are closed.

1.3. "Bankruptcy Code" means the United States Bankruptcy Code, as amended from time to time.

1.4. "Bank7 Prime Rate" shall mean that annual rate of interest as determined by Lender in its sole discretion. Each change in the Bank7 Prime Rate shall become effective without notice (which notice is hereby waived) on the date of change.

1.5. "Business Premises" shall mean Borrowers' offices located at 18218 East McDermott, Suite I, Irvine, CA 92614.

1.6. "Certified" shall mean that the information, statement, schedule, report, or

other document required to be “Certified,” shall contain a representation of a duly authorized officer of Borrowers that such information, statement, schedule, report, or other document is true and complete.

1.7. “Closing” shall mean the date on which this Agreement is executed.

1.8. “Collateral” shall mean all of each of respective Borrowers’ personal and real property (all business assets), both now owned and hereafter acquired, as more particularly described on Schedule 1 hereto.

1.9. “Event of Default” shall mean any of the events described in Section 8 hereof.

1.10. “GAAP” shall mean generally accepted accounting principles in the United States of America in effect from time to time.

1.11. “Governmental Authority” means any nation or government, any state or other political subdivision thereof and any entity exercising executive, legislative, judicial, regulatory, or administrative functions of or pertaining to government.

1.12. “Guarantors” shall mean the following:

- (a) [REDACTED] all Notes
- (b) [REDACTED] all Notes
- (c) [REDACTED] – Notes A, C, D and G
- (d) [REDACTED] – Notes B, F, J, K, and L

1.13. “Hazardous Materials” mean (a) any “hazardous waste” as defined by the Resource Conservation and Recovery Act of 1976, as amended from time to time, and regulations promulgated thereunder; (b) any “hazardous substance” as defined by the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended from time to time, and regulations promulgated thereunder; (c) any substance the presence of which on any property now owned or hereafter owned, operated or acquired by Borrowers is prohibit by any Law similar to those set forth in this definition; and (d) any other substance which by Law requires special handling in its collection, storage, treatment, or disposal.

1.14. “Hazardous Materials Contamination” means the contamination (whether presently existing or occurring after the date of this Agreement) by Hazardous Materials on any property owned, operated or controlled by Borrowers or for which Borrowers have responsibility, including, without limitation, improvements, facilities, soil, ground water, air or other elements on, or of, any property now or hereafter owned, operated or acquired by Borrowers, and any other contamination by Hazardous Materials for which Borrowers are, or are claimed to be, responsible.

1.15. “Indebtedness” shall include all items which would properly be included in the liability section of a balance sheet or in a footnote to a financial statement in accordance with generally accepted accounting principles, and shall also include all contingent liabilities.

1.16. "Laws" shall mean all ordinances, statutes, rules, regulations, orders, injunctions, writs, or decrees of any Governmental Authority or political subdivision or agency thereof, or any court or similar entity established by any thereof.

1.17. "Lien" shall mean any statutory or common law consensual or non-consensual mortgage, pledge, security interest, encumbrance, lien, right of setoff, claim or charge of any kind, including, without limitation, any conditional sale or other title retention transaction, any lease transaction in the nature thereof and any secured transaction under the Uniform Commercial Code of any jurisdiction.

1.18. "Loan Documents" shall mean any and all agreements, contracts, promissory notes, security agreements, assignments, subordination agreements, pledge or hypothecation agreements, mortgages, deeds of trust, leases, guaranties, instruments, letters of credit, letter of credit agreements and documents now and hereafter existing between Lender and Borrowers, executed and/or delivered pursuant to this Agreement or otherwise or guaranteeing, securing or in any other manner relating to any of the Obligations, including, without limitation, the instruments and documents referred to in Subsection 5.1 hereof together with any other instrument or document executed by Borrowers, Lender or any other person in connection with the Loans.

1.19. "Note" or "Notes" shall mean the Promissory Notes of Borrowers evidencing the Loans and all renewals, replacements, and extensions thereof. The Notes shall be payable jointly and severally by the respective makers thereof.

1.20. "Obligations" shall include the full and punctual observance and performance of all present and future duties, covenants and responsibilities due to Lender by Borrowers under this Agreement, the Notes, the Loan Documents, and otherwise, all present and future obligations and liabilities of Borrowers to Lender for the payment of money under this Agreement, the Notes, the Loan Documents and otherwise (extending to all principal amounts, interest, late charges, fees and all other charges and sums, as well as all costs and expenses payable by Borrowers under this Agreement, the Notes, the Loan Documents and otherwise), whether direct or indirect, contingent or noncontingent, mature or unmatured, accrued or not accrued, related or unrelated to this Agreement, whether or not now contemplated, whether or not any instrument or agreement relating thereto specifically refers to this Agreement and whether or not of the same character or class as Borrowers' obligations under this Agreement or the Notes, including, without limitation, overdrafts in any checking or any other account of Borrowers at Lender and claims against Borrowers acquired by assignment to Lender, whether or not secured under any other document, or agreement or statutory or common law provision, as well as all renewals, refinancings, consolidations, re-castings, and extension of any of the foregoing, the parties acknowledging that the nature of the relationship created hereby contemplates the making of future advances by Lender to Borrowers.

1.21. "Obligor" shall mean individually and collectively, Borrowers, the Guarantors and each endorser and surety of the Obligations; any person who is primarily or secondarily liable for the repayment of the Obligations, or any portion thereof; and any person who has granted security for the repayment of any of the Obligations.

1.22. "Permitted Liens" shall mean

(a) Liens for taxes, assessments or governmental charges or levies on the Property if the same shall not at the time be delinquent or thereafter can be paid without penalty, or are being contested in good faith and by appropriate proceedings diligently conducted;

(b) Liens incurred and pledges or deposits made in the ordinary course of business in connection with worker's compensation, unemployment insurance or other social security or retirement benefits, or similar legislation, other than any Lien imposed by ERISA;

(c) Deposits to secure the performance of bids and leases, statutory obligations, surety bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business;

(d) Easements, rights-of-way, restrictions and other similar encumbrances affecting real property which, in the aggregate, are not substantial in amount, and which do not in any case materially detract from the value of the property subject thereto or materially interfere with the ordinary conduct of the business of the Borrower;

(e) Liens pursuant to any of the Loan Documents;

(f) Liens specifically consented to by Lender in writing; and

(g) Other liens securing obligations, actual or contingent, in an aggregate amount no greater than \$100,000.00 at any time.

1.23. "Person" shall include natural persons, corporations, associations, limited liability companies, partnerships, joint ventures, trusts, governments and agencies and departments thereof and every other entity of every kind.

1.24. "Subordinated Indebtedness" shall mean all Indebtedness incurred, at any time by Borrowers, the repayment of which is subordinated to the Obligations.

1.25. "Subsidiary" shall include any corporation or unincorporated business entity at least a majority of the outstanding Voting Stock or interests of which is owned, now or in the future, by Borrowers and/or by one or more Subsidiaries.

2. THE LOANS

2.1. **Loan Advances.** Subject to the terms and conditions hereinafter set forth, Lender has made or agrees to make the following loans to the various Borrowers (the "Loans"):

	<u>Amount</u>	<u>Borrower</u>
(a) Term Loan A ("Note A")	\$ [REDACTED]	[REDACTED]
(b) Revolving Line of Credit Loan B ("Note B")	\$ [REDACTED]	[REDACTED]
(c) Term Loan C ("Note C")	\$ [REDACTED]	[REDACTED]
(d) Term Loan D ("Note D")	\$ [REDACTED]	NKYNG
(f) Revolving Line of Credit Loan F ("Note F")	\$ [REDACTED]	[REDACTED]
(g) Term Loan G ("Note G")	\$ [REDACTED]	NKYNG
(j) Revolving Line of Credit Loan J ("Note J")	\$ [REDACTED]	[REDACTED]
(k) Revolving Line of Credit Loan K ("Note K")	\$ [REDACTED]	[REDACTED]
(l) Revolving Line of Credit Loan L ("Note L")	\$ [REDACTED]	NKYNG

2.2. **Note.** Each respective Borrower's obligation to repay the Loans with interest is or shall be evidenced by the respective Notes (Note A, Note B, Note C, Note D, Note F, Note G, Note J, Note K, and Note L).

2.3. **Interest.** Interest shall be payable monthly as provided in the respective Notes and shall be calculated on a year of 360 days based upon the actual number of days elapsed.

2.4. **Loan Fee.** At closing, Borrowers shall pay Lender loan fees on Notes J and K equal to [REDACTED] of the face amount of said Notes, or [REDACTED] total.

2.5. **Late Charge; Default Rate.** If any payment required to be made by Borrowers hereunder is not paid within ten (10) days after the date on which such payment is due, Borrowers shall pay to Lender on demand a late charge equal to five percent (5.0%) of the amount of such payment. The late payment charge shall be payable to Lender on demand. Upon the occurrence of an Event of Default hereunder, sums outstanding under the Loan shall bear interest at the default rate of interest as set forth in the Notes (the "Default Rate") until the default is cured. The default shall be cured on the demand by Lender.

2.6. **Revolving Line of Credit Note B, F, J, K, and L - Advances.** Subject to the terms and conditions hereof, Lender agrees to make advances to Borrowers upon Note B, Note F,

Note J, Note K, and Note L (herein called "Advances") from time to time so long as the aggregate amount of Advances outstanding at any time does not exceed [REDACTED] for Note B, [REDACTED] for Note F, [REDACTED] for Note J, [REDACTED] for Note K, and [REDACTED] for Note L. Each Advance must be greater than or equal to [REDACTED]. The amount of principal owing on Note B, Note F, Note K, Note K, or Note L at any given time shall be the aggregate amount of all Advances heretofore made minus all payments of principal theretofore received by Lender on the respective Note. Interest on Note B, Note F, Note J, Note K, and Note L shall accrue and be due and payable as provided herein and therein. The respective Borrower may borrow funds under Note B, Note F, Note J, Note K, or Note L, prepay such funds, and re-borrow, all in accordance with the terms and conditions of Note B, Note F, Note J, Note K, Note L, and this Agreement.

2.7 Requests for Advances Under Notes B, F, J, K, and L. Each Borrower under Note B, Note F, Note J, Note K, and Note L must give prior notice to Lender of any requested Advance by delivering a Request for Advance to Lender before 11:00 a.m. CST on the day of any requested Advance. Each request for an Advance shall be in the form of a Request for Advance acceptable to Lender, duly completed and signed by authorized officers of the respective Borrower. If all conditions precedent to such Advance have been met, Lender will on the date requested make such Advance available in immediately available funds by the date following said Request in the respective Borrower's account(s) with Lender.

3. SECURITY

3.1. Security Interest. As security for the payment and performance of all of the Obligations, whether or not any instrument or agreement relating to any Obligation specifically refers to this Agreement or the security interest created hereunder, Borrowers hereby assign, pledge and grant to Lender a continuing security interest in the Collateral. Lender's security interest shall continually exist until (a) all Obligations have been paid in full and (b) there exists no commitment by Lender which could give rise to any of the Obligations.

3.2. Covenants and Representations Concerning Collateral. With respect to all of the Collateral, each respective Borrower, to the extent of its respective ownership interest in any of the Collateral, covenants, warrants, and represents that:

(a) No financing statement covering any of the Collateral is on file in any public office or land or financing records except for financing statements in favor of Lender and Borrowers are the legal and beneficial owner of all of the Collateral, free and clear of all Liens, except for Permitted Liens identified in writing on Schedule 2 attached hereto and made a part hereof, if applicable.

(b) The security interest granted Lender hereunder shall constitute a first priority Lien upon the Collateral. Borrowers will not, and Lender does not authorize Borrowers to, except in the ordinary course of business, transfer, discount, sell, grant or assign any interest in the Collateral nor, without Lender's prior written consent, permit any other Lien to be created or remain thereon except for Permitted Liens. Borrowers shall execute such additional documents as requested by Lender regarding the Collateral.

(c) Borrowers will maintain the Collateral in good order and condition, ordinary wear and tear excepted, and will use, operate and maintain the Collateral in compliance with all laws, regulations and ordinances and in compliance with all applicable insurance requirements and regulations. Borrowers will promptly notify Lender in writing of any material litigation involving or affecting the Collateral which Borrowers know or have reason to believe is pending or threatened. Borrowers will promptly pay when due all taxes and all transportation, storage, warehousing and other such charges and fees affecting or arising out of or relating to the Collateral and shall defend the Collateral, at Borrowers' expense, against all claims and demands of any persons claiming any interest in the Collateral adverse to Borrowers or Lender.

(d) With prior written notice during normal business hours, Lender and its agents and designees may enter the Business Premises of Borrowers and inspect the Collateral and all books and records of Borrowers (in whatever form). Lender shall pay the costs of such inspections.

(e) Borrowers will maintain comprehensive casualty insurance on the Collateral against such risks, in such amounts, with such loss deductible amounts and with such companies as may be satisfactory to Lender, and each such policy shall contain a clause or endorsement satisfactory to Lender naming Lender as loss payee and a clause or endorsement satisfactory to Lender that such policy may not be cancelled or altered and Lender may not be removed as loss payee without at least thirty (30) days prior written notice to Lender. In all events, the amounts of such insurance coverages shall conform to prudent business practices and shall be in such minimum amounts that Borrowers will not be deemed a co-insurer under applicable insurance laws, regulations, policies, or practices. Borrowers hereby assign to Lender and grant to Lender a security interest in any and all proceeds of such policies and authorize and empower Lender to adjust or compromise any loss under such policies and to collect and receive all such proceeds. Borrowers authorize and empower Lender to execute and endorse in Borrowers' name all proofs of loss, drafts, checks and any other documents or instruments necessary to accomplish such collection, and any persons making payments to Lender under the terms of this paragraph are hereby relieved absolutely from any obligation or responsibility to see to the application of any sums so paid. After deduction from any such proceeds of all costs and expenses (including reasonable attorneys' fees) incurred by Lender in the collection and handling of such proceeds, the net proceeds shall be applied as follows. If no Event of Default shall have occurred and be continuing, such net proceeds may be applied, at Borrowers' option, either toward replacing or restoring the Collateral, in a manner and on terms satisfactory to Lender, or as a credit against such of the Obligations, whether matured or unmatured, as Lender shall determine in Lender's sole discretion. In the event that Borrowers may and do elect to replace or restore as aforesaid, then such net proceeds shall be deposited in a segregated account of Borrowers at Lender and subject to the sole order of Lender and shall be disbursed therefrom by Lender in such manner and at such times as Lender deems appropriate to complete such replacement or restoration; provided, however, that if an Event of Default shall occur at any time before or after replacement or restoration has commenced, then thereupon Lender shall have the option

to apply all remaining net proceeds either toward replacing or restoring the Collateral, in a manner and on terms satisfactory to Lender, or as a credit against such of the Obligations, whether matured or unmatured, as Lender shall determine in Lender's sole discretion. If an Event of Default shall occur prior to such deposit of the net proceeds, then Lender may, in its sole discretion, apply such net proceeds either toward replacing or restoring the Collateral, in a manner and on terms satisfactory to Lender, or as a credit against such of the Obligations, whether matured or unmatured, as Lender shall determine in Lender's sole discretion.

(f) Borrowers shall do, make, execute and deliver all such additional and further acts, things, deeds, assurances, instruments and documents as Lender may request to vest in and assure to Lender its rights hereunder or in any of the Collateral, including, without limitation, placing legends on Collateral stating that Lender has a security interest therein.

(g) Borrowers shall cooperate with Lender to obtain and keep in effect one or more control agreements in covering its deposit accounts with Lender.

(h) Borrowers authorize Lender to file financing statements covering the Collateral containing such legends as Lender shall deem necessary or desirable to protect Lender's interest in the Collateral. Borrowers agree to pay all taxes, fees and costs (including attorneys' fees) paid or incurred by Lender in connection with the preparation, filing or recordation thereof.

(i) Whenever required by Lender, Borrowers shall promptly deliver to Lender, with all endorsements and/or assignments required by Lender, all instruments, writings, records, and the like received by Borrowers constituting, evidencing or relating to any of the Collateral or proceeds of any of the Collateral.

(j) Borrowers shall not file any amendments, correction statements, or termination statements concerning the Collateral without the prior written consent of Lender.

(k) If any Collateral arises out of a contract with the United States Government or any department, agency or instrumentality thereof, Borrowers shall immediately notify Lender thereof and shall execute and deliver to Lender specific assignments, of those contracts and the related United States Government accounts of Borrowers and shall do such other things as may be satisfactory to Lender in order that all sums due and to become due to Borrowers under such contract shall be duly assigned to Lender in accordance with the Federal Assignment of Claims Act (31 United States Code § 3727; 41 United States Code § 15) as in effect on the date hereof and as hereafter amended and/or any other applicable laws and regulations relating to the assignment of governmental obligations.

(l) Borrower shall do, make, execute and deliver all such additional and further acts, things, deeds, assurances, instruments and documents as Lender may request to vest in and assure to Lender its rights hereunder or in any of the Collateral, including,

without limitation, placing legends on Collateral stating that Lender has a security interest therein.

3.3. Collateral Collections. After an Event of Default shall have occurred, Lender shall have the right at any and all times to enforce Borrowers' rights against account debtors and other parties obligated on Collateral, including, but not limited to, the right to: (a) notify and/or require Borrowers to notify any or all account debtors and other parties obligated on Collateral to make payments directly to Lender or in care of a post office lock box under the sole control of Lender established at Borrowers' expense subject to Lender's customary arrangements and charges therefor, and to take any or all action with respect to Collateral as Lender shall determine in its sole discretion, including, without limitation, the right to demand, collect, sue for and receive any money or property at any time due, payable or receivable on account thereof, compromise and settle with any person liable thereon, and extend the time of payment or otherwise change the terms thereof, without incurring liability or responsibility to Borrowers; (b) require Borrowers to segregate and hold in trust for Lender and, on the day of Borrowers' receipt thereof, transmit to Lender in the exact form received by Borrowers (except for such assignments and endorsements as may be required by Lender), all cash, checks, drafts, money orders and other items of payment constituting Collateral or proceeds of Collateral. Lender's collection and enforcement against account debtors and other persons obligated thereon shall be deemed to be commercially reasonable if Lender exercises the care and follows the procedures that Lender generally applies to the collection of obligations owed to Lender. All cash and non-cash proceeds of the Collateral may be applied by Lender upon Lender's actual receipt of cash proceeds against such of the Obligations, matured or unmatured, as Lender shall determine in Lender's sole discretion.

3.4. Care of Collateral. Borrowers shall have all risk of loss of the Collateral. Lender shall have no liability or duty, either before or after the occurrence of an Event of Default, on account of loss of or damage to, to collect or enforce any of its rights against, the Collateral, to collect any income accruing on the Collateral, or to preserve rights against account debtors or other parties with prior interests in the Collateral. If Lender actually receives any notices requiring action with respect to Collateral in Lender's possession, Lender shall take reasonable steps to forward such notices to Borrowers. Borrowers are responsible for responding to notices concerning the Collateral. Lender's sole responsibility is to take such action as is reasonably requested by Borrowers in writing, however, Lender is not responsible to take any action that, in Lender's sole judgment, would affect the value of the Collateral as security for the Obligations adversely. While Lender is not required to take certain actions, if action is needed, in Lender's sole discretion, to preserve and maintain the Collateral, Borrowers authorize Lender to take such actions, but Lender is not obligated to do so.

3.5. Cross Collateral. Borrowers and each of them herein stipulate, acknowledge and agree that all Collateral secures all Notes and all Loan Documents.

3.6 Certificate of Deposit Number [REDACTED]. NKYNG and Lender are currently parties to that certain Collateral Pledge Agreement dated July 31, 2014, whereby NKYNG pledged all of its right, title, and interest in that certain Certificate of Deposit numbered [REDACTED] held by Lender (the "CD") to secure Note G. If applicable, on a quarterly basis, Lender hereby agrees that the

amount held by Lender with respect to the CD will be reduced to an amount which equals [REDACTED] of the principal balance of Note G. For the avoidance of doubt, Lender acknowledges that the CD only secures Note G.

4. REPRESENTATIONS AND WARRANTIES

To induce Lender to enter into this Agreement, Borrowers represent and warrant to Lender that:

4.1. **State of Incorporation and Legal Name.** Each Borrower's state of incorporation or formation and exact legal name are as set forth in the first paragraph of this Agreement.

4.2. **Good Standing.** Borrowers are individuals or duly organized business organizations, legally existing and in good standing under the laws of the State of their organization, have the power to own their property, and to carry on their businesses, and are duly qualified to do business, and are in good standing in each jurisdiction in which the character of the properties owned by it therein or in which the transaction of its business makes such qualification necessary.

4.3. **Authority.** Each of the Borrowers has the full power and authority to enter into this Agreement, to make the borrowings hereunder, to execute and deliver all documents and instruments required hereunder, and to incur and perform the obligations provided for herein, all of which have been duly authorized by all necessary and proper corporate and other action, and no consent or approval of any person, including, without limitation, members or stockholders of Borrowers and any public authority or regulatory body, which has not been obtained is required as a condition to the validity or enforceability hereof or thereof.

4.4. **Binding Agreements.** This Agreement has been duly and properly executed by each of the Borrowers, constitutes the valid and legally binding obligation of each of the Borrowers, and is fully enforceable against each of the Borrowers in accordance with its terms, subject only to laws affecting the rights of banks generally and application of general principles of equity.

4.5. **No Conflicting Agreements.** The execution, delivery and performance by Borrowers of this Agreement and the borrowings hereunder will not (a) violate (i) any provision of law or any order, rule or regulation of any court or agency of government, (ii) any award of any arbitrator, (iii) the Bylaws or Operating Agreements of Borrowers or (iv) any indenture, contract, agreement, mortgage, deed of trust or other instrument to which Borrowers are a party or by which Borrowers or any of their property is bound, or (b) be in conflict with, result in a breach of or constitute (with due notice and/or lapse of time) a material default under, any such award, indenture, contract, agreement, mortgage, deed of trust or other instrument, or result in the creation or imposition of any Lien upon any of the property or assets of Borrowers except for Liens created in favor of Lender under or pursuant to this Agreement.

4.6. **Litigation.** Except as disclosed to Lender in writing, there are no judgments,

injunctions or similar orders or decrees, claims, actions, suits or proceedings pending or, to the knowledge of Borrowers, threatened against or affecting Borrowers or any property of Borrowers, at law or in equity, by or before any court or any federal, State, county, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, which could result in any material adverse change in the business, operations, prospects, properties or in the condition, financial or otherwise, of Borrowers, and Borrowers are not, to Borrowers' knowledge, in default with respect to any judgment, order, writ, injunction, decree, rule or regulation of any court or any federal, State, county, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, which could have a material adverse effect on Borrowers.

4.7. Financial Condition. The financial statements of Borrowers heretofore delivered to Lender are true and complete in all material respects, fairly present the financial condition of Borrowers as at such dates and the results of its operations for the period then ended and were prepared in accordance with GAAP applied on a consistent basis for prior periods. There is no Indebtedness of Borrowers as of the date of such statements which is not reflected therein and no material adverse change in Borrowers' financial condition has occurred since the date of such statements.

4.8. Taxes. Borrowers have paid or caused to be paid all federal, State and local taxes to the extent that such taxes have become due and has filed or caused to be filed all federal, State and local tax returns which are required to be filed by Borrowers.

4.9. Title to Properties. Borrowers have good and marketable title to all of their properties and assets (including the Collateral).

4.10. Place of Business. Borrowers have only such business locations as disclosed to Lender prior to the date hereof. Borrowers will not change the location of the Business Premises or open additional business locations (other than those locations heretofore disclosed to Lender) without Lender's prior written consent, which shall not be unreasonably withheld.

4.11. Financial Information. All financial statements, schedules, reports and other information supplied to Lender by or on behalf of Borrowers heretofore and hereafter are and will be true and complete.

4.12. Licenses and Permits. Borrowers have duly obtained and now holds all licenses, permits, certifications, approvals and the like required by federal, State and local laws of the jurisdictions in which Borrowers conduct their business, and each remains valid and in full force and effect.

4.13. Certain Indebtedness. Other than that certain loan from NALLC to [REDACTED] in the original amount of [REDACTED] (the "[REDACTED] Loan"), there is no indebtedness of Borrowers owing to any employee, officer, stockholder or director of Borrowers other than accrued salaries, commissions and the like.

4.14. Outstanding Indebtedness. Borrowers have no outstanding Indebtedness except as described to Lender in writing prior to the date hereof and there exists no default under the provisions of any instrument evidencing such Indebtedness or under the provisions of any agreement relating thereto.

4.15. Regulation U. Borrowers do not own or presently intend to acquire any "margin stock" as defined in Regulation U (12 CFR Part 221) of the Board of Governors of the Federal Reserve System. None of the proceeds of any of the Loan hereunder will be used, directly or indirectly, for the purpose of purchasing or carrying any margin stock or for the purpose of reducing or retiring any indebtedness which was originally incurred to purchase or carry a margin stock or for any other purpose which might constitute this transaction a "purpose credit" within the meaning of Regulation U. Neither Borrowers nor any agent acting on their behalf have taken or will take any action which might cause this Agreement to violate Regulation U or any other regulation of the Board of Governors of the Federal Reserve System or to violate the Securities Exchange Act of 1934, in each case as in effect now or as the same may hereafter be in effect.

4.16. Patents, Trademarks, etc. Borrowers own, possess or have the right to use all necessary patents, patent rights, licenses, trademarks, trade names, trade name rights, copyrights and franchises to conduct their business as now conducted, without any known conflict with any patent, patent right, license, trademark, trademark rights, trade name right, trade name, copyright or franchise right of any other person.

4.17. Perfection and Priority of Collateral. Lender has or upon proper recording of any financing statement, execution of any control agreement or delivery of Collateral to Lender's possession, will have and will continue to have as security for the Obligations, a valid and perfected Lien on and security interest in all Collateral free of all other Liens, claims and rights of third parties whatsoever except Permitted Liens.

4.18. Commercial Purpose. The Loan is not a "consumer transaction" as defined in the Uniform Commercial Code and none of the Collateral was or will be purchased or held primarily for personal, family or household purposes.

4.19. Survival; Updates of Representations and Warranties. All representations and warranties contained in or made in connection with this Agreement and the other Loan Documents shall survive the Closing and any advance made hereunder. Lender acknowledges and agrees that any and all representations and warranties contained in or made under or in connection with this Agreement may be amended, changed or otherwise modified by Borrowers, with the consent of Lender, at any time and from time to time after the Closing so as to accurately reflect the matters represented and warranted therein; provided, that such amendments, changes and/or modifications are disclosed in writing to and approved by Lender. Lender shall have no obligation to waive any Event of Default due to any present or future inaccuracy of such representation or warranty or to agree to any amendment, change, or modification of such representation or warranty.

4.20. Easements – Continuing Validity. To the Borrower's knowledge, each Easement owned by Borrowers is valid, existing and enforceable; there has not been, and there

currently is not any event (with or without notice, lapse of time, or both with respect thereto) that would result in the termination, impairment, or limitation of any such Easement; no future payments of any kind are due under any Easement in order to maintain its existence; each Easement is perpetual; and the continuation, validity, and enforceability of each Easement will not be disturbed by the transaction contemplated herein.

5. CONDITIONS OF LENDING

Unless Lender shall otherwise agree, Lender shall have no obligation to advance any funds to Borrowers hereunder unless each of the following conditions precedent shall be satisfied as provided below:

5.1. Documents. There shall have been delivered to Lender, appropriately completed and duly executed (when applicable), the following, each in form and substance satisfactory to Lender:

(a) Note A, Note B, Note C, Note D, Note F, Note G, Note J, Note K, Note L, this Agreement, the Second Amended and Restated Loan Guaranty Agreements, the Guarantor's Consent and Confirmation, and the Mortgages.

(b) Resolutions from the Borrowers in form and content acceptable to Lender authorizing Borrowers to enter into the Loans.

(c) Certificate of Good Standing of each non-individual Borrower issued by the State of organization.

(d) Evidence satisfactory to Lender that all insurance coverages and all insurance clauses or endorsements required pursuant to this Agreement and the Loan Documents are in effect, together with copies of all insurance policies and endorsements.

5.2. No Default. At Closing and at the time of every subsequent advance upon Note B, Note F, Note J, Note K, or Note L, Lender shall be fully satisfied that (a) all of the covenants, conditions, warranties and representations set forth herein and in the Loan Documents have been complied with and are true and complete on and as of such time with the same effect as though such covenants, conditions, warranties and representations had been made on and as of such time, (b) no Event of Default nor any event which, upon the giving of notice and/or the lapse of time, could constitute an Event of Default shall have occurred, and (c) the documents and matters required to be executed, delivered, opined and/or Certified pursuant to Subsection 5.1 hereof shall be in full force and effect and/or true and complete, as the case may be.

5.3. Legal Matters. At Closing, all legal matters in connection therewith or incidental thereto shall be fully satisfactory to Lender's counsel.

6. AFFIRMATIVE COVENANTS

Borrowers covenant and agree with Lender that, until (a) all Obligations have been paid in full, (b) there exists no commitment by Lender which could give rise to any Obligations, and (c) all appropriate termination statements have been filed terminating the security interest granted Lender hereunder, Borrowers will:

6.1. Financial Statements:

(a) Annual Statements. (i) *Borrowers.* As soon as available, and in any event within one hundred twenty (120) days after the end of each fiscal year, the Borrowers shall provide to Lender complete annual reviewed consolidated financial statements (consisting of a balance sheet, income statement, cash flow statements, accounts receivable aging, accounts payable aging, and a schedule of notes payable with a description of the debt, note terms, and payment amounts), all in form and scope acceptable to Lender. These financial statements shall include accounts wherever maintained as of the end of such fiscal year. Said review shall be performed by a Certified Public Accountant firm acceptable to Lender. (ii) *Guarantors.* Within one hundred twenty (120) days after the end of each calendar year, the Guarantors shall provide to Lender their respective complete financial statements (consisting of a balance sheet, income statement and net worth statement), all in form acceptable to Lender.

(b) Quarterly Financial Statements. Within sixty (60) days of each calendar quarter end, Borrowers shall provide to Lender complete certified consolidated financial statements (consisting of a balance sheet, income statement, cash flow statement, accounts receivable aging, and accounts payable aging, and a schedule of notes payable with a description of the debt, note terms, and payment amounts, all in form and scope acceptable to Lender). The financial statements shall include accounts wherever maintained as of the end of such fiscal quarter. The financial statements shall be certified by Borrower to be accurate and complete.

(c) Tax Returns. Within thirty (30) days of the tax submittal deadline each Borrower and Guarantor shall provide to Lender a copy of their respective filed federal income tax return (with all schedules) for the prior calendar year. If extensions are filed said filer shall provide to Lender a copy of the extension applications.

(d) Monthly Account Receivable Aging Report. Within thirty (30) days of each month-end, Borrowers shall provide to Lender a complete accounts receivable aging report.

(e) Annual Customer Report. Upon request of Lender, but in no event less often than annually, within one hundred twenty (120) days of the end of each fiscal year, Borrowers shall provide to Lender a complete Customer Report consisting of customer account numbers, names, addresses, further indicating whether the account is delinquent, and if so further detailing the delinquency, to the extent it will not violate the Oklahoma

Corporation Commission's customer privacy limitations.

(f) **Equipment Report.** Upon request of Lender, but in no event less often than annually, within one hundred twenty (120) days of the end of each fiscal year, Borrowers shall provide to Lender a complete Equipment Report consisting of all machinery, equipment, and rolling stock owned by Borrowers.

(g) **Additional Financial Reports.** Upon request of Lender, Borrowers shall provide Financial Statements of any or all companies owned or managed by Borrowers in such form and substance and at such times as requested by Lender.

(h) **Subordinated Indebtedness or Obligations:** With the exception of the [REDACTED] Loan, until payment in full of the Loans, NUC, FCFA, NALLC, NWLLC, NTNNG, NTXU and NKYNG shall not repay any indebtedness or obligation to any stockholder, owner, officer, or affiliate without the consent of Lender.

(i) **Other Information.** Such other information concerning the business affairs of the Borrowers or others as the Lender might request from time to time.

6.2. Taxes. Pay and discharge all taxes, assessments and governmental charges upon Borrowers, their income and properties, prior to the date on which penalties attach thereto unless and to the extent only that the same are being diligently contested by Borrowers in good faith in the normal course of business by appropriate proceedings, provided, however, that: (a) Lender shall have been given reasonable prior written notice of intention to contest; (b) nonpayment of the same will not, in Lender's sole discretion, materially impair any of the Collateral or Lender's rights or remedies with respect thereto or the prospect for full and punctual payment of all of the Obligations; (c) Borrowers at all times effectively stays or prevents any official or judicial sale of or action or filing against any of the Collateral by reason of nonpayment of the same; and (d) Borrowers establishes reasonable reserves for any liabilities being contested and for expenses arising out of such contest.

6.3. Corporate Existence, Continuation of Business and Compliance with Laws. Maintain its corporate existence in good standing; continue its business operations as now being conducted; and comply with all applicable federal, State and local laws, rules, ordinances, regulations and orders unless and to the extent only that the validity or applicability thereof is being diligently contested by Borrowers in good faith by appropriate proceedings, provided, however, that: (a) Lender shall have been given reasonable prior written notice of intention to contest; (b) such noncompliance will not, in Lender's sole discretion, materially impair any of the Collateral or Lender's rights or remedies with respect thereto or the prospect for full and punctual payment of all of the Obligations; (c) Borrowers at all times effectively stays or prevents any official or judicial sale of or action or filing against any of the Collateral by reason of such noncompliance; and (d) Borrowers establishes reasonable reserves for any liabilities or expenses which may arise out of such noncompliance and contest.

6.4. Extraordinary Loss. Promptly notify Lender in writing of any event causing

extraordinary loss or depreciation of the value of Borrowers' assets (whether or not insured) and the facts with respect thereto.

6.5. **Books and Records.** Keep and maintain proper and current books and records in accordance with GAAP and permit access by Lender to, reproduction by Lender of and copying by Lender from, such books and records during normal business hours. All reasonable costs and expenses of such inspections and examinations shall be paid by Borrowers.

6.6. **Conferences with Officers.** Permit Lender to discuss Borrowers' affairs, finances, and accounts with any officers of Borrowers.

6.7. **Maintenance of Properties.** Maintain all properties and improvements necessary to the conduct of its business in good working order and condition, ordinary wear and tear excepted, and cause replacements and repairs to be made when necessary for the proper conduct of its business.

6.8. **Patents, Franchises, etc.** Maintain, preserve and protect all licenses, patents, franchises, trademarks, and trade names of Borrowers or licensed by Borrowers which are necessary to the conduct of the business of Borrowers as now conducted, free of any conflict with the rights of any other person.

6.9. **Insurance.** Maintain with duly licensed insurers and in amounts satisfactory to Lender such insurance on Borrowers' tangible personal property against such risks and with such loss deductible amounts as may be satisfactory to Lender.

6.10. **Evidence of Insurance.** Deliver to Lender from time to time, and periodically if Lender shall so require, evidence satisfactory to Lender that all insurance and endorsements required pursuant to this Agreement and the Loan Documents are in effect.

6.11. **Further Assurances and Corrective Instruments.** Promptly execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, to Lender from time to time such supplements hereto and such financing statements and other instruments and documents as may be requested by Lender to protect and preserve the Collateral, Lender's security interest therein, perfection of Lender's security interest and/or Lender's rights and remedies hereunder.

6.12. **Financial Information.** Deliver to Lender promptly upon Lender's request, and periodically if Lender shall so require, such written statements, schedules or reports (which shall be Certified if required by Lender) in such form, containing such information and accompanied by such documents as may be satisfactory to Lender from time to time concerning the Collateral, Borrowers' financial condition or business operations or any other matter or matters, including, without limitation, copies of federal, State and local tax returns of Borrowers, and permit Lender, its agents and designees, to discuss Borrowers' financial condition and business operations with Borrowers' officers and employees.

6.13. **Notice of Event of Default.** Immediately notify Lender in writing of the

occurrence of any Event of Default or any event or existing condition which, with the giving of notice and/or the lapse of time, could constitute an Event of Default or which might materially and adversely affect the financial conditions or operations of Borrowers and the facts with respect thereto.

6.14. **ERISA.** (a) At all times maintain its employee pension benefit plans, if any, as that term is defined in Section 3(2) of the Employee Retirement Income Security Act of 1974, as amended from time to time ("ERISA"), in conformity with all applicable provisions of ERISA and other federal and State statutes relating to employee benefit plans; (b) at all times make prompt payments of contributions required to meet the minimum funding standards set forth in Sections 302 and 305 of ERISA with respect to each such plan; (c) if requested by Lender, promptly after the filing thereof, furnish to Lender copies of each annual report required to be filed pursuant to Section 103 of ERISA in connection with each such plan for each plan year, including any certified financial statements or actuarial statements required pursuant to said Section 103; (d) notify Lender immediately of any fact, including, without limitation, any "Reportable Event" (as that term is defined in Section 4043(b) of ERISA) arising in connection with any such plan which might constitute grounds for the termination thereof by the Pension Benefit Guaranty Corporation or for the appointment by the appropriate United States District Court of a trustee to administer the plan; and (e) furnish to Lender, promptly upon its request therefor such additional information concerning any such plan as Lender may request.

6.15. **Field Audits.** Lender may, as it deems necessary, conduct audits of Borrowers' business.

6.16. **Continuance of Business.** Continue to operate the business as set forth in Borrowers' loan application to Lender and not to acquire or operate any non-energy infrastructure business enterprise without Lender's prior consent.

6.17. **Proceeds.** Use of the proceeds of advances hereunder only for the purposes set forth herein and to pay the costs, expenses and fees payable by Borrowers under this Agreement and the other Loan Documents.

6.18. **Hazardous Materials: Contamination.** Borrowers agrees to, (a) promptly take action to comply with any Laws requiring the removal, treatment or disposal of Hazardous Materials or Hazardous Materials Contamination and provide Lender with satisfactory evidence of such action, which action must be in all respects sufficient to avoid any penalty, assessment or notice of non-compliance with any required remedial or corrective action on the part of any Governmental Authority; (b) provide Lender, within 30 days after a demand by Lender, with a bond, letter of credit or similar financial assurance evidencing to Lender's reasonable satisfaction that the necessary funds are available to pay the cost of removing, treating and disposing of Hazardous Materials described in item (a) or Hazardous Materials Contamination and discharging any Lien which may be established as a result thereof on any property owned or controlled by Borrowers or for which Borrowers are responsible; and (c) defend, indemnify and hold harmless Lender and its employees, trustees, successors and assigns from any and all claims which may now or in the future (whether before or after the termination of this Agreement) be asserted as a result of the presence of any Hazardous

Materials on any property owned or controlled by Borrowers or for which Borrowers are responsible for any Hazardous Materials Contamination.

6.19. **Lender as Depository.** Borrowers shall maintain Lender as its principal depository for deposits and other commercial accounts.

6.20. **Minimum Debt Coverage Ratio.** Borrowers shall maintain a minimum Debt Coverage Ratio ("DCR") of [REDACTED]. DCR will be defined as ((Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA") minus (-) Distributions) divided by (Current Maturities Long Term Debt ("CMLTD") plus (+) interest)). Distributions shall include dividends, loans or other payments made to members or related entities and parties. Within forty-five (45) days of March 31, 2018, and within forty-five (45) days of each calendar quarter thereafter, Lender will test Borrowers' DCR using Borrowers' internally prepared financial statements for the trailing 12 months.

7. NEGATIVE COVENANTS

Borrowers covenant and agree with Lender that, until (a) all Obligations have been paid in full and (b) there exists no commitment by Lender which could give rise to any Obligations, Borrowers will not, directly or indirectly, without Lender's prior written consent:

7.1. **Indebtedness.** Create, incur, assume or permit to exist, directly or indirectly, any Indebtedness except: (a) Indebtedness to Lender; (b) trade indebtedness (which shall not include any borrowing, or notes given in settlement of trade indebtedness) incurred in the ordinary course of business and not in dispute or more than thirty days past due; (c) existing Indebtedness previously disclosed by Borrowers to Lender in writing; (d) Indebtedness for the purchase of equipment; (e) Debt of one Borrower to another Borrower; and (f) Indebtedness which shall be consented to by Lender in writing in advance, in Lender's sole but reasonable discretion, and if required by Lender, subordinated to the Obligations by a written agreement satisfactory to Lender in form and substance.

7.2. **Liens.** Except for Permitted Liens, create, incur, assume, or permit to exist, directly or indirectly, any Lien upon any of the Collateral.

7.3. **Merger.** Enter into or be a party to any merger, consolidation, reorganization, or exchange of stock or assets.

7.4. **Sale of Assets, etc.** Sell, assign, transfer, convey or lease any interest in all or any substantial part of its property except in the ordinary course of Borrowers' businesses as now being conducted.

7.5. **Investments.** Make any capital contribution to any other person or purchase or acquire a beneficial interest in any stock, securities or evidences of Indebtedness of, or make any investment or acquire any interest in, any other person, except investments in federally insured certificates of deposit, investments in direct obligations of the United States of America maturing within one year from the date of acquisition or investments as follows:

7.5.1 Investments existing on the Closing Date;

7.5.2 Advances to officers, directors and employees of the Borrowers in an aggregate amount not to exceed [REDACTED] at any time outstanding, for travel, entertainment, relocation and analogous ordinary business purposes;

7.5.3 Investments of a Borrower in another Borrower;

7.5.4 Investments consisting of extensions of credit in the nature of accounts receivable or notes receivable arising from the grant of trade credit in the ordinary course of business, and investments received in satisfaction or partial satisfaction thereof from financially troubled account debtors to the extent reasonably necessary in order to prevent or limit loss; and

7.5.5 Other investments (including acquisitions) not exceeding [REDACTED] in the aggregate in any fiscal year.

7.6. Subsidiaries. Within the State of Oklahoma, organize or cause to exist any Subsidiaries without Lender's prior written consent, which consent may be conditioned, without limitation, upon the granting by such Subsidiary of a guarantee of payment of the Note and all other indebtedness of Borrowers to Lender. Lender shall have the right at any time and from time to time at its sole discretion to require any existing Subsidiaries to guarantee the Obligations.

7.7. Change of Name. Change the name of any of the Borrowers.

7.8. ERISA Compliance. Engage in any "prohibited transaction" (as defined in Section 406 or Section 2003(a) of ERISA and not otherwise exempted under Title I, Part 4 of ERISA), any "accumulated funding deficiency" (as defined in Section 302 of ERISA), whether or not waived, or terminate any pension plan in a manner which could result in the imposition of a Lien on the property of Borrowers pursuant to Section 4068 of ERISA.

7.9. Sale of Stock. Sell, convey, transfer, assign, pledge or otherwise encumber any of the stock or membership interests of any of the Borrowers to any person. However, the transfer of stock or membership interests between and/or among shareholders and/or members of Borrowers shall be permitted.

7.10. Loans and Guaranties. Make advances to any other person or guarantee, indorse or otherwise be or become liable or contingently liable in connection with the obligations or Indebtedness of any other person, firm or corporation, directly or indirectly, except:

(i) as an endorser of negotiable instruments for the payment of money deposited to Borrowers' Lender account for collection in the ordinary course of business;

(ii) trade credit extended in the ordinary course of Borrowers' business; or

(iii) advances made in the usual course of business to officers and employees of Borrowers for travel and other out-of-pocket expenses incurred by them on behalf of Borrowers in connection with such business.

8. EVENTS OF DEFAULT

The occurrence of any one or more of the following events shall constitute an "Event of Default":

8.1. **Failure to Pay.** The failure of Borrowers to pay any of the Obligations as and when due and payable (whether by acceleration, declaration, extension or otherwise).

8.2. **Covenants and Agreements.** The failure of Borrowers to perform, observe or comply with any of the covenants of this Agreement or any of the Loan Documents.

8.3. **Information, Representations, and Warranties.** If any material representation or warranty made herein or if any material information contained in any financial statement, application, schedule, report or any other document given by Borrowers, or by any person in connection with the Obligations, with the Collateral, or with any of the Loan Documents is not in all material respects true and accurate or if Borrowers, or such other person omitted to state any material fact or any fact necessary to make such information not misleading.

8.4. **Default under Loan Documents.** The occurrence of an Event of Default under any of the Loan Documents constitutes a default under all Loan Documents.

8.5. **Default on Other Obligations.** The occurrence of any default under any other borrowing if the result of such default would permit the acceleration of the maturity of any note, loan or other agreement between Borrowers and any person other than Lender but only if said default is not cured within ninety (90) days after the other persons' acceleration of said obligation.

8.6. **Insolvency.** Borrowers shall be or become insolvent (as defined in Section 101 of the United States Bankruptcy Code) or unable to pay their debts as they become due, or admit in writing to such insolvency or to such inability to pay their debts as they become due.

8.7. **Involuntary Bankruptcy.** There shall be filed against any of the Borrowers an involuntary petition or other pleading seeking the entry of a decree or order for relief under the United States Bankruptcy Code or any similar federal or state insolvency or similar laws ordering: (a) the liquidation of any of the Borrowers, or (b) a reorganization of any of the Borrowers, or the business and affairs of any of the Borrowers, or (c) the appointment of a receiver, liquidator, assignee, custodian, trustee or similar official for Borrowers, any Guarantor or other Obligor of the property of Borrowers, the Guarantor or such Obligor and the failure to have such petition or other pleading denied or dismissed within 45 calendar days from the date of filing.

8.8. **Voluntary Bankruptcy.** The commencement by Borrowers or any of the m of a voluntary case under the federal Bankruptcy laws or any federal or state insolvency or similar

laws or the consent by Borrower, or any of them to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian or similar official of any of the property of any of the Borrowers, or the making by any of the Borrowers of an assignment for the benefit of Lenders, or the failure by any of the Borrowers generally to pay their debts as the debts become due.

8.9. Judgments, Awards. The entry of any judgment, order, award or decree against any of the Borrowers, and a determination by Lender, in good faith that the same, when aggregated with all other judgments, orders, awards and decrees outstanding against any of the Borrowers could have a material adverse effect on the prospect for Lender to fully and punctually realize the full benefits conferred upon Lender by this Agreement.

8.10. Injunction. The injunction or restraint of any of the Borrowers in any manner from conducting its business in whole or in part and a determination by Lender, in good faith that the same could have a material adverse effect on the prospect for Lender to fully and punctually realize the full benefits conferred upon Lender by this Agreement.

8.11. Attachment by Lenders. Any assets of any of the Borrowers shall be attached, levied upon, seized or repossessed, or come into the possession of a trustee, receiver or other custodian and a determination by Lender, in good faith, that the same could have a material adverse effect on the prospect for Lender to fully and punctually realize the full benefits conferred upon Lender by this Agreement.

8.12. Dissolution, Merger, Consolidation, Reorganization. The voluntary or involuntary dissolution, merger, consolidation, winding up, or reorganization of any of the Borrowers or the occurrence of any action preparatory thereto.

8.13. Adverse Change in Financial Condition. The determination in good faith by Lender that a material adverse change has occurred in the financial condition of any of the Borrowers from the conditions set forth in the most recent financial statement of said Borrower, heretofore furnished to Lender or from the financial condition of any of the Borrower or any Guarantor as heretofore most recently disclosed to Lender in any other manner.

8.14. Adverse Change in Value of Collateral. The determination in good faith by Lender that the security for the Obligations is or has become inadequate.

8.15. Prospect of Payment or Performance. The determination in good faith by Lender that the prospect for payment or performance of any of the Obligations is impaired for any reason.

9. RIGHTS AND REMEDIES

9.1. Rights and Remedies of Lender. Upon and after the occurrence of an Event of Default, Lender may exercise in any jurisdiction in which enforcement hereof is sought, the following rights and remedies, in addition to the rights and remedies available to Lender under the Loan Documents, the rights and remedies of a secured party under the Uniform Commercial Code

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and all other rights and remedies available to Lender under applicable law, all such rights and remedies being cumulative and enforceable alternatively, successively or concurrently provided, however, that in the case of any Event of Default referred to in Sections 8.6, 8.7 and 8.8 above the unpaid principal balance of the Notes, together with all accrued and unpaid interest and all other Obligations then outstanding shall be automatically due and payable by Borrowers to Lender without notice, presentment or demand:

(a) Declare the Notes, all interest accrued and unpaid thereon and all other Obligations to be immediately due and payable and the same shall thereupon become immediately due and payable without presentment, demand for payment, protest or notice of any kind, all of which are hereby expressly waived.

(b) Institute any proceeding or proceedings to enforce the Obligations and any Liens of Lender.

(c) Take possession of the Collateral, and for that purpose, so far as Borrowers may give authority therefor, enter upon any premises on which the Collateral or any part thereof may be situated and remove the same therefrom without any liability for suit, action or other proceeding, **BORROWERS HEREBY WAIVING ANY AND ALL RIGHTS TO PRIOR NOTICE AND TO JUDICIAL HEARING WITH RESPECT TO REPOSSESSION OF COLLATERAL**, and require Borrowers, at Borrowers' expense, to assemble and deliver the Collateral to such place or places as Lender may designate.

(d) Operate, manage and control the Collateral (including use of the Collateral and any other property or assets of Borrowers in order to continue or complete performance of Borrowers' obligations under any contracts of Borrowers), or permit the Collateral or any portion thereof to remain idle or store the same, and collect all rents and revenues therefrom and sell or otherwise dispose of any or all of the Collateral upon such terms and under such conditions as Lender, in its sole discretion, may determine, and purchase or acquire any of the Collateral at any such sale or other disposition, all to the extent permitted by applicable law.

(e) Enforce Borrowers' rights against any account debtors and other obligors.

(f) Cease making advances under any of the Notes and under any other commitments or credit accommodations of Lender to any of the Borrowers and stop and retract the making of any advance hereunder or thereunder which may have been requested by any of the Borrowers.

9.2. Power of Attorney. Effective upon the occurrence of an Event of Default, each of the Borrowers hereby designate and appoint Lender and its designees as attorney-in-fact of said Borrowers, irrevocably and with power of substitution, with authority to endorse the respective Borrower's name on any notes, acceptances, checks, drafts, money orders, instruments or other evidences of payment or proceeds of the Collateral that may come into Lender's possession; to execute proofs of claim and loss; to adjust and compromise any claims under insurance policies; and

to perform all other acts necessary and advisable, in Lender's sole discretion, to carry out and enforce this Agreement and the Loan Documents. All acts of said attorney or designee are hereby ratified and approved by each of the Borrowers and said attorney or designee shall not be liable for any acts of commission or omission nor for any error of judgment or mistake of fact or law. This power of attorney is coupled with an interest and is irrevocable so long as any of the Obligations remain unpaid or unperformed or there exists any commitment by Lender which could give rise to any Obligations.

9.3. Notice of Disposition of Collateral. It is mutually agreed that commercial reasonableness and good faith require Lender to give Borrowers no less than ten (10) days prior written notice of the time and place of any public disposition of Collateral or of the time after which any private disposition or any other intended disposition is to be made. It is mutually agreed that it is commercially reasonable for Lender to disclaim all warranties which arise with respect to the disposition of the Collateral.

9.4. Costs and Expenses. Upon the occurrence of an Event of Default, Borrowers agree to pay to Lender on demand the amount of all reasonable expenses paid or incurred by Lender in consulting with counsel concerning any of its rights hereunder, under the Loan Documents or under applicable law, all expenses, including reasonable attorneys' fees and court costs paid or incurred by Lender in exercising or enforcing any of its rights hereunder, under the Loan Documents or under applicable law together with interest on all such expenses paid by Lender at an interest rate of [REDACTED] percent ([REDACTED]%) per annum. The provisions of this Subsection shall survive the termination of this Agreement and Lender's security interest hereunder and the payment of all other Obligations.

10. MISCELLANEOUS

10.1. Performance for Borrowers. Each of the Borrowers agree and hereby authorize that Lender may, in Lender's sole discretion, but Lender shall not be obligated to, whether or not an Event of Default shall have occurred, advance funds on behalf of Borrowers, without prior notice to Borrowers, in order to insure Borrowers' compliance with any covenant, warranty, representation or agreement of Borrowers made in or pursuant to this Agreement or any of the Loan Documents, to continue or complete, or cause to be continued or completed, performance of Borrowers' obligations under any contracts of Borrowers, to cover overdrafts in any checking or other accounts of Borrowers at Lender or to preserve or protect any right or interest of Lender in the Collateral or under or pursuant to this Agreement or any of the Loan Documents, including, without limitation, the payment of any insurance premiums or taxes and the satisfaction or discharge of any judgment or any Lien upon the Collateral or other property or assets of Borrowers; provided, however, that the making of any such advance by Lender shall not constitute a waiver by Lender of any Event of Default with respect to which such advance is made nor relieve Borrowers of any such Event of Default. Borrowers shall pay to Lender upon demand all such advances made by Lender with interest thereon at the rate of [REDACTED] percent ([REDACTED]%) per annum. All such advances shall be deemed to be included in the Obligations and secured by the security interest granted Lender hereunder; provided, however, that the provisions of this Subsection shall survive the termination of this Agreement and Lender's security interest hereunder and the payment of all other Obligations.

10.2. Expenses. Whether or not any of the transactions contemplated hereby shall be consummated, Borrowers agree to pay to Lender on demand the amount of all expenses paid or incurred by Lender (including the fees and expenses of its counsel) in connection with the preparation of all written commitments of Lender antedating this Agreement, this Agreement and the Loan Documents and all documents and instruments referred to herein and all expenses paid or incurred by Lender in connection with the filing or recordation of all financing statements and instruments as may be required by Lender at the time of, or subsequent to, the execution of this Agreement, including, without limitation, all documentary stamps, recordation and transfer taxes and other costs and taxes incident to recordation of any document or instrument in connection herewith. Borrowers agree to save harmless and indemnify Lender from and against any liability resulting from the failure to pay any required documentary stamps, recordation and transfer taxes, recording costs or any other expenses incurred by Lender in connection with this Agreement. The provisions of this Subsection shall survive the termination of this Agreement and Lender's security interest hereunder and the payment of all other Obligations.

10.3. Applications of Payments and Collateral. Except as may be otherwise specifically provided in this Agreement, all Collateral and proceeds of Collateral coming into Lender's possession and all payments made by any Obligor may be applied by Lender to any of the Obligations, whether matured or unmatured, as Lender shall determine in its sole but reasonable discretion. Lender may defer the application of non-cash proceeds of Collateral, including, but not limited to, non-cash proceeds collected under **Subsection 3.3** hereof, to the Obligations until cash proceeds are actually received by Lender.

10.4. Waivers by Borrowers. Borrowers hereby waive, to the extent the same may be waived under applicable law: (a) notice of acceptance of this Agreement; (b) all claims, causes of action and rights of Borrowers against Lender on account of actions taken or not taken by Lender in the exercise of Lender's rights or remedies hereunder, under the Loan Documents or under applicable law; (c) all claims of Borrowers for failure of Lender to comply with any requirement of applicable law relating to enforcement of Lender's rights or remedies hereunder, under the Loan Documents or under applicable law; (d) all rights of redemption of Borrowers with respect to the Collateral; (e) in the event Lender seeks to repossess any or all of the Collateral by judicial proceedings, any bond(s) or demand(s) for possession which otherwise may be necessary or required; (f) presentment, demand for payment, protest and notice of non-payment and all exemptions; (g) any and all other notices or demands which by applicable law must be given to or made upon Borrowers by Lender; (h) settlement, compromise or release of the obligations of any person primarily or secondarily liable upon any of the Obligations; (i) trial by jury in any action or proceeding of any kind or nature in connection with any of the Obligations, this Agreement or any of the Loan Documents; and (j) substitution, impairment, exchange or release of any Collateral for any of the Obligations. Borrowers agree that Lender may exercise any or all of its rights and/or remedies hereunder, under the Loan Documents and under applicable law without resorting to and without regard to any Collateral or sources of liability with respect to any of the Obligations.

10.5. Waivers by Lender. Neither any failure nor any delay on the part of Lender in exercising any right, power or remedy hereunder, under any of the Loan Documents or under applicable law shall operate as a waiver thereof, nor shall a single or partial exercise thereof preclude

any other or further exercise thereof or the exercise of any other right, power or remedy.

10.6. Lender's Setoff. Lender shall have the right, in addition to all other rights and remedies available to it, following an Event of Default, to set off against any Obligations due Lender, any debt owing to any of the Borrowers by Lender, including, without limitation, any funds in any checking or other account now or hereafter maintained by Borrowers at Lender. Borrowers hereby confirm Lender's right to Lender's lien and setoff, and nothing in this Agreement or any of the Loan Documents shall be deemed a waiver or prohibition of Lender's right of Lender's lien and setoff.

10.7. Modifications. No modifications or waiver of any provision of this Agreement or any of the Loan Documents, and no consent by Lender to any departure by Borrowers therefrom, shall in any event be effective unless the same shall be in writing, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice to or demand upon Borrowers in any case shall entitle Borrowers to any other or further notice or demand in the same, similar or other circumstances.

10.8. Notices. Any notice or other communication in connection with this Agreement, if by registered or certified mail, shall be deemed to have been given when received by the party to whom directed, or, if by mail but not registered or certified, when deposited in the mail, postage prepaid, provided that any such notice or communication shall be addressed to a party hereto as provided below (or at such other address as such party shall specify in writing to the other parties hereto):

(a) If to Borrowers, at 3186-D Airway Avenue, Costa Mesa, CA 92626,
Attention: Thomas Hartline, President;

(b) If to Lender, at Lender 7, 1039 N.W. 63rd Street, Oklahoma City, OK
73116 Attention: Jason Estes, Exec. Vice-President.

All notices shall be in writing, may be sent by telefacsimile (unless otherwise required by law) and shall be effective when actually delivered, or when deposited with a nationally recognized overnight courier, or if mailed shall be deemed effective when deposited in the United States mail first class, certified or registered mail, postage prepaid, directed to the addresses provided herein.

10.9. Applicable Law and Consent to Jurisdiction. The performance and construction of this Agreement and the Loan Documents shall be governed by the internal laws of the State of Oklahoma. Borrowers agree that any suit, action or proceeding instituted against Borrowers with respect to any of the Obligations, the Collateral, this Agreement or any of the Loan Documents may be brought in any court of competent jurisdiction located in the State of Oklahoma. By its execution hereof, Borrowers hereby irrevocably waive any objection and any right of immunity on the ground of venue, the convenience of the forum or the jurisdiction of such courts or from the execution of judgments resulting therefrom. Borrowers hereby irrevocably accept and submit to the jurisdiction of the aforesaid courts in any such suit, action, or proceeding.

10.10. Survival: Successors and Assigns. All covenants, agreements, representations and warranties made herein and in the Loan Documents shall survive the execution and delivery hereof and thereof, shall survive Closing and shall continue in full force and effect until all Obligations have been paid in full, there exists no commitment by Lender which could give rise to any Obligations and all appropriate termination statements have been filed terminating the security interest granted Lender hereunder. Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party. In the event that Lender assigns the Note, this Agreement and/or its security interest in the Collateral, Lender shall give written notice to Borrowers of any such assignment. All covenants, agreements, representations, and warranties by or on behalf of Borrowers which are contained in this Agreement and the Loan Documents shall inure to the benefit of Lender, its successors and assigns. Borrowers may not assign this Agreement or any of its rights hereunder without the prior written consent of Lender.

10.11. Severability. If any term, provision or condition, or any part thereof, of this Agreement or any of the Loan Documents shall for any reason be found or held invalid or unenforceable by any court or governmental agency of competent jurisdiction, such invalidity or unenforceability shall not affect the remainder of such term, provision or condition nor any other term, provision or condition, and this Agreement and the Loan Documents shall survive and be construed as if such invalid or unenforceable term, provision or condition had not been contained therein.

10.12. Merger and Integration. This Agreement and the attached Schedules (if any) contain the entire agreement of the parties hereto with respect to the matters covered and the transactions contemplated hereby, and no other agreement, statement or promise made by any party hereto, or by any employee, officer, agent or attorney of any party hereto, which is not contained herein shall be valid or binding.

10.13. WAIVER OF JURY TRIAL. BORROWERS HEREBY (a) COVENANT AND AGREE NOT TO ELECT A TRIAL BY JURY OF ANY ISSUE TRIABLE OF RIGHT BY A JURY, AND (b) WAIVE TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO WHICH LENDER AND BORROWERS MAY BE PARTIES, ARISING OUT OF, IN CONNECTION WITH OR IN ANY WAY PERTAINING TO THIS AGREEMENT, ANY OF THE LOAN DOCUMENTS AND/OR ANY TRANSACTIONS, OCCURRENCES, COMMUNICATIONS OR UNDERSTANDINGS (OR THE LACK OF ANY OF THE FOREGOING) RELATING IN ANY WAY TO THE BORROWER-LENDER RELATIONSHIP BETWEEN THE PARTIES. IT IS UNDERSTOOD AND AGREED THAT THIS WAIVER CONSTITUTES A WAIVER OF TRIAL BY JURY OF ALL CLAIMS AGAINST ALL PARTIES TO SUCH ACTIONS OR PROCEEDINGS, INCLUDING CLAIMS AGAINST PARTIES WHO ARE NOT PARTIES TO THIS SECURITY AGREEMENT. THIS WAIVER OF JURY TRIAL IS SEPARATELY GIVEN, KNOWINGLY, WILLINGLY, AND VOLUNTARILY MADE BY BORROWERS AND BORROWERS HEREBY AGREE THAT NO REPRESENTATIONS OF FACT OR OPINION HAVE BEEN MADE BY ANY INDIVIDUAL TO INDUCE THIS WAIVER OF TRIAL BY JURY OR TO IN ANY WAY MODIFY OR NULLIFY ITS EFFECT. LENDER

IS HEREBY AUTHORIZED TO SUBMIT THIS AGREEMENT TO ANY COURT HAVING JURISDICTION OVER THE SUBJECT MATTER AND BORROWERS AND LENDER, SO AS TO SERVE AS CONCLUSIVE EVIDENCE OF SUCH WAIVER OF RIGHT TO TRIAL BY JURY. BORROWERS REPRESENT AND WARRANT THAT IT HAS BEEN REPRESENTED IN THE SIGNING OF THIS AGREEMENT AND IN THE MAKING OF THIS WAIVER BY INDEPENDENT LEGAL COUNSEL, SELECTED OF ITS OWN FREE WILL, AND/OR THAT IT HAS HAD THE OPPORTUNITY TO DISCUSS THIS WAIVER WITH COUNSEL.

10.14. **Counterparts.** This Agreement may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of which, when so executed and delivered, shall be an original, but all such counterparts shall together constitute one and the same instrument.

10.15. **Headings.** The headings and sub-headings contained in the titling of this Agreement are intended to be used for convenience only and shall not be used or deemed to limit or diminish any of the provisions hereof.

10.16. **Recitals.** The Recitals hereto are hereby incorporated into and made a part of this Agreement.

[Signature Page Follows]

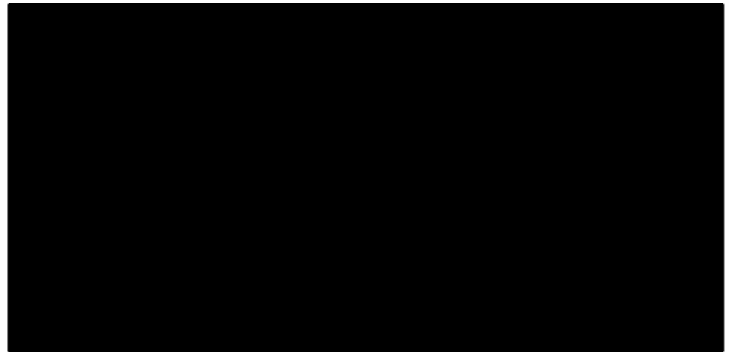
**NAVITAS TEXAS UTILITY, LLC, a
Texas limited liability company**

**By: NAVITAS ASSETS, L.L.C., a Delaware
limited liability company, its Manager**

**By: NAVITAS UTILITY CORPORATION, a
Nevada corporation, its Manager**


**By: 
THOMAS E. HARTLINE, President**

GUARANTORS:



LENDER:

BANK 7

**By: 
JASON ESTES, Exec. Vice-President**

IN WITNESS WHEREOF, the parties hereto have executed or caused this Agreement to be executed as of the date first above written.

BORROWERS/GUARANTORS: FORT COBB OKLAHOMA IRRIGATION FUEL AUTHORITY L.L.C., an Oklahoma limited liability company d/b/a FORT COBB FUEL AUTHORITY, L.L.C.

By: NAVITAS ASSETS, L.L.C., a Delaware limited liability company, its Manager

By: NAVITAS UTILITY CORPORATION, a Nevada corporation, its Manager

By: 
THOMAS E. HARTLINE, President

NAVITAS ASSETS, L.L.C., a Delaware limited liability company

By: NAVITAS UTILITY CORPORATION, a Nevada corporation, its Manager

By: 
THOMAS E. HARTLINE, President

NAVITAS UTILITY CORPORATION, a Nevada corporation

By: 
THOMAS E. HARTLINE, President

NAVITAS OK3, LLC, an Oklahoma limited liability company

By: NAVITAS UTILITY CORPORATION, a Nevada corporation, its Manager

By: 
THOMAS E. HARTLINE, President

NAVITAS-WINSTAR, L.L.C., an Oklahoma limited liability company

By: 
THOMAS E. HARTLINE,
President/Chair/Manager

NAVITAS TN NG, LLC, a Tennessee limited liability company

NAVITAS ASSETS, L.L.C., a Delaware limited liability company, its Manager

By: NAVITAS UTILITY CORPORATION, a Nevada corporation, its Manager

By: 
THOMAS E. HARTLINE, President

NAVITAS KY NG, LLC, a Kentucky limited liability company

By: NAVITAS UTILITY CORPORATION, a Nevada corporation, its Manager

By: 
THOMAS E. HARTLINE, President

SCHEDULE 1

Borrowers' Collateral

1. All of each Borrower's interests, if any, now owned or hereafter acquired, in and to the Equipment, Fixtures, Easements, Right-of-Ways, Pipelines, minerals, oil and gas interests, and the Easements and Right-of-ways associated therewith, including the following hereafter described Pipelines, Equipment, Fixtures, Easements, Right-of-ways, minerals, oil and gas, Inventory, and all of any Borrower's right, title, and interest, now owned or hereafter acquired, in and to those certain contracts and/or agreements (accounts) hereafter described, including but not limited to the following:

All Inventory, Chattel Paper, Accounts, Equipment, General Intangibles, Fixtures, and Pipelines including but not limited to all office furniture, computers, and all accounts receivable, fixtures, minerals, oil and gas, and oil and gas leasehold interests. For purposes herein, Pipelines shall mean and include all of each Borrower's interest, if any, in and to those gas pipeline systems in the State of Oklahoma or wherever located if and when acquired, associated with the gathering and/or transportation of gas and the delivery of gas or residue gas to purchasers or transporter (as the same may now exist or as may hereafter be extended), including, but not by way of limitation, the Right-Of-Way Properties (as hereinafter defined) and all buildings, structures, attachments, fittings and fixtures, facilities, tools, materials, equipment, machinery, appliances, pipeline, piping, power lines, electrical systems, metering and calibration facilities, compressors, dehydrators, sponge units, instrument and equipment housing, equipment storage facilities, tank, engines, valves, traps, pumps, motors, instruments, fencing, expanders, heat exchangers, chillers, separators, tooling powers, boilers and reboilers, turbines, generators, meters and reabsorbers, flash towers, oil reclaimers, loading racks, injection facilities, accumulators, economizers, fans, condensers and valves, and appurtenances of every nature and kind with said Pipelines. For purposes herein, Right-Of-Way Properties shall mean and include all lands, easements, rights-of-way, leases, surface rights, servitudes, grants, permits, licenses, authorizations, privileges, franchises, consents, prescriptive rights, and other title and interest now or hereafter owned by any Borrower and now or hereafter necessary or useful for the construction and/or operation of the Pipelines. "Collateral" shall also specifically include the following items, to-wit:

- a. **LeAnn Gas System**: All of each Borrower's right, title and interest in and to the following assets:
 - i. The installed natural gas distribution pipelines (mainlines and service lines) owned by FCFA that comprise the LeAnn Gas System and the equipment and apparatus affixed thereto or used in its operation, as further described as follows:

Pipelines and Equipment

The System includes all installed natural gas distribution pipelines (main

lines and services lines) and the equipment or apparatus affixed thereto or used in its operation from the outlet side of the tap to the outlet side of the customer meters.

- ii. All natural gas contained in the System, including any and all line fill;
- iii. All Plans;
- iv. The amount of customer deposits for the provision of natural gas distribution services through the System, plus accrued interest thereon;
- v. All customer accounts and all books and records
- vi. The following accounts receivable (i) the Meter Reading Date Accounts Receivable (defined in the Asset Purchase Agreement) and (ii) the accounts receivable associated with any unpaid invoices for services provided to the System Customers and recorded on Borrowers' books as of the Meter Reading Date.
- vii. The Real Property described as follows:

The Real Property related thereto or used in its operation, including without limitation the following described Real Property:

S 53' of Lot 27, Block 5, Original Ochelata, Washington County, Oklahoma,
and

Southside of Lot 19, Block 107, Shidler, Osage County, Oklahoma

- viii. Easements of record, including specifically the following:

A section of land [redacted] wide immediately [redacted] of the east property line and immediately [redacted] property line of property located on the

[redacted]
[redacted]
[redacted]

- b. Pipelines: [redacted] polyethylene pipelines approximately [redacted] feet and related interconnect facilities located in [redacted]
[redacted]

- c. Equipment and Fixtures:

- i. 12"x3' Peerless Vertical Separator, Model No. [redacted] and related station piping located on [redacted] Caddo County, Oklahoma (Enogex East Station),

- ii. 16"x5' Lester Moore Vertical Separator, Model No. [REDACTED] and related station piping located in [REDACTED] Caddo County, Oklahoma (Enogex East Station),
- iii. 6"x3' Peerless Vertical Separator, Model No. [REDACTED] and related station piping located in [REDACTED] Caddo County, Oklahoma (TRANSOK Station).

d. **Velma Municipal Gas System:**

- i. Pipelines: [REDACTED] miles of [REDACTED] services, and all equipment related thereto.
 - ii. Equipment and Fixtures:
 - a. John Deere 4600HST serial # [REDACTED], and attachments
 - b. McElrow fusion machines
 - c. Detectors (excluding H₂S)
 - iii. Meters, as follows:
 - [REDACTED]
 - [REDACTED]
 - [REDACTED]
 - [REDACTED]
 - [REDACTED]
 - [REDACTED]
 - [REDACTED]
 - [REDACTED]
 - iv. Gas System tooling located at the VPWA yard and service truck (the service truck itself is not included)
 - v. Gas system spare parts inventory located at the VPWA yard and service truck.
 - vi. Easements over, under, and across the following tracts:
 - [REDACTED]
 - [REDACTED]
 - [REDACTED]
 - [REDACTED]
- and

[REDACTED]

- vii. Pipeline Easement (54-7675) dated February 13, 1992, from Wayne Barry Mills and Sharon Day Mills to Velma Public Works Authority, situated in Stephens County, State of Oklahoma, to-wit:

The East [REDACTED] feet of the following described real estate, to-wit: a tract of land beginning 6 [REDACTED]

[REDACTED]

- viii. Grant of Easement for Pipeline dated July 30, 1996 from Hazel L. Newman to the Town of Velma, described as follows, to-wit:

[REDACTED]

- ix. Right-of-way Easement dated January 22, 2008 from James A. Hall to the Town of Velma, described as follows, to-wit:

Right to enter upon the lands situated in Stephens County, State of Oklahoma, and more particularly described as follows: [REDACTED]

[REDACTED]

- e. **Krebs Assets**: all of the assets of the Bankruptcy Estate of Public Gas Co, a/k/a Public Gas Company, a/k/a Public Gas Company, Inc., Case No. 07-80535, United States Bankruptcy Court for the Eastern District of Oklahoma, associated with a natural gas distribution system located in or near Krebs, Oklahoma (“Assets”), including: all rights-of-way; all pipelines; all equipment; all vehicles; all inventory (including inventory of natural gas); all customer lists; all rights under the Contract with Utility Management & Construction Co which was entered into before Bankruptcy with the approval of OCC; and all accounts receivable (whether pre- or post-filing of the Bankruptcy Case No. 07-80535); any claims against third parties relating to the operation of the Assets; and any claims against third parties under the United States Bankruptcy Code. The Assets do include all improvements located upon and under the hereafter described easements located in Pittsburg County, State of Oklahoma, below, in paragraph 6(G) and 6(H).
- f. **LeAnn** is a group of gas distribution systems known by various names as follows:
- i. South Coffeyville, Lenapah, Bowring, L&B and Mullendore segments:
 - (a) Union Gas
 - (b) Conner Gas
 - (c) Oklahoma Natural Gas
 - (d) LeAnn Gas
 - ii. Ochelata segment:
 - (a) Oklahoma Public Service
 - (b) Lucas Gas
 - (c) Raymond Lucas Water & Gas Company
 - (d) LeAnn Gas
 - iii. Oglesby segment:
 - (a) Lucas Gas
 - (b) Raymond Lucas Water & Gas Company
 - (c) LeAnn Gas
 - iv. New Harmony and Dewey segments:
 - (a) Lucas Gas
 - (b) LeAnn Gas
 - v. Shidler, Webb City, Town of Osage, Wesport segments:
 - (a) Baker Gas
 - (b) Midwest Gas
 - (c) LeAnn Gas
 - vi. Mulhall segments:
 - (a) Mulhall Natural Gas

- (b) LeAnn Gas
- vii. Pekham segments:
 - (a) Eckert Gas
 - (b) LeAnn Gas
- viii. Nelagony segment:
 - (a) Rural Gas District No. 1, Osage County
 - (b) LeAnn Gas

g. Dustin Public Works:

- i. All existing materials and equipment owned formerly owned by the Dustin Public Works for the purpose of operating the Dustin Municipal Gas System located in Hughes County, Oklahoma, including the following:

- (a) [REDACTED]
- (b) [REDACTED]

- ii. Pipelines: [REDACTED] miles of [REDACTED] and [REDACTED] quarter inch diameter natural gas pipeline from the transmission tap to the outlet side of the meters of Customers, including all above-ground facilities or structures, compressor stations, dehydration stations, and all valves, machinery, equipment, gauges, meters, fixtures, fittings and improvements related thereto.

- iii. Easements, over and across the following described real property and premises situated in Hughes County, Oklahoma:

- (a) [REDACTED]

- (b) [REDACTED]

- (c) [REDACTED]

- (d) [REDACTED]

[REDACTED]

(e) [REDACTED]

h. Kinta Public Works Authority:

i. Pipelines: [REDACTED] miles of [REDACTED] with [REDACTED] tap to an ONG supply point, and all equipment related thereto.

i. Greenfield Gas System (Texas-Kansas-Oklahoma Gas, LLC):

All assets sold by Texas-Kansas-Oklahoma Gas, LLC to Borrowers or any of them pursuant to the Asset Purchase Agreement dated August ___, 2008.

j. Rimrock System (Centerpoint Energy Resources Corp):

See the Plant and Equipment List attached hereto as Exhibit B.

k. All of each respective Borrower's interest, if any, in and to the fixtures and equipment, which are or will be located on the property described as follows:

i. LeAnn: (Osage County and Washington County, Oklahoma)

The LeAnn Gas Company System includes all installed natural gas distribution pipelines (main lines and service lines) and the equipment or apparatus affixed thereto or used in its operation from the outlet side of the tap to the outlet side of the customer meters.

The LeAnn Gas Company System also includes all Real Property related thereto or used in its operation, including without limitation the following

described Real Property:

Tract 1:

A pipeline easement and right-of-way over, under, and across the following described real property and premises:

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] Washington County,
Oklahoma.

Tract 2:

[REDACTED] Original Ochelata, Washington County,
Oklahoma

Tract 3:

Southside of Lot 19, Block 107, Shidler, Osage County, Oklahoma

ii. Dustin: (Hughes County, Oklahoma)

Tract 1:

Right-of-way Easement dated July 30, 1974 from Vernon E. Monroe and Blanche Monroe to the Dustin Public Works Authority.

A pipeline easement and right-of-way over, under, and across the following described real property and premises:

[REDACTED]
[REDACTED] East, Hughes County,
Oklahoma.

Tract 2:

Right-of-way Easement dated July 27, 1974 from H.A. Helton and Bessie Helton to the Dustin Public Works Authority.

A pipeline easement and right-of-way over, under, and across the following described real property and premises:

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Tract 3:

Right-of-way Easement dated July 29, 1974 from Harlan J. Bryant and

Edna M. Bryant to the Dustin Public Works Authority.
A pipeline easement and right-of-way over, under, and across the following described real property and premises:

[REDACTED]

Tract 4:
Gas Pipeline Right-of-way Easement dated June 20, 2002, from Patsy R. Taylor and Curtis D. Taylor to the Town of Dustin.
A perpetual pipeline easement and right-of-way over, under, and across the following described real property and premises:

[REDACTED]

And

[REDACTED]

Tract 5:
Gas Pipeline Right-of-way Easement dated June 21, 2002, from Robert Lorton to the Town of Dustin.
A perpetual pipeline easement and right-of-way over, under, and across the following described real property and premises:

[REDACTED]

Section 15, at a point where this gas line easement connects to a pre-existing ONEX pipeline traversing the subject property.

iii. **Kinta**: (Haskell County, Oklahoma)

Grant of Right-of-way for the repair, maintenance, operation, replacement, and/or installation of pipelines and other facilities that make up the local gas distribution system with the town limits of Kinta, dated March 31, 2009 from the Kinta Public Works Authority to Borrowers, Haskell County, Oklahoma.

iv. **Velma**: (Stephens County, Oklahoma)

Tract 1:

An Easement located in the Southeast Quarter of the Southeast Quarter of the Northeast Quarter (SE/4 SE/4 NE/4) of Section 24, Township 1 South, Range 5 West, Stephens County, Oklahoma, to-wit:

[REDACTED]

Tract 2:

[REDACTED]

Tract 3:

[REDACTED]

Tract 4:

[REDACTED]

[REDACTED]

Tract 5:

An easement over, under, and across the following tract:

[REDACTED]

Tract 6:

Pipeline Easement (54-7675) dated February 13, 1992 from Wayne Barry Mills and Sharon Day Mills to Velma Public Works Authority.

Tract 7:

Grant of Easement for Pipeline dated July 31, 1996 from Hazel L. Newman to the Town of Velma.

Tract 8:

Right-of-way Easement dated January 22, 2008 from James A. Hall to the Town of Velma.

1. **Keystone Foods Gas System**: All of each Borrower’s right, title and interest in and to the following assets:
 - i. The installed natural gas distribution pipelines (mainlines and service lines) that comprise the Keystone Foods Gas System, located in Albany, Clinton County, Kentucky (the “Keystone Foods Gas System”), including without limitation all easement and right-of-way rights (including without limitation those certain gas main easements described on Exhibit “A” and “B” attached hereto), and all equipment and apparatus affixed thereto or used in its operation. The Keystone Foods Gas System includes all installed natural gas distribution pipelines (main lines and services lines) and the equipment or apparatus affixed thereto or used in its operation from the outlet side of the tap to the outlet side of the customer meters.
 - ii. All natural gas contained in the Keystone Foods Gas System, including any

- and all line fill;
- iii. All Plans for or relating to the Keystone Foods Gas System;
 - iv. The amount of customer deposits for the provision of natural gas distribution services through the Keystone Foods Gas System, plus accrued interest thereon;
 - v. All customer accounts and all books and records relating to the Keystone Foods Gas System;
 - vi. All account receivables relating to the Keystone Foods Gas System
2. Pledge of all Membership Interests in Navitas TN NG, LLC, Navitas KY NG, LLC, Navitas Assets, LLC, Fort Cobb Oklahoma Irrigation Fuel Authority, LLC d/b/a Fort Cobb Fuel Authority, LLC, Navitas OK3, LLC, and Navitas-Winstar, LLC, Navitas Texas Utility, LLC, and shares of stock in Navitas Utility Corporation.
3. **Assignment of Rights Under Purchase Agreements.** Effective _____, Borrowers executed and delivered to Lender those certain Assignment of Rights Under Purchase Agreements as follows:
- a. Dustin Municipal Gas System. Assignment of Rights Under Purchase Agreement wherein Borrower assigned all of its right, title, and interest in and to the Asset Purchase Agreement and the First Amendment to Asset Purchase Agreement, both dated effective April 2, 2009 for the purchase of assets from Dustin Public Works.
 - b. Greenfield Gas System. Assignment of Rights Under Purchase Agreement wherein Borrower assigned all of its right, title, and interest in and to the Asset Purchase Agreement, dated effective August ____, 2008 for the purchase of assets from Texas-Kansas-Oklahoma Gas, LLC, a Texas limited liability company.
 - c. Kinta Municipal Gas System. Assignment of Rights Under Purchase Agreement wherein Borrower assigned all of its right, title, and interest in and to the Asset Purchase Agreement, dated effective _____ for the purchase of assets from Kinta Public Works Authority.
 - d. Rimrock System. Assignment of Rights Under Purchase Agreement wherein NOK3 assigned all of its right, title, and interest in and to the Asset Purchase Agreement, dated effective April 28, 2008, for the purchase of assets from Centerpoint Energy Resources Corp., a Delaware corporation.
 - e. LeAnn Gas Distribution System. Assignment of Rights Under Purchase Agreement wherein Borrower assigned all of its right, title, and interest in and to the Asset Purchase Agreement, dated effective January 27, 2009 for the purchase of assets from LeAnn Gas Company, an Oklahoma corporation.

- f. **Kinta Municipal Gas System.** Assignment of Rights Under Purchase Agreement wherein NUC assigned all of its right, title, and interest in and to the Base Contract for Sale and Purchase of Natural Gas, dated effective March 31, 2009 with Kinta Public Works Authority as Seller and **Navitas Utility Corporation** as Purchaser.

- g. **Velma Municipal Gas System.** Assignment of Rights Under Purchase Agreement dated June 30, 2008 for the purchase of assets from Velma Public Works Authority.

The foregoing are collectively referred to herein as the “Assignment of Rights”. Borrower, and each of them, hereby assume, ratify, and confirm each and every term and provision of the above described Assignment of Rights as if fully restated herein, and such terms and provisions of the Assignment of Rights remain in full force and effect.

- 4. All of each Borrower’s interest, if any, now owned or hereafter acquired property as follows:

All rolling stock (vehicles), equipment, Accounts, General Intangibles, including but not limited to the Equipment listed on Exhibit A attached hereto.

- 5. All chattel paper, accounts receivable, contract rights, equipment, furniture, fixtures, machinery, inventory (whether consisting of hydrocarbons or not) if any, general intangibles, and pipelines (as defined below), and minerals, oil and gas, and oil and gas leasehold interest(s), and all contract rights including all vendor contracts.

- 6. Right-of-way Properties means and includes all lands, easements, right of ways, leases, surface rights, servitudes, grants, permits, licenses, authorizations, privileges, franchises, consents, prescriptive rights, and other title and interest now or hereafter owned by any Borrower and now or hereafter necessary or useful for the construction and/or operation of the Pipelines. These Pipelines include, but are not limited to the existing pipelines acquired by any Borrower and generally described as: Rimrock System, Greenfield Gas System, Kinta Municipal Gas System (Kinta Public Works Authority), Dustin Municipal Gas System (Dustin Public Works), & LeAnn Gas Distribution System.

- 7. Any and all real estate owned or acquired as part of or as a result of any acquisition or purchase or build following any acquisition.

- 8. Rural pipeline systems and other related intangibles.

- 9. All GPS and/or map system reports related to the Collateral.

- 10. All of each Borrowers’ interest, if any, in and to the fixtures and equipment, which are or will be located on the property as follows, to-wit:
 - A. Caddo County, Oklahoma (Range 10 West)
 - 1. Sections 7, 18, 19, 30 and 31 T-12-N R-10-W

2.	Section 31	T-12-N	R-10-W
3.	Sections 4, 5, 6, 7, 8, 9, 16, 17, 18, 19, 20, 21, 28, 29, 30, 31, 32, 33	T-12-N	R-10-W
4.	Sections 4, 5, 6, 7	T-7-N	R-10-W

B. Caddo County, Oklahoma (Range 11 West)

1.	Sections 1-12	T-7-N	R-11-W
2.	Sections 1-36	T-8-N	R-11-W
3.	Sections 1-36	T-9-N	R-11-W
4.	Sections 1-36	T-10-N	R-11-W
5.	Sections 1-36	T-11-N	R-11-W
6.	Sections 7-36	T-12-N	R-11-W

C. Caddo County, Oklahoma (Range 12 West)

1.	Sections 10-12	T-7-N	R-12-W
2.	Sections 1-6	T-7-N	R-12-W
3.	Sections 1-36	T-8-N	R-12-W
4.	Sections 1-36	T-9-N	R-12-W
5.	Sections 1-36	T-10-N	R-12-W
6.	Sections 1-36	T-11-N	R-12-W
7.	Sections 1-36	T-12-N	R-12-W

D. Caddo County, Oklahoma (Range 13 West)

1.	Sections 1-6	T-7-N	R-13-W
2.	Sections 1-36	T-8-N	R-13-W
3.	Sections 1-36	T-9-N	R-13-W
4.	Sections 1-36	T-10-N	R-13-W
5.	Sections 1-36	T-11-N	R-13-W
6.	Sections 1-36	T-12-N	R-13-W

E. Washita County, Oklahoma (Range 14 West)

1.	Sections 1-6	T-7-N	R-14-W
2.	Sections 1-36	T-8-N	R-14-W
3.	Sections 1-36	T-9-N	R-14-W
4.	Sections 1-36	T-10-N	R-14-W
5.	Sections 1-36	T-11-N	R-14-W
6.	Sections 7-36	T-12-N	R-14-W

F. Pittsburg County, Oklahoma (Range 15 East)

1.	Sections 2, 4, 11 & 13	T-5-N	R-15-E
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2. Sections 23, 25, 26, T-6-N R-15-E
27, 28, 29, 30, 32 & 33

G. Pittsburg County, Oklahoma (Range 15 East)

1. Sections 17, 18, 21, T-5-N R-15-E
22, 27, 25 & 26

H. Easements Recorded in Pittsburg County, Oklahoma in above Sections:

In Sections 2, 3, 4, 11, 12, 13-5N-15E and Sections 18, 176, 21, 22, 27, 26, 25-5N-16E and Sections 23, 25, 26, 27, 28, 29, 30, 32, 33-6N-15E recorded in the Pittsburg County Clerk's Office in the following Books and Pages:

Book / Page	Book / Page	Book / Page
MR 62-537	MR 62-524	MR 62-542
MR 62-497	MR 62-517	MR 62-500
MR 62-536	MR 62-518	MR 62-502
MR 62-535	MR 62-523	MR 62-501
MR 62-534	MR 62-519	MR 62-540
MR 62-533	MR 62-520	MR 62-505
MR 62-514	MR 62-495	MR 62-504
MR 62-545	MR 62-601	MR 62-504
MR 62-513	MR 62-602	MR 62-506
MR 62-512	MR 62-605	MR 62-507
MR 62-553	MR 62-604	MR 62-508
MR 62-511	MR 62-603	MR 62-509
MR 62-510	MR 62-522	MR 62-539
MR 62-532	MR 62-521	MR 62-541
MR 62-531	MR 62-549	MR 62-538
MR 62-530	MR 62-547	MR 62-549
MR 62-539	MR 62-545	MR 62-550
MR 62-528	MR 62-546	MR 62-551
MR 62-527	MR 62-496	31-256
MR 62-526	MR 62-544	326-39
MR 62-515	MR 62-498	29-351
MR 62-525	MR 62-543	84-78
MR 62-516	MR 62-499	84-79
142-236	264-401	30-28
30-44	30-451	30-370
30-371	30-372	D126-123
D126-124	D126-125	D126-126
D126-127	D126-128	593-580
593-590	596-591	593-592
593-593	333-95	333-96

11. NOK3 Collateral. All of NOK3's right, title and interest, whether now owned or hereafter arising, in and to the following:

[REDACTED]

including all of the following, whether now owned or hereafter acquired, whether now existing or hereafter arising, and wherever located: (a) all accessions, attachments,

accessories, replacements of and additions to any of the collateral described herein, whether added now or later; (b) all products and produce of any of the property described in this Collateral section; (c) all accounts, general intangibles, instruments, rents, monies, payments, and all other rights, arising out a sale, lease, consignment or other disposition of any of the property described herein; (d) all proceeds (including insurance proceeds) from the sale, destruction, loss or other disposition of any of the property described herein, and sums due from a third party who has damaged or destroyed the Collateral or from that party's insurer, whether due to judgment, settlement, or other process; and (e) all records and data relating to any of the property described herein, whether in the form of a writing, photograph, microfilm, microfiche, or electronic media, together with all of Grantor's right, title, and interest in and to all computer software required to utilize, create, maintain, and process any such records or data on electronic media.

12. **FCFA's Real Property:**

- a. **Shidler Property:** Lot 8, Block 108, Southside Plat of Shidler, Osage County, Oklahoma, according to the recorded plat thereof
- b. **Hollis Property:** Lots Twenty-three (23) and Twenty-four (24), in Block Two (2), of the Original Town of Hollis Addition, to the Town of Hollis, Harmon County, Oklahoma, according to the recorded plat thereof.
- c. **Kinta Property:** Lots 11 & 12 in Block 35 in the Town of Kinta, According to the Cleon O'Neill Plat thereof (same being a part of the W/2 of Lot 3 (also described as the W/2 NW/4 SW/4) and Lot 4 (Also described as the SW/4 SW/4) and the SE/4 SW/4 all in Section 31, township 8 North, Range 20 East of I.B.M., Haskell County, State of Oklahoma, Less and Except all oil, gas and other minerals
- d. **Velma Property:** Lot Four (4), Block Nine (9), in the Town of Velma, Stephens County, Oklahoma, According to the recorded plat thereof.
- e. **Mulhall Property:** The South 30 feet of Lot Two (2) and All of Lot Three (3), in Block Ten (10), in the Town of Mulhall, Logan County, Oklahoma, according to the recorded plat thereof.
- f. **Eakly Property:** A tract of land lying in and being a part of the Southeast Quarter (SE/4) of Section Twenty-Seven (27), Township Ten (10) North, Range Thirteen (13) West of the Indian Meridian, Caddo County, Oklahoma, said Tract being more particularly described as follows: Commencing at a ½" iron rod found for the Southeast Corner of said SE/4; Thence N89°11'22"W on the South line of Said SE/4, a distance of 177.20 feet to Point on said South line; Thence N00°48'38"E perpendicular to said South line, a distance of 580.21 feet to a ½" iron rod with cap set for the Southeast corner of the herein described tract, said corner being the Point of Beginning; Thence S58°31'20"W a distance of 37.29 feet to a ½" iron rod with cap set for a corner; Thence N89°15'40"W a distance of 332.79 feet to a ½" iron rod with cap set for the Southwest corner; Thence N00°46'41"E a distance of 245.17 feet

to a ½” iron rod with cap set for the Northwest corner; Thence S89°15’40”E a distance of 365.33 feet to a ½” iron rod with cap set for the Northeast corner; Thence S00°46’41”W a distance of 225.29 feet to the Point of beginning.

Property Address: 121 Eakly Campus Road – Eakly School, Eakly, OK 73033.

The Eakly Property is subject to a prior, first and valid mortgage lien in favor of Lender.

13. All of each respective Borrower’s interest, if any, in and to the Equipment, Fixtures, Easements, Right-of-Ways, Pipelines, minerals, oil and gas, Inventory, including but not limited to the items described as follows, to-wit:

All Inventory, Chattel Paper, Accounts, Equipment, General Intangibles, and Pipelines including but not limited to all office furniture, computers, and all accounts receivable, fixtures, minerals, oil and gas, and oil and gas leasehold interests. For purposes herein, Pipelines shall mean and include all of each respective Borrower’s interest, if any, in and to those gas pipeline systems in the **State of Tennessee and/or the State of Kentucky** or wherever located if and when acquired, associated with the gathering and/or transportation of gas and the delivery of gas or residue gas to purchasers or transporter (as the same may now exist or as may hereafter be extended), including, but not by way of limitation, the Right-Of-Way Properties (as hereinafter defined) and all buildings, structures, attachments, fittings and fixtures, facilities, tools, materials, equipment, machinery, appliances, pipeline, piping, power lines, electrical systems, metering and calibration facilities, compressors, dehydrators, sponge units, instrument and equipment housing, equipment storage facilities, tank, engines, valves, traps, pumps, motors, instruments, fencing, expanders, heat exchangers, chillers, separators, tooling powers, boilers and reboilers, turbines, generators, meters and reabsorbers, flash towers, oil reclaimers, loading racks, injection facilities, accumulators, economizers, fans, condensers and valves, and appurtenances of every nature and kind with said Pipelines. For purposes herein, Right-Of-Way Properties shall mean and include all lands, easements, rights-of-way, leases, surface rights, servitudes, grants, permits, licenses, authorizations, privileges, franchises, consents, prescriptive rights, and other title and interest now or hereafter owned by any Borrower and now or hereafter necessary or useful for the construction and/or operation of the Pipelines. “Collateral” shall also specifically include the following items:

a. **Albany, Kentucky Natural Gas Transmission Pipeline and Stations Description**

i. **ALBANY LDC PIPELINE SYSTEM:**

[REDACTED]

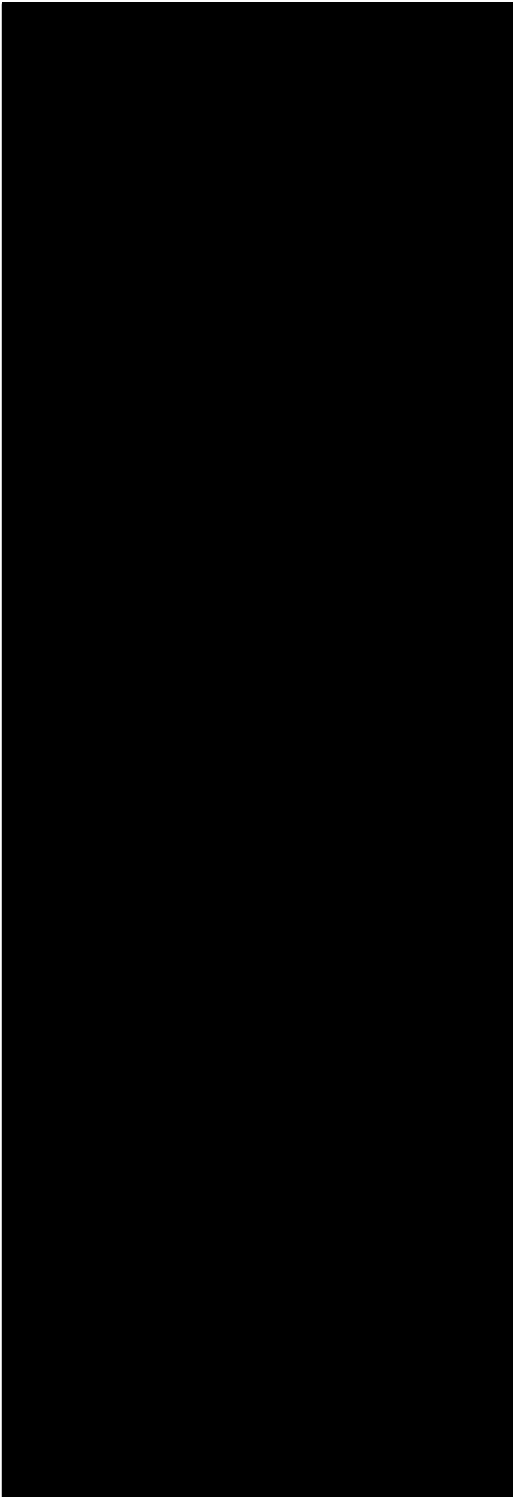


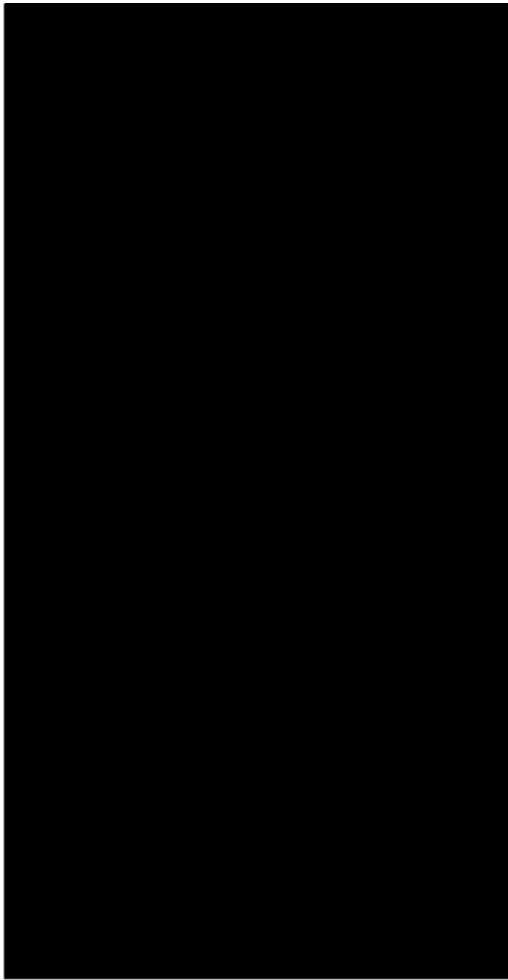
ii. **Franchise Area City of Albany, KY;**

All rights including the right to lay pipelines of whatever diameter underlying the streets, sidewalks, driveways, and alleys of the Town of Albany, Kentucky covered by the City Ordinance of the City Council of Albany 85-001 and as amended by City Ordinance 86-003, dated February 15, 1995.

iii. **Albany, Kentucky Natural Gas Transmission Pipeline Easements**

Gasco Distribution Systems, Inc. – Albany Division – right-of-ways recorded in Clinton County, Kentucky:

<u>Name of Grantor</u>	<u>Book/Page</u>	<u>Date Recorded</u>
	V96 P661	1/18/1995
	V96 P664	1/18/1995
	V96 P667	1/18/1995
	V96 P674	1/18/1995
	V97 P57	2/16/19985
	V97 P61	2/16/1995
	V97 P287	3/23/19985
	V97 P289	3/23/1995
	V97 P291	3/23/1995
	V97 P285	3/23/1995
	V98 P7	6/16/1995
	V98 P10	6/16/1995
	V98 P678	9/22/1995
	V99 P377	11/30/1995
	V101 P138	6/18/1996
	V101 P141	6/18/1996
	V102 P679	11/26/1996
	V104 P92	4/30/1997
	V105 P441	10/24/1997
	V112 P533	1/26/2000
	V113 P309	4/20/2000
	V113 P314	4/20/2000
	V113 P318	4/20/2000
	V113 P323	4/20/2000
	V113 P326	6/30/1999
	V113 P330	4/20/2000
	V113 P342	4/20/2000
	V113 P350	4/20/2000
	V113 P346	4/20/2000



V113 P358	4/20/2000
V113 P362	4/20/2000
V113 P366	4/20/2000
V113 P370	4/20/2000
V113 P374	4/20/2000
V113 P378	4/20/2000
V113 P382	4/20/2000
V113 P386	4/20/2000
V113 P390	4/20/2000
V113 P394	4/20/2000
V113 P399	4/20/2000
V113 P403	4/20/2000
V114 P385	8/11/2000
V113 P334	4/20/2000
V113 P338	4/20/2000
V116 P645	5/31/2001
V121 P40	10/2/2002
V113 P354	4/20/2000

iv. All of [REDACTED] rights under that certain Contract Right-of-way dated March 27, 1985 with [REDACTED] as original Grantor.

b. JELLICO LDC – LINE DESCRIPTION

i. Main Pipeline – Northern Extension:



[Redacted]

ii. **Southern Extension**

[Redacted]

iii. **Town of Jellico, TN (Franchise Area):**

All rights, including the right to lay pipelines of whatever diameter underlying the streets, sidewalks, driveways, and alleys of the Town of Jellico, Tennessee covered by the certain city ordinance designated as Ordinance No. 10 of 1993, dated February 17, 1994, and amended by Ordinance No. 5 of 1994, granted by the City of Jellico, Tennessee to Gasco Distribution Systems of Tennessee, Inc.

c. **Jellico LDC, Easement Descriptions/Right-of-ways**

<u>Grantor</u>	<u>Recording Date</u>	<u>Vol / Page</u>
Whitley Co., Kentucky (Northern Extension)		
[Redacted]	March 8, 1994	84/318
[Redacted]	March 14, 1994	84/321

[REDACTED]	June 28, 1994	31/457
[REDACTED]	June 13, 1994	463/464
[REDACTED]	February 24, 1995	84/320
[REDACTED]	March 1, 1994	N/A
[REDACTED]	March 3, 1994	N/A
[REDACTED]	November 7, 1989	340/154

Campbell Co., Tennessee

[REDACTED]	May 20, 1994	31/479
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**Southern Extension
Campbell Co., Tennessee**

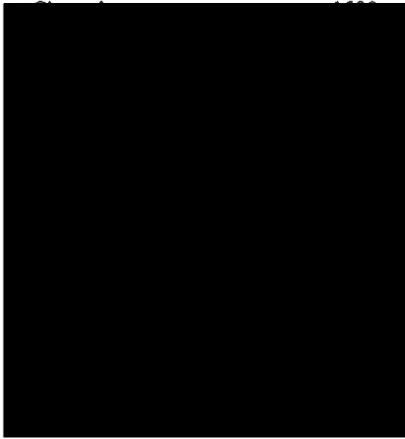


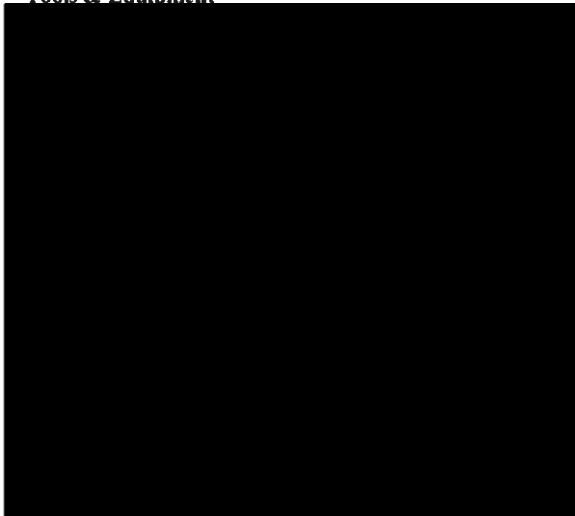
[REDACTED]	October 15, 1990	329/616
[REDACTED]	June 30, 1989	31/507
[REDACTED]	June 29, 1989	31/465
[REDACTED]	October 15, 1990	32/41
[REDACTED]	June 8, 1990	N/A
[REDACTED]	March 7, 1995	329/620
[REDACTED]	October 19, 1989	329/618
[REDACTED]	December 7, 1994	31/459
[REDACTED]	June 30, 1989	31/461
[REDACTED]	September 26, 1989	31/463
[REDACTED]	August 28, 1989	31/467
[REDACTED]	October 6, 1989	31/469
[REDACTED]	August 22, 1989	31/471
[REDACTED]	August 22, 1989	31/473
[REDACTED]	September 27, 1989	31/475
[REDACTED]	August 22, 1989	31/477
[REDACTED]	August 22, 1989	31/481
[REDACTED]	August 17, 1989	31/483
[REDACTED]	September 5, 1989	31/485
[REDACTED]	October 31, 1993	31/487



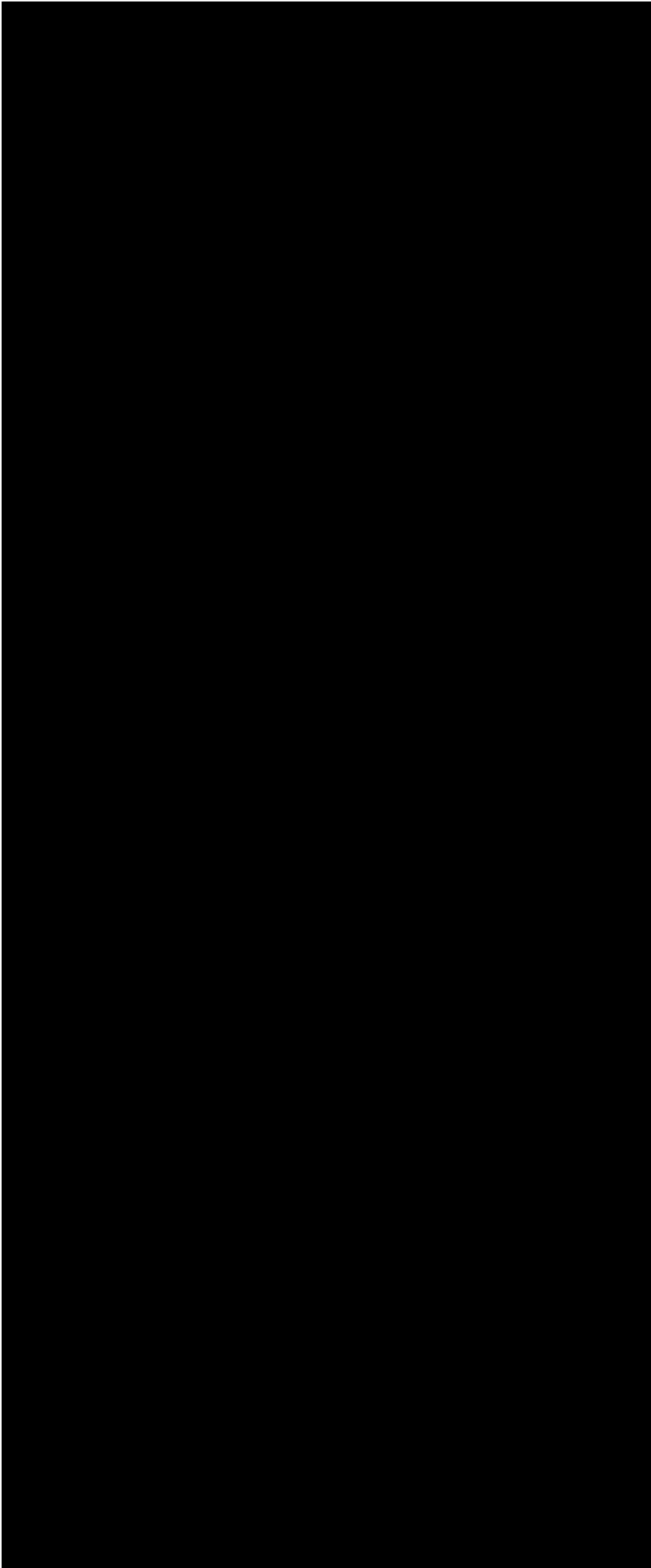
September 27, 1989	31/489
November 27, 1990	31/491
November 3, 1990	31/493
August 17, 1989	31/495
November 2, 1990	31/497
August 16, 1989	31/499
August 17, 1989	31/501
August 15, 1990	31/503
August 29, 1989	31/505
August 29, 1989	31/509
August 21, 1989	31/511
August 29, 1989	31/513
August 17, 1989	31/517
August 29, 1989	31/515
October 19, 1989	32/43

EXHIBIT A

**Navitas Utility Corporation
Equipment Collateral List**

Make	Model	Year	Date Acquired
Autos & Pickups			
		2003	5/31/2007
		2003	5/31/2007
		2007	9/26/2007
		2007	9/26/2007
		2008	7/1/2008
		2009	3/5/2009
		2009	3/31/2009
		2009	4/2/2009
		2009	4/2/2009
		2009	4/11/2009
		2009	4/11/2009
		2010	4/1/2010
		2010	4/1/2010
		2010	4/1/2010
2011	1/24/2011		
2011	3/4/2011		
Trucks			
		1998	5/31/2007
		2006	5/31/2007
		2012	1/12/2012
Heavy Equipment			
		1996	5/31/2007
			6/30/2008
		2009	2/27/2009
	2009	4/22/2009	
Tools & Equipment			
		2009	12/22/2008
			10/13/2009
			12/28/2009
			12/30/2009
			12/31/2009
			2/5/2010
			3/5/2010
			3/10/2010
			3/27/2010
			4/12/2010
		2010	4/16/2010
			4/21/2010
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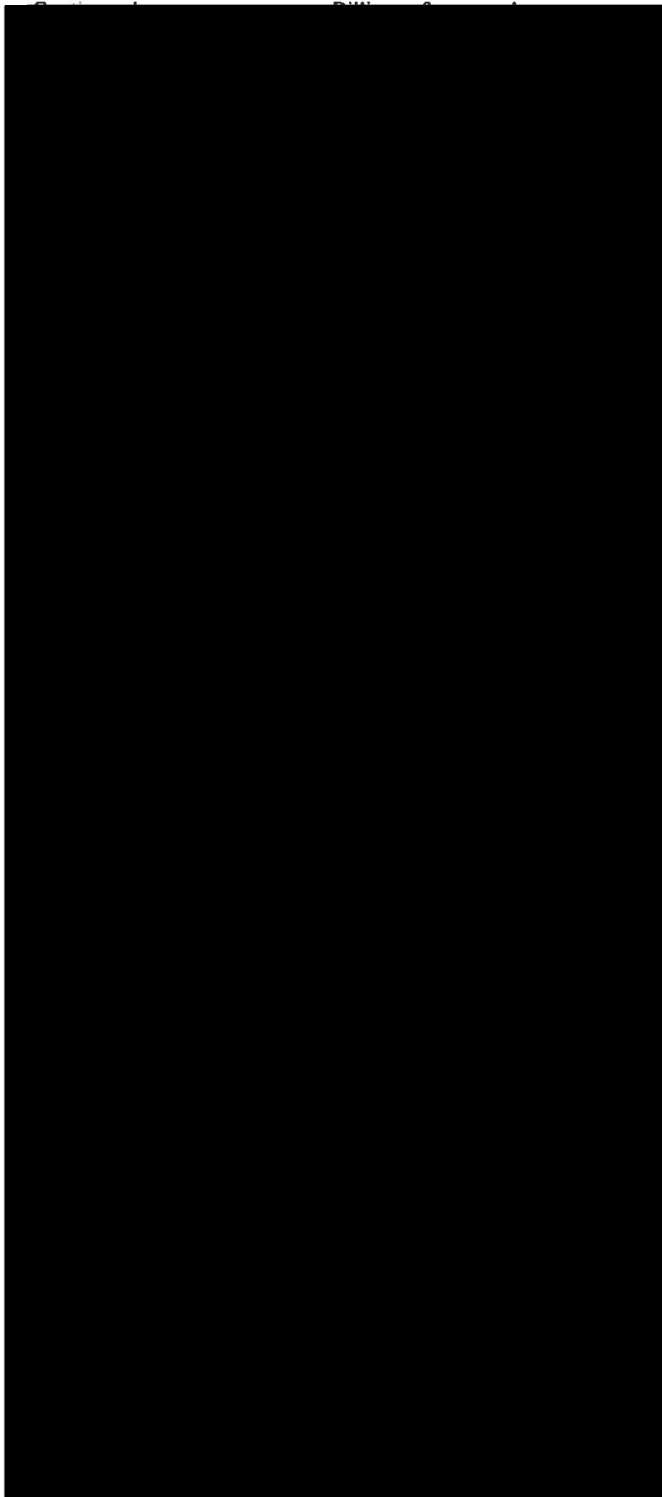


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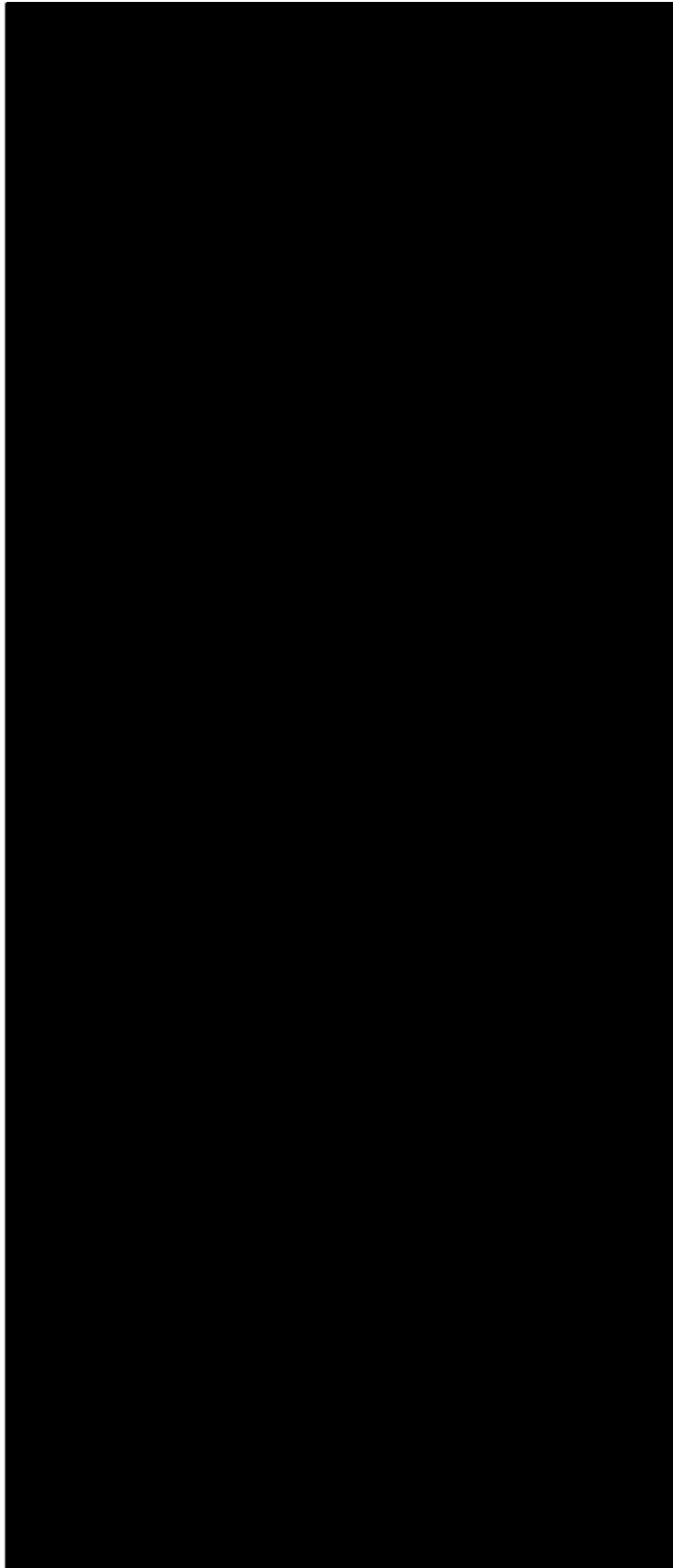


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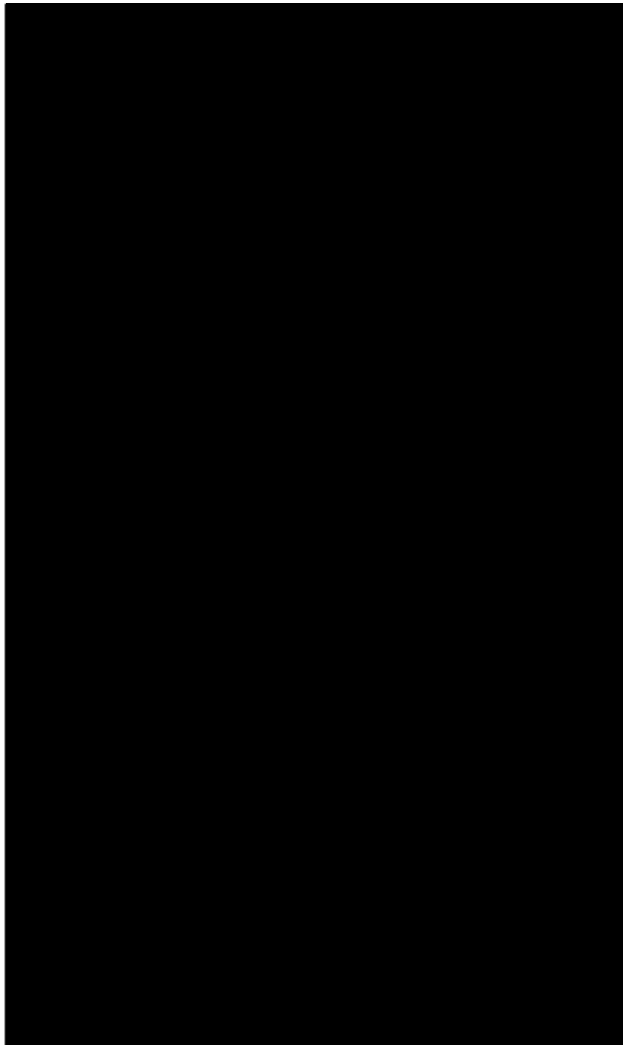


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**FIRST AMENDMENT TO THE
FIRST AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT**

This First Amendment to the First Amended and Restated Loan and Security Agreement (“First Amendment”) is made and entered into effective the 29th day of March, 2019, by and between **FORT COBB OKLAHOMA IRRIGATION FUEL AUTHORITY L.L.C.**, an Oklahoma limited liability company d/b/a **FORT COBB FUEL AUTHORITY, L.L.C.** (“FCFA”), **NAVITAS ASSETS, L.L.C.**, a Delaware limited liability company (“NALLC”), **NAVITAS UTILITY CORPORATION**, a Nevada corporation (“NUC”), **NAVITAS OK3, LLC**, an Oklahoma limited liability company (“NOK3”), **NAVITAS-WINSTAR, LLC**, an Oklahoma limited liability company (“NWLLC”), **NAVITAS TN NG, LLC**, a Tennessee limited liability company (“NTNNG”), **NAVITAS KY NG, LLC**, a Kentucky limited liability company (“NKYNG”) **NAVITAS UTILITY TEXAS, LLC**, a Texas limited liability company (“NUTX”) (herein collectively “Borrowers”) and [REDACTED] (herein collectively “Guarantors”), of 3186-D Airway Avenue, Costa Mesa, CA 92626, and **BANK7**, an Oklahoma banking corporation (“Bank 7” or “Lender”), 1039 N.W. 63rd Street, Oklahoma City, OK 73116.

WITNESSETH:

WHEREAS, effective on December 8, 2017, Borrowers, Guarantors, and Lender entered into that certain First Amended and Restated Loan and Security Agreement (as amended, modified, restated and supplemented, and in effect from time to time, the “Loan Agreement”) pursuant to which Borrowers executed and delivered to Lender certain Promissory Notes described therein; and

WHEREAS, Borrowers and Guarantors have requested that Lender extend to [REDACTED] a Loan in the principal amount of [REDACTED] (“Note M”) to fund the purchase of an unregulated natural gas distribution system, commonly known as the Rosenberg Gas Pipeline pursuant to that certain Asset Purchase and Sale Agreement dated March __, 2019 between Primoris Services Corporation, as Seller, and Navitas Utility Texas, LLC, as Purchaser; and

WHEREAS, Borrowers and Lender are now parties or will be parties to the following loans:

	<u>Amount</u>	<u>Borrower</u>
(a) Term Loan A (“Note A”)	\$ [REDACTED]	[REDACTED]
(b) Revolving Line of Credit Loan B (“Note B”)	\$ [REDACTED]	[REDACTED]
(c) Term Loan C (“Note C”)	\$ [REDACTED]	[REDACTED]
(d) Term Loan D (“Note D”)	\$ [REDACTED]	NKYNG

(f) Revolving Line of Credit Loan F ("Note F")	\$	[REDACTED]	[REDACTED]
(g) Term Loan G ("Note G")	\$	[REDACTED]	NKYNG
(j) Revolving Line of Credit Loan J ("Note J")	\$	[REDACTED]	[REDACTED]
(k) Revolving Line of Credit Loan K ("Note K")	\$	[REDACTED]	[REDACTED]
(l) Revolving Line of Credit Loan L ("Note L")	\$	[REDACTED]	NKYNG
(m) Term Loan M ("Note M")	\$	[REDACTED]	[REDACTED]

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Lender, Borrowers, and Guarantors hereby covenant and agree as follows:

1. Amendment to Loan Agreement. Effective as March 29, 2019, Section 1.12 shall be amended and restated as follows:

1.12. "Guarantors" shall mean the following:

- a. [REDACTED] all Notes
- b. [REDACTED] all Notes
- c. [REDACTED] - Notes A, C, D, G, and M
- d. [REDACTED] - Notes B, F, J, K, and L

2. Amendment to Loan Agreement. Effective as March 29, 2019, Section 2.1 and 2.2 shall be amended and restated as follows:

2.1. **Loan Advances.** Subject to the terms and conditions hereinafter set forth, Lender has made or agrees to make the following loans to the various Borrowers (the "Loans"):

		<u>Amount</u>	<u>Borrower</u>
(a) Term Loan A ("Note A")	\$	[REDACTED]	[REDACTED]
(b) Revolving Line of Credit Loan B ("Note B")	\$	[REDACTED]	[REDACTED]

(c) Term Loan C ("Note C")	\$	[REDACTED]	[REDACTED]
(d) Term Loan D ("Note D")	\$		NKYNG
(f) Revolving Line of Credit Loan F ("Note F")	\$	[REDACTED]	[REDACTED]
(g) Term Loan G ("Note G")	\$		NKYNG
(j) Revolving Line of Credit Loan J ("Note J")	\$	[REDACTED]	[REDACTED]
(k) Revolving Line of Credit Loan K ("Note K")	\$	[REDACTED]	[REDACTED]
(l) Revolving Line of Credit Loan L ("Note L")	\$		NKYNG
(m) Term Note M ("Note M")	\$	[REDACTED]	[REDACTED]

2.2. **Note.** Each respective Borrower's obligation to repay the Loans with interest is or shall be evidenced by the respective Notes (Note A, Note B, Note C, Note D, Note F, Note G, Note J, Note K, Note L, and Note M).

3. Amendment to Loan Agreement. Effective as December 8, 2017, all references in the Loan Documents to Navitas Texas Utility, LLC and NTXU shall be amended to refer to Navitas Utility Texas, LLC and NUTX.

4. Amendment to Loan Agreement. Effective as of March 29, 2019, the assets described on Exhibit "A" to this First Amendment shall be included as part of the definition of Collateral and shall be included as part of Schedule 1 to the Loan Agreement. For the avoidance of doubt, in order to secure the Loans, NUTX hereby grants to Lender a first priority security interest in the Collateral, including, but not limited, all assets described on Exhibit "A" to this First Amendment.

5. Amendment to Loan Agreement. Effective as of March 29, 2019, Paragraph 8.1 shall be amended and restated as follows:

8.1. **Failure to Pay.** *The failure of Borrowers to pay any of the Obligations within ten (10) business days of the date when due and payable (whether by acceleration, declaration, extension or otherwise).*

6. Amendment to Loan Agreement. Effective as of March 29, 2019, Paragraph 8.16 - Cure shall be added to the Agreement:

8.16 **Cure.** *Borrowers shall have thirty (30) days after written receipt of written notice from Lender to cure a default under Sections 8.2, 8.4, 8.5, 8.7, 8.9, or 8.13.*

7. Origination Fee. At closing, ██████ shall pay to Lender a ██████
Origination Fee for Note M.

8. Accuracy of Recitals. Borrowers acknowledges the accuracy of the Recitals set forth above.

9. Ratification of Loan Documents and Collateral. The Loan Documents are hereby ratified and reaffirmed by Borrowers and Guarantors and shall remain in full force and effect as they may be modified herein or in the documents executed in connection herewith. All real and personal property described as security in the Loan Documents shall remain as security for repayment of the Notes and the obligations of Borrowers in the Loan Documents.

10. Borrowers and Guarantors Representations and Warranties. Borrowers and Guarantors represents and warrants to Lender:

(a) No default or event of default under any of the Loan Documents as modified hereby, nor any event, that, with the giving of notice or the passage of time or both, would be a default or an event of default under the Loan Documents as modified herein has occurred and is continuing.

(b) There has been no material adverse change in the financial condition of Borrower or any other person whose financial statement has been delivered to Lender in connection with the Notes from the most recent financial statements received by Lender.

(c) Each and all representations and warranties of Borrowers and Guarantors in the Loan Documents are accurate on the date hereof.

(d) Borrowers and Guarantors have no claims, counterclaims, defenses, or set-offs with respect to the loan evidenced by the Notes, or with respect to the Loan Documents as modified herein.

(e) The Loan Documents as modified herein are the legal, valid, and binding obligations of Borrowers and Guarantors, enforceable against Borrowers and Guarantors in accordance with their terms.

11. Borrowers and Guarantors Covenants.

(a) Borrowers and Guarantors shall execute, deliver, and provide to Lender such additional agreements, documents, and instruments as may be reasonably be required by Lender to effectuate the intent of this Agreement.

(b) Borrowers and Guarantors each fully, finally, and forever release and discharge Lender and its successors, assigns, directors, officers, employees, agents, and representatives from any and all causes of action, claims, debts, demands, and liabilities, of whatever kind or nature, in law or equity, of Borrower, whether now known

or unknown to Borrower, in respect of the loan evidenced by the Notes and the Loan Documents, or of the actions or omissions of Lender in any manner related to the loan evidenced by Notes or the Loan Documents, arising from events occurring prior the date of this Agreement.

(c) On demand by Lender, Borrowers and Guarantors shall pay to Lender all out-of-pocket costs and expenses incurred by Lender in connection with this Agreement, including, without limitation, Lender's attorney's fees and expenses and any filing or recording costs.

12. Execution and Delivery of Agreement by Lender. Lender shall not be bound by this Agreement until (i) Lender has executed this Agreement, and (ii) Borrowers and Guarantors have performed all of the obligations of Borrowers and Guarantors under this Agreement to be performed contemporaneously with the execution and delivery of this Agreement.

13. Integration; Entire Agreement; Change; Discharge; Termination; Waiver. The Notes and Loan Documents as modified herein contain the complete understanding and agreement of Borrowers, Guarantors, and Lender in respect of the Loan and supersede all prior representations, warranties, agreements, arrangements, understandings, and negotiations. No provision of the Notes or Loan Documents as modified herein may be changed, discharged, supplemented, terminated, or waived except in a writing signed by the party against whom it is being enforced.

14. Governing Law/Binding Effect. This Agreement is delivered in the State of Oklahoma and governed by Oklahoma law. Borrowers and Guarantors agrees that any legal action or proceeding with respect to any of its obligations under the Notes, the Loan Documents, or this Agreement may be brought in any court located in Oklahoma County, Oklahoma, as the Lender in its sole discretion may elect.

15. Counterpart Execution. This Agreement may be executed in multiple counterparts, each of which, when so executed, shall be deemed an original, but all such counterparts, taken together, shall constitute one and the same Agreement.

16. Not a Novation. This Agreement is a modification and amendment only and not a novation. Except for the above-quoted modification(s), the Loan Documents, and all the terms and conditions thereof, shall be and remain in full force and effect with the changes herein deemed to be incorporated therein. References to the Loan Documents and to other agreements shall not affect or impair the absolute and unconditional obligation of the Borrower to pay the principal and interest on the Notes when due.

17. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, legal representatives, executors, administrators, successors and assigns.

THE WRITTEN LOAN AGREEMENTS REPRESENT THE FINAL AGREEMENTS BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY

THE EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment to Loan Agreement to be made effective as of, but not necessarily on, the date first above written.

BORROWERS/GUARANTORS:

**FORT COBB OKLAHOMA
IRRIGATION FUEL AUTHORITY
L.L.C.**, an Oklahoma limited liability
company d/b/a **FORT COBB FUEL
AUTHORITY, L.L.C.**

By: NAVITAS ASSETS, L.L.C., a Delaware
limited liability company, its Manager

By: NAVITAS UTILITY CORPORATION, a
Nevada corporation, its Manager

By: 

THOMAS E. HARTLINE, President

NAVITAS ASSETS, L.L.C., a Delaware
limited liability company

By: NAVITAS UTILITY CORPORATION, a
Nevada corporation, its Manager

By: 

THOMAS E. HARTLINE, President

NAVITAS UTILITY CORPORATION, a
Nevada corporation

By: 

THOMAS E. HARTLINE, President

NAVITAS OK3, LLC, an Oklahoma limited liability company

By: NAVITAS UTILITY CORPORATION, a Nevada corporation, its Manager

By: 
THOMAS E. HARTLINE, President

NAVITAS-WINSTAR, L.L.C., an Oklahoma limited liability company

By: 
THOMAS E. HARTLINE,
President/Chair/Manager

NAVITAS TN NG, LLC, a Tennessee limited liability company

NAVITAS ASSETS, L.L.C., a Delaware limited liability company, its Manager

By: NAVITAS UTILITY CORPORATION, a Nevada corporation, its Manager

By: 
THOMAS E. HARTLINE, President

NAVITAS KY NG, LLC, a Kentucky limited liability company

By: NAVITAS UTILITY CORPORATION, a Nevada corporation, its Manager

By: 
THOMAS E. HARTLINE, President

NAVITAS UTILITY TEXAS, LLC, a
Texas limited liability company

By: NAVITAS ASSETS, L.L.C., a Delaware
limited liability company, its Manager

By: NAVITAS UTILITY CORPORATION, a
Nevada corporation, its Manager

By: 

THOMAS E. HARTLINE, President

GUARANTORS:



LENDER:

BANK7, an Oklahoma banking corporation

By: _____
JASON ESTES, Exec. Vice President

EXHIBIT A

PIPELINE DESCRIPTION

THAT CERTAIN PIPELINE KNOWN AS PRIMORIS BUILD OWN & OPERATE ROSENBERG GAS PIPELINE SYSTEM, FORMERLY KNOWN AS HESCO ROSENBERG PIPELINE SYSTEM, FORMERLY KNOWN AS THE BRIDWELL-HUNTINGTON PIPELINE SYSTEM, AS ORIGINALLY CONSTRUCTED BY CORONADO TRANSMISSION COMPANY, CONVEYED THROUGH MULTIPLE TRANSACTIONS TO THE OWNERSHIP OF PRIMORIS SERVICES CORPORATION, OPERATED BY PRIMORIS BUILD, OWN & OPERATE, LLC ON BEHALF OF JAMES CONSTRUCTION GROUP, AND MAINTAINED IN CONTINUOUS SERVICE IN FORT BEND COUNTY, TEXAS.

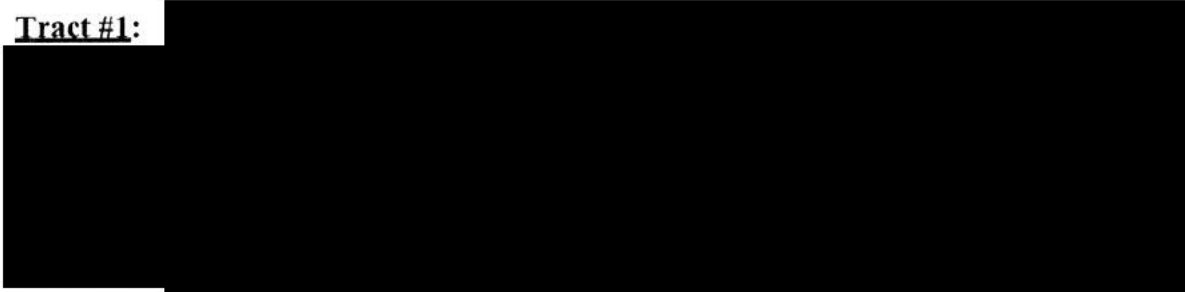
EXHIBIT A

OVERVIEW OF ROSENBERG PIPELINE

- a. Beginning at the far south end of the pipeline (KM meter station) the pipeline crosses [REDACTED] and thence travels north [REDACTED] approximately [REDACTED]
- b. The pipeline thence turns [REDACTED] and parallels [REDACTED]
- c. Thence turns [REDACTED] and crosses under [REDACTED] and the [REDACTED] approximately [REDACTED]
- d. Thence just off of [REDACTED] [REDACTED] was cut [REDACTED] original diameter pipeline that continued to the [REDACTED] and transitioned to a [REDACTED] and continues approximately [REDACTED]
- e. Thence the pipeline dog-legs continues [REDACTED]
- f. Thence the pipeline transitions to [REDACTED] and continues approximately [REDACTED] approximately [REDACTED] meter offset between the pipe and the [REDACTED] (meter).
- g. Thence the [REDACTED] then [REDACTED] and then [REDACTED]. In this [REDACTED] final segment the pipeline is brought above ground and through a valve and then crosses [REDACTED]
- h. Thence the pipe is tee'd in [REDACTED] pipe with the gas flowing [REDACTED] and then turns [REDACTED]
- i. DEAD LEG - from the end of the [REDACTED] continues to the [REDACTED] to a tie-in with the [REDACTED]. The [REDACTED] with both the dead leg and the original pipe continuing capped at this point. Also the [REDACTED] be continued [REDACTED] and is capped on the [REDACTED] of [REDACTED]

EXHIBIT A
EASEMENTS

Tract #1:



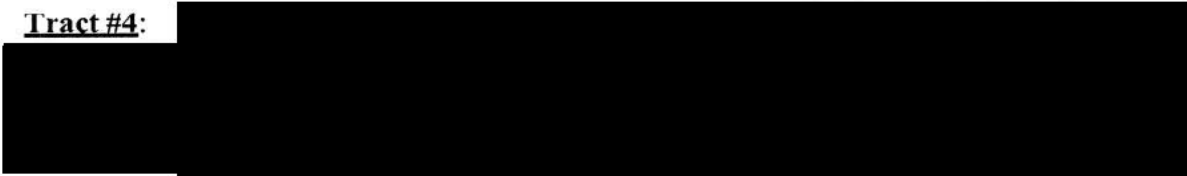
Tract #2:



Tract #3:



Tract #4:



Tract #5:



EXHIBIT A

PERMITS

Item A: Railroad Crossing License: Southern Pacific Transportation Company, dated January 6, 1976; Approved by R. E. Parker, Assistant Division Engineer.

Item B: Railroad Crossing License (#26123): The Atchison, Topeka and Santa Fe Railway Company to Coronado Transmission Company, dated January 14, 1976; Approved by F. K. Hill, Assistant General Manager.

Item C: Highway Crossing Permit (#76-8936): U.S. Highway 90A, dated January 6, 1976; to Coronado Transmission Company; Approved by F. B. Wilson, Assistant District Maintenance Supervisor.

Item D: County Road Crossing Permit: Fort Bend County, Scott Road, dated January 19, 1976; to Coronado Transmission Company; Approved by Fort Bend County Commissioner's Court, Presiding Judge, Josh Gates.

Item E: Texas Department of Transportation Permit (#97-0844): Fort Bend County, State Highway 36, dated August 15, 1997; to Houston Energy Services Company; Approved by J.R. Salinas, P.E., Director of Maintenance District No. 12.

Item F: Engineering Department R.O.W. Permit (#81860): Fort Bend County, Texas, dated September 9, 1997, for burial of 2.5" pipeline beneath Robinowitz ditch.

Item G: Texas Department of Transportation Permit (#05-0215): Fort Bend County, State Highway 36, dated February 18, 2005; to HESCO Utility Company, L.L.C.; Approved by Michael W. Alford, P.E., Director of Maintenance, Houston District.

Item H: Texas Department of Transportation Permit (#76-8935): Fort Bend County, State Highway 36, dated January 6, 1976; to Coronado Transmission Company; Approved by Assistant District Maintenance Supervisor, District No. 12.

Item I: Railroad Commission of Texas; Pipeline Transfer Certification, dated September 9, 2005; to James Construction Group, L.L.C.

EXHIBIT "A"

PERSONAL PROPERTY

All inventory, equipment, accounts (including but not limited to all health-care-insurance receivables), chattel paper, instruments (including but not limited to all promissory notes), letter-of-credit rights, letters of credit, documents, deposit accounts, investment property, money, other rights to payment and performance, and general intangibles (including but not limited to all software and all payment intangibles); all oil, gas and other minerals before extraction; all oil, gas, other minerals and accounts constituting as-extracted collateral; all fixtures; all timber to be cut; all attachments, accessions, accessories, fittings, increases, tools, parts, repairs, supplies, and commingled goods relating to the foregoing property, and all additions, replacements of and substitutions for all or any part of the foregoing property; all insurance refunds relating to the foregoing property; all good will relating to the foregoing property; all records and data and embedded software relating to the foregoing property, and all equipment, inventory and software to utilize, create, maintain and process any such records and data on electronic media; and all supporting obligations relating to the foregoing property; all whether now existing or hereafter arising, whether now owned or hereafter acquired or whether now or hereafter subject to any rights in the foregoing property; and all products and proceeds (including but not limited to all insurance payments) of or relating to the foregoing property.

**SECOND AMENDMENT TO THE
FIRST AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT**

This Second Amendment to the First Amended and Restated Loan and Security Agreement (“Second Amendment”) is made and entered into effective the 30th day of April, 2021 (the “Effective Date”), by and between **FORT COBB OKLAHOMA IRRIGATION FUEL AUTHORITY L.L.C.**, an Oklahoma limited liability company d/b/a **FORT COBB FUEL AUTHORITY, L.L.C.** (“FCFA”), **NAVITAS-WINSTAR, LLC**, an Oklahoma limited liability company (“NWLLC”), **NAVITAS TN NG, LLC**, a Tennessee limited liability company (“NTNNG”), **NAVITAS KY NG, LLC**, a Kentucky limited liability company (“NKYNG”) **NAVITAS UTILITY TEXAS, LLC**, a Texas limited liability company (“NUTX”) (herein collectively “Borrowers”) and **NAVITAS ASSETS, L.L.C.**, a Delaware limited liability company (“NALLC”), **NAVITAS UTILITY CORPORATION**, a Nevada corporation (“NUC”),

_____ (herein collectively “Guarantors”), of 3186-D Airway Avenue, Costa Mesa, CA 92626, and **BANK7**, an Oklahoma banking corporation (“Bank 7” or “Lender”), 1039 N.W. 63rd Street, Oklahoma City, OK 73116.

WITNESSETH:

WHEREAS, effective on December 8, 2017, Borrowers, Guarantors, and Lender entered into that certain First Amended and Restated Loan and Security Agreement pursuant to which Borrowers executed and delivered to Lender certain Promissory Notes described therein;

WHEREAS, effective on March 29, 2019, Borrowers, Guarantors, and Lender entered into that certain First Amendment to the First Amended and Restated Loan and Security Agreement pursuant to which Lender extended to NUTX a Loan in the principal amount of _____ (“Note M”) to fund the purchase of an unregulated natural gas distribution system, commonly known as the Rosenberg Gas Pipeline; and

WHEREAS, Borrowers and Guarantors have now requested that Lender extend to NKYNG a promissory note in the amount of _____ in order to fund the purchase of the natural gas distribution system and related assets of Bud Rife commonly known as the Johnson County Gas System and the B & H Gas System; and

WHEREAS, Borrowers and Lender are now parties or will be parties to the following loans:

	<u>Amount</u>	<u>Borrower</u>
(a) Term Loan A (“Note A”)	\$ _____	_____
(b) Revolving Line of Credit Loan B (“Note B”)	\$ _____	_____
(c) Term Loan C (“Note C”)	\$ _____	_____

(d)	Term Loan D (“Note D”)	\$	[REDACTED]	NKYNG
(f)	Revolving Line of Credit Loan F (“Note F”)	\$	[REDACTED]	[REDACTED]
(g)	Term Loan G (“Note G”)	\$	[REDACTED]	NKYNG
(j)	Revolving Line of Credit Loan J (“Note J”)	\$	[REDACTED]	[REDACTED]
(k)	Revolving Line of Credit Loan K (“Note K”)	\$	[REDACTED]	[REDACTED]
(l)	Revolving Line of Credit Loan L (“Note L”)	\$	[REDACTED]	NKYNG
(m)	Term Loan M (“Note M”)	\$	[REDACTED]	[REDACTED]
(n)	Term Loan N (“Note N”)	\$	[REDACTED]	NKYNG

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Lender, Borrowers, and Guarantors hereby covenant and agree as follows:

1. Amendment to Loan Agreement. As of the Effective Date, Section 1.12 of the Agreement shall be amended and restated as follows:

1.12. *“Guarantors” shall mean the following:*

- a. [REDACTED] all Notes
- b. [REDACTED] all Notes
- c. [REDACTED] – Notes A, C, D, G, M, and N
- d. [REDACTED] – Notes B, F, J, K, and L

2. Amendment to Loan Agreement. As of the Effective Date, Section 2.1 and 2.2 of the Agreement shall be amended and restated as follows:

2.1. **Loan Advances.** *Subject to the terms and conditions hereinafter set forth, Lender has made or agrees to make the following loans to the various Borrowers (the “Loans”):*

	<u>Amount</u>	<u>Borrower</u>
(a) Term Loan A (“Note A”)	\$ [REDACTED]	[REDACTED]

(b) <i>Revolving Line of Credit Loan B (“Note B”)</i>	\$	[REDACTED]	[REDACTED]
(c) <i>Term Loan C (“Note C”)</i>	\$	[REDACTED]	[REDACTED]
(d) <i>Term Loan D (“Note D”)</i>	\$	[REDACTED]	NKYNG
(f) <i>Revolving Line of Credit Loan F (“Note F”)</i>	\$	[REDACTED]	[REDACTED]
(g) <i>Term Loan G (“Note G”)</i>	\$	[REDACTED]	NKYNG
(j) <i>Revolving Line of Credit Loan J (“Note J”)</i>	\$	[REDACTED]	[REDACTED]
(k) <i>Revolving Line of Credit Loan K (“Note K”)</i>	\$	[REDACTED]	[REDACTED]
(l) <i>Revolving Line of Credit Loan L (“Note L”)</i>	\$	[REDACTED]	NKYNG
(m) <i>Term Note M (“Note M”)</i>	\$	[REDACTED]	[REDACTED]
(n) <i>Term Loan N (“Note N”)</i>	\$	[REDACTED]	NKYNG

2.2. **Notes.** Each respective Borrower’s obligation to repay the Loans with interest is or shall be evidenced by the respective Notes (Note A, Note B, Note C, Note D, Note F, Note G, Note J, Note K, Note L, Note M, and Note N).

3. **Amendment to Loan Agreement.** As of the Effective Date, the assets described on Exhibit “A” to this Second Amendment shall be included as part of the definition of Collateral and shall be included as part of Schedule 1 to the Loan Agreement. For the avoidance of doubt, in order to secure the Loans, NKYNG hereby grants to Lender a first priority security interest in the Collateral, including, but not limited, all assets described on Exhibit “A” to this Second Amendment.

4. **Amendment to Loan Agreement.** As of the Effective Date, Section 6.1 of the Loan Agreement shall be amended and restated as follows:

6.1 Financial Statements.

(a) (i) **NALLC and NUC.** As soon as available, and in any event within one hundred eighty (180) days after the end of each fiscal year, NALLC and NUC shall provide to Lender complete annual audited consolidated financial statements (consisting of a balance sheet, income statement, cash flow statements, accounts receivable aging,

accounts payable aging, and a schedule of notes payable with a description of the debt, note terms, and payment amounts), all in form and scope acceptable to Lender. These financial statements shall include accounts wherever maintained as of the end of such fiscal year. Said audit shall be performed by a Certified Public Accountant firm acceptable to Lender. (ii) **Guarantors.** Within one hundred twenty (120) days after the end of each calendar year, the Guarantors shall provide to Lender their respective complete financial statements (consisting of a balance sheet, income statement and net worth statement), all in form acceptable to Lender.

(b) Quarterly Financial Statements. Within sixty (60) days of each calendar quarter end, NALLC and NUC shall provide to Lender complete certified consolidated financial statements (consisting of a balance sheet, income statement, cash flow statement, accounts receivable aging, and accounts payable aging, and a schedule of notes payable with a description of the debt, note terms, and payment amounts, all in form and scope acceptable to Lender). The financial statements shall include accounts wherever maintained as of the end of such fiscal quarter. The financial statements shall be certified by Borrower to be accurate and complete.

(c) Tax Returns. Within thirty (30) days of the tax submittal deadline each Borrower and Guarantor shall provide to Lender a copy of their respective filed federal income tax return (with all schedules) for the prior calendar year. If extensions are filed said filer shall provide to Lender a copy of the extension applications.

(d) Annual Customer Report. Upon request of Lender, but in no event less often than annually, within one hundred twenty (120) days of the end of each fiscal year, Borrowers shall provide to Lender a complete Customer Report consisting of customer account numbers, names, addresses, further indicating whether the account is delinquent, and if so further detailing the delinquency, to the extent it will not violate the Oklahoma Corporation Commission's customer privacy limitations.

(e) Equipment Report. Upon request of Lender, but in no event less often than annually, within one hundred twenty (120) days of the end of each fiscal year, Borrowers shall provide to Lender a complete Equipment Report consisting of all machinery, equipment, and rolling stock owned by Borrowers.

(f) Additional Financial Reports. Upon request of Lender, Borrowers shall provide Financial Statements of any or all companies owned or managed by Borrowers in such form and substance and at such times as requested by Lender.

(g) Subordinated Indebtedness or Obligations: With the exception of the [REDACTED] Loan, until payment in full of the Loans, NUC, FCFA, NALLC, NWLLC, NTNNG, NTXU and NKYNG shall not repay any indebtedness or obligation to any stockholder, owner, officer, or affiliate without the consent of Lender.

(h) Other Information. Such other information concerning the business affairs of the Borrowers or others as the Lender might request from time to time.

5. Origination Fee. At closing, NKYNG shall pay to Lender a [REDACTED] origination fee for Note N.

6. Accuracy of Recitals. Borrowers and Guarantors acknowledges the accuracy of the Recitals set forth above.

7. Ratification of Loan Documents and Collateral. The Loan Documents are hereby ratified and reaffirmed by Borrowers and Guarantors and shall remain in full force and effect as they may be modified herein or in the documents executed in connection herewith. All real and personal property described as security in the Loan Documents shall remain as security for repayment of the Notes and the obligations of Borrowers in the Loan Documents.

8. Borrowers and Guarantors Representations and Warranties. Borrowers and Guarantors represents and warrants to Lender:

(a) No default or event of default under any of the Loan Documents as modified hereby, nor any event, that, with the giving of notice or the passage of time or both, would be a default or an event of default under the Loan Documents as modified herein has occurred and is continuing.

(b) There has been no material adverse change in the financial condition of Borrower or any other person whose financial statement has been delivered to Lender in connection with the Notes from the most recent financial statements received by Lender.

(c) Each and all representations and warranties of Borrowers and Guarantors in the Loan Documents are accurate on the date hereof.

(d) Borrowers and Guarantors have no claims, counterclaims, defenses, or set-offs with respect to the loan evidenced by the Notes, or with respect to the Loan Documents as modified herein.

(e) The Loan Documents as modified herein are the legal, valid, and binding obligations of Borrowers and Guarantors, enforceable against Borrowers and Guarantors in accordance with their terms.

9. Borrowers and Guarantors Covenants.

(a) Borrowers and Guarantors shall execute, deliver, and provide to Lender such additional agreements, documents, and instruments as may be reasonably be required by Lender to effectuate the intent of this Agreement.

(b) Borrowers and Guarantors each fully, finally, and forever release and discharge Lender and its successors, assigns, directors, officers, employees, agents, and representatives from any and all causes of action, claims, debts, demands, and

liabilities, of whatever kind or nature, in law or equity, of Borrower, whether now known or unknown to Borrower, in respect of the loan evidenced by the Notes and the Loan Documents, or of the actions or omissions of Lender in any manner related to the loan evidenced by Notes or the Loan Documents, arising from events occurring prior the date of this Agreement.

(c) On demand by Lender, Borrowers and Guarantors shall pay to Lender all out-of-pocket costs and expenses incurred by Lender in connection with this Agreement, including, without limitation, Lender's attorney's fees and expenses and any filing or recording costs.

10. Execution and Delivery of Agreement by Lender. Lender shall not be bound by this Agreement until (i) Lender has executed this Agreement, and (ii) Borrowers and Guarantors have performed all of the obligations of Borrowers and Guarantors under this Agreement to be performed contemporaneously with the execution and delivery of this Agreement.

11. Integration; Entire Agreement; Change; Discharge; Termination; Waiver. The Notes and Loan Documents as modified herein contain the complete understanding and agreement of Borrowers, Guarantors, and Lender in respect of the Loan and supersede all prior representations, warranties, agreements, arrangements, understandings, and negotiations. No provision of the Notes or Loan Documents as modified herein may be changed, discharged, supplemented, terminated, or waived except in a writing signed by the party against whom it is being enforced.

12. Governing Law/Binding Effect. This Agreement is delivered in the State of Oklahoma and governed by Oklahoma law. Borrowers and Guarantors agrees that any legal action or proceeding with respect to any of its obligations under the Notes, the Loan Documents, or this Agreement may be brought in any court located in Oklahoma County, Oklahoma, as the Lender in its sole discretion may elect.

13. Counterpart Execution. This Agreement may be executed in multiple counterparts, each of which, when so executed, shall be deemed an original, but all such counterparts, taken together, shall constitute one and the same Agreement.

14. Not a Novation. This Agreement is a modification and amendment only and not a novation. Except for the above-quoted modification(s), the Loan Documents, and all the terms and conditions thereof, shall be and remain in full force and effect with the changes herein deemed to be incorporated therein. References to the Loan Documents and to other agreements shall not affect or impair the absolute and unconditional obligation of the Borrower to pay the principal and interest on the Notes when due.

15. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, legal representatives, executors, administrators, successors and assigns.

[Signature Page Follows]

THE WRITTEN LOAN AGREEMENTS REPRESENT THE FINAL AGREEMENTS BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY THE EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

IN WITNESS WHEREOF, the parties hereto have executed this Second Amendment to Loan Agreement to be made effective as of, but not necessarily on, the date first above written.

BORROWERS:

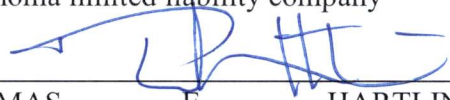
FORT COBB OKLAHOMA IRRIGATION FUEL AUTHORITY L.L.C., an Oklahoma limited liability company d/b/a **FORT COBB FUEL AUTHORITY, L.L.C.**

By: NAVITAS ASSETS, L.L.C., a Delaware limited liability company, its Manager

By: NAVITAS UTILITY CORPORATION, a Nevada corporation, its Manager

By: 
THOMAS E. HARTLINE, President

NAVITAS-WINSTAR, L.L.C., an Oklahoma limited liability company

By: 
THOMAS E. HARTLINE, President/Chair/Manager

NAVITAS TN NG, LLC, a Tennessee limited liability company

By: NAVITAS UTILITY CORPORATION, a Nevada corporation, its Manager

By: 
THOMAS E. HARTLINE, President

[Signature Page to Second Amendment to the First Amended and Restated Loan and Security Agreement]

NAVITAS KY NG, LLC, a Kentucky limited liability company

By: NAVITAS UTILITY CORPORATION, a Nevada corporation, its Manager

By: 
THOMAS E. HARTLINE, President

NAVITAS UTILITY TEXAS, LLC, a Texas limited liability company

By: NAVITAS ASSETS, L.L.C., a Delaware limited liability company, its Manager

By: NAVITAS UTILITY CORPORATION, a Nevada corporation, its Manager

By: 
THOMAS E. HARTLINE, President

GUARANTORS:

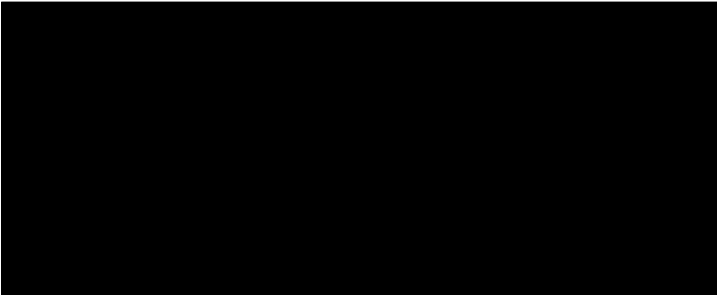
NAVITAS ASSETS, L.L.C., a Delaware limited liability company

By: NAVITAS UTILITY CORPORATION, a Nevada corporation, its Manager

By: 
THOMAS E. HARTLINE, President

NAVITAS UTILITY CORPORATION, a Nevada corporation

By: 
THOMAS E. HARTLINE, President



[Signature Page to Second Amendment to the First Amended and Restated Loan and Security Agreement]

NAVITAS KY NG, LLC, a Kentucky limited liability company

By: **NAVITAS UTILITY CORPORATION**, a Nevada corporation, its Manager

By: _____
THOMAS E. HARTLINE, President

NAVITAS UTILITY TEXAS, LLC, a Texas limited liability company

By: **NAVITAS ASSETS, L.L.C.**, a Delaware limited liability company, its Manager

By: **NAVITAS UTILITY CORPORATION**, a Nevada corporation, its Manager

By: _____
THOMAS E. HARTLINE, President

GUARANTORS:

NAVITAS ASSETS, L.L.C., a Delaware limited liability company

By: **NAVITAS UTILITY CORPORATION**, a Nevada corporation, its Manager

By: _____
THOMAS E. HARTLINE, President

NAVITAS UTILITY CORPORATION, a Nevada corporation

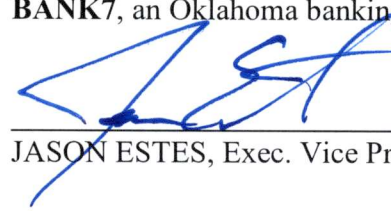
By: _____
THOMAS E. HARTLINE, President



LENDER:

BANK7, an Oklahoma banking corporation

By:



JASON ESTES, Exec. Vice President

[Signature Page to Second Amendment to the First Amended and Restated Loan and Security Agreement]

EXHIBIT "A"

All inventory, equipment, accounts (including but not limited to all health-care-insurance receivables), chattel paper, instruments (including but not limited to all promissory notes), letter-of-credit rights, letters of credit, documents, deposit accounts, investment property, money, other rights to payment and performance, and general intangibles (including but not limited to all software and all payment intangibles); all oil, gas and other minerals before extraction; all oil, gas, other minerals and accounts constituting as-extracted collateral; all fixtures; all timber to be cut; all attachments, accessions, accessories, fittings, increases, tools, parts, repairs, supplies, and commingled goods relating to the foregoing property, and all additions, replacements of and substitutions for all or any part of the foregoing property; all insurance refunds relating to the foregoing property; all good will relating to the foregoing property; all records and data and embedded software relating to the foregoing property, and all equipment, inventory and software to utilize, create, maintain and process any such records and data on electronic media; and all supporting obligations relating to the foregoing property; all whether now existing or hereafter arising, whether now owned or hereafter acquired or whether now or hereafter subject to any rights in the foregoing property; and all products and proceeds (including but not limited to all insurance payments) of or relating to the foregoing property.

AND

All assets conveyed to Navitas KY NG, LLC by Bud Rife pursuant to that certain Asset Purchase Agreement for the purchase of the Natural Gas Distribution System and Related Assets of Seller, commonly referred to as the Johnson County Gas System and the B & H Gas System.

**THIRD AMENDMENT TO THE
FIRST AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT**

This Third Amendment to the First Amended and Restated Loan and Security Agreement (“Third Amendment”) is made and entered into effective the 1st day of July, 2021 (the “Effective Date”), by and between **FORT COBB OKLAHOMA IRRIGATION FUEL AUTHORITY L.L.C.**, an Oklahoma limited liability company d/b/a **FORT COBB FUEL AUTHORITY, L.L.C.** (“FCFA”), **NAVITAS-WINSTAR, LLC**, an Oklahoma limited liability company (“NWLLC”), **NAVITAS TN NG, LLC**, a Tennessee limited liability company (“NTNNG”), **NAVITAS KY NG, LLC**, a Kentucky limited liability company (“NKYNG”) **NAVITAS UTILITY TEXAS, LLC**, a Texas limited liability company (“NUTX”) (herein collectively “Borrowers”) and **NAVITAS ASSETS, L.L.C.**, a Delaware limited liability company (“NALLC”), **NAVITAS UTILITY CORPORATION**, a Nevada corporation (“NUC”), [REDACTED] (herein collectively “Guarantors”), of 3186-D Airway Avenue, Costa Mesa, CA 92626, and **BANK7**, an Oklahoma banking corporation (“Bank 7” or “Lender”), 1039 N.W. 63rd Street, Oklahoma City, OK 73116.

WITNESSETH:

WHEREAS, effective on December 8, 2017, Borrowers, Guarantors, and Lender entered into that certain First Amended and Restated Loan and Security Agreement pursuant to which Borrowers executed and delivered to Lender certain Promissory Notes described therein;

WHEREAS, effective on March 29, 2019, Borrowers, Guarantors, and Lender entered into that certain First Amendment to the First Amended and Restated Loan and Security Agreement pursuant to which Lender extended to NUTX a Loan in the principal amount of [REDACTED] (“Note M”) to fund the purchase of an unregulated natural gas distribution system, commonly known as the Rosenberg Gas Pipeline;

WHEREAS, effective on April 30, 2021, Borrowers, Guarantors, and Lender entered into that certain Second Amendment to the First Amended and Restated Loan and Security Agreement pursuant to which Lender extended to NKYNG a Loan in the principal amount of [REDACTED] (“Note N”) to fund the purchase of the natural gas distribution system and related assets of Bud Rife commonly known as the Johnson County Gas System and the B & H Gas System; and

WHEREAS, Borrowers and Guarantors have now requested that Lender extend to FCFA a promissory note in the amount of [REDACTED] in order to reimburse FCFA for extraordinary natural gas costs attributed to the extreme temperatures experienced by Oklahoma in February of 2021.

WHEREAS, Borrowers and Lender are now parties or will be parties to the following loans:

	<u>Amount</u>	<u>Borrower</u>
(a) Term Loan A (“Note A”)	\$ [REDACTED]	[REDACTED]
(b) Revolving Line of Credit Loan B (“Note B”)	\$ [REDACTED]	[REDACTED]
(c) Term Loan C (“Note C”)	\$ [REDACTED]	[REDACTED]
(d) Term Loan D (“Note D”)	\$ [REDACTED]	NKYNG
(f) Revolving Line of Credit Loan F (“Note F”)	\$ [REDACTED]	[REDACTED]
(g) Term Loan G (“Note G”)	\$ [REDACTED]	NKYNG
(j) Revolving Line of Credit Loan J (“Note J”)	\$ [REDACTED]	[REDACTED]
(k) Revolving Line of Credit Loan K (“Note K”)	\$ [REDACTED]	[REDACTED]
(l) Revolving Line of Credit Loan L (“Note L”)	\$ [REDACTED]	NKYNG
(m) Term Loan M (“Note M”)	\$ [REDACTED]	[REDACTED]
(n) Term Loan N (“Note N”)	\$ [REDACTED]	NKYNG
(o) Term Loan O (“Note O”)	\$ [REDACTED]	[REDACTED]

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Lender, Borrowers, and Guarantors hereby covenant and agree as follows:

1. Amendment to Loan Agreement. As of the Effective Date, Section 1.12 of the Agreement shall be amended and restated as follows:

1.12. “Guarantors” shall mean the following:

- a. [REDACTED] all Notes
- b. [REDACTED] all Notes
- c. [REDACTED] – Notes A, C, D, G, M, N, and O
- d. [REDACTED] – Notes B, F, J, K, and L

2. Amendment to Loan Agreement. As of the Effective Date, Section 2.1 and 2.2 of the Agreement shall be amended and restated as follows:

2.1. Loan Advances. Subject to the terms and conditions hereinafter set forth, Lender has made or agrees to make the following loans to the various Borrowers (the "Loans"):

	<u>Amount</u>	<u>Borrower</u>
(a) Term Loan A ("Note A")	\$	[REDACTED]
(b) Revolving Line of Credit Loan B ("Note B")	\$	[REDACTED]
(c) Term Loan C ("Note C")	\$	[REDACTED]
(d) Term Loan D ("Note D")	\$	NKYNG
(f) Revolving Line of Credit Loan F ("Note F")	\$	[REDACTED]
(g) Term Loan G ("Note G")	\$	NKYNG
(j) Revolving Line of Credit Loan J ("Note J")	\$	[REDACTED]
(k) Revolving Line of Credit Loan K ("Note K")	\$	[REDACTED]
(l) Revolving Line of Credit Loan L ("Note L")	\$	NKYNG
(m) Term Note M ("Note M")	\$	[REDACTED]
(n) Term Loan N ("Note N")	\$	NKYNG
(o) Term Loan O ("Note O")	\$	[REDACTED]

2.2. Notes. Each respective Borrower's obligation to repay the Loans with interest is or shall be evidenced by the respective Notes (Note A, Note B, Note C, Note D, Note F, Note G, Note J, Note K, Note L, Note M, Note N, and Note O).

3. Origination Fee. At closing, FCFA shall pay to Lender a [REDACTED] origination fee for Note O.

4. Accuracy of Recitals. Borrowers and Guarantors acknowledges the accuracy of the Recitals set forth above.

5. Ratification of Loan Documents and Collateral. The Loan Documents are hereby ratified and reaffirmed by Borrowers and Guarantors and shall remain in full force and effect as they may be modified herein or in the documents executed in connection herewith. All real and personal property described as security in the Loan Documents shall remain as security for repayment of the Notes and the obligations of Borrowers in the Loan Documents.

6. Borrowers and Guarantors Representations and Warranties. Borrowers and Guarantors represents and warrants to Lender:

(a) No default or event of default under any of the Loan Documents as modified hereby, nor any event, that, with the giving of notice or the passage of time or both, would be a default or an event of default under the Loan Documents as modified herein has occurred and is continuing.

(b) There has been no material adverse change in the financial condition of Borrower or any other person whose financial statement has been delivered to Lender in connection with the Notes from the most recent financial statements received by Lender.

(c) Each and all representations and warranties of Borrowers and Guarantors in the Loan Documents are accurate on the date hereof.

(d) Borrowers and Guarantors have no claims, counterclaims, defenses, or set-offs with respect to the loan evidenced by the Notes, or with respect to the Loan Documents as modified herein.

(e) The Loan Documents as modified herein are the legal, valid, and binding obligations of Borrowers and Guarantors, enforceable against Borrowers and Guarantors in accordance with their terms.

7. Borrowers and Guarantors Covenants.

(a) Borrowers and Guarantors shall execute, deliver, and provide to Lender such additional agreements, documents, and instruments as may be reasonably be required by Lender to effectuate the intent of this Agreement.

(b) Borrowers and Guarantors each fully, finally, and forever release and discharge Lender and its successors, assigns, directors, officers, employees, agents, and representatives from any and all causes of action, claims, debts, demands, and liabilities, of whatever kind or nature, in law or equity, of Borrower, whether now known or unknown to Borrower, in respect of the loan evidenced by the Notes and the Loan Documents, or of the actions or omissions of Lender in any manner related to the loan evidenced by Notes or the Loan Documents, arising from events occurring prior the date of this Agreement.

(c) On demand by Lender, Borrowers and Guarantors shall pay to Lender all out-of-pocket costs and expenses incurred by Lender in connection with this Agreement, including, without limitation, Lender's attorney's fees and expenses and any filing or recording costs.

10. Execution and Delivery of Agreement by Lender. Lender shall not be bound by this Agreement until (i) Lender has executed this Agreement, and (ii) Borrowers and Guarantors have performed all of the obligations of Borrowers and Guarantors under this Agreement to be performed contemporaneously with the execution and delivery of this Agreement.

11. Integration; Entire Agreement, Change; Discharge; Termination; Waiver. The Notes and Loan Documents as modified herein contain the complete understanding and agreement of Borrowers, Guarantors, and Lender in respect of the Loan and supersede all prior representations, warranties, agreements, arrangements, understandings, and negotiations. No provision of the Notes or Loan Documents as modified herein may be changed, discharged, supplemented, terminated, or waived except in a writing signed by the party against whom it is being enforced.

12. Governing Law/Binding Effect. This Agreement is delivered in the State of Oklahoma and governed by Oklahoma law. Borrowers and Guarantors agrees that any legal action or proceeding with respect to any of its obligations under the Notes, the Loan Documents, or this Agreement may be brought in any court located in Oklahoma County, Oklahoma, as the Lender in its sole discretion may elect.

13. Counterpart Execution. This Agreement may be executed in multiple counterparts, each of which, when so executed, shall be deemed an original, but all such counterparts, taken together, shall constitute one and the same Agreement.

14. Not a Novation. This Agreement is a modification and amendment only and not a novation. Except for the above-quoted modification(s), the Loan Documents, and all the terms and conditions thereof, shall be and remain in full force and effect with the changes herein deemed to be incorporated therein. References to the Loan Documents and to other agreements shall not affect or impair the absolute and unconditional obligation of the Borrower to pay the principal and interest on the Notes when due.

15. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, legal representatives, executors, administrators, successors and assigns.

[Signature Page Follows]

THE WRITTEN LOAN AGREEMENTS REPRESENT THE FINAL AGREEMENTS BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY THE EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

IN WITNESS WHEREOF, the parties hereto have executed this Third Amendment to be made effective as of, but not necessarily on, the date first above written.

BORROWERS:

**FORT COBB OKLAHOMA
IRRIGATION FUEL AUTHORITY
L.L.C.**, an Oklahoma limited liability
company d/b/a **FORT COBB FUEL
AUTHORITY, L.L.C.**


By: NAVITAS ASSETS, L.L.C., a Delaware
limited liability company, its Manager

By: NAVITAS UTILITY CORPORATION, a
Nevada corporation, its Manager

By: 

THOMAS E. HARTLINE, President

NAVITAS-WINSTAR, L.L.C., an
Oklahoma limited liability company

By: 

THOMAS E. HARTLINE,
President/Chair/Manager

NAVITAS TN NG, LLC, a Tennessee
limited liability company

By: NAVITAS UTILITY CORPORATION, a
Nevada corporation, its Manager

By: 

THOMAS E. HARTLINE, President

[Signature Page to Third Amendment to the First Amended and Restated Loan and Security Agreement]

NAVITAS KY NG, LLC, a Kentucky limited liability company

By: NAVITAS UTILITY CORPORATION, a Nevada corporation, its Manager

By: 
THOMAS E. HARTLINE, President

NAVITAS UTILITY TEXAS, LLC, a Texas limited liability company

By: NAVITAS ASSETS, L.L.C., a Delaware limited liability company, its Manager

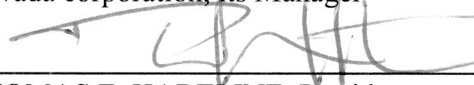
By: NAVITAS UTILITY CORPORATION, a Nevada corporation, its Manager

By: 
THOMAS E. HARTLINE, President

GUARANTORS:

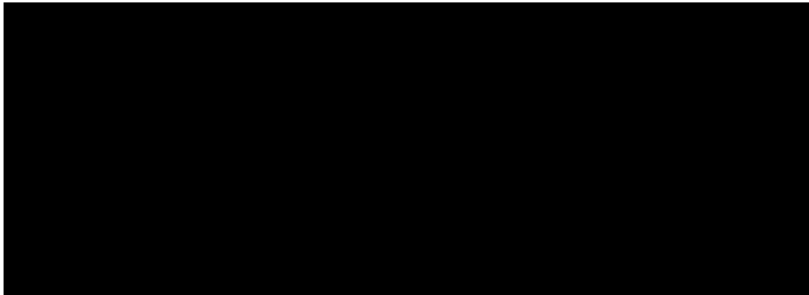
NAVITAS ASSETS, L.L.C., a Delaware limited liability company

By: NAVITAS UTILITY CORPORATION, a Nevada corporation, its Manager

By: 
THOMAS E. HARTLINE, President

NAVITAS UTILITY CORPORATION, a Nevada corporation

By: 
THOMAS E. HARTLINE, President



NAVITAS KY NG, LLC, a Kentucky limited liability company

By: NAVITAS UTILITY CORPORATION, a Nevada corporation, its Manager

By: _____
THOMAS E. HARTLINE, President

NAVITAS UTILITY TEXAS, LLC, a Texas limited liability company

By: NAVITAS ASSETS, L.L.C., a Delaware limited liability company, its Manager

By: NAVITAS UTILITY CORPORATION, a Nevada corporation, its Manager

By: _____
THOMAS E. HARTLINE, President

GUARANTORS:

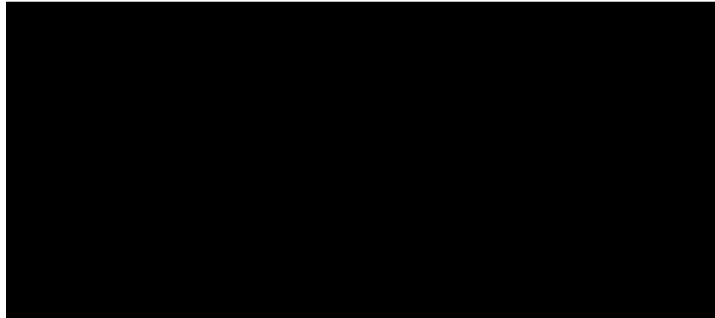
NAVITAS ASSETS, L.L.C., a Delaware limited liability company

By: NAVITAS UTILITY CORPORATION, a Nevada corporation, its Manager

By: _____
THOMAS E. HARTLINE, President

NAVITAS UTILITY CORPORATION, a Nevada corporation

By: _____
THOMAS E. HARTLINE, President



LENDER:

BANK7, an Oklahoma banking corporation

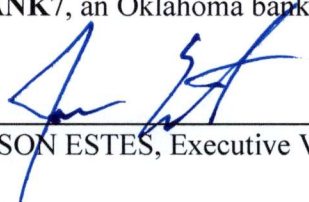
By:

JASON ESTES, Executive Vice President

LENDER:

BANK7, an Oklahoma banking corporation

By:



JASON ESTES, Executive Vice President

[Signature Page to Third Amendment to the First Amended and Restated Loan and Security Agreement]