

**ATTACHMENT E**

Financial Qualifications

*Filed confidentially.*

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## ATTACHMENT E

Iron Energy LLC will meet the financial qualifications set forth in Part 551.80(f).

Iron Energy, LLC ("Iron") will meet the financial qualifications set forth in Part 551.80(f) through use of a line of credit for greater than \$500,000. Iron currently does not serve customers in Illinois and has no revenue attributable to Illinois.

Iron is currently finalizing a line of credit with [REDACTED]  
[REDACTED]  
[REDACTED]

Loan and Security Agreement attached as Exhibit 1 confidentially.

*The applicant shall provide a copy of the following:*

*A) The line of credit or revolving credit agreement;*

**Attached as Exhibit 1**

*B) The ratings agency report that presents the long-term obligation rating of the financial institution extending the credit;*

**Attached as Exhibit 2**

*C) The applicant's certified financial statements, or those of the applicant's parent, as applicable;*

**Iron currently does not have certified financial statements. Iron anticipates having audited financial statements next year and will file them as they become available.**

*D) The accountant's report for the applicant's certified financial statements, or those of the applicant's parent, as applicable; and*

**See (C) above**

*E) Documents supporting any estimate of revenue from customer accounts purchased or under contract to be purchased from another AGS.*

**Iron currently has no retail customers in IL, nor any under contract to be purchased from another AGS.**

**Exhibit 1**

- Letter from [REDACTED]
- Loan and Security Agreement

*Filed confidentially.*

[REDACTED]

July 25, 2012  
Chief Clerk  
Illinois Commerce Commission  
527 East Capitol Ave.  
Springfield, IL 62701

Re: Iron Energy, LLC ("Iron Energy") – Application of Iron Energy Before the Illinois Commerce Commission (the "Commission") to become an Alternate Retail Electric Supplier ("ARES").

Ladies and Gentlemen:

We understand that Iron Energy has made application to become an ARES in accordance with the application procedures and rules of the Commission. As you may know from Iron Energy's ARES application, [REDACTED] is in the final stages of negotiating an agreement with Iron Energy (the "Agreement") whereby [REDACTED] will provide Iron Energy with certain borrowing capabilities in exchange for Iron Energy's pledge of collateral to [REDACTED]. The Agreement, a draft copy of which is attached to this letter, will provide, among other things that [REDACTED] will make cash or other forms of credit assurance available to Iron Energy so that Iron Energy can in turn provide credit support to third parties in the ordinary course of Iron Energy's business. More specifically, any credit obligations imposed by the Commission as a condition to granting Iron Energy's application are squarely within the scope of [REDACTED] commitments to Iron Energy under the Agreement. Thus, per the terms of the Agreement, [REDACTED] would make cash or other acceptable forms of credit support available to Iron Energy to fulfill Iron Energy's credit support obligations imposed by the Commission. In the course of your review, [REDACTED] would expect you to find that the Agreement is consistent with the financial requirements for Iron Energy's Application at the Commission. We expect to complete the Agreement substantially in the form attached in the coming days.

As [REDACTED] will become the primary source of financing for Iron Energy for purposes of the foregoing, [REDACTED] has a keen interest in supporting and ensuring the success of Iron Energy's business. As Iron Energy's financier, [REDACTED] will require that Iron Energy remain in strict compliance with third party obligations, applicable laws and regulations, and of course, with the authorizations and permits issued to Iron Energy by the Commission. Moreover, the Commission's authorization is critical to Iron Energy's business and therefore critical to [REDACTED] interests. Accordingly, and in order to protect the interests of [REDACTED] would provide support for Iron Energy's continued performance of its third party credit support obligations by making payment on Iron Energy's behalf if required, and by taking such additional action on behalf of Iron Energy as might be needed to ensure the continued operation of the business. In doing so, [REDACTED] obviously protects its interest in the Iron Energy collateral as Iron Energy's financier, maintains the Iron Energy franchise as a going concern, and ensures that [REDACTED] remains the ultimate beneficiary of the assets of Iron Energy as its lender.

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Please accept the foregoing as evidence of our financial support of Iron Energy of the type described above and in the Agreement. Should you have any questions, please contact me at [REDACTED] Thank you in advance.

Sincerely yours,

[REDACTED]

LOAN AND SECURITY AGREEMENT

THIS LOAN AND SECURITY AGREEMENT (this "Agreement") is made and entered into this [ ] day of August, 2012 and is by and between (i) Iron Energy, LLC, a limited liability company (the "Borrower"); and (ii) [REDACTED] (the "Lender").

ARTICLE I. CERTAIN DEFINITIONS

For purposes of this Agreement, the terms set forth below shall have the following meanings:

"**Applicable Laws**" shall mean all federal, state and local laws, statutes, codes, ordinances, rules and regulations to which the Borrower, the Retail Power Business, or the Retail Gas Business are subject.

"**CAISO**" means the California Independent System Operator and its successors in regulatory function.

"**Collateral**" shall mean the property specified as such in Article II.D.1 of this Agreement.

[REDACTED]

"**Credit Support Beneficiary(ies)**" means any ISO, LDC, or State Regulatory Body with jurisdiction over Borrower, and therefore with jurisdiction over the Retail Gas Business and Retail Power Business and that as a condition to Borrower's operations therein, requires a monetary deposit as collateral for Borrower's operations in connection with the Retail Gas Business and Retail Power Business.

"**Customers**" means any prospective purchaser of electricity and/or natural gas from Borrower as such customers are acquired as part of the Retail Gas Business and Retail Power Business.

"**Events of Default**" shall mean the events and circumstances described as such in Article V.A of this Agreement.

"**ERCOT**" means the Electric Reliability Council of Texas and its successors in regulatory function.

"**ISO**" means ERCOT, PJM, MISO, CAISO, and any other independent system operator, or similar body that has jurisdiction over the Retail Power Business, or in which the Retail Power Business is operated.

"**LDC**" means any natural gas distribution company that provides distribution and delivery services to any Customers associated with the Retail Gas Business.

"**Loan**" shall mean the revolving loan to be made by the Lender to the Borrower pursuant to this Agreement in the original principal amount of [REDACTED].

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“**Loan Documents**” shall mean this Agreement, the Note and all other documents or instruments now or hereafter executed, issued or delivered in connection with the Loan, as the same may be amended from time to time.

“**Loan Proceeds**” shall mean the proceeds of the Loan to be advanced upon and subject to the provisions of this Agreement.

“**Members**” shall mean [to be added]

“**MISO**” means the Midwest Independent System Operator, and its successors in regulatory function.

“**Note**” shall mean that certain Revolving Promissory Note of even date herewith made by the Borrower and payable to the order of the Lender in the original principal amount of [REDACTED], together with all renewals, extensions, modifications, amendments and substitutions thereof or therefor.

“**Obligations**” shall mean the Loan and any and all other liabilities and obligations of the Borrower to the Lender, whether now existing or hereafter created or arising, direct or indirect, matured or unmatured, and whether absolute or contingent, joint, several or joint and several, and no matter how the same may be evidenced or shall arise.

[REDACTED]

“**PJM**” means PJM Interconnection, LLC and its successors in regulatory function.

“**Retail Gas Business**” means (i) the business of providing natural gas to Customers in retail natural gas markets in the jurisdictions in which Borrower has made proper application and has become qualified under Applicable Law such that Borrower can legally provide natural gas to such Customers, together with any businesses incident or related thereto, and (ii) performing any activities incidental or related thereto.

“**Retail Power Business**” means (i) the business of providing electricity to Customers in retail electricity markets in the jurisdictions in which Borrower has made proper application and has become qualified under Applicable Law such that Borrower can legally provide electricity to such Customers, together with any businesses incident or related thereto, and (ii) performing any activities incidental or related thereto.

“**State Regulatory Body**” means any governmental authority other than an ISO or an LDC that has jurisdiction over the Retail Power Business or the Retail Gas Business, and where Borrower, as a condition to operating in the region that is subject to the jurisdiction of such governmental authority, must provide credit support as a condition to operating the Retail Power Business or the Retail Gas Business.

[REDACTED]

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“UCC” shall mean the Uniform Commercial Code as the same may from time to time be enacted and in effect in the State of Texas, provided, that to the extent the UCC is used to define any term in this Agreement, and such term has different meanings in different Articles or Divisions of the UCC, the definition of such term contained in Article or Division of the UCC shall govern; provided further, that if by reason of mandatory provisions of law, any or all of the attachment, perfection or priority of, or remedies with respect to, the Lender’s lien on any Collateral is governed by the UCC as enacted and in effect in a jurisdiction other than the State of Texas, the term “UCC” shall mean the Uniform Commercial Code as enacted and in effect in such other jurisdiction solely for purposes of the provisions thereof relating to such attachment, perfection, priority or remedies and for purposes of definitions related to such provisions.

[REDACTED]

[REDACTED]

**ARTICLE II. THE LOAN TRANSACTION**

A. Loan Amount. The Lender shall extend the Loan to the Borrower in accordance with the terms and provisions of this Agreement. The Loan shall be evidenced by, bear interest and be payable in accordance with the terms and conditions [REDACTED]. All sums advanced in connection with the Loan shall be deemed to be advanced as provided by, and [REDACTED]. Notwithstanding anything to the contrary set forth in this Agreement, if the [REDACTED] has not been completed by [REDACTED], then this Agreement shall terminate and the Loan shall be immediately due and payable to Lender without further notice or opportunity to cure.

B. Use of Proceeds. The Borrower acknowledges that the proceeds of the Loan are to be used exclusively for the establishment of the credit requirements of the Credit Support Beneficiaries in anticipation of the launch of the Retail Gas Business and/or Retail Power Business. Thus, the entirety of the Loan Proceeds shall be disbursed on behalf of the Borrower and be used by the Borrower solely to fund the Borrower’s collateral obligations and/or to reimburse the Borrower for funding of the Borrower’s collateral obligations with each of the Credit Support Beneficiaries. The Loan is a revolving loan, and the Lender will advance and re-advance amounts that Lender determines are incident to the Retail Power Business and Retail Gas Business and therefore that must be maintained on deposit with each Credit Support Beneficiary. The amount of each such advance will be made by Borrower and verified by Lender in accordance with the requirements of each Credit Support Beneficiary. Amounts properly verified will be funded by Lender directly to the deposit account maintained by the Credit Support Beneficiary on behalf of Borrower. No amounts to be maintained by Borrower with a Credit Support Beneficiary will be funded directly to Borrower or maintained under Borrower’s control. Borrower will make arrangements for and on behalf of Lender so that any amounts refunded to Borrower by a Credit Support Beneficiary, whether as a result of Borrower’s failure to commence operations for the Retail Power Business or Retail Gas Business or otherwise, are refunded directly to an account specified by Lender and acknowledged by each Credit Support Beneficiary. Notwithstanding the foregoing, in instances where the Borrower has previously deposited amounts with a Credit Support Beneficiary prior to the date of the Loan, such amounts shall be replaced with the proceeds of the Loan and, accordingly, the restriction on the refund of amounts to Borrower set forth above shall not apply with respect to such deposits maintained by Borrower prior to the date of the Loan. In the alternative, if a Credit Support Beneficiary refuses to return any amounts refundable to Borrower to the account specified by Lender, the Lender reserves the right to require that Borrower maintain a controlled account subject to

the unilateral control of Lender into which such returned amounts will be deposited for subsequent delivery to Lender.

C. [REDACTED]. Borrower has advised Lender of Borrower's desire to enter into a borrowing arrangement with [REDACTED]. Under such arrangement, [REDACTED] is expected to make certain extensions of credit available to Borrower to allow Borrower to (i) repay the Loan; (ii) purchase certain suppliers of physical and financial natural gas commodities, power and power related commodities and to conduct associated financial hedging activities; and (iii) provide Borrower with other lending products to assist Borrower with the management of Borrower's cash flow [REDACTED]. [REDACTED] is expected to have an overall available credit line of [REDACTED], be conditioned upon the pledge of the assets of Borrower, including those pledged hereunder in favor of Lender, provide the Borrower with borrowing capacity to allow for the purchase of energy related commodities, the continuation of credit support to the Credit Support Beneficiaries, and other types of borrowing capability in favor of Borrower. If and when the [REDACTED] is completed, Lender will be prepared to consider a modification of the terms of this Agreement and the other Loan Documents to accommodate the nature of the [REDACTED] and to provide the Borrower with new and related sources of financing in replacement of the Loan, but which are complimentary to the [REDACTED]. Any such modifications may include but are not limited to: (a) retaining the face amount of the Loan; (b) [REDACTED]; (c) retaining the same interest rate; and (d) such other modifications as may be required to allow for the completion of the [REDACTED]. In addition, at the time of the [REDACTED], and provided that the [REDACTED] is completed in accordance with the arrangements to be negotiated between Borrower and [REDACTED], Borrower shall, as a condition to the modifications contemplated above, execute and deliver to Lender, the [REDACTED]. [REDACTED] Borrower acknowledges however, that unless and until the [REDACTED] is complete, and subject to the repayment of the Loan at the time of the [REDACTED], and further provided that all other underwriting criteria of Lender have been satisfied, Lender is under no obligation to renew, modify, refinance or make any other accommodations to Borrower with regard to the Loan or any potential modification. Rather, any such arrangements, if at all, will require coordination with [REDACTED] and specific, definitive documentation of any such transactions in favor of Lender.

D. Security; Grant of Security Interest.

1. Collateral; Grant of Security Interest. As collateral security for the Obligations, the Borrower hereby grants, conveys and pledges to the Lender a security interest in all right, title and interest of the Borrower's right, title and interest in and to: [REDACTED]

[REDACTED]; and (y) any additions, modifications, alterations, improvements, upgrades, accessions, components, parts, appurtenances, substitutions, and or replacements of, to or for any of the foregoing, including any after acquired property of the same kind or character or any other kind or character, and (z) the proceeds of all of the foregoing (collectively, the "Collateral").

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2. Further Documents. The Borrower shall execute and deliver such documents, instruments and materials as the Lender may from time to time require to evidence or perfect its security interest in the Collateral.

**ARTICLE III. BORROWER'S REPRESENTATIONS AND WARRANTIES**

To induce the Lender to enter into this Agreement and to make advances hereunder, the Borrower represents and warrants to the Lender, and agrees with the Lender, as follows:

A. Existence. The Borrower is validly existing as a limited liability company under the laws of the State of \_\_\_\_\_. The Borrower has all requisite corporate power and authority to own and operate its property and carry on its business as now conducted. Aside from the qualifications required for the operation of the Retail Power Business and the Retail Gas Business, Borrower is qualified to do business under the laws of all jurisdictions in which the nature of its business or the location of its property requires qualification.

B. Authority, Non-Contravention. The execution, delivery and performance of the Loan Documents, consummation of the transactions contemplated thereby, and compliance with the provisions thereof have been duly authorized and will not, in any material respect, violate, be in conflict with, result in the breach of or constitute (with due notice or the lapse of time, or both) a default under: (i) any of the Borrower's certificate/articles of formation, limited liability operating agreement and other organizational documents; (ii) any other material instrument, document or agreement by which the Borrower is bound; or (iii) any law, ordinance, order, rule, regulation, judgment or other legal requirement applicable to the Borrower. When executed and delivered, the Loan Documents will constitute legal, valid and binding obligations of the Borrower, enforceable against the Borrower in accordance with their terms, subject to bankruptcy, reorganization, insolvency and other similar laws affecting the rights of creditors generally, and the judicial application of equitable principles. The Borrower's execution and delivery of this Agreement, [REDACTED] do not require the consent or approval of any other person or entity which consent and approval has not been obtained.

C. Absence of Claims. No action, suit or other proceeding against or affecting the Borrower or the Collateral is presently pending, at law or in equity, or to the knowledge of the Borrower is threatened, in any court, before any governmental agency or department, or before any arbitration board or tribunal, which involves the possibility of any judgment or liability not fully covered by insurance or which would affect the validity of any Loan Document or the ability of the Borrower to fulfill its obligations pursuant thereto, or which may result in any material adverse change in the business, profits, properties or condition (financial or otherwise) of the Borrower.

D. Compliance with Law/Permits. The Borrower is in material compliance with all Applicable Laws and the Borrower has obtained all licenses, permits, franchises and other governmental authorizations necessary to the ownership of its properties, and the conduct of its business.

E. Ownership of the Collateral. Except for the interest granted to the Lender pursuant to this Agreement, (i) no part of the Collateral is subject to any previous pledge or assignment; and (ii) the Borrower owns (and will keep) the Collateral free and clear of all liens, security interests, claims, charges, restrictions and other encumbrances whatsoever, and shall not, without the prior written consent of the Lender, sell, assign, pledge, transfer, mortgage or otherwise dispose of all or any part of the Collateral, or all or any part of the Borrower's interest therein.

ARTICLE IV. CERTAIN AFFIRMATIVE  
AND NEGATIVE COVENANTS OF BORROWER

A. Certain Affirmative Covenants of the Borrower. So long as this Agreement remains in effect, the Borrower covenants and agrees with the Lender that:

1. Payment of Loan Obligations. The Borrower shall duly and punctually pay all sums to be paid to the Lender in accordance with the terms and conditions of this Agreement [REDACTED] and any other agreements with the Lender to which the Borrower is a party.

2. Compliance with Laws. The Borrower shall observe and comply in all material respects with all Applicable Laws.

3. Payment of Taxes. The Borrower shall timely file returns and promptly pay and discharge all federal, state and other governmental taxes, assessments, fees and charges imposed upon it, or upon any of its properties or assets.

4. Maintenance of Existence. The Borrower shall maintain its corporate existence, and provide the Lender with evidence of the same from time to time upon the Lender's reasonable written request.

5. Covenants Regarding Collateral.

(a) The Borrower hereby irrevocably authorizes the Lender at any time and from time to time to file in any filing office in any Uniform Commercial Code jurisdiction any initial financing statements and amendments thereto that contain any information required by part 5 of Article 9 of the UCC for the sufficiency or filing office acceptance of any financing statement or amendment, including whether the Borrower is an organization, the type of organization and any organization identification number issued to the Borrower. The Borrower agrees to furnish any such information to the Lender promptly upon request. The Borrower also ratifies its authorization for the Lender to have filed in any Uniform Commercial Code jurisdiction any initial financing statements or amendments thereto if filed prior to the date hereof;

(b) Without limiting the prohibitions on mergers involving the Borrower contained in this Agreement, the Borrower shall not reorganize itself under the laws of any jurisdiction other than the jurisdiction in which it is formed as of the date hereof without the prior written consent of the Lender; and

(c) The Borrower acknowledges that it is not authorized to file any amendment or termination statement with respect to any financing statement without the prior written consent of the Lender and agrees that it will not do so without the prior written consent of the Lender.

6. Further Assurances. The Borrower shall do any reasonable act the Lender determines necessary to perfect, preserve, maintain or continue the security interest of the Lender in the Collateral.

7. Payment of Costs. The Borrower shall pay the costs of recording or filing such financing statements, continuation statements, termination statements, assignments and other

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documents as the Lender may from time to time deem necessary for the perfection of any liens granted to the Lender pursuant hereto or pursuant to any of the other Loan Documents, and shall pay any and all other costs of closing hereunder, as well as any and all taxes, other than the Lender's taxes and capital charges, which may be payable as a result of the execution or delivery of this Agreement, any agreement supplemental hereto, the Note or any other Loan Document.

B. Certain Negative Covenants of the Borrower. So long as this Agreement remains in effect, the Borrower covenants and agrees with the Lender that, without the prior written consent of the Lender:

1. Sale or Disposition of Assets. The Borrower shall not convey, sell, lease, transfer or otherwise dispose of any interest it may now hereafter have in the Collateral.

[REDACTED]

3. Judgments. The Borrower shall not suffer or permit any final judgment against the Borrower in an amount in excess of [REDACTED] that has not been bonded or reserved against, or covered by insurance.

[REDACTED] Further Encumbrances, Liens, etc. The Borrower shall not (i) further encumber the Collateral or make any further assignment, pledge or disposition of any Collateral, or (ii) do or permit anything to impair the security or value of the Collateral [REDACTED]

5. Affect Rights of the Lender. At any time do or perform any act to be performed which would be contrary to the interests or rights of the Lender, in any material respect, under any of the Loan Documents.

6. Indebtedness. The Borrower shall not (a) create, incur, assume or suffer to exist any indebtedness, or in any manner become liable directly or indirectly with respect to any indebtedness, except for amounts owing to the Lender or indebtedness approved by the Lender, (b) enter into any commitments for money to be borrowed, nor (c) guarantee or become obligated to pay the obligations of any other person, whether direct or indirect.

7. Operation of the Retail Power Business and Retail Gas Business. The Borrower will not commence operation of the Retail Gas Business or Retail Power Business during the term of the Loan except for making application with such governmental authorities as may be required for the operation of the Retail Gas Business and Retail Power Business. Under no circumstances shall Borrower enter into any contract for the purchase of power (whether energy, capacity, ancillary services, renewable energy credits or any derivative or related product), or the purchase of gas or natural gas transportation or storage. In addition, the Borrower, will not enter into any financial hedge, derivative, swap, option, or any other similar financial instrument during the term of the Loan without the express

consent of Lender, which may be withheld in Lender's sole discretion. [REDACTED]

8. Execution of Customer Contracts. The Borrower will not enter into any Customer contract relating to the Retail Power Business or the Retail Gas Business.

9. Execution of Contracts with ISO or LDC. The Borrower will not enter into any commitments for the purchaser of any power or natural gas product of the type specified in paragraph 7 above with any ISO, LDC or any other governmental or quasi-governmental authority whether in connection with the Retail Power Business, Retail Gas Business or otherwise. The foregoing shall not be construed to limit Borrower's ability to enter into those agreements required for Borrower to become authorized to conduct the Retail Power Business or Retail Gas Business.

## ARTICLE V. DEFAULT

A. Events of Default. Each of the following acts or events shall constitute an event of default ("Event of Default") under this Agreement:

1. Payment Default. If the Borrower shall fail to pay (i) within five (5) days of the due date any principal, interest or other sum owing on the Loan; or (ii) within five (5) days after the giving of written notice, any sum otherwise owing to the Lender.

2. Performance Default. If the Borrower shall fail to comply with or perform any (i) affirmative covenant or agreement set forth in Article IV.A herein or in any other Loan Document (other than the affirmative covenant to make payments to the Lender described in the immediately preceding subparagraph 1), and the continuance of such failure continues for thirty (30) days after written notice thereof from the Lender; or (ii) negative covenant or agreement set forth in Article IV.B herein or in any other Loan Document as and when such performance shall be due.

3. Breach of Representations and Warranties. If any representation or warranty of the Borrower set forth herein or in any other Loan Document or otherwise made to the Lender shall be untrue or incorrect in any material respect.

4. Insolvency. If a trustee or receiver is appointed for the Borrower, or for all or a substantial part of any of its assets, or if by order of a court of competent jurisdiction, a receiver, liquidator or trustee of the Borrower or its properties is appointed, or any of its properties are sequestered.

5. Bankruptcy/Receivership. If the Borrower files a voluntary petition in bankruptcy or a petition for reorganization under the Federal Bankruptcy Code or any applicable state or federal law; or if any involuntary petition in bankruptcy is filed against the Borrower under any such law, which petition shall not have been discharged within sixty (60) days after the filing thereof; or if the Borrower makes an assignment for the benefit of creditors, or if the Borrower fails at any time to pay its debts generally as they become due; or if the Borrower shall consent to the appointment of a receiver, trustee or liquidator of itself or all or any part of its property.

[REDACTED]

7. Default under [REDACTED]. If the Borrower shall fail to cure within any applicable notice and/or grace period a default [REDACTED]

9.

B. The Lender's Rights and Remedies. Upon the occurrence of an Event of Default:

1. The Lender may do any one or more of the following: (i) declare all principal, interest and other sums owing with respect to the Loan to be immediately due and payable without demand, protest, notice of protest, notice of default, presentment for payment or further notice of any kind; (ii) offset against the Obligations, without notice, any and all credits, stocks, bonds or other securities or property of any nature whatsoever held by or in the possession of the Lender and to the credit of or for the account of the Borrower; (iii) execute endorsements, pledges and other instruments of conveyance or transfer with respect to the Collateral; and/or (iv) proceed to enforce such other and additional rights and remedies as may be available to the Lender hereunder or under any other Loan Document, or in accordance with Applicable Law.

2. The Lender may: (i) charge to any banking account of the Borrower with the Lender any item of payment received by the Lender which is dishonored by the drawee or maker thereof; (ii) deal with any of the Collateral as the Lender shall be permitted under the Loan Documents and Applicable Law; (iii) release its interest in, make exchanges or substitutions for and/or surrender, all or any part of the Borrower's interest in all or any part of the Collateral; (iv) remove from the Borrower's place(s) of business (in a manner and to the extent not prohibited by Applicable Law) all books, records, ledger sheets, correspondence, invoices and documents relating to or evidencing any of the Collateral (so long as the Lender shall supply copies of all documents removed promptly after removal), or without cost or expense to the Lender, make such use of the Borrower's place(s) of business as may be reasonably necessary to administer, control and collect the Collateral; (v) demand, collect, receipt for and give renewals, extensions, discharges and releases of all or any part of the Collateral; (vi) institute and prosecute legal and equitable proceedings to enforce collection of, or realize upon, all or any part of the Collateral; (vii) settle, renew, extend, compromise, compound, exchange or adjust claims with respect to all or any part of the Collateral or any legal proceedings brought with respect thereto; (viii) endorse the name of the Borrower upon any items of payment relating to the Collateral or upon any proof of claim in bankruptcy against any account debtor in accordance with Applicable Law; and (ix) file financing statements and continuation statements covering the Collateral and, to the extent not prohibited by Applicable Law, execute the same on behalf of the Borrower. The Borrower hereby irrevocably appoints the Lender as its agent and attorney-in-fact, with power of substitution, having full power and authority in the name of the Lender, in the name of the Borrower or otherwise (but at the cost and expense of the Borrower and without notice to the Borrower) to exercise the rights described in this Paragraph B.2.

3. The Lender shall have the right to exercise any and all rights and remedies in respect of an Event of Default that are provided for herein or in any of the other Loan Documents, or are provided by law.

**ARTICLE VI. MISCELLANEOUS**

A. No Assignment. The Borrower may not, without the prior written consent of the Lender, assign any of its interest in this Agreement or the Loan. All covenants and undertakings of the Borrower shall inure to the benefit of the Lender, its successors and assigns, and any and all of the Lender's participants in the Loan.

B. Notices. All notices which are required or permitted hereunder shall be in writing and shall be either hand delivered, sent by facsimile or mailed by certified or registered U.S. Mail, return receipt requested, first class postage prepaid, addressed to the parties as follows, or to such other address as either party shall designate by written notice to the other in the manner provided herein:

[REDACTED]

C. Governing Law; Successors and Assigns; Modifications. This Agreement shall be governed by the laws [REDACTED], shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, personal representatives, successors and assigns, and may be modified only by an agreement in writing signed by the party against whom any such modification is sought to be enforced.

D. Rights Cumulative; No Waiver. All rights and remedies of the Lender hereunder are cumulative and not alternative, and not exclusive of any other rights, remedies or benefits provided herein, in the other Loan Documents or by law. Indulgence by the Lender with respect to any of the terms and conditions herein contained or the failure of the Lender to exercise any of its rights hereunder shall not constitute a waiver thereof, and the Borrower shall remain liable for the strict performance hereof until all Obligations shall have been fully paid in accordance with their terms, and this Agreement shall have been terminated, unless such waiver is in writing. Any waiver by the Lender of any condition or default shall not constitute a waiver of any similar or other condition or default. All rights of the Lender under this Agreement shall remain in effect and the Lender's priority as a lien creditor or secured party shall be and remain in effect notwithstanding the fact that no indebtedness of the Borrower to the Lender may be outstanding at any particular time or that the maximum amount of principal indebtedness specified in this Agreement may be exceeded.

E. Entire Agreement. This Agreement and the other Loan Documents constitute the entire agreement of the parties with respect to the Loan and shall continue in full force and effect for so long as the Borrower shall be indebted to the Lender, and thereafter until the Lender shall have actually received written notice of the termination hereof from the Borrower and until all Obligations incurred or contracted before receipt of such notice shall have been fully paid, plus applicable interest, fees, costs and reasonable attorneys' fees.

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F. Costs of Collection. In addition to any other sums payable by the Borrower hereunder, the Borrower agrees to pay the Lender's costs of collection and reasonable attorneys' fees incurred in the enforcement of any provision hereof, whether suit be brought or not.

G. Venue; Service of Process; Waiver of Jury Trial. The Borrower and the Lender, by accepting this Agreement, hereby consents to venue and jurisdiction of any local or federal court located within the City of Houston, Texas. The Borrower and the Lender also waive personal service of any process on the Borrower and the Lender, their respective officers or registered agent, and consents that such process may be made by certified mail, return receipt requested, directed to the Borrower and the Lender, as the case may be, at the address above, and service so made shall be deemed completed within ten (10) days after it has been mailed. THE BORROWER AND THE LENDER WAIVE TRIAL BY JURY IN ANY LITIGATION IN ANY COURT ARISING OUT OF THIS AGREEMENT, THE NOTE OR ANY OTHER DOCUMENT EXECUTED IN CONNECTION WITH THIS AGREEMENT OR THE LOAN.

H. Captions. The captions and headings set forth in this Agreement are for convenience purposes only and shall not limit, define or otherwise have any effect on the interpretation of the agreements and understandings set forth herein.

I. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which, when taken together, shall constitute one and the same instrument.

[BALANCE OF PAGE INTENTIONALLY LEFT BLANK]

[SIGNATURE PAGE FOLLOWS]

**IN WITNESS WHEREOF**, the Borrower and the Lender have executed and delivered this Agreement as of the day and year first above written.



By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Iron Energy, LLC, Borrower

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_



[REDACTED]

[REDACTED]

3. [REDACTED]

Payment. All payments shall be made in lawful money of the United States of America at such place as the Holder hereof may from time to time designate in writing to the Company. Payment shall be credited first to the accrued but unpaid interest, the due and payable and the remainder, if any, applied to principal [REDACTED]

5. Transfer; Successor and Assigns. The terms and conditions of [REDACTED] shall inure to the benefit of and be binding upon the respective successors and assigns of the parties. Notwithstanding the foregoing, the Holder may assign, pledge, or otherwise transfer [REDACTED] without the prior written consent of the Company.

6. Governing Law. [REDACTED] all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed and construed in accordance with the laws of the [REDACTED], without giving effect to principles of conflicts of law.

7. Notices. Any notice required or permitted by [REDACTED] shall be in writing and shall be deemed sufficient upon delivery, when delivered personally or by a nationally-recognized delivery service (such as Federal Express or UPS), or forty-eight (48) hours after being deposited in the U.S. mail, as certified or registered mail, with postage prepaid, addressed to the party to be notified at such party's address as set forth below or as subsequently modified by written notice.

8. Amendments and Waivers. Any term of [REDACTED] may be amended only with the written consent of the Company and the Holder. An amendment or waiver effected in accordance with this Section 8 shall be binding upon the Company, the Holder and each transferee [REDACTED].

[REDACTED] Usury Savings. It is expressly stipulated and agreed to be the intent of the Company and the Holder to at all times comply with the applicable usury and other laws relating to [REDACTED]. If at any time applicable law is ever interpreted so as to render usurious any amount called for under [REDACTED] or contracted for, charged, taken, reserved, or received with respect to the indebtedness evidenced [REDACTED] or if any prepayment by Company results in Company having paid any interest in excess of that permitted by law, then it is Company's and Holder's express intent that all excess amounts theretofore collected by Holder be credited on the principal balance of [REDACTED] immediately be deemed reformed and the amounts thereafter collectible hereunder and thereunder reduced, without the necessity of the execution of any new document, so as to comply with the then applicable law, but so as to permit the recovery of the fullest amount otherwise called for under [REDACTED].

Executed to be effective as of the date first above written.

IRON ENERGY, LLC

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

[Address for notice of Company]

[REDACTED]  
[REDACTED]  
[REDACTED]

**Exhibit 2**

Moody's Credit Rating.

*Filed confidentially.*

**MOODY'S**  
**INVESTORS SERVICE**

**Announcement: Moody's Disclosures on Credit Ratings of [REDACTED]**  
[REDACTED]

---

Global Credit Research - 12 Apr 2012

London, 12 April 2012 -- The following release represents Moody's Investors Service's summary credit opinion on [REDACTED] and includes certain regulatory disclosures regarding its ratings. This release does not constitute any change in Moody's ratings or rating rationale for [REDACTED] and its affiliates.

Moody's current ratings on [REDACTED] and its affiliates

are: [REDACTED]

Long-Term Issuer Rating of Aa3

Senior Unsecured (domestic and foreign currency) ratings of Aa3

Senior Unsecured MTN programme (domestic currency) ratings of (P)Aa3

Commercial Paper (domestic and foreign currency) ratings of P-1

BACKED Senior Unsecured MTN programme (foreign currency) ratings of (P)Aa3

BACKED Senior Unsecured Shelf (foreign currency) ratings of (P)Aa3

BACKED Commercial Paper (foreign currency) ratings of P-1

BACKED Commercial Paper ratings of P-1

[REDACTED]

Long-Term Issuer Rating (domestic currency) of A3

[REDACTED]

Long-Term Issuer Rating of A3

[REDACTED]

Long-Term Issuer Rating of A3

**RATINGS RATIONALE**

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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The ratings have been disclosed to the rated entities or their designated agent(s) and issued with no amendment resulting from that disclosure.

Information sources used to prepare each of the ratings are the following: parties involved in the ratings, parties not involved in the ratings, public information, confidential and proprietary Moody's Investors Service information, and confidential and proprietary Moody's Analytics information.

Moody's considers the quality of information available on the rated entities, obligations or credits satisfactory for the purposes of issuing these ratings.

Moody's adopts all necessary measures so that the information it uses in assigning the ratings is of sufficient quality and from sources Moody's considers to be reliable including, when appropriate, independent third-party sources. However, Moody's is not an auditor and cannot in every instance independently verify or validate information received in the rating process.

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Please see ratings tab on the issuer/entity page on [www.moodys.com](http://www.moodys.com) for the last rating action and the rating history. The date on which some ratings were first released goes back to a time before Moody's ratings were fully digitized and accurate data may not be available. Consequently, Moody's provides a date that it believes is the most reliable and accurate based on the information that is available to it. Please see the ratings disclosure page on our website [www.moodys.com](http://www.moodys.com) for further information.

Please see [www.moodys.com](http://www.moodys.com) for any updates on changes to the lead rating analyst and to the Moody's legal entity that has issued the rating.

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**INVESTORS SERVICE**

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**Exhibit 3**

Financial Statements

*Filed confidentially.*

**Financial Statements**

**Iron Energy LLC  
Balance Sheet  
As of June 30, 2012**

	<u>Total</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Bank Accounts</b>	
██████████	██████████
<b>Total Bank Accounts</b>	██████████
<b>Total Current Assets</b>	██████████
<b>TOTAL ASSETS</b>	██████████
<b>LIABILITIES AND EQUITY</b>	
<b>Liabilities</b>	
<b>Total Liabilities</b>	
<b>Equity</b>	
<b>Partner's Equity</b>	██████████
<b>Retained Earnings</b>	██████████
<b>Net Income</b>	██████████
<b>Total Equity</b>	██████████
<b>TOTAL LIABILITIES AND EQUITY</b>	██████████

**Iron Energy LLC  
Profit & Loss  
January - June, 2012**

	<u>Total</u>
<b>Income</b>	
<b>Total Income</b>	
<b>Expenses</b>	
<b>EDI &amp; Billing</b>	██████████
<b>Legal &amp; Professional Fees</b>	██████████
<b>Meals and Entertainment</b>	██████████
<b>Office Expenses</b>	██████████
<b>Other General and Admin Expenses</b>	██████████
<b>Rent or Lease</b>	██████████
<b>Travel</b>	██████████
<b>Total Expenses</b>	██████████
<b>Net Operating Income</b>	██████████
<b>Net Income</b>	██████████

**Iron Energy LLC  
Statement of Cash Flows  
January - June, 2012**

	<u>Total</u>
<b>OPERATING ACTIVITIES</b>	
<b>Net Income</b>	██████████
<b>Adjustments to reconcile Net Income to Net Cash provided by operations:</b>	██████████
<b>Net cash provided by operating activities</b>	██████████
<b>FINANCING ACTIVITIES</b>	
<b>Partner's Equity</b>	██████████
<b>Net cash provided by financing activities</b>	██████████
<b>Net cash increase for period</b>	██████████
<b>Cash at beginning of period</b>	██████████
<b>Cash at end of period</b>	██████████

Pro Forma Financial Statements

**Iron Energy LLC**  
**Pro Forma Balance Sheet**  
 As of August 31, 2012

	<u>Total</u>
<b>ASSETS</b>	
Current Assets	
Bank Accounts	
██████████	██████████
Total Bank Accounts	██████████
Total Current Assets	██████████
<b>TOTAL ASSETS</b>	██████████
<b>LIABILITIES AND EQUITY</b>	
Liabilities	██████████
Total Liabilities	██████████
Equity	
Partner's Equity	██████████
Total Partner's Equity	██████████
Retained Earnings	██████████
Net Income	██████████
Total Equity	██████████

**Iron Energy LLC**  
**Pro Forma Profit & Loss**  
 January - August, 2012

	<u>Total</u>
<b>Income</b>	
Total Income	
<b>Expenses</b>	
Dues & Subscriptions	██████████
EDI & Billing	██████████
Legal & Professional Fees	██████████
Meals and Entertainment	██████████
Office Expenses	██████████
Other General and Admin Expenses	██████████
Rent or Lease	██████████
Travel	██████████
Total Expenses	██████████
Net Operating Income	██████████

**Iron Energy LLC**  
**Pro Forma Statement of Cash Flows**  
 January - August, 2012

	<u>Total</u>
<b>OPERATING ACTIVITIES</b>	
Net Income	██████████
Adjustments to reconcile Net Income to Net Cash provided by operations:	██████████
Net cash provided by operating activities	██████████
<b>FINANCING ACTIVITIES</b>	
Partner's Equity	██████████
Net cash provided by financing activities	██████████
Net cash increase for period	██████████
Cash at beginning of period	██████████
Cash at end of period	██████████