

CONTROL AGREEMENT
(Cash and Securities as Collateral)

Control Agreement dated as of _____ 2003, by and among _____ (“**Secured Party**”), _____ listed on Attachment A hereto (“**Pledgor**”), and _____ (“**Custodian**”) (the “**Agreement**”).

WHEREAS, pursuant to a custodian contract between Custodian and Pledgor (as amended, the “**Custodian Agreement**”), Custodian acts as custodian for Pledgor’s assets and, as such Custodian, has established a custodial account in the name of Pledgor, in which the Collateral (together with other assets of Pledgor) will be held; and

WHEREAS, Secured Party and Pledgor have entered into a NAESB Base Contract for Sale and Purchase of Natural Gas and Credit Support Annex, dated as of _____, 2003 (as amended from time to time, the “**Master Agreement**”); and

WHEREAS, pursuant to the terms of the Master Agreement, Pledgor will from time to time pledge certain assets specified by Pledgor and identified to the Custodian as Collateral (as defined below) to secure Pledgor’s obligations under the Master Agreement; and

WHEREAS, Secured Party, Pledgor and Custodian are entering into this Agreement to provide for the control of the Collateral;

NOW, THEREFORE, in consideration of the mutual promises set forth herein, it is agreed as follows:

1. Collateral Account. Pledgor, from time to time, shall instruct the Custodian by any of the means mutually agreed to between Pledgor and the Custodian (which shall constitute “Proper Instructions” under the Custodian Agreement), to segregate U. S. Cash, certain U.S. Government securities or other U.S. securities acceptable to Secured Party (“Collateral”) for the benefit of Secured Party. Such Collateral (other than cash Collateral) shall be identified and segregated on the Custodian’s books and records under the name “_____ for the benefit of _____” (the “Securities Account”). The Custodian shall hold such Collateral as financial assets under Article 8 of the Uniform Commercial Code (the “UCC”), as in effect from time to time in an account assigned by US Bank. The Custodian shall identify and segregate in a separate deposit account (as defined in Section 9-102 of the UCC) any cash Collateral and hold it under the name “_____ for the benefit of _____” (the “Deposit Account” and, together with the Securities Account, the “Collateral Account”). The Custodian agrees not to change the name on the Collateral Account without the prior written consent of Secured Party. The Custodian shall have no responsibility for determining the adequacy of any Collateral required hereunder or under the Master Agreement, nor will it assume responsibility for any calculations related to any Collateral requirements under the Master Agreement.

2. Account Control.

2.1 Security Interest. This Agreement is intended by Secured Party and Pledgor to grant “control” of the Collateral Account to Secured Party for purposes of perfection of Secured Party’s security interest in such Collateral pursuant to Article 8 and Article 9 of the UCC, and the Custodian hereby acknowledges that it has been advised of Pledgor’s grant to Secured Party of a security interest in the Collateral Account. Notwithstanding the foregoing, the Custodian makes no representation or warranty with respect to the creation or enforceability of any security interest in the Collateral Account.

2.2 Joint Control by Secured Party and Pledgor. Unless and until the Custodian receives written notice from Secured Party pursuant to Section 2.3 below instructing the Custodian that Secured Party is exercising its right to exclusive control over the Collateral Account, which notice is substantially in the form attached hereto as Exhibit A (a “**Notice of Exclusive Control**”), or if all previous Notices of Exclusive Control have been revoked or rescinded in writing by Secured Party: (i) the Custodian shall take actions with respect to the Collateral in the Collateral Account upon the joint instructions of Secured Party and Pledgor, and (ii) the Custodian shall have no responsibility or liability to Secured Party or Pledgor for actions taken in accordance with such joint instructions.

2.3 Control by Secured Party.

(i) Upon receipt by the Custodian of a Notice of Exclusive Control, the Custodian shall thereafter follow only the instructions of Secured Party with respect to the Collateral Account and shall comply with any entitlement order or instructions (within the meaning of Sections 8-102 and 9-106 of the UCC) received from Secured Party, without further consent of Pledgor or any other person, and Custodian will not comply with entitlement orders or instructions concerning the Collateral originated by Pledgor without the prior written consent of Secured Party.

(ii) Secured Party represents and warrants to Pledgor that Secured Party will only issue to the Custodian a Notice of Exclusive Control if Secured Party has determined in good faith that an event or default or other authorized event has occurred under the Master Agreement which entitles Secured Party to exercise its rights as a secured party with respect to the Collateral in the Collateral Account.

(iii) The Custodian shall have no responsibility or liability to Pledgor for complying with a Notice of Exclusive Control or complying with entitlement orders originated by Secured Party concerning the Collateral Account. The Custodian shall have no duty to investigate or make any determination to verify the existence of an event of default or compliance by either Secured Party or Pledgor with applicable law or the Master Agreement, and the Custodian shall be fully protected in complying with a Notice of Exclusive Control whether or not Pledgor may allege that no such event of default or other like event exists.

(iv) As between Secured Party and the Custodian, notwithstanding any provision contained herein or in any other document or instrument to the contrary, the Custodian shall not be liable for any action taken or omitted to be taken at the instruction of Secured Party, or any action taken or omitted to be taken under or in connection with this Agreement, except for the Custodian’s own gross negligence or willful misconduct in carrying out such instructions.

3. **[Distributions.** The Custodian shall, without further action by Pledgor or Secured Party, credit to Pledgor’s custodial account all interest, dividends and other income received by the Custodian on the Collateral, unless the Custodian has received a Notice of Exclusive Control and until such Notice of Exclusive Control has been revoked or rescinded in writing by Secured Party. Pledgor and Secured Party agree that any such instructions from Secured Party shall be pursuant to the terms of the Master Agreement.]

4. Final Returns; Release of Security Interest.

4.1 Returns. If there are no transactions outstanding under the Master Agreement, Pledgor may request Secured Party to instruct Custodian to release all Collateral held in the Collateral Account. Custodian will effect such release as soon as reasonably practicable after receiving instructions from Secured Party and Pledgor.

4.2 Release of Security Interest. Secured Party agrees to notify the Custodian promptly in writing when all obligations of Pledgor to Secured Party under the Master Agreement have been fully paid and satisfied (and any commitment of Secured Party to advance further amounts or credit thereunder has been terminated) or Secured Party otherwise no longer claims any interest in the Collateral in the Collateral Account, whichever is sooner; at which time the Custodian shall have no further liabilities or responsibilities hereunder and the Custodian's obligations under this Agreement shall terminate.

5. Duties and Services of Custodian.

(i) Custodian agrees that it is acting as a securities intermediary, as defined in Section 8-102 of the UCC, with respect to the Collateral in the Securities Account, except Identified Securities. The parties acknowledge that the Custodian Agreement is governed by the laws of _____ and that, as a consequence, the jurisdiction of the Custodian as securities intermediary and bank is _____. The Custodian agrees that, with respect to the Collateral in the Deposit Account, it is acting as a "bank" as such term is used in Section 102(a)(29) of the UCC.

(ii) The Custodian shall have no duties, obligations, responsibilities or liabilities with respect to the Collateral Account except as and to the extent expressly set forth in this Agreement and the Custodian Agreement, and no implied duties of any kind shall be read into this Agreement against the Custodian including, without limitation, the duty to preserve, exercise or enforce rights in the Collateral and the Collateral Account. The Custodian shall not be liable or responsible for anything done or omitted to be done solely by it in good faith and in the absence of gross negligence and may rely and shall be protected in acting upon any notice, instruction or other communication which it reasonably believes to be genuine and authorized.

(iii) As between Pledgor and the Custodian, except for the rights of control in favor of Secured Party agreed to herein, nothing herein shall be deemed to modify, limit, restrict, amend or supercede the terms of the Custodian Agreement, and Custodian shall be and remain entitled to all of the rights, indemnities, powers, and protections in its favor under the Custodian Agreement, which shall apply fully to the Custodian's actions and omissions hereunder. Instructions under this Agreement from Pledgor's authorized representative given in accordance with the terms of the Custodian Agreement shall also constitute Proper Instructions under the Custodian Agreement.

(iv) Secured Party agrees to provide to Custodian, on Exhibit B attached hereto, the names and signatures of authorized parties who may give instructions or entitlement orders concerning the Collateral Account.

(v) Custodian agrees to provide to Secured Party daily statements, via facsimile or electronic mail, of the collateral (including cash and securities) pledged by Secured Party held in the account.

(vi) The parties hereto acknowledge that no “security entitlement” under the UCC shall exist with respect to any cash or any financial asset held in the Collateral Account which is registered in the name of Pledgor, payable to the order of the Pledgor, or specially indorsed to Pledgor or any third party (each such asset an “**Identified Security**”), except to the extent such Identified Security has been specially indorsed by Pledgor to the Custodian or in blank. Furthermore, Pledgor agrees to specially indorse any such Identified Security to the Custodian or in blank. The parties further acknowledge and agree that any such cash and/or Identified Securities received by the Custodian and credited to the Collateral Account from time to time shall (so long as so credited to the Collateral Account and so long as this Agreement remains in effect) be held by the Custodian for the benefit of Secured Party, not in its capacity as a “securities intermediary” (as defined in the UCC), but in its capacity as a custodial agent under and subject to the terms of this Agreement.

6. Force Majeure. The Custodian shall not be liable for delays, errors or losses occurring by reason of circumstances beyond its control, including, without limitation, acts of God, market disorder, terrorism, insurrection, war, riots, failure of transportation or equipment, or failure of vendors, communication or power supply. In no event shall the Custodian be liable to any person for consequential or special damages, even if the Custodian has been advised of the possibility or likelihood of such damages.

7. Compliance with Legal Process and Judicial Orders. The Custodian shall have no responsibility or liability to Secured Party or Pledgor or to any other person or entity for acting in accordance with any judicial or arbitral process, order, writ, judgment, decree or claim of lien relating to the Collateral Account subject to this Agreement notwithstanding that such order or process is subsequently modified, vacated or otherwise determined to have been without legal force or effect.

8. Custodian Representations. The Custodian agrees and confirms, as of the date hereof, and at all times until the termination of this Agreement, that it has not entered into, and until the termination of this Agreement will not enter into, any agreement (other than the Custodian Agreement) with any other person or entity relating to the Collateral or the Collateral Account under which it has agreed to comply with entitlement orders (as defined in Section 8-102 of the UCC) of such other person or entity.

9. Access To Reports. Upon any pledge, release, or substitution of Collateral in the Collateral Account, Custodian shall notify Secured Party within one business day of such change. The Custodian will provide to Secured Party a copy of a statement of the Collateral Account within five (5) business days of the end of the calendar month; provided, however, that the Custodian’s failure to forward a copy of such statement to Secured Party shall not give rise to any liability hereunder.

10. Interpleader. Notwithstanding any provision contained in this Agreement to the contrary, in the event of any dispute concerning this Agreement or the disposition of any of the Collateral or the Collateral Account, the Custodian shall have the absolute right, at its election, to (a) refrain from taking any action (other than to hold the Collateral in accordance with the Custodian Agreement) until directed by written instructions signed by Pledgor and Secured Party or by final order of a court of competent jurisdiction; or (b) in the event of litigation between Pledgor and Secured Party, deliver all of the

Collateral in the Collateral Account to the clerk of any court in which such litigation is pending, or file suit in interpleader and deliver the Collateral in the Collateral Account to the court in which the action is commenced, and obtain an order from the court requiring the parties to interplead and litigate in such court their claims and rights among themselves, whereupon the Custodian shall thereby be relieved from any further liability respecting the Collateral and the Collateral Account.

11. Fees and Expenses of Custodian.

11.1 Reimbursement For Costs. In addition to the terms of the Custodian Agreement, Pledgor hereby agrees to pay and reimburse the Custodian for any advances, fees, costs, expenses (including, without limitation, reasonable attorney's fees and costs) and disbursements that may be paid or incurred by the Custodian in connection with this Agreement or the arrangement contemplated hereby, including any that may be incurred in performing its duties or responsibilities pursuant to the terms of this Agreement.

11.2 Advances. It is hereby expressly acknowledged and agreed by the parties that the Custodian (including its agents) shall not be obligated to advance cash or investments to, for or on behalf of Pledgor in the Collateral Account, provided, however, that if the Custodian does advance cash or investments to the Collateral Account for any purpose (including but not limited to securities settlements, foreign exchange contracts, assumed settlement or account overdraft) for the benefit of Pledgor, any property at any time held pursuant to this Agreement and the Custodian Agreement shall be security therefore and, should Pledgor fail to repay the Custodian promptly, the Custodian shall be entitled to utilize available cash and to dispose of Collateral in the Collateral Account to the extent necessary to obtain reimbursement.

12. Notices. Any notice, instruction or other instrument required to be given hereunder, or requests and demands to or upon the respective parties hereto, shall be in writing and may be sent by hand, or by facsimile transmission, telex, or delivery by any recognized delivery service, prepaid or, for termination of this Agreement only, by certified or registered mail, and addressed as follows, or to such other address as any party may hereafter notify the other respective parties hereto in writing:

If to Secured Party, then:

If to Pledgor, then:

If to Custodian, then:

13. Amendment. No amendment or modification of this Agreement will be effective unless it is in writing and signed by each of the parties hereto.

14. Termination. This Agreement shall continue in effect until five (5) business days following notice by Secured Party to the Custodian in writing that this Agreement is to be terminated. Upon the

fifth business day after such notice, Secured Party shall have no further right to originate entitlement orders concerning the Collateral Account and Pledgor shall be entitled to originate entitlement orders concerning the Collateral for any purpose and without limitation except as may be provided in the Custodian Agreement. This Agreement may also be terminated by the Custodian, Secured Party or Pledgor, and shall terminate in the event of the termination of the Custodian Agreement, following thirty (30) days prior written notice to the other parties hereto. Upon termination of this Agreement by any party, all Collateral in the Collateral Account that has not been released by Secured Party shall be transferred, within 30 days of such termination, to a successor custodian designated in writing by Pledgor and acceptable to Secured Party. In the event no successor is agreed upon, the Custodian shall be entitled to petition a court of competent jurisdiction to appoint a successor custodian and shall be indemnified by Pledgor for any costs and expenses (including, without limitation, attorneys' fees) relating thereto.

15. Severability. In the event any provision of this Agreement is held illegal, void or unenforceable, the remainder of this Agreement shall remain in effect.

17. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of New York, without giving effect to the conflict of law provisions thereof.

18. Headings. Any headings appearing on this Agreement are for convenience only and shall not affect the interpretation of any of the terms of this Agreement.

19. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original, and all such counterparts taken together shall constitute one and the same Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers or duly authorized representatives as of the date first above written.

By: _____
Name:
Title:

By: _____
Name:
Title:

By: _____
Name:
Title:

Exhibit A

NOTICE OF EXCLUSIVE CONTROL

We hereby instruct you pursuant to the terms of that certain Control Agreement dated as of _____, 2003 (as from time to time amended and supplemented, the "Control Agreement") among the undersigned, _____(together with its successors and assigns, "Pledgor") and you, as Custodian, that you (i) shall not follow any instructions or entitlement orders of Pledgor with respect to the Collateral or the Collateral Account held by you for Pledgor, and (ii) unless and until otherwise expressly instructed by the undersigned, shall exclusively follow the entitlement orders and instructions of the undersigned with respect to the Collateral or the Collateral Account.

Very truly yours,

By: _____
Authorized Signatory

By: _____
Authorized Signatory

Exhibit B

AUTHORIZED PERSONS

with respect to Collateral Control Agreement dated _____2003

_____ **BANK** is directed to accept and act upon instructions received from any one of the following persons at _____:

Name

Telephone/Fax Number

Signature

Authorized by: _____, as authorized agent of

Name:

Title:

