



EXCO-North Coast Energy, Inc.

One GOJO Plaza, Suite 325 • Akron, OH 44311-1057
Phone (330) 572-8500 • (800) 645-6427 • Fax (330) 252-0199

July 13, 2009

City of Broadview Heights
9543 Broadview Road
Broadview Heights, OH 44147

Attn: Ray Mack

Dear Mr. Mack:

We are pleased to quote a price for your natural gas needs. Based on your facility's consumption profiles and market conditions on Nymex this date, North Coast Energy would like to submit the following bid for natural gas delivered to the Dominion East Ohio citygate:

- 1. \$7.85 per Mcf for 12 months, September 1, 2010 through August 31, 2011.
- ✓ 2. **Blend & Extend - \$9.19 per Mcf** for 24 months September 1, 2009 through August 31, 2011.
- 3. **Blend & Extend - \$9.25 per Mcf** for 26 months, July 1, 2009 through August 31, 2011.

These prices will be held until 9:00 a.m. on Tuesday, July 14, 2009. If you would like to lock in one of these prices, please sign below and fax it to (330) 252-0199. All sales are subject to credit approval and the completion of a fully executed gas sales agreement.

Yours truly,
EXCO – North Coast Energy, Inc.

Connie Alberico
Connie D. Alberico
Gas Marketing Supervisor

We ACCEPT
OPTION # 2

CITY OF BROADVIEW HEIGHTS

BY *Samuel J. Alaw*
Its _____
MAYOR



Samuel J. Alai, Mayor

CITY OF BROADVIEW HEIGHTS
9543 Broadview Road
Broadview Heights, OH 44147
(440) 526-4357
(440) 717-4004 Fax
cityhall@broadview-heights.org
www.broadview-heights.org

June 5, 2009

TO: Mayor Alai
Council Members

FROM: Ray Mack, Director of Public Service *REM*

RE: Current Municipal Gas Contract

Currently, we are under contract with North Coast Energy for the provision of natural gas to all municipal facilities. The contract was initially enacted on 10/16/07. A subsequent follow-up ordinance was enacted on 9/16/08.

Briefly, the terms of the two ordinances are explained as follows:

\$ 9.90/Mcf until September 1, 2009
\$10.54/Mcf from then until August 30, 2010

At the time these ordinances were accepted, the prices were in our favor. The market has since changed. In meeting with our representative, Mike Kennedy, I was able to obtain a new proposal. The new proposal would effectively render Ordinance 130-08 void. The new rate that would take effect beginning September 1, 2009 is

\$ 9.60/Mcf until August 31, 2011

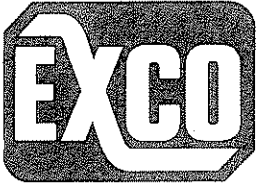
The attached colored chart is provided for you to see the history of prices in Mcf from January 2006 to the present.

We can discuss the new proposal at the work session.

REM/aaj
Attachments

EXHIBIT "A"

cc: Linda Pertz
Paul Terlosky



EXCO-North Coast Energy, Inc.

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July 21, 2009

Mr. Ray Mack
City of Broadview Heights
9543 Broadview Road
Broadview Heights, OH 44147

Dear Ray:

Attached is a fully executed agreement dated July 14, 2009 for your files.

If you have questions, please give me a call at (330) 572-8434.

Yours truly,

EXCO - NORTH COAST ENERGY, INC.

A handwritten signature in cursive script that reads 'Vicki'.

Vicki L. Zanella
Gas Marketing Coordinator

Enclosure

GAS SALES AGREEMENT

THIS AGREEMENT made this 14th day of July 2009 shall **BLEND and EXTEND** the Agreement dated September 16, 2008 by and between EXCO - NORTH COAST ENERGY, INC., a Delaware Corporation of One GOJO Plaza, Suite 325, Akron, OH 44311-1057, hereinafter called the "SELLER", and CITY OF BROADVIEW HTS., hereinafter called the "BUYER",

WITNESSETH, that:

WHEREAS, SELLER has delivered certain volumes of natural gas (hereinafter referred to as "gas") to the pipelines and gathering facilities of The Dominion East Ohio Gas Company ("EOG"),

WHEREAS, SELLER has entered into a Full Requirements Pooling Service Agreement with EOG (the "Pooling Agreement") which enables SELLER to maintain an aggregate volume of gas ("SELLER's Gas Pool") available for sale to industrial, commercial and other end-users of gas connected to the EOG gas distribution system;

WHEREAS, SELLER desires to sell to BUYER and BUYER desires to purchase from SELLER certain volumes of gas at the prices and upon and subject to the terms, conditions and limitations herein provided, with such gas to be delivered by displacement to BUYER by EOG;

NOW THEREFORE, in consideration of their mutual covenants and promises herein contained, the parties agree as follows:

1. SELLER shall allocate from SELLER's Gas Pool such volumes of gas as required by BUYER and any additional gas as SELLER shall have available; provided, however, that the use requirements of BUYER are not anticipated to exceed the estimated monthly requirements as listed on Appendix A or as subsequently provided for by the BUYER of a change in the estimated consumption. Such volumes shall be allocated by SELLER to BUYER pursuant to the Pooling Agreement. SELLER expressly reserves the right to allocate gas to its various customers in accordance with policies established by EOG.

Nomination of gas will be the responsibility of SELLER. BUYER agrees to provide current data as requested by SELLER to aid in nomination. BUYER will notify SELLER of any new equipment or change in operation that will significantly alter its requirements.

SELLER accepts the responsibility to provide the BUYER with 100% of the BUYER'S monthly consumption. BUYER accepts the responsibility to notify the SELLER of any anticipated changes of plus or minus 20% in any monthly estimated consumption. Such notice shall be given prior to the 25th of the month preceeding the month in which a change in consumption is anticipated.

In the event that the BUYER'S actual monthly consumption exceeds 150% of the estimated monthly consumption, the SELLER has the option to invoice the BUYER for those additional volumes at the difference between the Dominion East Ohio Gas Offer to sell gas during the reallocation period and the BUYER'S contract price.

In the event the BUYER consumes less than 50% of the estimated monthly consumption, the SELLER has the option to invoice the BUYER for the unused volumes at the difference between the BUYER'S contract price and the Dominion East Ohio Gas bid to purchase gas during the reallocation period.

2. This contract is contingent upon the execution and existence of a Full Requirements Transportation Service Agreement between BUYER and EOG ("FRTS Agreement"). If the FRTS Agreement is not executed,

expires or is terminated by EOG, this contract shall terminate. Said FRTS Agreement shall list BUYER's point of plant delivery.

3. SELLER shall be deemed to be in control and possession of the gas delivered by it hereunder until it is delivered to the pipelines and gathering facilities of EOG. Thereafter, SELLER shall retain title to the gas until such time as it is allocated to BUYER pursuant to the terms of the Pooling Agreement.

4. This agreement shall remain in full force and effect for a term of TWENTY FOUR MONTHS beginning September 1, 2009 in accordance with the corresponding EOG delivery periods, and month to month thereafter until cancelled upon thirty (30) days written notice from either party.

5. The price to be paid for gas allocated by SELLER at EOG city gate for redelivery by EOG during the Term of this Agreement, shall be **\$9.19 per Mcf.**

The price to be paid for gas allocated by SELLER on a month-to-month basis after the initial term of this agreement shall be based upon the current contract price per Section 5 above. All pooling charges payable to EOG shall be paid by SELLER. All administration fees, transportation charges (including shrinkage) or other charges payable to EOG and all sales taxes, excise taxes, gross receipts taxes or other taxes attributable to gas purchased hereunder shall be for the account of BUYER. BUYER shall make payment to SELLER for gas allocated hereunder on or before the 10th day after invoice date. In the event of any failure by BUYER to make payments as required hereunder, SELLER shall have the right to withhold any further allocations of gas to the BUYER and terminate this contract upon ten (10) days written notice to BUYER. Termination of said contract by SELLER does not excuse BUYER from payment of any outstanding amounts due. SELLER also reserves the right of stoppage of goods in transit in the event of BUYER's bankruptcy, inability to pay or other insolvency. BUYER's late payments shall be subject to interest charges at the rate of Prime plus 2%.

SELLER is required to collect sales tax on all sales of natural gas unless BUYER is tax exempt. Tax regulations require that exemptions must be supported by a Blanket Certificate of Exemption or a copy of BUYER's Direct Payment Permit. This certificate must be filled in by BUYER clearly stating the reason BUYER is entitled to an exemption on all or a percentage of BUYER's natural gas usage. If this certificate is not completed beginning with BUYER's contract term, SELLER will invoice BUYER 100% sales tax.

6. The unit of measurement of gas hereunder shall be one (1) cubic foot of gas measured in accordance with EOG's standard practices. All gas delivered hereunder shall be measured by orifice or other measurement facility of standard type. The volumes of gas delivered to BUYER shall be computed from meter records of EOG.

7. SELLER warrants generally its title to the gas. SELLER agrees to indemnify and save harmless the BUYER from all suits, actions, debts, accounts, damages, costs, losses, and expenses arising from or out of the adverse claims of any and all persons to the gas sold to BUYER hereunder or to rentals or royalties therefor or therefrom.

8. In the event either party is rendered unable, wholly or in part, by force majeure to carry out its obligations, other than the obligation to make payment of amounts accrued and due hereunder at the time thereof, it is agreed that on such party's giving notice and full particulars of such force majeure in writing or by telegraph to the other party as soon as reasonably practicable after the occurrence of the cause relied on, the other party may terminate this agreement by providing written notice to the party unable to perform.

9. The term "Force Majeure" as used herein, and as applied to either party hereto, shall mean acts of God strikes, lockouts or other labor disturbances, acts of a public enemy, war, blockages, insurrections, riots, epidemics, lightning, fires, floods, washouts, arrests, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, interruptions of gas supplies, freezing of wells or pipelines, partial or entire failure of such wells, or any other cause, whether of the kind herein enumerated, or otherwise, not reasonably within the control of the party claiming suspension. It is understood that settlement of strikes, lockouts or labor

disturbance by acceding to the demands of an opposing party when such course is inadvisable is at the discretion or judgment of the party having the difficulty.

10. This contract shall bind the parties hereto and their respective successors, heirs, and assigns. The contract cannot be assigned by either party (except to an affiliated party) without the written consent of the other party, which consent will not be unreasonably withheld.

11. Notices to SELLER shall be addressed to:
EXCO - North Coast Energy, Inc.
One GOJO Plaza, Suite 325
Akron, OH 44311-1057
ATTN: Gas Marketing
Phone: 330-572-8500
Fax: 330-252-0199

Notices to BUYER shall be addressed to:
City of Broadview Heights
9543 Broadview Road
Broadview Hts., OH 44147
ATTN: Ray Mack
Phone: 440-526-4357
Fax: 440-526-3654

Payments to SELLER shall be addressed to:
Same as above.

Invoices to BUYER shall be addressed to:
Same as above.

12. This Agreement represents the complete and entire understanding between the parties hereto. The parties hereto declare that there are no promises, representations, and conditions, warranties or other agreements, express or implied, oral or written, made or relied upon by either party, except those herein contained.

13. This Agreement will be governed by and construed in accordance with the laws of the State of Ohio.

IN WITNESS WHEREOF, the parties have hereunto set their signatures by their officers hereunto duly authorized, the day and year first above written.

WITNESS:

Amanda Phelps

BUYER: **CITY OF BROADVIEW HTS.**

BY: *Samuel J. ...*

ITS: *Mayor*

SELLER: **EXCO - NORTH COAST ENERGY, INC.**

BY: *[Signature]* 7/24/2009

John W. Singer
ITS: Manager - Gas Marketing

Wickie G. Zanzella



APPENDIX "A"
To Gas Sales Agreement Dated July 14, 2009

CITY OF BROADVIEW HTS.

AMOUNTS ARE IN MCF

	<u>PROFILE PROVIDED</u>	<u>BENCHMARK</u>	
		<u>MINIMUM*</u>	<u>MAXIMUM*</u>
September '09	223	112	335
October	799	400	1,199
November	1,926	963	2,889
December	3,138	1,569	4,707
January '10	4,454	2,227	6,681
February	3,855	1,928	5,783
March	2,816	1,408	4,224
April	1,721	861	2,582
May	993	497	1,490
June	257	129	386
July	227	114	341
August	195	98	293
September	223	112	335
October	799	400	1,199
November	1,926	963	2,889
December	3,138	1,569	4,707
January '11	4,454	2,227	6,681
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*THESE NUMBERS ARE BASED ON THE LOAD PROFILE PROVIDED AND ARE SUBJECT TO CHANGE ONCE THE LOAD PROFILE HISTORY IS PROVIDED BY DOMINION EAST OHIO.

