

ADMIS Security Agreement and Assignment of Hedging Account

This Security Agreement and Assignment of Hedging Account (“Agreement”) is entered into as of _____, 20____ by and among: _____ (“Debtor”), and _____ (“Secured Party”) and ADM Investor Services, Inc. (“ADMIS”).

WHEREAS, the Debtor carries one or more accounts as identified below (individually and collectively, the “Account”) with ADMIS for trading in futures contracts and options on futures contracts and related activities pursuant to an agreement between ADMIS and Debtor (the “Client Agreement”); and

WHEREAS, ADMIS has a first priority lien on, security interest in and right of set-off (the “Senior Security Interest”) against the Account and all Property (as defined herein) to secure any and all Indebtedness (as defined herein);

WHEREAS, Debtor is now or may hereafter become indebted to Secured Party and has granted to Secured Party a security interest (“Junior Security Interest”) in the Account and Property junior and subordinated to the Senior Security Interest pursuant to other agreements and/or as set forth below.

Debtor, Secured Party and ADMIS are each sometimes referred to herein as a “Party” and two or more collectively are sometimes referred to as “Parties.” Any terms used in this Agreement which are also used in Article 8 or 9 of the Uniform Commercial Code in effect in the State of Illinois from time to time (the “UCC”) shall be construed pursuant to the UCC.

NOW THEREFORE, the parties agree:

1. **Security Interest:** As security for the payment and performance of all indebtedness, liabilities and obligations of Debtor to Secured Party, whether now existing or hereafter arising, absolute or contingent, direct or indirect, due or to become due, and subject to the provisions of the next sentence, Debtor hereby grants to Secured Party a Junior Security Interest in the Account and all accounts, assets, cash or currency, commodities, commodities contracts, documents of title, financial assets, general intangibles, goods, investment property, inventory, property, securities or securities entitlements, and tangible property of the Debtor, including all proceeds of the foregoing, which may now or at any time in the future be credited to or held by or for ADMIS in the Account or due from any exchange or clearing house in respect of the Account (collectively, the “Property”). Notwithstanding the foregoing sentence, the Junior Security Interest is: (a) subject to applicable provisions of the Commodity Exchange Act, as amended, and rules and regulations of the Commodity Futures Trading Commission (collectively, “Applicable Law”); and (b) subject and subordinate to the Senior Security Interest to the extent that such Senior Security Interest secures any and all obligations owing to ADMIS, including but not limited to any and all margin, settlement or payment obligations and indebtedness of Debtor to ADMIS wherever, however and whenever arising, including but not limited to regulatory obligations, fees, commissions and deficits or losses arising from the Account, commodity contracts, and any related obligations to any clearing house or exchange (collectively, “Indebtedness”).

Secured Party acknowledges and agrees that the amount of the Indebtedness may be increased or decreased by ADMIS and the terms thereof may be extended, amended or otherwise modified from time to time without notice to or consent of Secured Party and without affecting the relative priority of the Junior Security Interest and Senior Security Interest. Notwithstanding anything to the contrary contained herein, Secured Party further acknowledges and agrees that ADMIS shall not be required to act in accordance with a Notice of Exclusive Control (as defined below) or to follow any of Secured Party's instructions with respect to the handling or disposition of the Property until the Indebtedness has been indefeasibly paid in full and Debtor has no further obligations (existing or contingent) under or in connection with the Client Agreement. Debtor acknowledges that this section is solely for the benefit of ADMIS, that Debtor shall

have no rights under this section and that Debtor shall not assert a breach of this section as a defense to payment of the Indebtedness or any obligation of the Debtor to pay the Secured Party.

2. **Control Over the Account:** Until receipt and acknowledgement by ADMIS of written notice that Secured Party will exercise exclusive control over the Account (a "Notice of Exclusive Control"), ADMIS may act on any direction ADMIS receives from Debtor concerning the Account. After such receipt and acknowledgement by ADMIS of a Notice of Exclusive Control, ADMIS, without further consent of Debtor or notice to Debtor, will cease to comply with notifications, entitlement orders or directions concerning the Account received from Debtor or any person acting on behalf of Debtor, and Secured Party, acting alone, shall be entitled to direct ADMIS with respect to any and all Property and transactions in the Account as if the Secured Party were the Debtor. In addition to any rights ADMIS may have under this Agreement or the Client Agreement, ADMIS shall have the right to refuse any order and to liquidate the Account upon receipt by ADMIS of a Notice of Exclusive Control. Any liquidation, sale, purchase and/or cancellation may be made at ADMIS' discretion on any exchange or other market or through any clearing organization where such business is transacted, at public auction or private sale, without prior tender, demand or call upon Debtor or Secured Party, provided that any such private sale must be conducted in a commercially reasonable manner.

Nothing contained herein to the contrary shall in any way affect the liability of the Debtor to the Secured Party or the liability of Debtor for obligations arising under the Client Agreement.

ADMISS shall have no obligation to determine whether Secured Party is authorized to issue a Notice of Exclusive Control and ADMIS may rely on any notice or instruction believed in good faith to be given by Secured Party. Anything contained in this Agreement to the contrary notwithstanding, no Notice of Exclusive Control or other notice, instruction or payment made by Debtor or Secured Party, shall affect ADMIS' rights under the Client Agreement, and each such Notice of Exclusive Control or other notice, instruction or payment received by ADMIS or made by ADMIS, as applicable, shall be subject to Applicable Law.

3. **Appointment of Secured Party and Application of Funds:** Debtor hereby appoints Secured Party as its true, lawful and irrevocable attorney-in-fact to demand, receive and enforce payments and to endorse instruments, give receipts, releases, satisfactions for, and to sue for monies payable to Debtor, and this may be done in the name of Secured Party or Debtor with the same force and effect as Debtor could do had this Security Agreement not been made. Any and all monies or payments which may be received by Debtor to which Secured Party is entitled under and by reason of this Agreement will be received by Debtor as trustee for Secured Party and promptly delivered to Secured Party in the same form as received, with any necessary endorsements. Any and all monies or payments which may be made to or received by Secured Party from or with respect to the Account shall, as to ADMIS, operate as receipt by Debtor of such monies or payments as fully and completely as if such monies or payments had been made to or received by Debtor in person and receipted for by Debtor.

4. **Copies of Written Communications:** Debtor hereby authorizes ADMIS, and ADMIS hereby agrees, upon Secured Party's request, to deliver (at the same time as delivery is required to be made to Debtor) to Secured Party, copies of confirmations of all transactions executed for the Account and copies of daily and monthly Account statements.

5. **Limitation of Liability and Indemnity:** ADMIS, which for purposes of this Section 5 shall include ADMIS' directors, officers, employees and agents, shall not be liable for any loss, liability, expense, claim or damage, including counsel fees, (collectively "Claims") resulting from ADMIS' actions or omission to act or otherwise, except for Claims directly caused by ADMIS' gross negligence or willful misconduct or material breach of its obligations expressly provided for herein.

Debtor agrees to indemnify and hold harmless ADMIS against all Claims incurred, sustained, or payable by ADMIS arising out of this Agreement except to the extent such Claims are directly and proximately caused by ADMIS' gross negligence or willful misconduct.

Secured Party agrees to indemnify and hold harmless ADMIS against all Claims incurred, sustained, or payable by ADMIS arising from ADMIS following the instructions of Secured Party pursuant to this Agreement except to the extent such Claims are directly and proximately caused by ADMIS' gross negligence or willful misconduct.

Secured Party shall reimburse ADMIS, up to the amount of Property distributed from the Account at Secured Party's direction, for any Indebtedness arising after the distribution of funds, provided that the term "Property distributed from the Account at Secured Party's direction" shall not include Property distributed to any person or entity having priority over liens and claims of ADMIS.

6. **Termination:** As between Debtor and Secured Party, this Agreement shall remain in full force and effect until canceled in writing by Secured Party. Any cancellation by Secured Party shall be without effect as to ADMIS until ADMIS acknowledges receipt of notice of cancellation by Secured Party, such acknowledgment to be given as promptly as reasonable under the circumstances. Notwithstanding anything contained herein to the contrary, this Agreement shall terminate: (i) immediately upon the liquidation or closing of the Account under the Client Agreement and the distribution in accordance with this Agreement of all funds credited to the Account following such liquidation or closing; (ii) immediately upon the obligation of ADMIS to terminate this Agreement under any statute, rule, regulation or applicable law binding upon ADMIS, provided that ADMIS shall distribute in accordance with this Agreement all funds credited to the Account following such termination unless it is prohibited from doing so by such statute, rule, regulation or law; or (iii) upon 30 days' notice by the ADMIS to the other Parties. Debtor and Secured Party shall make arrangements to transfer Property to another futures commission merchant or commodity intermediary in accordance with the applicable time frame as determined by ADMIS in its commercially reasonable discretion. If ADMIS receives a Notice of Exclusive Control before the effective termination date, such notice shall, subject to the terms of this Agreement and the Client Agreement, be acted upon in accordance with Section 2 of this Agreement.

7. **Notices:** All notices pursuant to this Agreement shall be in writing. Written notices will be sufficient if sent by the means indicated by each party pursuant to their respective notice contact information detailed in this Agreement, provided however that no notice shall be effective unless receipt is acknowledged by ADMIS.

If to Debtor or Secured Party, notice shall be delivered at the address, facsimile number or email address set forth below their respective signatures or such other contacts as set forth in a notice duly given to the other Parties in accordance with this Section 7. If to ADMIS, notice shall be delivered to the following or as set forth in a notice duly given to the other Parties in accordance with this Section 7:

to:

ADM Investor Services, Inc.
141 West Jackson, Suite 2100A; Chicago, IL 60604

Attn: Compliance Department

Telephone: (312) 242-7000

Email: admiscompliance@admis.com

8. **Representations and Warranties:** Debtor hereby represents and warrants to and covenants with Secured Party and ADMIS that except for the interest of ADMIS and the interest of the Secured Party as provided herein, the Account has not been nor shall it be transferred, assigned or otherwise encumbered. ADMIS hereby represents and warrants to and covenants with Secured Party and Debtor that ADMIS shall not transfer, assign or otherwise encumber the Account except as provided in or required by statute, rule, regulation or applicable law binding upon ADMIS.

9. **Amendments:** This Agreement constitutes the entire Agreement of the parties and shall not be amended except by the written agreement of all the parties. Any attempt to amend the terms of this Agreement otherwise shall be void.

10. **Successors and Assigns:** This Agreement shall inure to the benefit of, and shall be binding upon, the parties and their respective successors and assigns, provided, however, that (a) Debtor may not assign this Agreement without the prior written consent of the other Parties, which consent shall not be unreasonably withheld, and (b) Secured Party may not assign this Agreement without the prior written notice to and acknowledgement by the other Parties. This Agreement may be assigned by ADMIS without consent by or notice to the other Parties upon assignment of the Client Agreement or the Account.

11. **Counterparts:** This Agreement may be executed in any number of counterparts, and by each party separately on a separate counterpart, each of which shall be deemed an original. Such counterparts shall together constitute but one and the same instrument.

12. **Severability:** Any provision of this agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provisions in any other jurisdiction.

13. **Governing Law and Venue:** This Agreement shall be governed and construed in accordance with the laws of the State of Illinois, without giving effect to such state's choice of law principles. The State of Illinois shall be deemed to be ADMIS' jurisdiction for the UCC. Each Party irrevocably waives any right that it may have to trial by jury in any action, proceeding or counterclaim arising out of or relating to this Agreement. Each of the Parties hereby agrees that any legal action or proceeding against such Party with respect to this Agreement may be brought in the Circuit Court of Cook County located in Chicago, Illinois, or in the U.S. District Court for the Northern District of Illinois, and each of the Parties accepts and consents to, for itself and in respect of its property, generally and unconditionally, the non-exclusive jurisdiction of the aforesaid courts. Nothing herein shall limit the right of Secured Party or ADMIS to bring proceedings against Debtor in any other jurisdiction.

14. **Conflicts:** This Agreement is subject to and hereby incorporates by reference the terms of the Client Agreement as may be in force from time to time. The terms of this Agreement or any other agreements or other documents which Debtor may execute from time to time in favor of Secured Party shall not supersede any contrary provision of the Client Agreement, affect the rights or obligations of Debtor or ADMIS under the Client Agreement, or adversely affect the security interest of ADMIS under the Client Agreement. In the event of a conflict between this Agreement and the Client Agreement, the Client Agreement shall prevail.

15. **Expenses:** The Debtor agrees to pay on demand all costs and expenses (including without limitation legal fees and disbursements) incurred by the Secured Party in connection with the enforcement or realization by the Secured Party of or upon any of its rights hereunder. All such costs and expenses shall constitute indebtedness secured by the Property, subject to this Agreement and the Client Agreement, and

all such amounts shall bear interest until paid in full at the rate agreed upon by the Secured Party and the Debtor.

16. **Miscellaneous:** Debtor will provide Secured Party with a true and complete copy of the Client Agreement and will timely notify Secured Party of any changes thereto.

EXECUTED AND DELIVERED by the undersigned as of the date first set forth above.

ACCOUNTS: _____

DEBTOR: _____

X _____

Print Name: _____

Title: _____

Address: _____

Telephone: _____

Facsimile: _____

Email: _____

SECURED PARTY: _____

X _____

Print Name: _____

Title: _____

Address: _____

Telephone: _____

Facsimile: _____

Email: _____

ADM INVESTOR SERVICES, INC.:

X: _____

Print Name: _____

Title: _____

Email: admiscompliance@admis.com