

## INTERCOMPANY NOTE – REVOLVING LINE OF CREDIT

Gas Natural Inc. and Spelman Pipeline Holdings, LLC

Cleveland, Ohio  
October 19, 2016

Spelman Pipeline Holdings, LLC ("**Obligor**") hereby promises to pay, according to the terms stated in this revolving line of credit note, which includes by reference and incorporation herein **Schedule A**, to Gas Natural Inc. ("**Payee**"), in lawful money of the United States of America, at such location in the United States of America as the Payee shall from time-to-time designate, all amounts as may be owing from time-to-time by Obligor to Payee, whether owing in consideration of loans, advances, or other extensions of credit, together with interest thereon at such rate as may be agreed upon from time-to-time (collectively the "**Revolving Loan Note**"). The total amount of the Revolving Loan, interest thereon, and payment terms are as detailed on **Schedule A** ("**Schedule A**").

In the event Obligor fails to meet its obligations under this Revolving Loan Note, Payee shall have the right to immediately demand payment in full, including all unpaid principal and interest.

Upon the commencement of any bankruptcy, reorganization, arrangement, adjustment of debt, relief of debtors, dissolution, insolvency, receivership or liquidation or similar proceeding of any jurisdiction relating to Obligor, all amounts owed by Obligor to Payee shall become immediately due and payable without presentment, demand, protest or notice of any kind in connection with this Note.

All payments under this Revolving Loan Note shall be made without setoff, counterclaim or deduction of any kind. Any amount owing by Obligor to Payee shall not be reduced in any way by any outstanding obligations of the Payee to such Obligor, whether such obligations are monetary or otherwise.

Payee is hereby authorized to record all amounts owing by Obligor to Payee, all of which shall be evidenced by this Note, and all repayments thereof, in its books and records in accordance with its usual practice, such books and records constituting prima facie evidence of the accuracy of the information contained therein; *provided, however*, that the failure of Payee to record such information shall not affect Obligor's obligations.


Obligor hereby waives diligence, presentment, demand, protest and notice of any kind whatsoever in the event of Default, as defined on **Schedule A**. No delay on the part of Payee in the exercise of any right, power or remedy shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or remedy preclude any other or further exercise thereof, or the exercise of any other right, power or remedy. No amendment, modification or waiver of, or consent with respect to, any provision of this Revolving Loan Note shall in any event be effective against Payee or Obligor unless the same shall be in writing and signed and delivered by such party. This Revolving Loan Note shall be construed as a separate agreement with respect to Payee and Obligor and may be amended, modified, supplemented, waived or released with respect to Payee or Obligor without the approval of any other party and without affecting

the obligations of any other party hereunder. Obligor is a subsidiary of Payee and the funding of this Revolving Loan Note is through funds Payee receives under its separate revolving line of credit agreement between Bank of America and Payee. Obligor has no obligations under the Bank of America revolving line of credit, and has no obligations to Payee or any other affiliated company which includes no cross default obligations, collateral obligations, guarantee, or otherwise.

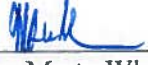
This Note shall be governed by, and construed in accordance with, the laws of the State of Ohio.

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**GAS NATURAL INC.,**  
An Ohio corporation

By:   
Name: James Sprague  
Title: Vice President and Chief Financial Officer

**Spelman Pipeline Holdings, LLC**  
An Ohio Limited Liability Company

By:   
Name: Marty Whelan  
Title: President

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK SCHEDULE A FOLLOWS]

## ***SCHEDULE A***

### **TERMS OF REVOLVING CREDIT NOTE**

#### **Revolving Loan Credit Limit:**

**One Million and 00/100 Dollars (\$1,000,000.00)**

**Capitalized Terms:** Capitalized terms not otherwise defined in this Revolving Loan Note shall have the same meaning provided in the certain Credit Agreement by and between Gas Natural Inc. and Bank of America N.A. of similar date hereto (the "Loan Agreement").

**Terms of Repayment:** In the event of Default, this Revolving Loan Note is due immediately upon demand by Payee. Without such demand, Obligor shall meet the following:

The Revolving Loan will be used by Obligor during the term of the Revolving Loan Note to repay any prior loans and in its ordinary course of business for general corporate purposes of Obligor. The Revolving Loan will be available to Obligor, up to the Credit Limit stated above, to draw on at Obligor's discretion from time-to-time. Obligor shall make monthly interest payments on the Revolving Loan Note for all borrowed funds at the rate of interest paid by Payee under the Loan Agreement, without any adders, profit, or mark-up by Payee.

Interest will be accrued as described in the Loan Agreement under Section 2.10, and shall be due on the first day of each month. Obligor shall pay Payee for any fees incurred by Payee under the Loan Agreement resulting from or related to Obligor's participation in this Revolving Loan Note. This includes but is not limited to the Commitment Fee, Closing Fee, or Unused Line Fee resulting from Payee not utilizing this Revolving Loan to its limit. However, in no instance will Obligor's requirement to pay fees or interest exceed amounts attributable to the Credit Limit under this Revolving Loan Note. For purposes of clarity and for illustrative purposes, the Closing Fee under the Loan Agreement is Three Hundred Thirty-six Thousand and 00/100 Dollars (\$336,000.00) based on the Loan Agreement credit limit of Forty-two Million and 00/100 Dollars (\$42,000,000.00). Obligor's Credit Limit under this Note is One Million and 00/100 Dollars (\$1,000,000.00), which is 0.02381 (2.381%) of the Loan Agreement credit limit. As such, Obligor is obligated to pay at closing \$8000.16, which is 2.381% of the Closing Fee.

For the term of this Revolving Loan Note, Obligor shall maintain a deposit account/cash management account at Bank of America to facilitate its use of the Revolving Loan, the mechanics of which may adjust from time-to-time. Deposits into the account will automatically reduce the amounts owed, and borrowing will occur automatically as needed to satisfy payments made from the account, up to the Credit Limit.

**No Other Indebtedness or Liens:** Obligor shall not incur any Indebtedness or allow any Liens, excluding Indebtedness evidenced by this Revolving Loan Note, a Term Debt Note for a Principal Amount of Two Million and 00/100 Dollars (\$2,000,000.00) and a separate Term Debt Note with the Company pertaining to an SAP Loan for a Principal Amount of Eighty-Five Thousand and 00/100 Dollars (\$85,000.00), the SAP Term Note (collectively the "Intercompany Notes") by and between Obligor and Payee of similar date, and trade payables incurred in the ordinary course of business, without prior written approval of Payee.

**Maturity Date:** October 18, 2021, unless Obligor is in Default as defined in this Revolving Loan Note, then upon demand by Payee. Notwithstanding the foregoing, this Note may be extended beyond the Maturity Date, in Payee's sole discretion, from year-to-year after the Maturity Date under the same or substantially similar terms and conditions by Payee providing Obligor written notice of such extension not less than thirty (30) days prior to such extension. In such event, this Revolving Loan Note will renew under the same, or substantially similar terms and conditions herein, unless Obligor provides Payee with written notice declining such extension(s).

**Default:** Obligor shall be in default under this Revolving Loan Note if it fails to meet any of the obligations contained herein, if after written notice by Payee to Obligor of the default Obligor does not cure that default within 3 business days of such written notice. In Payee's sole discretion, Payee can waive a default and such waiver shall not be construed as a waiver of any other provision of this Revolving Loan Note or as a future waiver of any prior or subsequent default. Obligor shall have an ongoing obligation under this Revolving Loan Note to immediately notify Payee of any failure of Payee to meet any obligation herein, in writing and to immediately take steps to correct such failure.