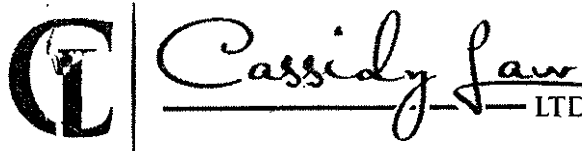


FILE



Shamus B. Cassidy, Esq.  
7650 Rivers Edge Drive, Suite 101  
Columbus, Ohio 43235  
(614) 888-4911 • Fax (614) 888-4402  
Shamus@CassidyLawLtd.com

Business Law • Estate Planning • Probate • Asset Protection • Real Estate • Litigation

April 1, 2020

Public Utilities Commission of Ohio  
Attn: Docketing Division  
180 East Broad Street  
Columbus, Ohio 43215

2020 APR -6 PM 2:16  
PUCO

**RE: NATURAL GAS LICENSE RENEWAL APPLICATION  
SCIOTO ENERGY LLC, CASE NO. 14-0546-GA-AGG**

Dear Sir or Madam:


Enclosed please find the following documents for the above-referenced matter:

1. Motion for Protective Order (original and copy),
2. Exhibit C-3, Confidential information to be filed under-seal (original and copy),
3. Exhibit C-5, Confidential information to be filed under-seal (original and copy),
4. Operating Agreement for Scioto Energy LLC, and
5. PUCO E-Filing Confirmation of Scioto Energy Natural Gas License Renewal Application, submitted March 30, 2020.

Please add this information to the filing that was submitted via e-file on behalf of my client Scioto Energy LLC. Per my assistant's phone conversation with Danielle of your office on March 30, 2020, confidential information may not be e-filed with PUCO. She indicated that this information should be mailed separately and that it would be added to the application. Danielle also stated that receipt of this additional information after April 3<sup>rd</sup> would not be a problem since the application was e-filed prior to the deadline.

Please file the Motion and exhibits and return date-stamped copies to me in the enclosed postage-paid envelope.

Sincerely,

  
Shamus B. Cassidy  
Attorney at Law

SBC:jss

Enclosures

This is to certify that the images appearing are an accurate and complete reproduction of a case file document delivered in the regular course of business.  
Technician MI Date Processed APR 06 2020

# SCIOTO ENERGY LLC

## Operating Agreement

*THIS OPERATING AGREEMENT* ("Agreement") is made effective as of the 1st day of January, 2010, by and between the undersigned persons who are currently or will become the members of Scioto Energy LLC, an Ohio limited liability company (the "Company"). This Agreement amends and restates, in its entirety, the Written Declaration dated December 22, 2008, pursuant to the authority granted in Article 10 thereof.

### SECTION I DEFINED TERMS

Many of the terms contained in this Agreement are hereafter specifically defined in Appendix A. Those terms, as well as other terms which may be defined in the text of this Agreement, shall, throughout this Agreement, have the meanings respectively ascribed to them.

### SECTION II FORMATION AND NAME; OFFICE; PURPOSE; TERM

2.1 Organization. The parties hereby organize a limited liability company pursuant to the Act and the provisions of this Agreement and, for that purpose, had the Articles of Organization prepared, executed and filed with the Ohio Secretary of State ("OSOS") on December 22, 2008.

2.2 Name of the Company. The name of the Company shall be Scioto Energy LLC. The Company may do business under that name and under any other name or names upon which the Members agree. If the Company does business under a name other than that set forth in its Articles of Organization, then the Company shall file trade name registrations or fictitious name certificates as required by law.

2.3 Purpose. The purpose of the Company is to (i) engage in the provision of energy brokerage services and (ii) engage in any lawful act, activity, or business not contrary to and for which a limited liability company may be formed under the laws of the State of Ohio.

2.4 Term. The term of the Company began upon the filing of the Articles of Organization with OSOS and shall have perpetual existence, unless its existence is sooner terminated pursuant to Section VIII of this Agreement.

2.5 Principal Office. The principal office of the Company shall be located at 561 Hallmark Place, Worthington, Ohio 43085, or at any other place within the State of Ohio upon which the Members select.

2.6 Statutory Agent. The name and address of the Company's statutory agent in the State of Ohio shall be:

Gregory F. Bechert  
561 Hallmark Place  
Worthington, Ohio 43085

2.7 Members. The name, present mailing address, taxpayer I.D. number, the Membership Units, Percentage and Initial Capital Contribution of each Member are as follows:

<u>Name, Address and Taxpayer I.D. Number</u>	<u>Initial Units/Percentages</u>	<u>Capital Contribution</u>
Gregory F. Bechert 561 Hallmark Place Worthington, Ohio 43085 SS #	99/99%	See Appendix B
Susanne Buckley 360 Lenappe Drive Columbus, Ohio 43214 SS #	1/1%	See Appendix B

### SECTION III MEMBERS, CAPITAL, CAPITAL ACCOUNTS

3.1 Initial Capital Contributions. Upon the execution of this Agreement, the Members shall contribute to the Company, as capital, cash in the amounts set forth opposite their respective names in Section 2.7 above.

3.2 No Additional Capital Contributions Required. No Member shall be required to contribute any additional capital to the Company. No Member shall have any personal liability for any obligations of the Company.

3.3 Additional Capital Contributions Permitted. Except as otherwise provided in this Agreement, upon the unanimous consent of all Members, any Member shall be permitted to make additional capital contributions. Unanimous consent of all Members shall be required concerning the amount of such additional capital contributions, taking into consideration said Member's proportion of ownership.

3.4 No Interest on Capital Contributions. Interest Holders shall not be paid interest on their Capital Contributions.

3.5 Return of Capital Contributions. Except as otherwise provided in this Agreement, no Interest Holder shall have the right to receive the return of any Capital Contribution.

3.6 Form of Return of Capital. If an Interest Holder is entitled to receive a return of a Capital Contribution, the return of the Capital Contribution shall be in cash and the Interest Holder shall not be entitled to any of the property or assets of the Company.

3.7 Capital Accounts. A separate Capital Account shall be maintained for each Interest Holder.

3.8 Loans. Any Member may, at any time, make or cause a loan to be made to the Company in any amount and on those terms upon which the Company and the Member agree in writing. Such loan shall be evidenced by a promissory note and such other documents or security as the Members agree. This provision shall have no impact upon the Company's ability to make loans.

#### SECTION IV PROFIT, LOSS, AND DISTRIBUTIONS

4.1 Distributions of Cash Flow and Capital Proceeds. Cash flow for each taxable year of the Company and/or distributions of Capital Proceeds shall be distributed to the Interest Holders in proportion to their percentages as stated in Section 2.7. All distributions shall be made no later than seventy-five (75) days after the end of the taxable year.

4.2 Allocations of Profit or Loss. Profit or Loss of all types, including but not limited to Profit and Loss resulting from Capital Transactions, shall be allocated to the Interest Holders in proportion to their percentages as stated in Section 2.7.

4.3 General.

4.3.1 Except as otherwise provided in this Agreement, the timing and amount of all distributions shall be determined by the Members, except the Company shall make minimum distributions, in accordance with Section 4.1, in each taxable year equal to the amount of taxes each Member will owe as a result of the Profit allocated to each Member for that taxable year.

4.3.2 All Profit and Loss shall be allocated, and all distributions shall be made to the Persons shown on the records of the Company to have been Interest Holders, as of the last day of the taxable year for which the allocation or distribution is to be made. Notwithstanding the foregoing, unless the Company's taxable year is separated into segments, if there is a Transfer or an Involuntary Withdrawal during the taxable year, the Profit and Loss shall be allocated between the original Interest Holder and the successor on the basis of the number of days each was an Interest Holder during the taxable year.

## SECTION V NONREIMBURSEMENT POLICY

5.1 Nonreimbursement Policy. The Company shall have a Nonreimbursement Policy with respect to costs, fees, and/or expenses paid from the personal funds of each Member. Each Member must pay the following expenses out of his or her own funds and shall not be entitled to reimbursement of said expenses from the Company:

5.1.1 Any miscellaneous expense paid from a Member's own funds incurred in connection with the Company's business, the reimbursement of which falls outside the routine practice of the Company; and

5.1.2 Any expense that is incurred outside the scope of the Company's business.

## SECTION VI MANAGEMENT: RIGHTS, POWERS, AND DUTIES

6.1 Management. Except as otherwise provided in this Agreement, the Company shall be managed by the Members and each Member shall have the right to act for and bind the Company in the ordinary course of its business. As a result of being vested with these management rights, the Members may use the titles General Manager or Managing Member.

6.2 Extraordinary Transactions. Notwithstanding anything to the contrary in this Agreement, the Members shall not undertake any of the following without the unanimous consent of the Members:

6.2.1 the admission of additional Members to the Company;

6.2.2 engaging in business in any jurisdiction which does not provide for the registration of limited liability companies;

6.2.3 acquire by purchase, lease, or otherwise, any real estate, inventory, personal property or equipment, except such items as are needed in the day-to-day operation of the Company;

6.2.4 sell, convey, assign, mortgage, or lease any real estate owned by the Company;

6.2.5 borrow money for and on behalf of the Company, nor execute or deliver instruments authorizing any confession of judgment against the Company;

6.2.6 prepay, in whole or in part, refinance, amend, modify, or extend any mortgages or deeds of trust which may affect any asset of the Company, and, in connection therewith, execute for and on behalf of the Company any extensions, renewals, or modifications of such mortgages or deeds of trust;

6.2.7 make loans for and on behalf of the Company;

6.2.8 make capital expenditures in excess of \$5,000;

6.2.9 open and maintain bank accounts and designate persons having the authority to deal in the Company accounts;

6.2.10 execute or modify leases with respect to any part or all of the assets of the Company;

6.2.11 the sale or disposition of all or substantially all of the assets of the Company.

6.3 Meetings of and Voting by Members. A meeting of the Members may be called at any time by any Member. Meetings of Members shall be held at the Company's principal place of business or at any other place designated within the State by the Person calling the meeting. Not less than ten (10) nor more than ninety (90) days before each meeting, the Person calling the meeting shall give written notice of the meeting to each Member entitled to vote at the meeting. The notice shall state the time, place, and purpose of the meeting. Notwithstanding the foregoing provisions, each Member who is entitled to notice will hereby waive such requisite notice if before or after the meeting the Member signs a waiver of the notice which is filed with the records of Members' meetings, or the Member is in attendance or present at the meeting in person or by proxy. Unless this Agreement provides otherwise, at a meeting of Members, the presence in person or by proxy of Members holding at least a majority of the Percentages then held by Members constitutes a quorum. A Member may vote either in person or by written proxy signed by the Member or by his duly authorized attorney in fact.

6.3.1 In lieu of holding a meeting, and upon unanimous approval of all Members, the Members may vote or otherwise take action by a written instrument.

6.3.2 The Members may participate in and act at any meeting of the Members through the use of a conference telephone or other telecommunications equipment by means of which all persons participating in the meeting can hear each other. Participation at such meeting shall constitute attendance.

6.3.3 Except as otherwise provided in this Agreement and except those acts that require unanimous consent as set forth in the Act, wherever the consent of the Members is required to approve or take action, the affirmative vote of Members holding a majority or more of the Percentages then held by Members shall be required to approve the matter.

6.4 Arbitration of Deadlock. If any vote is required on any matter under this Agreement, and the requisite Consent to approve or disapprove the matter is not obtained ("Deadlock"), the Deadlock will be resolved as follows. The Members will first attempt to resolve the Deadlock. In the event the Members agree that they are unable to resolve the Deadlock or have not resolved the Deadlock within seven days of the vote that produced the Deadlock, either party may request that the matter be submitted to arbitration in accordance with the rules of the American Arbitration Association. Any arbitration pursuant to this provision shall be held in Franklin County, Ohio, and

each Member consents to any required jurisdiction required to enforce this provision. The Members agree that the result of any arbitration under this section shall be binding.

6.5 Personal Services. No Member shall be required to perform services for the Company solely by virtue of being a Member. Unless approved by Members holding a majority of the Percentages then held by Members or unless as otherwise stated herein, no Member shall be entitled to compensation for services performed for the Company.

6.6 Duties of Parties.

6.6.1 Each member shall devote such time to the business and affairs of the Company as is necessary to carry out the Member's duties set forth in this Agreement.

6.6.2 Nothing in this Agreement shall be deemed to restrict in any way the rights of any Member, or of any Affiliate of any Member, to conduct any other non-competitive business or activity whatsoever, and the Member shall not be accountable to the Company or to any Member with respect to that business or activity. The organization of the Company shall be without prejudice to their respective rights to maintain, expand, or diversify such other interests and activities and to receive and enjoy profits or compensation therefrom. Each Member waives any rights the Member might otherwise have to share or participate in such other interests or activities of any other Member or the Member's Affiliates.

6.6.3 Each Member understands and acknowledges that the conduct of the Company's business may involve business dealings and undertakings with other Members and their Affiliates. In any of those cases, those dealings and undertakings shall be at arm's length and on commercially reasonable terms.

6.7 Liability and Indemnification

6.7.1 A Member shall not be liable, responsible, or accountable, in damages or otherwise, to any other Member or to the Company for any act performed by the Member with respect to Company matters, except for fraud, gross negligence or an intentional breach of this Agreement.

6.7.2 The Company shall indemnify each Member for any act performed by the Member with respect to Company matters, except for fraud, gross negligence, or intentional breach of this Agreement.

**SECTION VII**  
**TRANSFER OF INTERESTS AND WITHDRAWALS OF MEMBERS**

**7.1     Transfers.**

7.1.1 No Person may Transfer all or any portion of or any interest or rights in the Person's Membership Rights or Membership Interest unless the following conditions ("Conditions of Transfer") are satisfied:

7.1.1.1 The Transfer will not require registration of Membership Interests or Membership Rights under any federal or state securities laws;

7.1.1.2 The transferee delivers to the Company a written instrument agreeing to be bound by the terms of Section VII of this Agreement;

7.1.1.3 The Transfer will not result in the termination of the Company pursuant to Code Section 708;

7.1.1.4 The Transfer will not result in the Company being subject to the Investment Company Act of 1940, as amended; and

7.1.1.5 The transferor or the transferee delivers the following information to the Company: (i) the transferee's taxpayer identification number; (ii) the transferee's initial tax basis in the Transferred Interest; and (iii) the transferee's address and telephone number; and

7.1.1.6 The Transfer complies with and is subject to the provisions set forth in Section 7.1.4 and 7.1.5, as the case may be.

7.1.2 If the Conditions of Transfer are satisfied, then a Member or Interest Holder may Transfer all or any portion of that Person's Membership Interest. The Transfer of a Membership Interest pursuant to this Section 7.1 shall not result, however, in the Transfer of any of the transferor's other Membership Rights, if any, and the transferee of the Membership Interest shall have no right to: (i) become a Member; (ii) exercise any Membership Rights other than those specifically pertaining to the ownership of a Membership Interest; or (iii) act as an agent of the Company. The transferee shall only be admitted as a Member upon the unanimous consent of the Members.

7.1.3 Each Member hereby acknowledges the reasonableness of the prohibition contained in this Section 7.1 in view of the purposes of the Company and the relationship of the Members. The Transfer of any Membership Rights or Membership Interests in violation of the prohibition contained in this Section 7.1 shall be deemed invalid, null and void, and of no force or effect. Any Person to whom Membership Rights are attempted to be transferred in violation of this Section shall not be entitled to vote on matters coming before the Members, participate in the management of the Company, act as an agent of the Company, receive distributions from the Company, or have any other rights in or with respect to the Membership Rights.



#### 7.1.4 Right of First Refusal.

7.1.4.1 If a Member (individually, a "Transferor") attempts to Transfer to any Person other than another Member (a "Transferee") all or any portion of or any interest or rights in the Transferor's Membership Rights (the "Transferor Interest"), then, prior to any Transfer of the Transferor Interest, the Transferor shall give the Company written notice (the "Transfer Notice I") containing each of the following:

7.1.4.1.1 the Transferee's identity;

7.1.4.1.2 the terms and conditions of the Transfer, including the compensation to be paid to, or received by, the Transferor for the Transferor Interest; and

7.1.4.1.3 the Transferor's offer (the "Offer") to sell the Transferor Interest to the Company for a price equal to the compensation Transferor is to receive, as set forth above (the "Transfer Purchase Price").

7.1.4.2 The Offer shall be and remain irrevocable for a period (the "Offer Period") ending at 11:59 p.m., local time at the Company's principal office, on the thirtieth (30th) day following the date the Transfer Notice I is given to the Company. At any time during the Offer Period, the Company may accept the Offer by giving written notice to the Transferor of its acceptance (the "Offeree Notice"). The Transferor shall not be deemed a Member for the purpose of the vote on whether the Company shall accept the Offer. If the Company accepts the Offer, the Offeree Notice shall fix a closing date (the "Transfer Closing Date") for the purchase, which shall be no more than ninety (90) days after the expiration of the Offer Period.

7.1.4.3 If the Company accepts the Offer, the Transfer Purchase Price shall be paid in immediately available funds on the Transfer Closing Date unless the Company elects prior to the Transfer Closing Date to pay the Transfer Purchase Price in installments pursuant to the provisions of Section 7.8 of this Agreement.

7.1.4.4 If the Company rejects or fails to accept the Offer or any part thereof (within the time and in the manner specified in this Section) then the Transferor shall give the other Members (the "Remaining Members") written notice (the "Transfer Notice II") containing each of the following:

7.1.4.4.1 The Transferee's identity;

7.1.4.4.2 The terms and conditions of the Transfer, including the compensation to be paid to, or received by, Transferor for the Transferor Interest; and

7.1.4.4.3 The Transferor's offer (the "Offer") to sell the Transferor Interest to the Remaining Members for a price equal to the total compensation Transferee is to receive, as set forth above (the "Transfer Purchase Price").

7.1.4.5 The Offer shall be and remain irrevocable for a period (the "Offer Period II") ending at 11:59 P.M. local time at the Company's principal office on the thirtieth (30th) day following the date the Transfer Notice II is given to the Remaining Members. At any time during the Offer Period II, a Remaining Member may accept the Offer by notifying the Transferor in writing that the Remaining Members intend to purchase all, but not less than all, of the Transferor Interest. If two (2) or more Remaining Members desire to accept the Offer, then, in the absence of an agreement between or among them, each such Remaining Member shall purchase the Transferor Interest in the proportion that his or her respective Percentage bears to the total Percentages of all of the Remaining Members who desire to accept the Offer. The closing of the purchase of the Transferor Interest shall occur on a date within 90 days of the expiration of the Offer Period II (the "Transfer Closing Date").

7.1.4.6 If any Remaining Member accepts the Offer, the Transfer Purchase Price shall be paid in immediately available funds on the Transfer Closing Date unless the Remaining members elect prior to the Transfer Closing Date to pay the Transfer Purchase Price in installments pursuant to the provisions of Section 7.8 of this Agreement.

7.1.4.7 If no Remaining Member accepts the Offer (within the time and in the manner specified in this Section), then the Transferor shall be free for a period (the "Free Transfer Period") of thirty (30) days after the expiration of the Offer Period II to Transfer the balance of Transferor Interest to the Transferee, for the same or greater price and on the same terms and conditions as set forth in the Transfer Notices. The Transfer shall be subject, however, to the Conditions of Transfer. If the Transferor does not Transfer the Transferor Interest within the Free Transfer Period, the Transferor's right to Transfer the Transferor Interest pursuant to this Section shall cease and terminate.

7.1.4.8 Any Transfer by the Transferor after the last day of the Free Transfer Period or without strict compliance with the terms, provisions and conditions of this Section and the other terms, provisions, and conditions of this Agreement, shall be null and void and of no force or effect.

7.1.5 Admission of Transferee as Member. Other than Transfers completed in accordance with Section 7.1.4, the transferee of all or any portion of or any interest or rights in any Membership Right shall not be entitled to become a Member or exercise any rights of a Member and shall only be admitted as a Member upon the unanimous consent of the Members. The transferee shall be entitled to receive, to the extent transferred, only the distributions to which the transferor would be entitled.

## 7.2 Purchase for Investment

7.2.1 Each Member hereby represents and warrants that his acquisition of Membership Rights is made as principal for his account for investment purposes only and not with a view to the resale or distribution of the Membership Right or Membership Interest.

7.2.2 Each Member agrees that he will not sell, assign or otherwise transfer his Membership Right or Membership Interest or any fraction thereof to any Person who does not similarly represent, warrant and agree to the same restriction on the transfer of the Membership Right or Membership Interest.

7.3 Voluntary Withdrawal. No Member shall have the right or power to voluntarily withdraw from the Company, except as otherwise provided by this Agreement.

7.4 Involuntary Withdrawal. Immediately upon the occurrence of an Involuntary Withdrawal (as such term is defined in Appendix A), the successor of the Withdrawn Member shall thereupon become an Interest Holder but shall not become a Member. The successor Interest Holder shall have all the rights of an Interest Holder, and nothing more, and shall be subject to the Buy-out provisions set forth in Section 7.5.

7.5 Optional Buy-out in Event of Involuntary Withdrawal. For purposes of this Section 7.5, the "Company" shall include a nominee of the Company.

7.5.1 Immediately upon the occurrence of an Involuntary Withdrawal, the Withdrawn Member shall be deemed to offer for sale (the "Withdrawal Offer") to the Company all of the Membership Rights owned of record and beneficially by the Withdrawn Member (the "Withdrawal Interest").

7.5.2 The Withdrawal Offer shall be and remain irrevocable for a period (the "Withdrawal Offer Period") ending at 11:59 P.M., local time at the Company's principal office on the sixtieth (60th) day following the date the Members elect to continue the Company. At any time during the Withdrawal Offer Period, the Company may accept the Withdrawal Offer by notifying the Withdrawn Member (the "Withdrawal Notice") of its acceptance. The Withdrawn Member shall not be deemed a Member for the purpose of the vote on whether the Company shall accept the Withdrawal Offer.

7.5.3 If the Company accepts the Withdrawal Offer, the Withdrawal Notice shall fix a closing date (the "Withdrawal Closing Date") for the purchase that shall be not earlier than ten (10) or later than ninety (90) days after the expiration of the Withdrawal Period.

7.5.4 If the Company accepts the Withdrawal Offer, the Company shall purchase the Withdrawal Interest for a price equal to the Withdrawn Member's Percentage times the Agreed Value or Appraised Value, as the case may be (the "Withdrawal Purchase Price"). The Withdrawal Purchase Price shall be paid in immediately available funds on the Withdrawal Closing Date unless the Company elects prior to the Withdrawal Closing Date to pay the Withdrawal Purchase Price in installments pursuant to the provisions of Section 7.8 of this Agreement.

7.5.5 If the Company fails to accept the Withdrawal Offer, then the Withdrawing Member or the Withdrawing Member's successor, as the case may be, upon the expiration of the Withdrawal Offer Period, thereafter shall be treated as the unadmitted assignee of a Member.

## 7.6 Withdrawal Purchase Price.

7.6.1 The Withdrawal Purchase Price shall be the "Agreed Value" as determined or changed each year by the unanimous decision of the Members and attached hereto as Schedule A. Each change in the "Agreed Value" shall be in writing, signed and dated by the Members and shall only be effective for the year in which the value was agreed to by the Members.

7.7 In the event that the Members have not established an "Agreed Value" for a year in which an event of Involuntary Withdrawal occurs or have not changed a prior years "Agreed Value", then the Withdrawal Purchase Price shall be determined by using an "Appraised Value." The term "Appraised Value" means the appraised value of the equity of the Company's assets as hereinafter provided. Within fifteen (15) days after demand by either one to the other, the Company and the Withdrawing Member shall each appoint an appraiser to determine the value of the equity of the Company's Assets on the conditions set forth above. If the two appraisers agree upon the equity value of the Company's Assets, they shall jointly render a single written report stating that value. If the two appraisers cannot agree upon the equity value of the Company's Assets, they shall each render a separate written report and shall appoint a third appraiser, who shall appraise the Company's Assets and determine the value of the equity therein, and shall render a written report of his or her opinion thereon. Each party shall pay the fees and other costs of the appraiser appointed by that party, and the fees and other costs of the third appraiser shall be shared equally by both parties. The equity value contained in the joint written report of the initial appraisers or the written report of the third appraiser, as the case may be, shall be the Appraised Value; provided, however, that if the value of the equity contained in the appraisal report of the third appraiser is more than the higher of the first two appraisals, the higher of the first two appraisals shall govern; and provided, further, that if the value of the equity contained in the appraisal report of the third appraiser is less than the lower of the first two appraisals, the lower of the first two appraisals shall govern.

7.8 Installment Buy-outs. If the Company or the Remaining Members, as the case may be (the "Purchaser"), elect to pay the Purchase Price on an installment basis, the Purchaser shall pay 25% of the Purchase Price in cash on the Closing Date and pay the balance over a period not to exceed five (5) years by executing and delivering its or their Promissory Note to the Withdrawn Member or the Transferor (the "Payee"), together with interest at the rate of six percent (6%) per year. Such Promissory Note shall allow for the prepayment of the note without penalty but shall be secured by a mortgage on all of the Company's real estate, if any, and a lien on all of the Company's assets.

7.9 Transfers to Members. Notwithstanding anything set forth in this Agreement to the contrary, but provided that the Conditions of Transfer (excluding the conditions set forth in Sub-section 7.1.1.6) are satisfied, any Member may at any time, and from time to time, Transfer all, or any portion of, or any interest or rights in, the Member's Membership Interest or Membership Rights to any other Member.

**SECTION VIII  
DISSOLUTION, LIQUIDATION, AND TERMINATION  
OF THE COMPANY**

8.1 Events of Dissolution. The Company shall be dissolved upon the happening of any of the following events:

8.1.1 upon the unanimous written agreement of the Members; or

8.1.2 upon an entry of a decree of judicial dissolution; or

8.1.3 upon the occurrence of an Involuntary Withdrawal (as such term is defined in Appendix A), unless the remaining Members, within ninety (90) days after the event or occurrence of the Involuntary Withdrawal, unanimously elect to continue the business of the Company pursuant to the terms of this Agreement.

8.2 Procedure for Winding Up and Dissolution. If the Company is dissolved, the remaining Members shall wind up its affairs. On winding up of the Company, the assets of the Company shall be distributed,

(i) to creditors of the Company, in accordance with their priority, including Interest Holders who are creditors, in satisfaction of the liabilities of the Company;

(ii) to Interest Holders and former Interest Holders in satisfaction of unpaid distributions;

(iii) to Interest Holders for the return of Capital Contributions; and

(iv) to Interest Holders in proportion to their respective Capital Accounts.

No Interest Holder shall have an obligation to restore a negative Capital Account.

8.3 Filing of Certificate of Dissolution. If the Company is dissolved, the Members shall promptly file a Certificate of Dissolution with OSOS. If there are no remaining Members, the Certificate shall be filed by the last person to be a Member.

**SECTION IX  
RIGHTS AND OBLIGATIONS OF MEMBERS**

Limitation on Liability of Members. The liability of each Member shall be limited to his Capital Contribution and any return of his Capital Contribution received within the preceding year. No Member shall have any other liability to contribute money to, or in respect to the liabilities or obligations of, the Company, nor shall any Member be personally liable for any obligations of the Company.

**SECTION X**  
**BOOKS, RECORDS, ACCOUNTING, AND TAX ELECTIONS**

10.1 Bank Accounts. All funds of the Company shall be deposited in a bank account or accounts opened in the Company's name. The Members shall determine the institution or institutions at which the accounts will be opened and maintained, the types of accounts, and the persons who will have authority with respect to the accounts and the funds therein.

10.2 Books and Records. The Members shall keep or cause to be kept complete and accurate books and records of the Company, including all such documentation required by Section 1705.28(A). The books and records shall be maintained in accordance with sound accounting principles and practices and shall be available at the Company's principal office for examination by any Member or the Member's duly authorized representative at any and all reasonable times during normal business hours.

10.3 Annual Accounting Period. The annual accounting period of the Company shall be its taxable year. The Company's taxable year shall be selected by the Members, subject to the requirements and limitations of the Code.

10.4 Reports. Within ninety (90) days after the end of each taxable year of the Company, the Members shall cause to be sent to each person who was a Member at any time during the taxable year then ended a complete accounting of the affairs of the Company for the taxable year then ended. In addition, within ninety (90) days after the end of each taxable year of the Company, the Members shall cause to be sent to each person who was an Interest Holder at any time during the taxable year then ended, that tax information concerning the Company which is necessary for preparing the Interest Holder's income tax returns for that year.

**SECTION XI**  
**GENERAL PROVISIONS**

11.1 Assurances. Each Member shall execute all such certificates and other documents and shall do all such filing, recording, publishing, and other acts as the Members deem appropriate to comply with the requirements of law for the formation and operation of the Company and to comply with any laws, rules, and regulations relating to the acquisition, operation, or holding of the property of the Company.

11.2 Notifications. Any notice, demand, consent, election, offer, approval, request, or other communication (collectively, a "notice") required or permitted under this Agreement must be in writing and either delivered personally or sent by certified or registered mail, postage prepaid, return receipt requested to the Member's address in Section 2.7. A notice must be addressed to an Interest Holder at the Interest Holder's last known address on the records of the Company. A notice to the Company must be addressed to the Company's principal office. A notice delivered personally will be deemed given only when acknowledged in writing by the person to whom it is delivered. A notice that is sent by mail will be deemed given three (3) business days after it is mailed. Any party

may designate, by notice to all of the others, substitute addresses or addressees for notices; and, thereafter, notices are to be directed to those substitute addresses or addressees.

11.3 Specific Performance. The parties recognize that irreparable injury will result from a breach of any provision of this Agreement and that money damages will be inadequate to fully remedy the injury. Accordingly, in the event of a breach or threatened breach of one or more of the provisions of this Agreement, any party who may be injured (in addition to any other remedies which may be available to that party) shall be entitled to one or more preliminary or permanent orders (i) restraining and enjoining any act which would constitute a breach; or (ii) compelling the performance of any obligation which, if not performed, would constitute a breach.

11.4 Complete Agreement. This Agreement constitutes the complete and exclusive statement of the agreement between the Members. It supersedes all prior written and oral statements, including any prior representation, statement, condition, or warranty. Except as expressly provided otherwise herein, this Agreement may not be amended without the written consent of all of the Members. Oral agreements which purport to amend this agreement shall not be enforceable.

11.5 Applicable Law. All questions concerning the construction, validity, and interpretation of this Agreement and the performance of the obligations imposed by this Agreement shall be governed by the internal law, not the law of conflicts, of the State of Ohio.

11.6 Section Titles. The headings herein are inserted as a matter of convenience only and do not define, limit, or describe the scope of this Agreement or the intent of the provisions hereof.

11.7 Binding Provisions. This Agreement is binding upon, and inures to the benefit of, the parties hereto and their respective heirs, executors, administrators, personal and legal representatives, successors, and permitted assigns.

11.8 Jurisdiction and Venue. Any suit involving any dispute or matter arising under this Agreement may only be brought in the courts in the State of Ohio, Franklin County, or such other county in Ohio where the Company may relocate its principal place of business. All Members hereby consent to the exercise of personal jurisdiction by any such court with respect to any such proceeding.

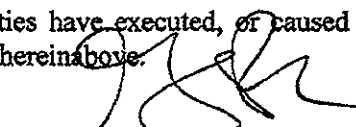
11.9 Terms. Common nouns and pronouns shall be deemed to refer to the masculine, feminine, neuter, singular, and plural, as the identity of the person may in the context require.

11.10 Severability of Provisions. Each provision of this Agreement shall be considered severable; and if, for any reason, any provision or provisions herein are determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those portions of this Agreement which are valid.

11.11 Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original and all of which, when taken together,

constitute one and the same document. The signature of any party to any counterpart shall be deemed a signature to, and may be appended to, any other counterpart.

IN WITNESS WHEREOF, the parties have executed, or caused this Agreement to be effective, under seal, as of the date set forth hereinabove.

  
\_\_\_\_\_  
Gregory F. Bechert  
\_\_\_\_\_  
Susanne Buckley



**SCIOTO ENERGY LLC**  
**APPENDIX A**  
**TO**  
**OPERATING AGREEMENT**

**DEFINED TERMS**

The following capitalized terms shall have the meanings specified in this Appendix A. Other terms are defined in the text of this Agreement and, throughout this Agreement, those terms shall have the meanings respectively ascribed to them.

*"Act"* means the Ohio Limited Liability Company Act, Ohio Revised Code Chapter 1705 as amended from time to time.

*"Agreement"* means this Agreement, as amended from time to time.

*"Capital Account"* means the account to be maintained by the Company for each Interest Holder in accordance with the following provisions:

- (i) an Interest Holder's Capital Account shall be credited with the Interest Holder's Capital Contributions, the amount of any Company liabilities assumed by the Interest Holder (or which are secured by Company property distributed to the Interest Holder), the Interest Holder's distributive share of Profit, and any item in the nature of income or gain specially allocated to such Interest Holder pursuant to the provisions of Section IV; and
- (ii) an Interest Holder's Capital Account shall be debited with the amount of money and the fair market value of any Company property distributed to the Interest Holder, the amount of any liabilities of the Interest Holder assumed by the Company (or which are secured by property contributed by the Interest Holder to the Company), the Interest Holder's distributive share of Loss, and any item in the nature of expenses or losses specially allocated to the Interest Holder pursuant to the provisions of Section IV, subject to the nonreimbursement provisions of Section V.

If any Membership Interest is transferred pursuant to the terms of this Agreement, the transferee shall succeed to the Capital Account of the transferor to the extent the Capital Account is attributable to the transferred Membership Interest. If the book value of Company property is adjusted, the Capital Account of each Interest Holder shall be adjusted to reflect the aggregate

adjustment in the same manner as if the Company had recognized gain or loss equal to the amount of such aggregate adjustment. It is intended that the Capital Accounts of all Interest Holders shall be maintained in compliance with the provisions of Regulation Section 1.704-1(b), and all provisions of this Agreement relating to the maintenance of Capital Accounts shall be interpreted and applied in a manner consistent with that Regulation.

*"Capital Contribution"* means the total amount of cash and the fair market value of any other assets contributed (or deemed contributed under IRS Regulation Section 1.704-1(b)(2)(iv)(d)) to the Company by a Member, net of liabilities assumed or to which the assets are subject.

*"Capital Proceeds"* means the gross receipts received by the Company from a Capital Transaction.

*"Capital Transaction"* means any transaction not in the ordinary course of business which results in the Company's receipt of cash or other consideration other than Capital Contributions, including, without limitation, proceeds of sales or exchanges or other dispositions of property not in the ordinary course of business, financings, refinancings, condemnations, recoveries of damage awards, and insurance proceeds.

*"Cash Flow"* means all cash funds derived from operations of the Company (including interest received on reserves), without reduction for any non-cash charges, but less cash funds used to pay current operating expenses and to pay or establish reasonable reserves for future expenses, debt payments, capital improvements, and replacements as determined by the General Manager in his sole discretion. Cash Flow shall not include Capital Proceeds but shall be increased by the reduction of any reserve previously established.

*"Code"* means the Internal Revenue Code of 1986, as amended, or any corresponding provision of any succeeding law.

*"Company"* means the limited liability company formed in accordance with this Agreement.

*"Interest Holder"* means any person who holds a Membership Interest, whether as a Member or an unadmitted assignee of a Member.

*"Involuntary Withdrawal"* means, with respect to any Member, the occurrence of any of the following events:

- (i) the Member makes an assignment for the benefit of creditors;
- (ii) the Member files a voluntary petition of bankruptcy;
- (iii) the Member is adjudged bankrupt or insolvent;

- (iv) the Member files a petition or answer seeking for the Member any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any statute, law, or regulation;
- (v) the Member files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against the Member in any proceeding described in subsection (iv);
- (vi) any proceeding against the Member seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any statute, law, or regulation, continues for one hundred twenty (120) days after the commencement thereof, or the appointment of a trustee, receiver, or liquidator for the Member of all or any substantial part of the Member's properties without the Member's agreement or acquiescence, which appointment is not vacated or stayed for ninety (90) days or, if the appointment is stayed, for ninety (90) days after the expiration of the stay during which period the appointment is not vacated;
- (vii) if the Member is an individual, the Member's death or adjudication by a court of competent jurisdiction as incompetent to manage the Member's person or property;
- (viii) if the Member is acting as a Member by virtue of being a trustee of a trust, the termination of the trust;
- (ix) if the Member is a partnership or limited liability company, the dissolution and commencement of winding up of the partnership or limited liability company;
- (x) if the Member is a corporation, the dissolution of the corporation or the revocation of its charter; or
- (xi) if the Member is an estate, the distribution by the fiduciary of the estate's entire interest in the limited liability company.

*"Member"* means each Person signing this Agreement and any Person who subsequently is admitted as a member of the Company.

*"Membership Interest"* means an Interest Holder's share of the Profits and Losses of, and the right to receive distributions from, the Company.

*"Membership Rights"* means all of the rights of a Member in the Company, including a Member's: (i) Membership Interest; and (ii) the rights granted to members under this Agreement or under the Act.

*"OSOS"* means the Ohio Secretary of State.

*"Percentage"* means, as to a Member, the percentage set forth after the Member's name in Section 2.7, as amended from time to time, and as to an Interest Holder who is not a Member, the Percentage of the Member whose Membership Interest has been acquired by such Interest Holder, to the extent the Interest Holder has succeeded to that Member's Membership Interest.

*"Person"* means and includes any individual, corporation, partnership, association, limited liability company, trust, estate, or other entity.

*"Profit"* and *"Loss"* means, for each taxable year of the Company (or other period for which Profit or Loss must be computed), the Company's taxable income or loss determined in accordance with IRC Section 703(a), with the following adjustments:

- (i) all items of income, gain, loss, deduction, or credit required to be stated separately pursuant to Code Section 703(a)(1) shall be included in computing taxable income or loss; and
- (ii) any tax-exempt income of the Company, not otherwise taken into account in computing Profit or Loss, shall be included in computing taxable income or loss; and
- (iii) any expenditures of the Company described in Code Section 705(a)(2)(B) (or treated as such pursuant to Regulation Section 1.704-1(b)(2)(iv)(i)) and not otherwise taken into account in computing Profit or Loss, shall be subtracted from taxable income or loss; and
- (iv) gain or loss resulting from any taxable disposition of Company property shall be computed by reference to the adjusted book value of the property disposed of, notwithstanding the fact that the adjusted book value differs from the adjusted basis of the property for federal income tax purposes; and
- (v) in lieu of the depreciation, amortization, or cost recovery deductions allowable in computing taxable income or loss, there shall be taken into account the depreciation computed based upon the adjusted book value of the asset.

*"Transfer"* means, when used as a noun, any voluntary sale, hypothecation, pledge, assignment, attachment or other transfer, and, when used as a verb, means voluntarily to sell, hypothecate, pledge, assign, or otherwise transfer.

*"Voluntary Withdrawal"* means a Member's dissociation with the Company by means other than a Transfer or an Involuntary Withdrawal.

**SCIOTO ENERGY LLC**  
**APPENDIX B**  
**TO**  
**OPERATING AGREEMENT**

Name, Address and  
Taxpayer I.D. Number

Initial  
Units/Percentages

Capital Contribution

Gregory F. Bechert  
561 Hallmark Place  
Worthington, Ohio 43085  
SS #

99/99%

\$ \_\_\_\_\_

Susanne Buckley  
360 Lenappe Drive  
Columbus, Ohio 43214  
SS #

1/1%

\$ \_\_\_\_\_

**FIRST AMENDMENT TO OPERATING AGREEMENT**  
**OF SCIOTO ENERGY LLC**

This First Amendment (the "Amendment") to the Operating Agreement of Scioto Energy LLC (the "Company") is effective as of January 1, 2010, by and among all the Members of the Company whose signatures appear below ("Members").

**RECITALS**

WHEREAS, the Members desire to amend the Company's Operating Agreement to reflect their desire to provide for the continuity of the business of the Company in a manner that also recognizes the past and ongoing contributions made by Susanne Buckley.

WHEREAS, Susanne Buckley and Gregory Bechert are Members of New River Group, LLC, an Ohio Limited Liability Company, engaging in energy brokerage services, each owning fifty (50) membership units, representing a fifty percent (50%) Membership Interest, respectively, of New River Group, LLC.

**AGREEMENT**

NOW THEREFORE, in consideration of the foregoing recitals, the parties agree as follows:

- (1) This Amendment supplements, in pertinent part, the Operating Agreement made effective January 1, 2010. Specifically, this Amendment places alternative, distinct, different and additional restrictions, limitations, and conditions upon the rights to certain future contracts associated with the defined Legacy Book of Gregory F. Bechert, Member, as set forth below. To the extent that this Amendment and the Operating Agreement contain conflicting provisions, this Amendment shall be deemed to supercede any conflicting provision, limitation, term, or condition of the Operating Agreement. All non-conflicting terms, conditions, limitations, and restrictions set forth in this Amendment shall be deemed as a supplement to the Operating Agreement.
- (2) Section VII of the Operating Agreement made effective as of January 1, 2010, is amended and changed to add this Section 7.10, which shall state the following:

7.10 Right(s) of New River Group, LLC, to Certain Future Contracts. New River Group, LLC shall have the exclusive, independent, and unilateral right to enter into and/or execute all future contracts with any client that comprises or is contained in, classified as, or is a part of Gregory Bechert's Legacy Book as of the effective date of this Agreement. "Legacy Book" shall be defined as all clients with whom or with which Gregory Bechert has separately, independently, and/or unilaterally closed business or obtained an executed contract in favor of the Company prior to Susanne Buckley's involvement with and/or admission into the Company and any client of whom or of which Gregory Bechert has designated for inclusion in said Legacy Book pursuant to the accounting records of the Company.

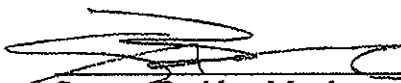
7.10.1 Nothing herein shall limit or restrict the Members or their respective estates, representatives, executors, trustees, fiduciaries, heirs, assigns, or duly authorized

successor-in-interest(s) from receiving distributions or disbursements stemming from receipts, payments, fees and/or royalties attributable to present contracts and/or clients comprising Gregory Bechert's Legacy Book prior to New River Group, LLC exercising the right(s) set forth in Section 7.10.

7.10.2 The Members further acknowledge the presence of a Cross Purchase Buy-Sell Agreement executed between the Members of New River Group, LLC, being Susanne Buckley and Gregory Bechert, and expressly agree and state that nothing stated herein shall be deemed to supercede any provision or term contained in said Agreement in any manner or fashion.

**IN WITNESS WHEREOF**, the parties hereto have caused this Amendment to be duly executed and delivered as of the date first above written.

  
\_\_\_\_\_  
Gregory F. Bechert, Member

  
\_\_\_\_\_  
Susanne Buckley, Member

## E-Filing Confirmation

DISSUBSCRIPTION@puc.state.oh.us <DISSUBSCRIPTION@puc.state.oh.us>

Tue 3/31/2020 4:18 PM

To: Jennifer Smith <jsmith@cassidylawltd.com>; Jennifer Smith <jsmith@cassidylawltd.com>; Shamus Cassidy <Shamus@cassidylawltd.com>

Filings received after 5:30 p.m. Eastern Time will be deemed to be filed the following business day. All filings and document information is subject to review by the PUCO Docketing Division.

**Please click on the link below to ensure that your document has been filed.** Call (614) 466-4095, during business hours, if you have questions, have problems viewing your filed document, or need assistance. Do not reply to this message. Send any correspondence to [docketing@puc.state.oh.us](mailto:docketing@puc.state.oh.us).

You should print or save this notice confirming that the following document was electronically filed.

URL: <http://dis.puc.state.oh.us/DocumentRecord.aspx?DocID=087976b1-ce11-4fb5-a0c4-0b58d0488ba3>

Date & Time: 3/31/2020 at 16:17:46.7984755 EST

Case Number(s): 14-0546-GA-AGG

Summary: Application Scioto Energy Natural Gas License Renewal Certification Application electronically filed by Mr. Shamus B Cassidy on behalf of Scioto Energy LLC

Confirmation Number: 674ba2e2-6ac3-4e81-813c-a0411b95c577

Official PDF File: 674ba2e2-6ac3-4e81-813c-a0411b95c577\_Official\_Jsmith331202041558PM\_Scioto Energy Natural Gas License Renewal Application 2020.pdfSecure.pdf