

Case No. 2013-00148
Atmos Energy Corporation, Kentucky Division
AG DR Set No. 1
Question No. 1-147
Page 1 of 1

REQUEST:

Referencing page 15 (lines 11-16) of Mr. Densman's testimony where he states the rent expenses were budgeted by reviewing actual lease amounts, and overall Rent, Utilities, and Maintenance is projected to increase 1,303 from the base period.

- a. Provide supporting documentation and calculations for rent, utilities, and maintenance expense for the base period (provide actual and forecasted amounts) and forecasted test period, and show these amounts by specific building lease and location. Provide copies of all leases and separately identify all leases with affiliates.

RESPONSE:

Atmos Energy prepared the calculations for Rent, Utilities and Maintenance expenses at a state level, as opposed to site-specific calculations. Please see Attachment 15 to the Company's response to Staff DR No. 1-59 for the calculation concerning Kentucky Direct Rent, Utilities and Maintenance expenses. Also, please see Attachment 1 for a copy of the leases.

ATTACHMENT:

ATTACHMENT 1 - Atmos Energy Corporation, OAG_1-147_Att1 - Lease Agreement.pdf, 360 Pages.

Respondent: Josh Densman

L E A S E A G R E E M E N T

THIS LEASE AGREEMENT, made and entered into this 25th day of September, 1979, by and between CITIZENS BANK AND TRUST COMPANY, of Campbellsville, Kentucky, LESSOR, and WESTERN KENTUCKY GAS COMPANY, a Delaware Corporation, with principal offices in Owensboro, Kentucky, LESSEE.

WITNESSETH: That for and in consideration of the mutual agreements herein contained, the Lessor does hereby let, lease and rent exclusively unto the Lessee the premises located at 410 East Main Street, Campbellsville, Kentucky, subject to the terms and condition as hereinafter provided.

1. PREMISES: The premises included in and covered by this Lease consist of an existing building approximately 110' x 25' and the exclusive right for parking on a lot 100' x 65' adjoining the building located at 410 East Main Street on the northeast, and the shared parking on a lot 16' x 83' adjoining said building on the southwest, together with the general facilities related to the use and occupancy of said building, the same as shown on a plat attached hereto, incorporated herein and marked Exhibit "A".

2. TERM: This Lease Agreement shall be for a term of ten (10) years beginning on the first day of May 1980 and ending on the last day of April 1990.

3. MONTHLY RENTAL: The rental shall be Seven Hundred Fifty Dollars (\$750.00) per month payable in advance on or before the 10th day of each month during the term of said Lease. Should the Lessee fail to pay the rental as due for a period of two (2) consecutive months, the Lessor may notify the Lessee, in writing, of its default and if the default in rental continues after notice, the Lessor, without notice, shall have the option, right and privilege of declaring this Lease Agreement cancelled and null and void, and the Lessor may enter and take possession of said premises without damage or notice.

This provision shall not relieve the Lessee of its obligation to pay the rental for the remainder of the term caused by its own default, but it shall remain liable for the rental as herein provided, less any reasonable rental which the Lessor may obtain for the remainder of the term.

4. UTILITIES: Lessee shall furnish at its own expense such utility services as it desires including telephone, water, electricity, gas and sewage.

5. FACILITIES AND EQUIPMENT: Lessor shall provide adequate and necessary service connections into the building for all utilities.

Lessee shall furnish and install at its expense such heating and air conditioning equipment and water heaters as it elects and shall have the right to furnish and install at its

expense such other fixtures and equipment as it desires or feels necessary including, but not limited to, outside or inside signs, counters, bins, partitions and so forth and such shall remain the property of the Lessee with the right and privilege to remove same on or before the termination of this Lease Agreement, providing, the removal is done so as not to do substantial damage to the building.

6. MAINTENANCE: Lessor shall maintain the roof, exterior of the building, windows, superstructure together with the plate glass and basic electrical wiring and plumbing. The items named in the preceding sentence are intended to cover the basic structural parts of the building. However, it shall be the duty of the Lessee to maintain the interior of said building including painting, re-decorating, replacement of all heating and air-conditioning facilities and service charges in conjunction with the care and maintenance of the interior of said building and to keep said building in a state of good repair and in as good condition as the same is presently, reasonable wear and tear excepted.

Lessor shall bear the liability of and be responsible for any failure to keep all basic or structural parts of the building in good repair other than repairs made necessary by reason of the willful or negligent acts of the Lessee or Lessee's employees.

Lessor shall maintain in good repair the parking lots above referred to at Lessor's cost.

7. RETURN OF PREMISES: At the expiration of the Lease Agreement, Lessee shall return said premises to the Lessor in as good condition as when originally received, ordinary wear and tear, natural decay and depreciation excepted, unless said premises be damaged or destroyed by fire, lightning, flood, windstorm, riots, or civil commotion, acts of an alien enemy, or any other causes or reasons beyond the control of the Lessee.

8. DAMAGED BUILDING: Should the building be damaged to an untenable condition, become unsafe or be destroyed by or from any cause or reason whatsoever during the term of this Lease Agreement, then, in that event, the obligations of the Lessor and the Lessee, one to the other, shall cease and this Lease Agreement shall be terminated and be wholly at an end, provided, however, that should Lessor restore the premises within a reasonable length of time so that they will be as tenantable as they were upon the inception of this Lease Agreement, Lessee shall have the option to resume its occupancy under the same terms and conditions as provided herein, it being understood and agreed that no rentals are to be due or payable during any period that the building cannot be occupied and used by the Lessee.

9. USE OF THE PREMISES: The leased premises will be used as an office, display and storage space for gas appliances, pipe, fittings, parts, equipment, sales, service and repairs, and for such other activities as are incidental to a gas utility operation, and Lessee will at all times conduct its

business in the leased premises in compliance with all lawful and applicable rules and regulations and in such a manner as to not create any unusual hazards or to increase the existing fire insurance rates on the building. The Lessee shall indemnify the Lessor against any unusual hazard created by the Lessee, its agents or employees, either inside or outside of the building which shall contribute to or cause to bring about any tortious injury by any third person whether the same shall be a business invitee or trespasser upon said premises. It shall be the duty and responsibility of the Lessee to remove all snow and ice from the sidewalks and Lessee's exclusive parking lot throughout the winter season, and the Lessor herein shall not in any way be responsible in regard thereto.

Lessor covenants to keep the Lessee in quiet peaceful possession of the leased premises during the term of this Lease Agreement.

The Lessor reserves and does not lease to the Lessee the remaining portion of the property located on the south or rear side of the existing building and parking lot and nothing herein shall be construed to prevent the Lessor from expanding its present facility by the construction of an addition to said building upon said property which shall include the right and privilege of the Lessee, at Lessor's expense, to remove and relocate any fixtures or appliances located at the rear of said property or by the removal or relocation of the rear door of

said building to such other location as shall be suitable to the Lessee during the term of this Lease.

10. RENEWAL OPTION: The Lessor hereby gives the Lessee the right of first refusal to lease the premises covered by this Lease for an additional period of ten (10) years upon the termination of this Lease.

11. FUTURE PARTIES: This Lease Agreement shall apply to and be binding upon any heirs, successors or assigns of both the Lessor and Lessee.

IN TESTIMONY WHEREOF, witness the signatures of the Lessor and of the Lessee by its duly authorized officer, in duplicate, as of the day and year first above written.

ATTEST:

Ronald H. Bennett, Jr.
Secretary

CITIZENS BANK AND TRUST COMPANY

By:

R. A. Baulk, Pres.
LESSOR

WESTERN KENTUCKY GAS COMPANY

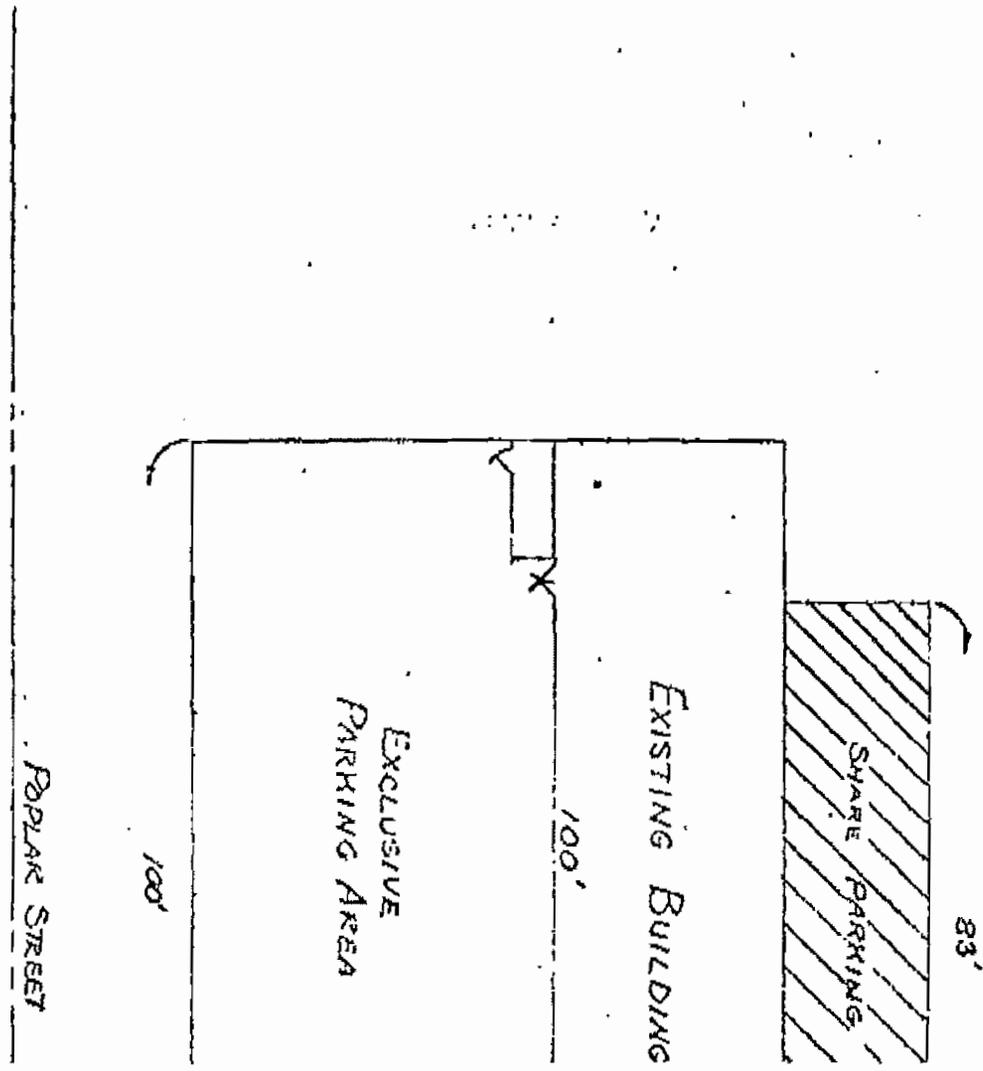
By:

G. R. Hagen
VICE PRESIDENT - LESSEE

ATTEST:

[Signature]
VICE PRESIDENT - SECRETARY

EXHIBIT "A"





WESTERN KENTUCKY GAS COMPANY

311 WEST SEVENTH STREET · P.O. BOX 888 · OWENSBORO, KENTUCKY 40301 TEL (502) 688-8000

July 7, 1989

Ms. Shirl Johnson
President
Citizens Bank and Trust Company
P. O. Box 250
Campbellsville, KY 42718

Dear Ms. Johnson:

This Letter Agreement shall serve as an extension of our Lease Agreement dated the 25th day of September, 1979, covering the premises located at 410 East Main Street, Campbellsville, Kentucky.

The term of the Lease Agreement shall be extended for an additional period of ten (10) years beginning on the first day of May, 1990, and ending on the last day of April, 2000. All other terms and conditions, including the monthly rental of \$750.00 per month, shall remain in full force and effect during the ten (10) year extended period.

Please indicate your agreement and acceptance of this extension as set out above by signing both copies of this Letter Agreement and returning one copy to this office.

Very truly yours,

A handwritten signature in cursive script, reading "Billy R. Glass".

Billy R. Glass, Coordinator
Land, Lease and R/W

AGREED AND ACCEPTED:

CITIZENS BANK AND TRUST COMPANY

By: A handwritten signature in cursive script, reading "Shirl N. Johnson".
President

Date: 7-10-89



CITIZENS BANK

201 E. Main St. • P.O. Box 280 • Campbellsville, KY 42718-0280 • (502) 485-8193

March 30, 2000

Mr. Kevin Akers
Western Kentucky Gas Company
410 E. Main Street
Campbellsville, KY 42718

Dear Mr. Akers:

This Letter Agreement shall serve as an extension of our Lease Agreement dated the 25th day of September, 1979, covering the premises located at 410 East Main Street, Campbellsville, Kentucky.

The term of the Lease Agreement shall be extended for an additional period of five (5) years beginning on the first day of May, 2000, and ending on the last day of April, 2005. All other terms and conditions, including the monthly rental of \$750.00 per month, shall remain in full force and effect during the five (5) year extended period.

It is further understood that the tenant has an option with a minimum 90-day notice to terminate said Lease Agreement.

Please indicate your agreement and acceptance of this extension as set out above by signing both copies of this Letter Agreement and returning one copy to this office.

Very truly yours,

Mark U. Johnson
President and CEO

rc

AGREED AND ACCEPTED:

WESTERN KENTUCKY GAS COMPANY

BY John Kevin Akers

Date: 4-8-00

February 19, 2007

Mr. Bill Greer
Atmos Energy Corporation
2850 Russellville Road
Bowling Green, KY 42101

RE: Lease Agreement Dated September 25, 1979
410 E. Main Street, Campbellsville, Kentucky

Dear Mr. Greer,

Please accept this letter as our Agreement and Understanding to amend the aforementioned lease and to continue that lease under the terms specified below.

The term of the Lease Agreement shall be extended on a month-to month term beginning on the first day of March 2007. All other terms and conditions, including the monthly rental of \$750.00 per month, shall remain in full force and effect during the lease term.

It is further understood that the Lessor or Lessee has an option to terminate said Amended Lease Agreement with a minimum advance notice of 90 days of such intent.

Please indicate your agreement and acceptance of this extension as set out above by signing both copies of this Letter Agreement and returning one copy to my attention. Thank you for your continued business and support.

Sincerely,

Mark U. Johnson
President & CEO

Muj

AGREED & ACCEPTED
ATMOS ENERGY CORPORATION

By: William H. Greer

Date: 2/28/07

William H. Greer
VP-Operations
Central Region - Ky Md States Div.

TO GAG DR NO. 1-147
SERIAL # 15-11722**LEASE AGREEMENT**

THIS LEASE AGREEMENT is made and entered into as of the 1st day of December, 1993, by and between WESTERN KENTUCKY GAS COMPANY, a division of Atmos Energy Corporation, a Texas corporation ("Tenant"), and GILLILAND GROUP PARTNERSHIP, a Texas general partnership ("Landlord").

W I T N E S S E T H:

Subject to the terms and conditions set forth in this Lease, Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the real property described on Exhibit A attached hereto and made a part hereof for all purposes (subject, however, to any and all currently existing rights-of-way and easements thereon), such real property being commonly known as 449 Whirl-A-Way Drive, Danville, Kentucky, together with the building or buildings and other improvements thereon and all rights, privileges, easements, and appurtenances belonging to or in any way pertaining to the real property (all being hereinafter referred to as the "Leased Premises").

TO HAVE AND TO HOLD the same subject to the following:

1. Lease Term and Renewal Option.

(a) The initial term of this Lease shall be for a period of twenty (20) years, commencing on December 1, 1993, and ending on November 30, 2013, unless earlier terminated or extended in accordance with the other terms and provisions of this Lease.

(b) Tenant shall have the options to extend the term of this Lease for an additional period of five (5) years commencing on December 1, 2013 (the "First Renewal Period") and for a second additional period of five (5) years commencing on December 1, 2018. Tenant may exercise such options by notifying Landlord of its election to extend the term of this Lease in writing at least one year prior to the expiration date of this Lease with respect to the first renewal option and at least one year prior to the expiration date of the First Renewal Period with respect to the second renewal option. Any such extension of the term of this Lease shall be subject to all of the terms and conditions of this Lease except that the rent payable during the renewal period shall be increased or decreased to reflect the fair market rental, as of the date of the renewal of this Lease, for space of similar size, construction, condition, and use in Danville, Kentucky.

2. Rent.

(a) Tenant agrees to pay to Landlord, without offset or deduction (except as expressly set forth herein), as rent for the Leased Premises a monthly rental of Six Thousand One Hundred Ninety Three and 33/100 Dollars (\$6,193.33) payable without demand in advance due on or before the first day of each month, commencing on December 1, 1993 and continuing thereafter until the expiration or termination of this Lease, provided, however, that in the event the term hereof shall commence or end on a day other than the first or last day of a calendar month, the rent for any fractional calendar month shall be prorated by days. (b) Rent shall be paid to Landlord at Landlord's address set forth in Subparagraph 23(h) of this Lease.

3. Security Deposit. Landlord and Tenant agree that Tenant has not paid, and is not required to pay, a security deposit as security for the full and faithful performance by Tenant of its obligations under this Lease.

4. Use. Tenant shall have the right to use the Leased Premises for any lawful purpose and in any lawful manner, provided, however, that Tenant shall not commit, or suffer to be committed, any waste on the Leased Premises, nor shall it maintain or commit, or permit the maintenance or commission of, any nuisance on the Leased Premises.

5. Acceptance of Leased Premises. Tenant accepts the Leased Premises, and all buildings and improvements located thereon, as being suitable in their present condition for the purposes for which the Leased Premises are being leased.

6. Utilities. Tenant shall pay all utility charges for the Leased Premises, including, but not limited to, charges, initial connection fees, and deposits for gas, water, sewer, electricity, and telephone services.

7. Taxes and Assessments.

(a) Tenant shall, before interest or penalties are due thereon, pay and discharge all taxes and assessments, general or special, and other governmental charges and impositions imposed upon or assessed against the Leased Premises or any portion thereof ("Impositions") (subject to Tenant's right to contest such Impositions); provided, however, that Tenant shall have no obligation to pay (i) any federal, state, or local income tax of Landlord or any similar tax of Landlord determined on the basis of Landlord's net income; (ii) any estate, inheritance, succession, gift, or similar tax of Landlord's; or (iii) any capital gains tax

or real estate transfer tax imposed in connection with the sale of the Leased Premises by Landlord to any person. If any Imposition against the Leased Premises may be paid in installments, Tenant may pay such Imposition in installments as and when such installments become due. Tenant shall, upon Landlord's written request, furnish to Landlord evidence satisfactory to Landlord of the payment of any such Imposition. If an Imposition relates to a period of time outside the term of this Lease, that Imposition shall be prorated so that Tenant pays only that portion of such Imposition that applies to the term of this Lease.

(b) If Tenant fails to pay any Imposition before it becomes delinquent or to contest the Imposition in a timely manner, Landlord may, at its election, pay the Imposition and any interest and penalties due thereon. The amount paid by Landlord shall be repayable by Tenant upon Landlord's demand therefor.

(c) Tenant shall have the right to apply to the appropriate taxing authority to obtain a reduction of the assessed valuation of the Leased Premises for any year for the purpose of reducing taxes thereon. Landlord agrees that it will not object to any such application by Tenant and will cooperate with Tenant as necessary in order to obtain such a reduction.

8. Alterations, Additions, and Improvements.

(a) Tenant may make such alterations, additions, or improvements to the Leased Premises as Tenant may deem desirable without the prior written consent of Landlord so long as neither the value nor the utility of the Leased Premises is materially diminished thereby. Tenant agrees that (i) all such alterations, additions, and improvements shall be performed in a good and workmanlike manner and in accordance with applicable laws and regulations; (ii) Tenant shall discharge or remove all liens filed against any of the Leased Premises arising out of the performance of the alterations, additions, or improvements (subject to Tenant's right to contest such lien); (iii) Tenant shall procure and pay for all permits and licenses required in connection with any such alterations, additions, or improvements; and (iv) all such alterations, additions, and improvements shall be subject to this Lease and shall, upon the expiration or termination of this Lease, become the property of Landlord.

(b) Landlord shall (i) cooperate with Tenant as necessary, and (ii) execute all documents required to be executed by Landlord, in order for Tenant to make such alterations and additions to the Improvements.

(c) Notwithstanding anything contained in this Lease to the contrary, Tenant shall have the right at any time during the term of this Lease, or within a reasonable time thereafter, to remove all of Tenant's furniture, equipment, and trade fixtures from the Leased Premises.

9. Contests of Impositions and Liens. Tenant shall not be required to pay any Imposition or to discharge any lien referred to in clause 8.(a)(ii) so long as Tenant shall, in good faith and at its sole cost and expense, contest the validity or amount of such Imposition or lien by appropriate legal proceedings. Tenant shall have the right to contest such Impositions or liens in Landlord's name if required by law. During the pendency of any such contest, Landlord shall cooperate with Tenant to the fullest extent in such contest, and Landlord shall not have the right to (i) pay, remove, or cause to be discharged the Imposition or lien being contested; (ii) make or enter into any settlement, compromise, or other disposition of the contest; (iii) discontinue or withdraw any contest; or (iv) accept any refund, adjustment, or credit of or from any Imposition being contested or as a result of any such contest.

10. Signs. Tenant shall have the right to place or affix signs or advertisements upon the Leased Premises or on any buildings or improvements located thereon, provided, however, that such signs and advertisements shall conform with any laws and regulations applicable to the Leased Premises. Tenant shall remove all signs upon the termination of this Lease and shall repair any damage and close any holes in the Leased Premises caused or revealed by such removal.

11. Maintenance and Repair.

(a) Tenant shall, at Tenant's sole cost and expense, keep and maintain the Leased Premises in good repair and condition, provided, however, that Tenant shall not be required to maintain or make any repairs to any part of the Leased Premises that are made necessary by the negligence or willful misconduct of Landlord. Notwithstanding the foregoing, Tenant's obligations hereunder to maintain the Leased Premises shall not require Tenant to replace any structural portion of the Leased Premises or any major equipment or system used in and necessary for the operation of the Leased Premises for any reason unless Tenant shall, in its sole discretion, elect to make such a replacement. In the event Tenant elects not to replace any structural portion of the Leased Premises or any major equipment or system used in and necessary for the operation of the Leased Premises, this Lease shall continue in full force and effect and rent will not abate except as otherwise provided in this Lease.

(b) Nothing in this Lease shall require, or be deemed to require, Landlord to make any alterations, additions, improvements, repairs, or replacements to the Leased Premises or to maintain the Leased Premises in any way (except to the extent any of such work is made necessary by the negligence or willful misconduct of Landlord, in which event Landlord shall promptly perform such work at its sole cost and expense). Tenant hereby expressly waives any right created or provided by any law, rule, regulation, or ordinance now or hereafter in effect to require Landlord to make any alterations, additions, improvements, repairs, or replacements or to maintain the Leased Premises, or to cause the same to be done at Landlord's expense (except to the extent any of such work is made necessary by the act or negligence of Landlord).

12. Insurance.

(a) Tenant shall maintain, at its sole cost and expense, insurance on the Leased Premises to insure against fire and casualty losses (including flood and earthquake peril) and claims for bodily injury, death, or property damage occurring on, in, or about the Leased Premises. Tenant shall maintain (i) such fire and casualty insurance in an amount not less than the actual replacement value of the Leased Premises (excluding, however, footings and foundations and other parts of the Leased Premises that are not insurable) with a deductible not exceeding \$100,000 and (ii) such general public liability insurance in an amount not less than \$10,000,000 in excess of a self-insurance amount not exceeding \$500,000. Each fire and casualty insurance policy shall name Landlord and Lender (as defined in Paragraph 21 of this Lease) as an additional insured. If an event occurs that is covered by the insurance required by this Subsection 12.(a), Tenant agrees to pay the amount of any loss, expense, or liability arising from such event up to the deductible or self-insurance amount.

(b) Notwithstanding anything expressly or impliedly to the contrary in this Lease, each of Landlord and Tenant hereby waives any and all rights of recovery, claims, actions, or causes of action against the other party and its directors or partners, officers, or employees for any loss or damage that may occur to the Leased Premises or to any property of such party located within or upon the Leased Premises or for any personal injury occurring on or arising from the Leased Premises if such loss, damage, or injury is covered by, and recoverable under, any fire and extended coverage or public liability insurance policy maintained by the other party. To the extent permitted by the parties' respective insurance policies, each of the parties further waives all rights of subrogation that such party's insurer or insurers may have, if any, against the other party.

(c) Tenant shall be responsible for maintaining, at its sole cost and expense, such insurance, if any, as it deems appropriate to insure Tenant's personal property located on the Leased Premises.

13. Damage or Destruction of the Leased Premises.

(a) If, during the term of this Lease, any buildings or other improvements located on and constituting a part of the Leased Premises are damaged or destroyed by fire or other casualty of any kind, Tenant shall promptly notify Landlord thereof and shall proceed with reasonable diligence to rebuild, repair, or restore the Leased Premises to substantially the same condition as such Leased Premises were in prior to the occurrence of the fire or other casualty, subject, however, to the provisions of Subparagraph 13.(b) below. During the period of reconstruction, Tenant shall not be entitled to any abatement or reduction of rent as a result of any such damage or destruction.

(b) Notwithstanding the provisions of Subparagraph 13.(a) above, if any portion of the Leased Premises shall be damaged or destroyed by fire or other casualty of any kind and Tenant shall determine, in its good faith judgment, that it is uneconomical to rebuild, repair, or restore the Leased Premises, Tenant may terminate this Lease as to all, or the affected portion, of the Leased Premises, provided, however, that Tenant must notify Landlord, in writing, of such termination within thirty (30) days after the occurrence of the casualty. The termination shall become effective thirty (30) days after Tenant notifies Landlord thereof. In the event of Tenant's termination or partial termination of this Lease pursuant to this Subparagraph 13.(b), Tenant shall pay to Landlord \$630,000.00 in the event of the termination of this entire Lease or an appropriate percentage of such amount in the event of the partial termination of this Lease.

14. Condemnation or Eminent Domain.

(a) If, during the term of this Lease, all of the Leased Premises are condemned or taken for any public or quasi-public use under any governmental law, order, or regulation or by right of eminent domain or sold to the condemning authority under threat of condemnation, this Lease shall automatically terminate and rent shall abate as of the date that title vests in the condemning authority or the Tenant is dispossessed of the Leased Premises by such condemnation or taking, whichever occurs earliest. If less than all of the Leased Premises is condemned or taken as described above and the remaining portion of the Leased Premises continues to be, in Tenant's good faith judgment, tenantable and useable by Tenant for the same uses as Tenant was using the Leased Premises

immediately prior to the condemnation or taking, this Lease shall remain in full force and effect subject to a reduction of the rent payable hereunder by an appropriate and equitable amount as determined by Tenant and Landlord.

(b) If any portion of the Leased Premises is condemned or taken by eminent domain proceedings, Tenant shall not be entitled to any award made for such condemnation or taking except for any separate award made with respect to Tenant's property located on the Leased Premises or for Tenant's relocation expenses or the interruption of, or damage to, Tenant's business.

15. Indemnification.

(a) Tenant hereby agrees to indemnify and hold harmless Landlord and Landlord's partners, employees, and agents from and against (i) any and all claims, suits, actions, damages, judgments, liabilities, and expenses (including court costs and reasonable attorneys fees) arising from or relating to the deposit, storage, disposal, burial, discharge, spillage, uncontrolled loss, seepage, or filtration of any Hazardous Material (the term "Hazardous Material" means and includes any hazardous substance or any pollutant or contaminant defined as such in any federal, state, or local statute, law, ordinance, code, rule, regulation, order, or decree regulating, relating to, or imposing liability or standards of conduct concerning any hazardous, toxic, or dangerous waste, substance, or material) by Tenant during the term of this Lease at, upon, under, or within the Leased Premises; and (ii) any injury to persons or damage to property (except such injuries or damages arising from any Hazardous Materials, in which event Tenant's liability, if any, shall be as set forth in clause (i) above) on the Leased Premises caused by the negligence or misconduct of Tenant or its directors, officers, employees, subtenants, agents, or licensees or any other person entering the Leased Premises under the express or implied invitation of Tenant or arising out of the use or occupancy of the Leased Premises by Tenant in the conduct of its business therein or out of any breach or default by Tenant in the performance of its obligations hereunder.

(b) Landlord hereby agrees to indemnify and hold harmless Tenant and Tenant's directors, officers, employees, and agents from and against (i) any and all claims, suits, actions, damages, judgments, liabilities, and expenses, (including court costs and reasonable attorneys' fees) arising from or relating to Hazardous Materials that Landlord, by its actions or conduct, places upon, under, or within the Leased Premises; and (ii) any injury to persons or damage to property (except such injuries or damages arising from any Hazardous Materials, in which event Landlord's liability, if any, shall be as set forth in clause (i)

above) on the Leased Premises caused by the negligence or misconduct of Landlord or its partners, employees, or agents.

16. Assignment and Subleasing.

(a) Landlord shall have the right to assign its interest under this Lease, provided, however, that prior to making such an assignment Landlord shall have obtained a written agreement from the assignee whereby the assignee agrees to assume and undertake to perform and discharge all of Landlord's liabilities and obligations under this Lease, to recognize Tenant's rights hereunder, and not to disturb Tenant's peaceable and quiet possession of the Leased Premises so long as no event of default as hereafter described in Subparagraph 18.(a) has occurred and is continuing. Nothing herein shall prevent, or be deemed to prevent, Landlord from assigning this Lease or the rents payable hereunder to Lender for the purpose of securing the payment of Landlord's indebtedness under the Mortgage (as defined in Paragraph 21 of this Lease).

(b) Tenant shall have the right, without obtaining the consent of Landlord but with prior written notice to Landlord, to assign its interest in this Lease or to sublet the Leased Premises or any portion thereof, provided, however, that prior to making any assignment of its interest herein Tenant shall have obtained a written agreement from the assignee whereby the assignee agrees to be bound by all of the terms of this Lease. In the event of any assignment or subletting, Tenant shall remain fully liable for the full performance of all of Tenant's obligations hereunder.

17. Surrender of Leased Premises. Tenant agrees that, upon the expiration or termination of this Lease, whether by lapse of time or because of any other conditions or provisions contained herein, Tenant shall peaceably leave and surrender possession of the Leased Premises to Landlord. If Tenant or any of its successors or assigns fail to leave and surrender the Leased Premises upon the expiration or termination hereof, such holding over shall constitute a tenancy from month to month at a monthly rental equal to 150 percent of the rent paid for the last month of the term of this Lease unless otherwise agreed in writing by Landlord and Tenant.

18. Events of Default and Remedies.

(a) The following events shall constitute events of default by Tenant under this Lease:

(i) The failure of Tenant to pay any rental or other sum payable hereunder to Landlord within ten (10) days after the date such payment becomes due;

(ii) The failure of Tenant to keep and perform any of its obligations or any of the terms or conditions of this Lease (other than the payment of rent or other sums payable hereunder to Landlord) and the continuation of such failure for a period of thirty (30) days after written notice thereof is delivered to Tenant, provided, however, that if such failure cannot reasonably be cured within a thirty-day period, no event of default shall have occurred if Tenant has promptly commenced to cure the failure within such thirty-day period and is proceeding therewith in good faith and with due diligence; or

(iii) The failure or inability, or admission in writing of the inability, of Tenant to pay its debts as such debts become due; the assignment by Tenant for the benefit of its creditors or the petitioning or application by Tenant to any tribunal for the appointment of a custodian, receiver, or trustee for it or a substantial part of its assets; the commencement by Tenant of any proceeding under any bankruptcy, reorganization, arrangements, readjustment of debt, dissolution, or liquidation law or statute of any jurisdiction, whether now or hereafter in effect; the filing of any such petition or application or commencement of any such proceeding against Tenant in which an order for relief is entered or an adjudication or appointment is made and remains undischarged for a period of sixty (60) days or more; the indication by Tenant, by any act or omission, of its consent to, approval of, or acquiescence in any such petition, application, or proceeding or order for relief or the appointment of a custodian, receiver, or trustee for all or any substantial part of its properties; or the failure of Tenant to discharge or stay any such custodianship, receivership, or trusteeship within sixty (60) days after the appointment thereof.

(b) Upon the occurrence of any event of default listed in Subparagraph 18.(a) above, Landlord may pursue any one or more of the following remedies:

(1) Termination of this Lease upon five (5) days written notice to Tenant, in which event Tenant shall surrender the Leased Premises to Landlord. If Tenant fails to surrender the Leased Premises, Landlord and its agents and representatives shall have the right, without further demand or notice to Tenant, to re-enter and take possession of the Leased Premises and to expel or remove Tenant and any other person who may be occupying the Leased Premises or any portion thereof, with or without

process of law, without being liable for any trespass or claim for damages therefor and without prejudice to any remedies for arrears of rent or existing breaches of covenants;

(ii) Termination of Tenant's right to possession of the Leased Premises without terminating this Lease and expulsion or removal of Tenant and any other person who may be occupying the Leased premises or any portion thereof, with or without process of law, without being liable for any trespass or claim for damages therefor and without prejudice to any remedies for any breaches of covenants (including the payment of rents) then existing or thereafter occurring. In the event Landlord exercises its remedies set forth in this subparagraph 18. (b) (ii), Landlord shall, in order to mitigate Landlord's damages caused by Tenant's default hereunder, use its best efforts to relet the Leased premises and to collect the rent therefor, which rent shall be credited to the satisfaction of Tenant's obligations hereunder after deducting from such rents all costs and expenses incurred by Landlord in repossessing and reletting the Leased Premises, provided, however, that Landlord's best efforts shall not include an obligation to renovate or remodel the Leased Premises or any portion thereof. If the net rentals received by Landlord exceed the amounts necessary to satisfy all of Tenant's obligations under this Lease, Landlord shall be entitled to such excess. If the net rentals are less than the amounts necessary to satisfy all of Tenant's obligations under this Lease, Tenant shall be liable to Landlord for such deficiency and shall pay such deficiency on the date that rent is due hereunder; or

(iii) Enforcement of the full and specific performance by Tenant of its obligations under this Lease in any manner provided by law or equity or pursuit of such other rights or remedies available to Landlord either at law or in equity.

(c) Landlord's rights and remedies provided in this Lease are cumulative, and the pursuit by Landlord of any remedy hereunder shall not preclude or waive its right to pursue any or all other remedies available to Landlord.

(d) If, on account of any breach or default by Landlord or Tenant of their respective obligations under this Lease, the nondefaulting party employs an attorney to enforce or defend any of its rights or remedies hereunder, the defaulting party shall pay

the reasonable attorney's fees and expenses incurred by the non-defaulting party.

(e) No waiver by the parties hereto of any default or breach of any term, condition, or covenant of this Lease shall constitute, or be deemed to constitute, a waiver of any subsequent default or breach of the same or any other term, condition, or covenant contained herein.

19. Covenant of Quiet Enjoyment. Landlord hereby covenants and warrants to Tenant that, so long as no event of default as described in Subparagraph 18.(a) above has occurred and is continuing, Tenant may and shall peaceably and quietly have, hold, occupy, use, and enjoy, and have the full, exclusive, and unrestricted use and enjoyment of, all of the Leased Premises during the entire term of this Lease and that such peaceable and quiet enjoyment shall not be disturbed or interfered with by Landlord or any person or entity claiming by, through, or under Landlord.

20. Landlord's Right of Access. Tenant agrees that it will permit the Landlord and the Landlord's representatives free and full access to the Leased Premises, with no less than forty-eight (48) hours advance notice to Tenant, for the purpose of making (i) inspections of the Leased premises; or (ii) alterations, additions, improvements, repairs, and replacements to the Leased Premises made necessary by the negligence or willful misconduct of the Landlord.

21. Subordination. Tenant acknowledges that the Leased Premises are, or will contemporaneously with the execution hereof become, subject to a mortgage or deed of trust (the "Mortgage") held by Satana Corporation ("Lender"). Tenant agrees to execute and deliver upon demand such instruments subjecting and subordinating this Lease to the Mortgage as may be required by Landlord or Lender so long as Tenant shall have received from Lender a nondisturbance agreement pursuant to which Lender agrees (i) that it will recognize Tenant's rights under this Lease and will not disturb Tenant's peaceable and quiet possession of the Leased Premises so long as no event of default as described in Subparagraph 18.(a) above has occurred and is continuing; (ii) that, in the event of a foreclosure of the Mortgage, this Lease shall continue in full force and effect as a direct lease between the succeeding owner of the Leased Premises and Tenant upon and subject to all of the terms, covenants, and conditions contained herein; and (iii) that Lender shall promptly give Tenant written notice of any default on the part of Landlord under the Mortgage and shall give Tenant the option to cure such default within thirty (30) days after Tenant's receipt of such notice from Lender; provided, however, that if such default cannot reasonably be cured within such thirty-day period and if Tenant commences curing such default

within the allowed curative period and thereafter diligently prosecutes the same to completion, Lender shall not invoke any of its remedies under the Mortgage for such default. Tenant shall not be obligated to cure any default by Landlord under the Mortgage, and such right to cure shall not constitute, or be deemed to constitute, a guarantee by Tenant of Landlord's obligations under the Mortgage. In the event Tenant makes any payment to Lender on Landlord's behalf, Tenant shall be entitled, at its election, either to offset such payments from the lease payments due hereunder or to obtain reimbursement from Landlord of the amount so paid together with interest thereon at the highest rate permitted by law computed from the date that such payment was made.

22. Right of First Refusal. Landlord hereby grants to Tenant a right of first refusal with respect to the Leased Premises during the term of this Lease or any renewal period, provided, however, that, as of the date on which such right may be exercised, Tenant is leasing the Leased Premises pursuant to this Lease and is not in default hereunder. Such right of first refusal is subject to the following terms and conditions:

(a) In the event Landlord receives a bona fide offer from a third party (an "Offer") to purchase all or any portion of the Leased premises, which offer Landlord intends to accept, Landlord shall first offer to sell such Leased Premises or the pertinent portion thereof to Tenant on terms identical to those contained in the Offer. The Offer shall be in writing and signed by the third party making such Offer, and a copy thereof shall be furnished to Tenant.

(b) Tenant shall have fifteen (15) days after receipt of a copy of the Offer within which to elect to purchase the Leased Premises or the pertinent portion thereof pursuant to the terms of the Offer and to notify Landlord, in writing, of such election. Upon such election and notification, Landlord and Tenant shall immediately commence preparations of a formal contract of sale containing the terms of the Offer and such other terms and provisions as the parties may mutually agree. The closing of the purchase and sale of the Leased Premises or the pertinent portion thereof shall be held within sixty (60) days after Tenant notifies Landlord of its election to exercise its right of first refusal.

(c) If Tenant does not elect to exercise its right of first refusal within such fifteen-day period, Landlord may, within one hundred twenty (120) days after the expiration of Tenant's right of first refusal with respect to the Offer, sell the Leased Premises to the third party who made such Offer on the same terms and conditions as those contained in the Offer. If such sale has not closed within such 120-day period, the Offer shall be deemed to

constitute a new offer and must be offered again to Tenant pursuant to the terms of this Paragraph 22.

23. Miscellaneous.

(a) This Lease is intended and is hereby deemed to be a fully "net" lease, it being the intention of the parties hereto that Landlord shall have and enjoy the rent herein reserved to it without deduction therefrom except as otherwise expressly set forth in this Lease.

(b) Landlord and Tenant agree to execute a memorandum of this Lease, in the form attached hereto as Exhibit B, for recording purposes. Landlord shall record the memorandum and shall pay all costs and fees associated therewith. Nothing herein shall authorize Landlord or Tenant to, and Landlord and Tenant hereby agree that neither party shall, record this Lease without the prior written consent of the other party. Landlord and Tenant further agree that, in the event of any conflict or contradiction in language between this Lease and such memorandum, the terms and provisions of this Lease shall control.

(c) Each of the parties hereto represents and warrants that it has not employed the services of any broker or finder in connection with this Lease and does not owe any broker's or finder's fee or commission in connection herewith. Each of Landlord and Tenant agrees to indemnify and hold harmless the other party from and against any loss, claim, liability, or expense arising from a breach of this representation and warranty and from any commissions or brokerage fees claimed on account of the execution of this Lease due to any action of the indemnifying party.

(d) It is the intent of the parties hereto that the relationship between Landlord and Tenant created by this Lease is solely that of a landlord and tenant, and nothing herein is intended to, or shall be deemed to constitute, the creation of any partnership, joint venture, agency, guaranty, or other relationship between the parties hereto other than a landlord-tenant relationship.

(e) There shall be no merger of the leasehold estate created by this Lease with the fee estate in any of the Leased Premises by reason of the fact that the same person or entity may acquire, hold, or own, directly or indirectly, (i) the leasehold estate created by this Lease or any part hereof or interest herein or any interest of Tenant in this Lease; and (ii) the fee estate in any of the Leased Premises or any interest in such fee estate. No such merger shall occur unless and until all persons or entities

having any interest in the leasehold estate created by this Lease and the fee estate in the Leased Premises or any part thereof shall join in a written instrument effecting such merger and shall duly record the same.

(f) This Lease constitutes the entire agreement between Landlord and Tenant with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral and written, between Landlord and Tenant with respect to the subject matter hereof.

(g) Neither this Lease nor any provision contained herein may be amended, waived, discharged, or terminated orally but only by an instrument in writing signed by the party against which enforcement of such amendment, waiver, discharge, or termination is sought.

(h) All notices given pursuant to the terms of this Lease shall be in writing and shall be sufficient in all respects if delivered by hand, sent by facsimile to the fax number set forth below and verified by a subsequent mailing thereof by regular mail, or mailed by registered or certified mail, postage prepaid, as follows:

If to Tenant: Western Kentucky Gas Company
 311 W. Seventh
 P.O. Box 866
 Owensboro, KY 42303
 Attn: Earl Fischer, President

Fax No. (502) 685-8052

If to Landlord: Gilliland Group Partnership
 1201 S. Taylor
 Amarillo, Texas 79101
 Attn: Mr. Bill Gilliland

Fax No. (806) 374-3818

Any notice given in any manner described above shall be deemed effective upon actual receipt by the party to whom such notice is sent. Addresses or fax numbers may be changed on notice to the other party given pursuant to this Subparagraph 23.(h).

(i) If any provision in this Lease shall for any reason be held to be invalid or unenforceable in any respect, the validity and enforceability of the remaining provisions of this Lease shall

not be affected and this Lease shall be construed as if such invalid or unenforceable provision had never been contained herein.

(j) This Lease shall be binding upon and shall inure to the benefit of and be enforceable by the parties hereto and their respective successors and assigns, and is solely for the benefit of Tenant and Landlord and not for the benefit of any other person or entity not a party hereto.

(k) Neither Landlord nor Tenant shall be required to perform any term, condition, or covenant in this Lease (other than the payment of rent) so long as such performance is delayed or prevented by any event of force majeure. The term "force majeure" shall mean any cause not reasonably within the control of the nonperforming party and includes, but is not limited to, acts of God; strikes; lock-outs; wars; riots; orders or decrees of any lawfully constituted federal, state, or local body; fires; storms; floods; wash-outs; explosions; inability to obtain or a delay in obtaining material, supplies, or labor permits; and other similar events and occurrences.

(l) THIS LEASE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF KENTUCKY.

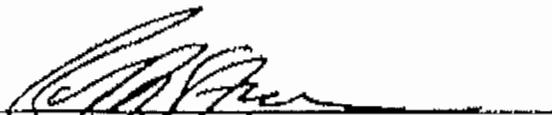
(m) The descriptive headings of the provisions of this Lease are formulated and used for convenience only and shall not be deemed to affect the meaning or construction of any of such provisions.

(n) Tenant agrees that it will comply with Title III of the Americans with Disabilities Act, as amended, and the rules and regulations thereunder, as amended, insofar as they apply to the Leased Premises.

IN WITNESS WHEREOF, the parties hereto have executed this Lease Agreement as of the date first written above.

TENANT:

WESTERN KENTUCKY GAS COMPANY,
a division of Atmos Energy Corpora-
tion

By: 

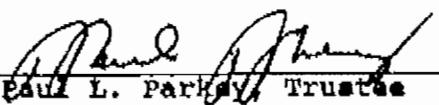
Robert F. Stephens
Executive Vice President
Atmos Energy Corporation 

LANDLORD:

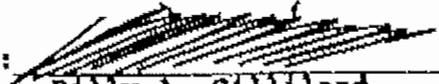
GILLILAND GROUP PARTNERSHIP

By: The trusts created by the Indenture of Trusts dated October 25, 1989, by and between Amy Romine, Grantor, and Billy A. Gilliland and Paul L. Parkey, Trustees, General Partner

By: 
Billy A. Gilliland, Trustee

By: 
Paul L. Parkey, Trustee

By: Gilliland Group Family Partnership, a Texas general partnership, General Partner

By: 
Billy A. Gilliland
General Partner

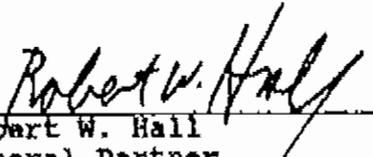
By: 
Robert W. Hall
General Partner

EXHIBIT A

LEASED PREMISES

The following described lot situated in Danville, Boyle County, Kentucky:

Being a lot of ground containing 1.722 acres, more or less, as found of record in Plat File No. 484-A in the office of the Clerk of the Boyle County Court.

AND BEING the same property conveyed to Gilliland Group Partnership, a Texas general partnership, by deed dated December 29, 1992 from L. Steve Castlen, of record in Deed Book 306, Page 233, Boyle County Court Clerk's Office, Boyle County, Kentucky.

EXHIBIT B

MEMORANDUM OF LEASE

1. Date of Lease: December 1, 1993
2. Name and address of Landlord: Gilliland Group Partnership
1201 S. Taylor
Amarillo, Texas 79101
3. Name and address of Tenant: Western Kentucky Gas Company,
a division of
Atmos Energy Corporation
311 W. Seventh
P. O. Box 866
Owensboro, KY 42303
4. Description of Leased Premises:

The following described lot situated in Danville, Boyle County, Kentucky:

Being a lot of ground containing 1.722 acres, more or less, as found of record in Plat File No. 484-A in the office of the Clerk of the Boyle County Court.

AND BEING the same property conveyed to Gilliland Group Partnership, a Texas general partnership, by deed dated December 29, 1992 from L. Steve Castlen, of record in Deed Book 306, Page 233, Boyle County Court Clerk's Office, Boyle County, Kentucky.
5. Term of Lease: A term of twenty (20) years, commencing on December 1, 1993, and ending on November 30, 2013.
6. Renewal Option: Tenant has the option to extend the term of the Lease for an additional period of five (5) years commencing on December 1, 2013, and for a second additional period of five (5) years commencing on December 1, 2018. Specific provisions regarding these options are set forth in the Lease.
7. Right of First Refusal: Tenant has a right of first refusal for the purchase of all or any portion of the Leased Premises during the term of the Lease or any renewal period. Specific provisions regarding this right of first refusal are set forth in the Lease.

IN WITNESS WHEREOF, the parties hereto have executed this Memorandum of Lease as of the 1st day of December, 1993.

TENANT:

WESTERN KENTUCKY GAS COMPANY,
a division of Atmos Energy
Corporation

LANDLORD:

GILLILAND GROUP PARTNERSHIP

By: _____
Robert F. Stephens
Executive Vice President
Atmos Energy Corporation

By: The trusts created by the
Indenture of Trusts dated
October 25, 1989, by and
between Amy Romine,
Grantor, and Billy A.
Gilliland and Paul L.
Parkey, Trustees, General
Partner

By: _____
Billy A. Gilliland
Trustee

By: _____
Paul L. Parkey
Trustee

By: Gilliland Group Family
Partnership, a Texas
general partnership,
General Partner

By: _____
Billy A. Gilliland
General Partner

By: _____
Robert W. Hall
General Partner

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

The foregoing instrument was acknowledged before me this _____ day of _____, 1994, by Robert F. Stephens, Executive Vice President of Atmos Energy Corporation, a Texas corporation, on behalf of the corporation.

Notary Public, State of Texas

STATE OF TEXAS §
 §
COUNTY OF POTTER §

The foregoing instrument was acknowledged before me this _____ day of _____, 1994 by Billy A. Gilliland as Trustee of the trusts created by the Indenture of Trusts dated October 25, 1989, by and between Amy Romine, Grantor, and Billy A. Gilliland and Paul L. Parkey, Trustees, General Partner, on behalf of Gilliland Group Partnership, a Texas general partnership.

Notary Public, State of Texas

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

The foregoing instrument was acknowledged before me this _____ day of _____, 1994 by Paul L. Parkey as Trustee of the trusts created by the Indenture of Trusts dated October 25, 1989, by and between Amy Romine, Grantor, and Billy A. Gilliland and Paul L. Parkey, Trustees, General Partner, on behalf of Gilliland Group Partnership, a Texas general partnership.

Notary Public, State of Texas

STATE OF TEXAS §
 §
COUNTY OF POTTER §

The foregoing instrument was acknowledged before me this ____ day of _____, 1994 by Billy A. Gilliland, General Partner, on behalf of Gilliland Group Family Partnership, a Texas general partnership, and that partnership acknowledged this instrument as General Partner on behalf of Gilliland Group Partnership, a Texas general partnership.

Notary Public, State of Texas

STATE OF TEXAS §
 §
COUNTY OF POTTER §

The foregoing instrument was acknowledged before me this ____ day of _____, 1994 by Robert W. Hall, General Partner, on behalf of Gilliland Group Family Partnership, a Texas general partnership, and that partnership acknowledged this instrument as General Partner on behalf of Gilliland Group Partnership, a Texas general partnership.

Notary Public, State of Texas

THIS INSTRUMENT PREPARED BY:

Glen Blanscet
Assistant General Counsel
Atmos Energy Corporation

5430 LBJ Freeway
1800 Three Lincoln Centre
Dallas, TX 75240
(214) 934-9227

FIRST AMENDMENT TO LEASE AGREEMENT

THIS FIRST AMENDMENT TO LEASE AGREEMENT ("Amendment"), is made and entered into as of the 1st day of November, 2003, by and between Gilliland Group Partnership, a Texas general partnership, as Landlord, and ATMOS ENERGY CORPORATION, a Texas and Virginia corporation, as Tenant.

WITNESSETH:

WHEREAS, on or about December 1, 1993, Landlord and Tenant entered into that certain Lease Agreement ("Lease") pursuant to which Tenant leased from Landlord the real property and improvements thereon located at 449 Whirl-a-way Drive in Danville, Kentucky (the "Premises"), upon the terms and conditions more particularly stated in the Lease; and

WHEREAS, the term of the Lease will expire on November 30, 2013; and

WHEREAS, Landlord and Tenant desire to increase the monthly rent paid by Tenant.

NOW, THEREFORE, in consideration of the sum of \$1.00 and other good and valuable consideration, Landlord and Tenant hereby amend and modify the Lease as follows:

1. Rent. The monthly rent paid by Tenant as of the date of this Amendment shall be increased by the sum of \$2,400.00 per month, for a total monthly rental rate of \$8,593.33 to be paid by Tenant commencing with the rental due on November 1, 2003, and continuing through the remainder of the term of this Lease.

2. Amendment. Except as herein modified, all other terms and provisions of the Lease shall remain in full force and effect.

IN WITNESS WHEREOF, Landlord and Tenant have executed this First Amendment to Lease Agreement as of the date first written above.

Tenant:

Landlord:

ATMOS ENERGY CORPORATION

GILLILAND GROUP PARTNERSHIP

By: John A. Paris
JOHN A. PARIS, President
Kentucky Division

By: [Signature]
Partner BILL GILLILAND

By: Robert W. Hall
Partner ROBERT W. HALL

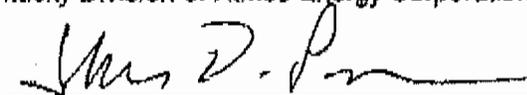
By: Robin W. Hall
Partner ROBIN W. HALL

First Amendment to Lease Agreement
Danville, KY

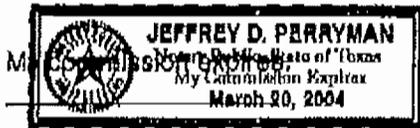
By: Sandra Gilliland
PARTNER SANDRA GILLILAND

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

The foregoing instrument was acknowledged before me this 7th day of October, 2003, by John A. Paris, President of the Kentucky Division of Atmos Energy Corporation, on behalf of the corporation.



Notary Public



STATE OF TEXAS §
 §
COUNTY OF POTTER §

The foregoing instrument was acknowledged before me this 29 day of October, 2003, by BILL GILLILAND & SANDRA GILLILAND, as PARTNERS of Gilliland Group Partnership, on behalf of the partnership.

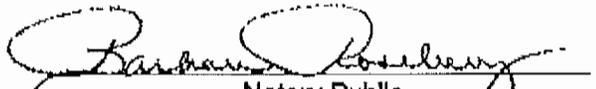


Notary Public



STATE OF TEXAS §
 §
COUNTY OF POTTER §

The foregoing instrument was acknowledged before me this 29 day of October, 2003, by ROBERT W. HALL, as PARTNER of Gilliland Group Partnership, on behalf of the partnership.



Notary Public



LEASE AGREEMENT

THIS LEASE, dated as of the 31st day of December, 2003, by and between
HARD TEN GROUP, LLC, a Kentucky limited liability corporation, hereinafter
called "Landlord"; ATMOS ENERGY CORPORATION, a Texas and Virginia
corporation, hereinafter called "Tenant".

1. LEASE EXHIBITS

Attached to this Lease and made a part hereof are the following:

Exhibit A – being a legal description of the Leased Premises. The Term
Leased Premises shall mean that tract of land and improvements which
Landlord now owns or shall acquire prior to the commencement of the
lease term.

Exhibit B – Being materially the form of Subordination, Nondisturbance
and Attornment Agreement which Tenant will sign if so requested by
Landlord in favor of Landlord's lienholder.

Exhibit C – Being the Design Criteria and Specifications for the building.

2. LEASED PREMISES

Landlord hereby leases unto Tenant, and Tenant hereby rents from Landlord, for
the consideration and upon the terms and conditions herein set forth, the following
premises:

That approximately 3.7 (+/-) acre parcel of land together with the improvements
of an approximately 20,416 square foot ground floor area office building, warehouse,
fabrication building, and equipment shed ("Buildings") being legally described in
Exhibit A, located at 2450 Russellville Road, Bowling Green, Kentucky, 42101.

3. LEASE TERM

TO HAVE AND TO HOLD the Leased Premises, together with all and singular the improvements, appurtenances, rights, privileges and easements thereunto belonging or in anywise appertaining, unto Tenant, for a term commencing on the Commencement Date as hereinafter defined and ending on the _____ day of _____, 2024 (the "Initial Term").

(a) The Commencement Date shall be the date on which Tenant's construction representative certifies that the Leased Premises is substantially complete and ready for occupancy by Tenant.

(b) When the Commencement Date has been determined as herein set forth, the Parties shall execute a written memorandum expressly confirming said Commencement Date, and such memorandum shall thereupon be deemed attached hereto, incorporated herein, and by this reference made a part of this Lease.

4. OPTIONS TO EXTEND

Tenant may extend this Lease, for the option period rental set forth in Section 5 below and under the same terms, conditions and covenants herein contained for two (2) additional terms of five (5) years to begin immediately upon the expiration of the preceding term, provided that Tenant shall provide Landlord with written notice at least twelve (12) months prior to the expiration of the then current term.

5. RENT

Tenant covenants and agrees to pay to Landlord as rental without offset, deduction or prior demand for the Leased Premises, the following amounts, determined and payable in the manner, at the times, and upon the conditions set forth below to-wit:

a. Tenant shall pay to Landlord the sum of Eighteen Thousand Three Hundred and 00/100 Dollars (\$18,300.00) per month on or before the first day of each calendar month from the Commencement Date and continuing on the first day of each month thereafter through and including the sixtieth monthly lease payment. In the event the Commencement Date of this Lease shall be on a day other than the first day of the month, the rent for the first month of the lease term shall be prorated on the basis of one-thirtieth ($1/30^{\text{th}}$) of the monthly rental for each day of such fractional month.

b. Tenant shall pay to Landlord the sum of \$19,475.00 per month beginning with the sixty first monthly installment due hereunder and continuing on the first day of the month thereafter through and including the one hundred twentieth monthly lease payment.

c. Tenant shall pay to Landlord the sum of \$20,725.00 per month beginning with the one hundred twenty first monthly installment due hereunder and continuing on the first day of the month thereafter through and including the one hundred eightieth monthly lease payment.

d. Tenant shall pay to Landlord the sum of \$22,050.00 per month beginning with the one hundred eighty first monthly installment due hereunder and continuing on the first day of the month thereafter through and including the two hundred fortieth monthly lease payment.

e. The rent for any option period that may be exercised pursuant to Section 4 hereof will be increased in the amount of 1.25% of the prior year's lease agreement, the first increase occurring on the two hundred forty first lease payment, and with subsequent increases to occur each twelve months thereafter.

f. Unless otherwise directed by Landlord in writing, Tenant shall pay all rental due under this Lease by check payable to the order of:

Hard Ten Group, LLC
c/o Thomas A. Donnelly
911 College Street
Suite 300
Bowling Green, KY 42101

g. Tenant's failure to pay rent or the other fees, charges, Real Property Taxes, costs and expenses owed by Tenant under the terms of this Lease promptly may cause Landlord to incur unanticipated costs. The exact amount of such costs are impractical or extremely difficult to ascertain. Such costs may include, but are not limited to, processing and accounting charges and late charges which may be imposed on Landlord by any ground lease, mortgage or trust deed encumbering the Property. Therefore, if Landlord does not receive any rent payment or other amount owing from Tenant to Landlord pursuant to the terms of this Lease within fifteen (15) days after it becomes due, Tenant shall pay Landlord a late charge equal to five percent (5%) of the overdue amount. This late charge shall be the sole amount payable by Tenant to Landlord as a direct result of the lateness of Tenant's payment. The parties agree that

such late charge represents a fair and reasonable estimate of the costs Landlord will incur by reason of such late payment.

6. TENANT'S RIGHT TO PURCHASE

Upon sixty days prior written notice to Landlord, Tenant shall have the right to purchase the leased premises and improvements from Landlord at any time during the term of this lease agreement as set forth herein below. The purchase price shall be equal the amount determined by applying the following formula:

- a. Years 1-5 annual rent divided by .07.
- b. Years 6-10 annual rent divided by .0725.
- c. Years 11-15 annual rent divided by .075.
- d. Years 16-20 annual rent divided by .0775.

7. REAL PROPERTY TAXES

(a) Tenant shall pay all Real Property Taxes which may be levied, assessed or charged against the land and building described at paragraph 2 hereof during the term of this Lease. Taxes for fractional calendar years of the lease term shall be prorated between Landlord and Tenant. Landlord shall furnish Tenant with a legal description of said parcel, and shall have said parcel and improvements segregated as a separate tax lot, and Tenant shall pay said Real Property Taxes directly to the taxing authority.

"Real Property Tax" means: (i) any fee, license, tax, levy, charge, assessment, or penalty imposed by any taxing authority against the Property; (ii) any tax or charge for fire protection, streets, sidewalks, road maintenance, refuse or other services provided to the Property by any governmental agency; (iii) any charge or fee replacing any tax previously included within the definition of real property tax. Tenant's obligation to pay

any payment of Real Property Taxes shall constitute Additional Rent under the terms of this Lease. Tenant shall make a good faith effort to forward to Landlord a receipt or other evidence of payment of Real Property Taxes after such evidence of payment is received by Tenant.

Landlord agrees to provide Tenant any notices of Real Property Taxes in advance of any applicable appeal date so that Tenant will have sufficient time to process an appeal of such Real Property Taxes. Tenant at its expense shall have the right to contest the amount or validity of all or part of the taxes for which it is required to reimburse Landlord pursuant hereto, and for that purpose, Tenant shall have the right to file in the name of Landlord all such protests or other instruments, and institute and prosecute proceedings it may deem necessary for the purpose of such contest, provided, however, prior to filing any appeal for the last year of any period of occupancy by Tenant, Tenant shall first request the consent of Landlord to such appeal, which consent shall not be unreasonably withheld. Any refund of any taxes for which Tenant has reimbursed Landlord shall belong to Tenant, and Landlord agrees to pay the same to Tenant promptly in the event payment thereof is initially made to Landlord.

Tenant shall pay all taxes charged against trade fixtures, furnishings, equipment or any other personal property belonging to Tenant. Tenant shall try to have personal property taxed separately from the premises.

(b) Nothing contained in this Lease shall require Tenant to pay (i) any franchise, corporate, estate, inheritance, succession, or transfer tax of the Landlord or (ii) any income profits, or revenue tax.

8. SIGNS

Tenant shall have the right and privilege, at its own expense, to affix signs as desired by it, upon the Leased Premises, and to change or move the same at any time, provided, however, that any such sign shall be erected in compliance with all local codes and ordinances and Tenant shall repair any and all damage to the Leased Premises and improvements caused by the installation or removal of such signs.

Landlord shall not be privileged to affix any signs to any part of the building to be occupied by Tenant during the term of this Lease or any extension thereof.

At any time during the last twenty-four (24) months of the Initial Term of the Lease or any extended term of the Lease, Landlord may place a "For Lease" sign on the Leased Premises. Tenant shall have the right to approve the text, size and location of any signage, which approval shall not be withheld unreasonably.

9. ALTERATIONS, REMOVAL OF FIXTURES & EQUIPMENT

Tenant shall not make any alterations, additions or improvements to the Leased Premises in excess of \$50,000 without Landlord's consent, such consent not being unreasonably withheld. Landlord's failure to consent shall be deemed reasonable if the reason(s), among others, Landlord declined to consent are that the Tenant failed or refused to agree to remove such alteration and repair all damage caused by such removal prior to Tenant's termination of use of the premises.

All alterations or additions which cannot be removed from the Leased Premises without irreparable damage thereto shall constitute a part of the Leased Premises and shall remain thereon. Such other alterations, additions, or improvements as are made and paid for by Tenant, and which are removable without irreparable damage to the premises,

may be removed by the Tenant at any time and Tenant shall repair any damage so incurred at the time of such removal. All signs, trade fixtures, and other fixtures not referred to above, and all machinery, equipment and/or other items of personal property placed in or upon the Leased Premises by the Tenant may be removed by the Tenant at any time and Tenant shall repair any damage so incurred at the time of such removal.

10. SURRENDER

Subject to Section 16, Tenant covenants and agrees at the end of the lease term or any extension thereof, or upon any sooner termination of this Lease, to quit and deliver up the Leased Premises to the Landlord peaceably and quietly and in good order and condition, subject to reasonable use and wear thereof.

11. USE

Tenant's use of the Leased Premises shall be for the Buildings (previously defined herein) and Service Center or any other use as deemed appropriate by the Tenant. Tenant shall not use the Leased Premises for the sale of gasoline and shall not install any underground storage tanks without the prior written consent of Landlord. Tenant shall not cause or permit the Leased Premises to be used in any way which constitutes a violation of any law, ordinance, or governmental regulation or order, or which constitutes a nuisance or waste. Tenant shall obtain and pay for all permits, required for Tenant's occupancy of the Leased Premises and shall promptly take all actions including, but not limited to, any required modification to the Leased Premises necessary to comply with all applicable statutes, ordinances, rules, regulations, orders and requirements as existing on the Commencement Date or as thereafter amended regulating the use by Tenant of the Leased Premises, provided, however, that Landlord represents and warrants that the

Leased Premises will comply with the requirements of the Americans with Disabilities Act and applicable regulations as of the Commencement Date.

Tenant warrants Tenant shall: (i) comply with all applicable laws or regulations governing the generation, production, bringing upon, use, storage, treatment or disposal of hazardous material in or about the Leased Premises, (ii) remain liable for failure to exercise due care in any such generation, production, bringing upon, use, storage, treatment or disposal, and remain liable for all costs and expenses resulting from any actual damage to person(s) or property proximately caused by the generation, production, etc. of hazardous materials on or about the Leased Premises, or (iii) not generate, produce, bring upon, use, store, treat or dispose of any hazardous material form which Tenant is prohibited by any law or regulation. "Hazardous material" shall mean any hazardous or toxic substances, materials, waste or related materials now or subsequently regulated by any applicable federal, state or local laws or regulations, with the exception of ordinary cleaners, office products and other items generally available for purchase by consumers.

12. LANDLORD'S COVENANTS AND WARRANTIES

The Landlord covenants and warrants that it has full right and power to execute and perform this Lease and to grant the estate leased herein, and covenants that the Tenant, on performing its obligations hereunder, shall peaceably and quietly hold and enjoy the Leased Premises together with the right of ingress and egress. Landlord hereby grants and assigns to Tenant the right to enforce all Landlord's rights relating to the use and protection of any and all easement rights appurtenant to the Leased Premises and to resist in Landlord's place all incursions upon those easements rights.

Landlord agrees to pay when due and perform all obligations required by all charges, encumbrances, mortgages and/or other liens on the Leased Premises created by the Landlord concurrently, with or after the commencement of this Lease, except liens or other encumbrances created by the Tenant. Tenant may, but not need, perform, acquire, or satisfy any said lien, encumbrance, covenant, restriction and/or obligation of the Landlord, including liens for taxes and assessments, which may in Tenant's judgment threaten its enjoyment of the Leased Premises. Prior to taking any such actions, however, Tenant shall give Landlord written notice of Landlord's default and Landlord shall have thirty (30) business days to either cure the default or to post a bond in the amount as deemed appropriate by Landlord. If Landlord performs in a timely manner, then Tenant shall take no further action. If the Tenant is authorized to by the terms hereof and does pay a lien, encumbrance, or obligation on behalf of Landlord, it shall be subrogated to all rights of the obligee against the Landlord and Leased Premises. No merger shall be constructed or implied which would defeat such subrogation. Provided, however, that Tenant's subrogation shall not give Tenant the right to offset or deduct the amount of Tenant's claim against rent due Landlord under this Lease. The Landlord shall reimburse the Tenant within ninety (90) days of occurrence for resulting disbursements and expenses, including attorney's fees, together with the interest at one percent (1%) over the Prime Rate of BB & T Bank, of Bowling Green, Kentucky.

Landlord agrees that it will not modify or terminate any recorded Easements, Covenants and Restrictions (ECRs) on the Leased Premises or grant any consents required from it under the terms of any said ECRs without first obtaining the written consent of Tenant which shall not be unreasonably withheld.

13. UTILITIES

Tenant covenants and agrees to promptly pay for any and all water, light, power and/or other utility service supplied to the Leased Premises during the term of this Lease or any extension thereof.

14. MAINTENANCE AND REPAIRS

- (a) Tenant shall, at Tenant's sole cost and expense, keep and maintain the Leased Premises in good repair and condition, provided, however, that Tenant shall not be required to maintain or make any repairs to any part of the Leased Premises that are made necessary by the negligence or willful misconduct of Landlord, or resulting from Landlord's failure to comply with the Plans and Specifications (as hereinafter defined) as set forth in subparagraph (c) below. Notwithstanding the foregoing, Tenant's obligations hereunder to maintain the Leased Premises shall not require Tenant to replace any structural portion of the Leased Premises.
- (b) Nothing in this Lease shall require, or be deemed to require, Landlord to make any alterations, additions, improvements, repairs, or replacements to the Leased Premises or to maintain the Leased Premises in any way (except to the extent any of such work is made necessary by the negligence or willful misconduct of Landlord, or because of Landlord's failure to comply with the Plans and Specifications as set forth in subparagraph (c) below, in which event Landlord shall promptly perform such work at its sole cost and expense). Tenant hereby expressly waives any right created or provided by any law, rule, regulation, or ordinance

now or hereafter in effect to require Landlord to make any alterations, additions, improvements, repairs, or replacements or to maintain the Leased Premises, or to cause the same to be done at Landlord's expense (except to the extent any of such work is made necessary by the act or negligence of Landlord).

- (c) For purposes of this Paragraph 14, a repair or maintenance of the Leased Premises which results from Landlord's failure to comply with the Plans and Specifications is a defect, condition or failure (hereinafter referred to as a "Construction Defect") in or upon the Leased Premises (or of any improvement thereto) which, in the sole opinion of design architect of the Leased Premises (the "Architect"), is caused by, or results from, testing, materials, equipment, labor or procedures used or employed by Landlord (or any contractor or subcontractor of Landlord) in connection with the construction of the Leased Premises, which deviate(s) from or is/are not in accordance with the Plans and Specifications of the Leased Premises prepared by Architect (the "Plans and Specifications"). A deviation from the Plans and Specifications shall also include the use of substandard or non-approved materials. If Landlord shall fail to commence efforts to remedy any Construction Defect within twenty (20) days after written notice thereof by Tenant to Landlord, then Tenant may, at Tenant's option and as Tenant's sole and exclusive remedy therefor, proceed with Tenant's own efforts to remedy such Construction Defect and all costs incurred by Tenant to remedy such Construction Defect shall be deducted from the

rent which Tenant is required to pay to Landlord under this Lease.

Tenant's failure to notify Landlord of, or to undertake any action to remedy, a Construction Defect shall not constitute a waiver of Tenant's rights or remedies under this Subparagraph (c) with respect to any other Construction Defect. The determination of the Architect as to whether or not a Construction Defect is attributable to Landlord under this subparagraph shall be binding and conclusive.

15. INSURANCE

(a) Tenant agrees during the Initial Term of this Lease, and any extension thereof, to maintain in force and effect broad form comprehensive general liability insurance, or a policy of different name but similar effect, with an insurance carrier rate A-VII or better in Best's Key Rating Guide. The policy shall insure against bodily injury, property damage (including loss of use of property) and personal injury. The initial policy limits shall be at least Three Million Dollars (\$3,000,000.00) with respect to bodily injury to or death of any one person and Five Million Dollars (\$5,000,000.00) with respect to bodily injury or death of any number of persons in any one occurrence and not less than Five Hundred Thousand dollars (\$500,000.00) with respect to property damage. These liability coverage limits shall be reviewed at least every two years so as to maintain the same relative level of coverage. The policy shall be primary and non-contributing and shall contain cross liability endorsements. Such policy or policies shall, if possible, be written on an occurrence basis. Such policy or policies shall contain a provision that they cannot be cancelled without thirty (30) days prior written notice to Landlord and shall

provide for contractual liability coverage with respect to the indemnity obligations set forth in paragraph 18 below.

(b) Tenant shall keep the Leased Premises insured against damage or destruction by fire, and such other perils as are, from time to time, included in standard extended coverage endorsements, for the full insurable value thereof. If Landlord's lender so requires, Tenant shall provide adequate earthquake and flood insurance, provided however, that Tenant shall not be required to obtain any coverage on a stand alone basis and may take advantage of any pooled properties coverage available to Tenant. For standard extended coverage purposes only, Tenant shall be responsible for determining the said full insurable value, which for the purposes hereof shall mean the actual replacement cost without deduction for depreciation, but shall not include "uninsurables" (i.e., footings, parking lot, underground piping, etc.). The proceeds of such insurance in case of loss or damage shall be applied on account of the obligation of Tenant to repair and/or rebuild the Leased Premises pursuant to the paragraph hereof captioned "Damage or Destruction" to the extent that such proceeds are required for such purpose.

(c) Certificate of insurance or certified copies of all insurance policies shall be deposited with the other party and Landlord's lender. If either party fails to comply with any of the provisions of this paragraph, the other party, at any time thirty (30) or more days after mailing notice, may without prejudice to any other rights it may have, purchase the insurance required to be carried and the cost thereof shall be billed to the refusing or neglecting party.

16. DAMAGE OR DESTRUCTION

(a) If the Building shall, during the term of this Lease or any extension thereof, be partially damaged or destroyed (i.e., less than fifty percent (50%) of office or service center comprising a portion of the Leased Premises is untenable as a result of such damage or less than fifty percent (50%) of Tenant's operations are materially impaired), this Lease shall remain in full force and effect and Tenant shall repair the damage as soon as reasonably possible. All insurance proceeds received by either Landlord or Tenant for the actual damage or destruction of the Leased Premise shall be applied to the repair of the Leased Premises. Tenant and Landlord jointly hold for their mutual use and benefit any insurance proceeds applicable to the repair of the Leased Premises pursuant to the above provision. Tenant shall be solely responsible for the payment of any deductible amount under the terms of the policy or policies maintained by Tenant. In the event the Tenant chooses not to repair and/or rebuild the Tenant shall pay to Landlord an amount equal to any such deductible.

(b) If the Leased Premises shall, during the term of this Lease or any extension thereof, be totally damaged or destroyed (any condition greater than a partial destruction described in (a) immediately above), Tenant shall have at its sole discretion, the following options:

- (i) to keep this Lease in full effect and commence restoration of the Leased Premises; or
- (ii) to terminate this Lease.

If Tenant elects to keep this Lease in full force and effect, Tenant shall repair the damage as soon as reasonably possible. All insurance proceeds received by either

Landlord or Tenant for the actual damage or destruction of the Leased Premises shall be applied to the repair of the Leased Premises, Tenant and Landlord shall jointly hold for their mutual use and benefit any insurance proceeds applicable to the repair of the Leased Premises pursuant to the above provision. The rental due hereunder shall abate proportionately during any period of reconstruction.

If Tenant elects to terminate this Lease, Tenant shall notify Landlord in writing within sixty days of the casualty of this exercise, at which time, this Lease shall terminate with the effective termination date being that on which the destruction occurred. All insurance proceeds received by Tenant for the actual damage or destruction of the Leased Premises shall be immediately turned over to the Landlord for Landlord's sole use and Tenant shall pay to Landlord the amount of any deductible under the insurance policy covering damage or destruction of the leased premises.

(c) For use in (a) and (b) above, insurance proceeds shall apply only to monies received from insuring entities which apply to the real property of the Leased Premises. Nothing herein shall be construed to imply that monies received by Tenant for losses to furniture, trade fixtures that may be removed by Tenant at the end of Tenant's occupancy of the Leased Premises, equipment, inventories or any other personalty or for interruption of business activities shall be included in the term "insurance proceeds" as used in (a) and (b) above.

(d) The full intent of Section 16(b) relating to damage or destruction of the Leased Premises is that Tenant may elect at its sole discretion to cause repairs to be made, provided that Tenant's decision to cause such repairs will result in no additional out-of-pocket cost to Landlord. To this end, Tenant agrees to reimburse Landlord for

Landlord's reasonable and necessary out-of-pocket costs relating to such repair, including but not limited to any reasonable and necessary attorney's fees incurred by Landlord in establishing the amount of the loss from the damage or destruction.

Furthermore, the full intent of this Section 16 relating to damage or destruction of the Leased Premises is that all insurance proceeds resulting from such damage or destruction are to be made available to Tenant for the repair of such damage or destruction should Tenant so elect to make such repairs.

FURTHERMORE, LENDERS TO THE LANDLORD ARE HEREBY PUT ON NOTICE OF TENANT'S RIGHTS, RELATING TO THE ACCESS AND USE OF INSURANCE PROCEEDS UNDER THIS LEASE AND THAT SO LONG AS TENANT IS NOT IN MATERIAL DEFAULT UNDER THIS LEASE, THAT THE RIGHTS AND CLAIMS UPON SUCH INSURANCE PROCEEDS WHICH A LENDER TO THE LANDLORE MAY HAVE ARE HEREBY SUBORDINATE AND INFERIOR TO THE RIGHTS AND CLAIMS UPON SUCH INSURANCE PROCEEDS WHICH TENANT HAS UNDER THE TERMS OF THIS LEASE.

(e) Unless the term of this Lease has been terminated as herein provided, Tenant shall commence the repair and restoration work promptly and as soon as is reasonably possible, but in no event later than one hundred twenty (120) days after the date of the catastrophe, and shall thereafter proceed diligently to complete said work, and if Tenant fails to do so Landlord in addition to such other rights and remedies as may be accorded Landlord by law, shall have the right and option to terminate the term of this Lease by giving Tenant written notice of Landlord's election to do so at any time prior to completion of such repairs or rebuilding provided Tenant shall not then be actively and

diligently undertaking such restoration work. If this Lease is so terminated, any insurance proceeds pertaining to such damage or destruction to the Leased Premises then held by Tenant shall be immediately released by Tenant to Landlord.

17. EMINENT DOMAIN

- (a) If, during the term of this Lease, all of the Leased Premises are condemned or taken for any public or quasi-public use under any governmental law, order, or regulation or by right of eminent domain or sold to the condemning authority under threat of condemnation, this Lease shall automatically terminate and rent shall abate as of the date that title vests in the condemning authority or the Tenant is dispossessed of the Leased Premises by such condemnation or taking, whichever occurs earliest. If less than all of the Leased Premises is condemned or taken as described above and the remaining portion of the Leased Premises continues to be, in Tenant's good faith judgment, tenantable and useable by Tenant for the same uses as Tenant was using the Leased Premises immediately prior to the condemnation or taking, this Lease shall remain in full force and effect subject to a reduction of the rent payable hereunder by an appropriate and equitable amount as determined by Tenant and Landlord.
- (b) If any portion of the Leased Premises is condemned or taken by eminent domain proceedings, Tenant shall not be entitled to any award made for such condemnation or taking except for any separate award made with respect to Tenant's property located on the Leased Premises or for Tenant's

relocation expenses or the interruption of, or damage to, Tenant's business.

18. INDEMNITY

(a) Tenant agrees to indemnify and hold Landlord harmless from all actions, claims, demands, costs, damages, and all reasonable expenses incurred in investigating or resisting the same, for injury to person, loss of life or damage to property:

(i) Occurring on the Leased Premises and arising out of Tenant's use and occupancy, the conduct of Tenant's business or anything else done or permitted by Tenant to be done in or about the Leased Premises, including any contamination of the Leased Premises or any other property resulting from the presence or use of hazardous materials caused or permitted by the Tenant, except if caused by the act or neglect of the Landlord, agents or employees, or the act or negligence of a contractor of Landlord; or

(ii) Caused by the negligence, negligent performance of or failure to perform any of its obligations under this Lease.

(b) The Landlord agrees to indemnify and hold Tenant harmless from all actions, claims, demands, costs, damages and all reasonable expenses incurred in investigations or resisting the same, for injury to person, loss of life or damage to property:

(i) Occurring on the Leased Premises if caused by the act or negligence of Landlord, its contractors, agents or employees while physically present on the Leased Premises, or otherwise if caused by the act or negligence of Landlord, its contractors, agents or employees; or

(ii) Caused by the failure to perform or negligence in performing any of its obligations under this Lease.

The rights and claims established by this Section 18 shall survive the termination of this Lease.

19. WAIVER OF SUBROGATION RIGHTS

Unless prohibited under any applicable insurance policies maintained, Landlord and Tenant each hereby waive any and all rights of recovery against the other, or against the officers, employees, agents or representatives of the other, for loss of or damage to its property or the property of others under its control, if such loss or damage is covered by any insurance policy in force (whether or not described in this Lease) at the time of such loss or damage. Upon obtaining the required policies or insurance, Landlord and Tenant shall give notice to the insurance carriers of this mutual waiver of subrogation.

20. ASSIGNMENT AND SUBLETTING

In the event Tenant wishes to assign or sublet its interest in the Leased Premises the Landlord shall be entitled to make an election. The Landlord may either (i) elect to release Tenant from any and all further liability under the terms and conditions of this Lease, or (ii) elect to have Tenant remain liable to Landlord for the full performance of Tenant's obligations. If Landlord elects to release Tenant such release shall be in writing and delivered to Tenant contemporaneously with Tenant's cessation of occupancy. If Tenant is released this Lease shall terminate and Tenant shall have no further obligations to Landlord of any kind or nature, except for those mutual agreements relating to indemnity contained herein which survive the termination of this Lease. If Landlord elects not to release Tenant Landlord shall not receive any interest in amounts received by Tenant as a result of the assignment or sublease. If Tenant is not released Tenant, and not Landlord, shall be responsible for paying the costs of any alterations to the Leased

Premises necessary to make the Leased Premises suitable for the uses and purposes of the assignee or sublessee. If Landlord elects to release Tenant, Landlord must obtain prior written approval of any commercial lender of the leased premises. The commercial lender by approving this Lease, agrees that such approval shall not be unreasonably withheld. Failure to obtain such written approval shall force Landlord to elect to have Tenant remain liable to Landlord for the full performance of Tenant's obligations. If Tenant is not released, Tenant shall continue to be directly responsible to Landlord for making all payments required hereunder. Landlord shall not have to look to the sub-Tenant for such payment.

21. SUBORDINATION, ATTORNMENMENT AND ESTOPPEL

Within thirty (30) days after Landlord's written request, Tenant shall deliver to Landlord an estoppel certificate certifying: (i) that none of the terms or provisions of this Lease have been changed (or if they have changed, stating how they have been changed); (ii) that this Lease has not been cancelled or terminated; (iii) the last date of payment of the rent and other charges and the time period covered by such payment; (iv) that Landlord is not in default under this Lease (or, if Landlord is claimed to be in default, stating why); and (v) such other representations or information with respect to the Lease which a prospective purchaser or encumbrancer of the Leased Premises may reasonably require. Tenant's failure to deliver the requested certificate in a timely manner shall allow the Landlord and any potential purchaser or encumbrancer to presume that the terms of the Lease have not been changed except as represented by Landlord, that the Lease is in full force and effect, that no rent has been paid in advance and that the Landlord is not in default under this Lease.

Upon written request of Landlord, Tenant agrees to subordinate its rights under this Lease to any mortgage, trust deed or similar indenture ("Lien"), covering the Leased Premises or any part thereof, upon conditions set forth below, and Landlord upon written request of Tenant agrees, as a condition of this Lease, to obtain an agreement upon the conditions set forth below from any mortgage holder, trust deed holder or similar indenture holder ("Lienholder") covering the Leased Premises or any part thereof:

Tenant shall execute and deliver to Landlord's lender, a Subordination, Nondisturbance and Attornment Agreement in substantially the form attached as Exhibit B.

22. DEFAULT

(a) The following events shall constitute events of default under this Lease:

- (i) The failure of Tenant to pay any rental or other sum payable hereunder to Landlord within fifteen (15) days after the date such payment becomes due;
- (ii) The failure of Tenant to keep and perform any of its obligations or any of the terms or conditions of this Lease (other than the payment of rent or other sums payable hereunder to Landlord) and the continuation of such failure for a period of thirty (30) days after written notice thereof is delivered to Tenant, provided, however, that if such failure cannot reasonably be cured within a thirty-day period, no event of default shall have occurred if Tenant has promptly commenced to cure the failure within such thirty-day

period and is proceeding therewith in good faith and with due diligence; or

- (iii) The failure or inability, or admission in writing of the inability, of Tenant to pay its debts as such debts become due; the assignment by Tenant for the benefit of its creditors or the petitioning or application by Tenant to any tribunal for the appointment of a custodian, receiver, or trustee for it or a substantial part of its assets; the commencement by Tenant of any proceeding under any bankruptcy, reorganization, arrangements, readjustment of debt, dissolution, or liquidation law or statute of any jurisdiction, whether now or hereafter in effect; the filing of any such petition or application or commencement of any such proceeding against Tenant in which an order for relief is entered or an adjudication or appointment is made and remains undismissed for a period of sixty (60) days or more; the indication by Tenant, by any act or omission, of its consent to, approval of, or acquiescence in any such petition, application, or proceeding or order for relief or the appointment of a custodian, receiver, or trustee for all or any substantial part of its properties; or the failure of Tenant to discharge or stay any such custodianship, receivership, or trusteeship within sixty (60) days after the appointment thereof; or
- (iv) The failure of Landlord to keep and perform any of its obligations

or any of the terms and conditions of this Lease and the continuation of such failure for a period (except as otherwise provided in this Lease) of thirty (30) days after written notice thereof is delivered to Landlord by Tenant, provided, however, that if such failure cannot reasonably be cured within a thirty-day period, no event of default shall have occurred if Landlord has promptly commenced to cure the failure within such thirty-day period and is proceeding therewith in good faith and with due diligence.

(b) Upon the occurrence of any event of default of Tenant listed in Subparagraph 22(a) above, Landlord may, in addition to any other remedies provided by this Lease or applicable law, pursue any one or more of the following remedies:

(i) Termination of this Lease upon five (5) days written notice to Tenant, in which event Tenant shall surrender the Leased Premises to Landlord. If Tenant fails to surrender the Leased Premises, Landlord and its agents and representatives shall have the right, without further demand or notice to Tenant, to re-enter and take possession of the Leased Premises and to expel or remove Tenant and any other person who may be occupying the Leased Premises or any portion thereof, with or without process of law, without being liable for any trespass or claim for damages therefor and without prejudice to any remedies for arrears of rent or existing

breaches of covenants.

- (ii) Termination of Tenant's right to possession of the Leased Premises without terminating this Lease and expulsion or removal of Tenant and any other person who may be occupying the Leased Premises or any portion thereof, with or without process of law, without being liable for any trespass or claim for damages therefor and without prejudice to any remedies for any breaches of covenants (including the payment of rents) then existing or thereafter occurring. In the event Landlord exercises its remedies set forth in this Subparagraph 22(b)(ii), Landlord shall, in order to mitigate Landlord's damages caused by Tenant's default hereunder, use its best efforts to relet the Leased Premises and to collect the rent therefor, which rent shall be credited to the satisfaction of Tenant's obligations hereunder after deducting from such rents all costs and expenses incurred by Landlord in repossessing and reletting the Leased Premises; provided, however, that Landlord's best efforts shall not include an obligation to renovate or remodel the Leased Premises or any portion thereof. If the net rentals received by Landlord exceed the amounts necessary to satisfy all of Tenant's obligations under this Lease, Landlord shall be entitled to such excess. If the net rentals are less than the amounts necessary to satisfy all of Tenant's obligations under this Lease, Tenant shall be liable to Landlord for such deficiency and shall pay such

deficiency on the date that rent is due hereunder; or

(iii) Enforcement of the full and specific performance by Tenant of Tenant's obligations under this Lease in any manner provided by law or equity or pursuit of such other rights or remedies available to Landlord either at law or in equity.

(c) Upon the occurrence of any event of default of Landlord listed in Subparagraph 22(a) above, Tenant may in addition to any other remedies provided by this Lease or applicable law, pursue enforcement of the full and specific performance by Landlord of Landlord's obligations under this Lease in any manner provided by law or equity or pursuit of such other rights or remedies available to Tenant either at law or in equity.

(d) Landlord's and Tenant's rights and remedies provided in this Lease are cumulative, and the pursuit by Landlord or Tenant of any remedy hereunder shall not preclude or waive its right to pursue any or all other remedies available to it.

(e) Should any litigation be commenced between the parties to this Lease concerning this Lease or the rights and obligations of either party under it, the prevailing party shall be entitled, in addition to such other relief as may be granted, to a reasonable sum as and for attorneys' fees, which may be determined by the court in such litigation (or in a separate action brought for that purpose) or as may be mutually agreed upon by the parties.

(f) No waiver by the parties hereto of any default or breach of any

term, condition, or covenant of this Lease shall constitute, or be deemed to constitute, a waiver of any subsequent default or breach of the same or any other term, condition, or covenant contained herein.

23. SHORT LEASE FORM

A Memorandum of this Lease, designating the parties in interest, the term and describing the Leased Premises shall be signed and placed of record in Warren County, KY; however, this Lease itself shall not be recorded. Landlord shall pay all transfer taxes, charges and fees incurred in connection with recording the Memorandum of this Lease.

24. EXAMINATION OF PREMISES

The Landlord, or its agents or representatives, may at reasonable times enter into or upon said premises or any part thereof for the purpose of examining the condition thereof.

25. LIENS

The Tenant will not permit any liens to stand against the Leased Premises for any labor or material furnished in connection with any work performed by or at the direction of the Tenant, and the Landlord will not permit any liens to stand against the Leased Premises for any labor or material furnished in connection with any work performed by or at the direction of the Landlord. The party at whose direction labor and material are furnished may contest the validity or amount of any such lien upon posting a bond in an amount sufficient to cause title company to remove the lien from title insurance, but upon final determination of the validity and amount thereof said party will immediately pay

any judgment rendered with all proper costs and charges and shall have the lien released at said party's expense.

26. SUCCESSORS AND ASSIGNS

This Lease binds any party who legally acquires any rights or interest in this Lease from Landlord or Tenant. However, Landlord shall have no obligation to Tenant's successor unless the rights or interest of Tenant's successor are acquired in accordance with the terms of this Lease. As used in this Lease, the term "Landlord" means only the current owner or owners of the fee title to the Leased Premises or the leasehold estate under a ground lease of the Leased Premises at the time in question. Each Landlord is obligated to perform the obligations of Landlord under this Lease only during the time such Landlord owns such interest or title. Any Landlord who transfers its title or interest is relieved of all liability with respect to the obligation of Landlord under this Lease to be performed on or after the date of transfer. However, each Landlord shall deliver to its transferee all funds that Tenant previously paid if such funds have not yet been applied under the terms of this Lease.

27. HOLDING OVER

Any holding over by the Tenant after the expiration of the term of this Lease, or any extension thereof, shall be as Tenant from month to month only, and not otherwise, and the rental payable hereunder during such holdover tenancy shall be that rental which was in effect at the expiration of this Lease.

28. WAIVER

Any waiver by either of the parties hereto of a breach of any of the terms, covenants, agreements or conditions hereof shall not be deemed a continuing waiver by such party.

29. ATTORNEYS' FEES

In the event that any suit or action is instituted by either of the parties hereto against the other to enforce compliance with any of the terms, covenants or conditions of this Lease or for damages for breach of this agreement, the unsuccessful party shall, in addition to costs and disbursements provided by statute, pay to the successful party such sums of money as any court of competent jurisdiction may adjudge reasonable as attorneys' fees in such suit or action, including appeal from any judgment rendered therein.

30. FORCE MAJEURE

Notwithstanding anything in this Lease to the contrary, the time periods described in this Lease shall be extended by any time delays (hereinafter "unavoidable delays") occurring due to causes beyond the reasonable control of the performing party including, but not limited to, acts of God; strikes; lockouts; weather in which work cannot proceed (even if normal); protests, riots; insurrection; war; authority, including courts; or acts or conduct of another party, its employees or agents, in violation of this Lease. Unavoidable delays shall not include delays due to inability or failures to obtain financing, or inadequate financial resources and shall not be applicable to non-payment of rent or other monetary obligations, including, without limitation, payment of property taxes, insurance of liens.

31. NOTICES

Any and all notices required or permitted to be given to the Landlord herein, shall be in writing and shall be sent, either by registered or certified United States mail, return receipt requested, or by personal delivery, to Landlord as follows: Hard Ten Group, LLC c/o Thomas A. Donnelly, 911 College Street, Bowling Green, Kentucky, 42101, with a copy to Darell R. Pierce, Pierce, Simpson & Shadoan, 908 State Street, Bowling Green, KY 42102. Any notices required or permitted to be given to Tenant shall be in writing and shall be sent to it by registered or certified United States mail, return receipt requested, or by personal delivery, in duplicate, with the original sent to the Tenant at the Leased Premises and copies thereof to the Tenant at: Atmos Energy Corporation, President, Kentucky Division, 2401 New Hartford Road, Owensboro, Kentucky 42303, Atmos Energy Corporation, 5430 LBJ Freeway, Suite 1800, Dallas, Texas 75240, Attn: General Counsel, and to Atmos Energy Corporation, 5430 LBJ Freeway, Suite 500, Dallas, Texas 75240, Attn: Larry Kuper. These instructions in regard to notices may be changed at any time by appropriate notice of such damage.

32. CONDITION UPON TERMINATION

Upon the termination of the Lease, Tenant shall surrender the Leased Premises to Landlord, broom clean and in the same condition as received except for ordinary wear and tear which Tenant was not otherwise obligated to remedy under any provision of this Lease. However, Tenant shall be obligated to repair any damage which Landlord is required to repair under Section 16 (Damage or Destruction). In addition, Landlord may require Tenant to remove any alterations, additions or improvements (whether or not made with landlord's consent) prior to the expiration of the Lease and to restore the Leased Premises to its prior conditions, all at Tenant's expense. All alterations, additions

and improvements which Tenant has not removed shall become Landlord's property and shall be surrendered to Landlord upon the expiration or earlier termination of the Lease. Tenant may remove any of Tenant's machinery or equipment or other business fixtures. In no event, however, shall Tenant remove any of the following materials or equipment (which shall be deemed to be Landlord's property) without Landlord's prior written consent; any power wiring or power panels; lighting or lighting fixtures; wall coverings; drapes, blinds or other window coverings; carpets or other floor coverings; heaters, air conditioners or any other heating or air condition equipment; fencing or security gates; or other similar building operating equipment and decorations. Landlord may require a payment and performance bond as a condition of consenting to such removal.

33. CHOICE OF LAW

This Lease shall be governed by the laws of the Commonwealth of Kentucky.

34. CORPORATE AUTHORITY

If Tenant is a corporation, each person signing this lease on behalf of Tenant represents and warrants that he has full authority to do so and that this Lease binds the corporation.

35. PARAGRAPH HEADINGS

Paragraph headings are for the convenience of the parties only and shall, in no manner, be construed as the text of this document nor shall same be utilized in the construing of this Lease.

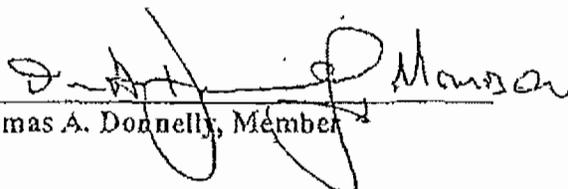
36. COMPLETE AGREEMENT

This Lease constitutes the entire agreement of the parties hereto and is a total integration thereof; any amendments to this agreement, in order to have any binding effect, shall be signed by the party against whom enforcement shall be sought.

IN WITNESS WHEREOF this Lease has been signed by the parties on the day and year first above written.

LANDLORD:

HARD TEN GROUP, LLC, a Kentucky
limited liability corporation

By: 
Thomas A. Donnelly, Member

TENANT:

Atmos Energy Corporation

By: 
~~John Earl~~ Earl Fischer
Title: President, Kentucky Division
Sr. VP Operations

EXHIBIT "A"

PROPERTY DESCRIPTION
OF A PORTION OF THE LANDS OF
HARD TEN, L.L.C.
BOWLING GREEN, WARREN COUNTY, KENTUCKY

A certain parcel of land located at southeast intersection of the William H. Natcher Parkway and U.S. 68 - Kentucky Highway 80 (Russellville Road) in Bowling Green, Warren County, Kentucky being a portion of the lands conveyed to Hard Ten, L.L.C. in Deed Book 869 Page 316 as recorded in the Office of the Warren County Court Clerk and being combined into one parcel more accurately described as:

Beginning at a the intersection of the southeastern right of way of the exit ramp of the north bound lane of the William H. Natcher Parkway and the south line of the right of way of U.S. Highway 68 - Kentucky Highway 80 (Russellville Road); thence with three lines of the right of way of US 68 - KY 80 to points the following calls: 1) N 48°55'12" E a distance of 46.00'; thence 2) N 48°26'18" E a distance of 166.75'; thence 3) N 49°41'15" E a distance of 40.14' to a point, a corner common with the remaining lands of Hard Ten; thence leaving the right of way of said roadway with two new lines of Hard Ten the following two calls: 1) S 41°26'14" E a distance of 269.45' to a point; thence 2) N 49°18'28" E a distance of 236.41' to a point on the west line of the right of way of Adamson Street thence with four lines of said right of way to points as follows: 1) S 42°20'18" E a distance of 74.48'; thence 2) with a curve turning to the right with an arc length of 122.78', with a radius of 77.31', with a chord bearing of S 03°09'37" W 110.28', thence 3) S 48°39'31" W a distance of 398.32'; thence 4) with a curve turning to the left with an arc length of 175.84', with a radius of 460.00', with a chord bearing of S 37°42'26" W 174.78' to a point a point in the line Gospel Church Of Bowling Green (DB 365 PG 22); thence leaving Adamson Street with the Gospel Church property N 33°00'35" W a distance of 57.10' to a point in the right of way of the exit ramp of the William H. Natcher Parkway; thence with the right of way two calls as follows: 1) with a curve turning to the left with an arc length of 374.61', with a radius of 781.20', with a chord bearing of N 19°16'42" W 371.04' to a point, thence 2) N 33°00'58" W a distance of 59.00' to the point of beginning containing an area of 170,021 square feet or 3.90 acres.

EXHIBIT B

SUBORDINATION, NONDISTURBANCE AND ATTORNMENT AGREEMENT

THIS AGREEMENT, made and entered into this _____ day of _____, _____, by and between HARD TEN GROUP, LLC, a Kentucky limited liability corporation (hereinafter referred to as the "Landlord"), ATMOS ENERGY CORPORATION, (hereinafter referred to as the "Tenant"), _____, a federally chartered stock savings bank organized under the laws of the United States of America (hereinafter referred to as the "Lender"),

- A. Lender has agreed to make a mortgage loan (the "Loan") to Landlord secured by a mortgage or deed of trust (the "Deed of Trust") on the real property legally described in Exhibit A attached hereto (the "Premises"); and
- B. Tenant is the present lessee under a lease dated _____, made by Landlord, demising all of the Premises and other property (said lease and all amendments thereto being referred to as the "Lease"); and
- C. The Loan terms require that Tenant execute this Agreement as a condition to the Loan; and
- D. In return, Lender is agreeable to not disturbing Tenant's possession of the Premises covered by the Lease (the "Demised Premises"), so long as Tenant is not in default under the Lease; and

NOW, THEREFORE, the parties hereby agree as follows:

1. Subordination. The Lease, and the rights of Tenant in, to and under the Lease and the Demised Premises, are hereby subjected and subordinated to the lien of the Deed of Trust and to any and all renewals, modifications and extensions

thereof, and any and all other instruments held by Lender as security for the Loan.

2. Tenant Not To Be Disturbed. So long as Tenant is not in default (beyond any period given Tenant by the terms of the Lease to cure such default) in the payment of rent or additional rent or of any of the terms, covenants or conditions of the Lease on Tenant's part to be performed, (a) Tenant's possession of the Demised Premises, and its rights and privileges under the Lease, including but not limited to any extension or renewal rights, and those rights and privileges relating to the application of insurance proceeds and condemnation awards shall not be diminished or interfered with by Lender, provided, however, that all parties hereto agree that so long as the Deed of Trust and any and all renewals or extensions thereof secure the Lender's loan on the Demised Premises that the terms of the Deed of Trust in Section 3, Hazard Insurance, shall govern the use of any such insurance proceeds whether arising from policies provided by the Landlord under Deed of Trust of by the Tenant pursuant to the terms and conditions of the Lease. The parties hereto further mutually agree that the Tenant shall be deemed to be the "Grantor" for purposes of Section 3 of the Deed of Trust, but solely and exclusively for purposes of Section 3 thereof, and solely for so long as the Deed of Trust is in effect, including all option periods, renewals and extensions thereof, and (b) Lender will not join Tenant as a party defendant in any action or proceeding foreclosing the Deed of Trust and then only for such purpose and not for the purpose of terminating the Lease.

3. Tenant to Attorn to Lender. If Lender shall become the owner of the Demised Premises or the Demised Premises shall be sold by reason of foreclosure or other proceedings brought to enforce the Deed of Trust or the Demised Premises shall be transferred by deed in lieu of foreclosure, the Lease shall continue in full force and effect as a direct Lease between the then owner of the Demised Premises, who shall succeed to the rights and duties of the Landlord subject to the limitations hereinafter set forth, and Tenant. Tenant shall attorn to Lender or any other such owner as its Landlord, said attornment to be effective and self-operative without the execution of any further instruments; provided, however, that Lender or any such other owner (a) shall not be personally liable for any act or omission of any prior lessor (including Borrower), (b) subject to any offsets or defenses which Tenant might have against any such prior lessor, (c) bound by any prepayment of rent or additional rent which Tenant might have paid, except as otherwise expressly required by the terms of the Lease, (d) shall not be bound by any amendment or modification of the Lease or by any waiver or forbearance on the part of such prior lessor made without Lender's or such other owner's consent, which shall not be unreasonably withheld, (e) bound by any warranty or guaranty of the prior lessor or (f) shall not be liable for the return of any security deposit under the Lease unless such security deposit shall have been actually deposited with Lender. Tenant acknowledges that Borrower will assign the Lease to Lender pursuant to the terms of a separate absolute Assignment of Leases and Rents executed in connection with the Deed of Trust as security

for the indebtedness secured by the Deed of Trust. Tenant hereby agrees that upon the occurrence of any default under the loan or the documents evidencing or securing the same, and in the event of a demand on Tenant by Lender, or its successors and assigns, of the rents due under the Lease, Tenant will pay said rent to Lender and Borrower hereby consents to said payment and releases Tenant from any and all liability, damages, or claims in connection with any such payment or payments. Borrower agrees that the receipt by Tenant of any such demand shall be conclusive evidence of the right of Lender to the receipt of said rental payments. Tenant shall be under no obligation to pay rent to Lender or any such other owner until Tenant receives written notice from Lender or such other owner.

4. Lender's Option to Cure Borrower's Default. Tenant agrees that Borrower shall not be in default under the Lease unless written notice specifying such default is given to Lender. Tenant agrees that Lender shall have the right to cure such default on behalf of Borrower within thirty (30) days after the receipt of such notice; provided, however, that said 30-day period shall be extended so long as within said 30-day period Lender has commenced to cure and is proceeding diligently to cure said default or defaults. Tenant further agrees to not to invoke any of its remedies under the Lease (except the Lease emergency repair clause) until said 30 days have elapsed.
5. Lease Assurances. The Landlord and the Tenant hereby covenant and agree with the Lender as follows and as of the date hereof:

- (a) The Lease has been properly executed and delivered by the Tenant, is valid and binding upon the Tenant in accordance with its terms, has not been modified, and is in full force and effect;
 - (b) There exist no defaults under the Lease by the Landlord or the Tenant;
 - (c) The Tenant is in possession and has accepted the condition of the Demised Premises, and no further work on the part of the Landlord remains outstanding with respect thereto;
 - (d) The Tenant has not paid any rental to the Landlord more than one month in advance, and there exist no rent concessions or abatements;
 - (e) The Tenant has no defense, claim or lien or offset under the lease or against the rental payable thereunder;
 - (f) The Tenant has no claims to or interest in the Demised Premises, legal or equitable, or any right or refusal or option thereunder, other than its right of possession during the Lease term as a tenant under the Lease;
and
 - (g) The lease will not merge with the fee title to the Demised Premises without the Lender's prior written consent.
6. Notice of Discharge. Borrower shall give notice to Tenant of the reconveyance or other release of the Deed of Trust within thirty (30) days of the date the reconveyance or other release is recorded.
7. Limitation. This Agreement shall not apply to any equipment, inventory, merchandise, furniture, fixtures or other personal property owned or leased from a party other than the Borrower by Tenant which is now or hereafter

placed or installed on the Demised Premises, and Tenant shall have the full right to remove said property at any time during or at the expiration of the Lease term subject to the terms and provisions of the Lease

8. Notices. In each event in which the Tenant affords any notice to or receives any notice from the Landlord it shall promptly forward a true and correct copy of same to the Lender. In any event in which a notice is required to be given in accordance with the terms of this agreement, the same shall be forwarded by registered or certified U.S. mail, return receipt requested, with postage prepaid, and if to the Landlord by the Tenant at its address stated in the Lease; if to the Landlord by the Lender at its address stated in the Loan Security; if to the Tenant at 650 Three Springs Road, Bowling Green, Kentucky, 42104; and if to the Lender at P.O. Box 1050, Bowling Green, Kentucky 42102-1050. Notices shall be deemed effective as of the third day following the date of deposit of same in the U.S. mail, as evidenced by the U.S. postmark affixed by the post office. Any party hereto may change the address for such notices by affording written notification to the other parties in the manner hereinabove described, with such change effective for notices given after fifteen (15) days following the effective date thereof (or such later effective date as therein specified).
9. Successors and Assigns. This Agreement and each and every covenant, agreement and other provision hereof shall be binding upon and shall inure to the benefit of the parties hereto and their representatives, successors and assigns.

EXHIBIT "C"
DESIGN CRITERIA & SPECIFICATIONS
ATMOS ENERGY SERVICE CENTER
BOWLING GREEN, KENTUCKY

DIVISION 1 GENERAL:

- 101 9,760 square foot Office Building 80'-0" X 120'-0" plus 16'-0" X 10'-0" Vestibule
- 102 4,875 square foot Warehouse 65'-0" X 75'-0"
- 103 2,440 square foot Fabrication Building 40'-0" X 61'-0"
- 104 2,220 square foot Equipment Shed 30'-0" X 74'-0"
- 105 All buildings are unattached and one story, grade-level.
- 106 Restrooms in Office Building can accommodate 50 males and 25 females.
- 107 Restroom in Warehouse can accommodate 25 males
- 108 Construction shall comply with all federal, state and local environmental laws, regulations, codes and requirements.
- 109 30 designated parking spaces including handicapped accessible spaces at the Office Building area
- 110 35 designated parking spaces at the Warehouse, Fabrication Building and Equipment Shed area combined
- 111 Site shall have separate vehicle entrance for employee vehicles, truck trailers and construction equipment.

DIVISION 2 SITEWORK:

- 201 Metering shall be provided for all utilities.
- 202 Area surrounding Warehouse, Fabrication Building and Equipment Shed shall be secured with a 6' high chain link fence with three strands of barbed wire having a total height of 7'-0". Fence shall be standard galvanized type with top and bottom rails, posts and 9-gauge fabric.
- 203 Access to fenced in area shall be via one 24' slide gate and one 12' slide gate. Gates to be manually operated.
- 204 Parking lot pavement and floor of Equipment Shed shall be made of asphalt placed to a minimum of 3" of thickness over a minimum of 6" of compacted crushed stone base. All Paving should be per geotech, Engineering recommendations
- 205 Reinforced concrete aprons shall be placed at drive in doors to the Warehouse and Fabrication Building. All Paving should be per geotech, Engineering recommendations
- 206 Reinforced concrete storage bins shall be provided for storing sand, crushed stone and topsoil.
- 207 A minimum of two foot-candles site lighting utilizing a combination of bollard lighting, pole lighting and wall-mounted lighting is provided.
- 208 Include all landscaping, seeding and irrigation. Per code and or Zoning Ordinance

209 a. A soils report shall be obtained from a qualified local geotechnical engineer and provided to the architect and contractor. The report shall be a complete site analysis including recommendations for structural foundation systems, building pad preparation, sub-grade and paving designs.

b. A Phase 1 environmental study shall be performed on the site. If there is evidence of environmental problems, a Phase 2 study may be warranted.

2. SITE PREPARATION

a. All existing vegetation shall be removed from the proposed construction area, except areas noted on the project drawings where existing trees and other vegetation are to be saved.

b. Existing unsuitable and/or organic soils, if any, shall be stripped and removed from the building and paving areas.

c. Soil erosion and sediment control shall be provided to the satisfaction of, and in accordance with all applicable governing authorities.

e. All cut, fill, fine grading, scraping of the site and replacement of topsoil shall be included.

f. Existing topsoil shall be saved on-site to be used in landscaped areas and berms. Topsoil shall be spread to approximate 6" depths, or as required by landscape design.

g. Any site areas not covered by the building or site work shall be stabilized (planted, seeded, matted, netted, sodded, etc.) as necessary and graded for proper drainage and maintenance.

3. DRAINAGE

a. Parking areas and roadway entrances shall be graded for positive drainage.

b. The storm drainage system shall be sized to pipe water away from the Office building perimeter.

c. The storm water design shall meet all Federal, State, County and/or local codes and ordinances. The site shall utilize natural drainage features where feasible to preserve existing habitat.

d. All on-site storm sewer lines connected to the public drainage system shall be in compliance with local codes.

e. Both the existing and new storm lines affecting the site shall be verified and designed to meet all code requirements for this site and adjacent sites.

4. SITE UTILITIES

a. Water for domestic uses and landscape irrigation shall be provided from the nearest source of supply from the public utility service. The water main shall be sized to accommodate all requirements in the proposed site development plan.

b. A sanitary sewer system shall be connected to the nearest available point of connection in the public utility service and sized to accommodate all requirements in the proposed site development plan.

c. Electrical and telephone service shall be provided and sized to accommodate all building requirements. All utilities shall be extended underground from existing utility service.

d. Developer shall coordinate with the local power company to obtain adequate capacity for the project, location of transformer, routing of distribution lines, etc.

f. Developer shall be responsible for applying for permanent utility services and for paying the associated deposits. The developer shall also be responsible for paying tap fees.

5. LANDSCAPING AND IRRIGATION

a. Landscaping, soil preparation, irrigation, cleanup of existing (and remaining) tree areas and all associated labor shall be included. A one-year warranty on all plant materials and irrigation shall be provided under the base contract. Landscape contractor shall provide a separate price to perform one-year maintenance of the landscaped areas. Atmos Energy will contract directly with the landscape contractor for this maintenance work (if desired), since it is not part of landscape allowance in the construction budget.

b. Adequate freeze-proof hose bibs shall be provided.

c. In designing landscaping, a minimum maintenance concern shall be incorporated

6. SITE LIGHTING

a. Exterior lighting shall be provided and installed to provide an average of 2 foot-candles illumination in all parking and pedestrian areas.

b. Building illumination lighting shall not be provided

c. All site lighting shall be HP sodium and shall be in compliance with TLCA specifications. Site lighting shall be activated by a time clock with a photocell override.

DIVISION 3 CONCRETE:

- 301 The Office floor slab shall be 4" thick, 4,000 psi non-reinforced concrete atop compacted sub-base. Per Geotech. Engineering recommendations with max 3/4" PVM.
- 302 The Warehouse floor slab shall be 6" thick, 4,000 psi non-reinforced concrete atop compacted sub-base. Per Geotech Engineering recommendations with max 3/4" PVM
- 303 Two coats of floor sealer shall be applied to the Warehouse floor.
- 304 Pest control treatment underneath interior floor slab shall be included if required by local codes or a recommended practice in the State of Kentucky.
- 305 A vapor barrier shall be provided under the concrete floors that receive floor coverings.
- a. A 6" high extruded concrete curb with asphalt paving shall be provided at the roadway entrances, drives and parking areas as shown on site plan. Curbs shall be drilled at interim locations to provide for drainage of irrigation water.
 - b. All sidewalks shall be 4" thick x 5' wide 3000-psi non reinforced concrete and constructed in accordance with architect and engineer's recommendations. Sidewalks shall receive a light broomed finish.
 - c. All parking striping shall be 4" wide, white painted lines on asphalt paving. Provide paint markings indicating handicap accessible spaces as well as pole-mounted signage as required by code.

DIVISION 4 MASONRY:

- 401 Office Building will have concrete block foundations.
- 402 Office Building exterior walls to be full height face brick.

403 1. FOUNDATIONS

a. The foundations and slab on grade for the buildings shall be reinforced concrete in accordance with geotechnical and structural engineers' recommendations.

2 EXTERIOR WALLS

a. The exterior walls of the Office building shall be non-load bearing masonry-veneer walls designed for wind loads in accordance with local building code requirements and to provide a minimum insulation value of R-13.

3. BUILDING STRUCTURE

a. The office building shall be designed and constructed to maintain a finish ceiling height of 9' 0" with all ductwork and conduit located above.

DIVISION 5 METALS:

501 The Office Building and Warehouse shall be clear span pre-engineered steel structures with a purlin/rafter roof supporting system.

502 Eave height Office 12'-0"; Warehouse 18'-0"

503 Warehouse Building wall system shall be 26 gauge factory finished metal wall panels over fiberglass insulation (R13) with exposed psk (reinforced polyester scrim kraft) facing on the interior.

504 There will be concrete filled pipe bollards protecting the truck access doors.

505 There will be steel handrails at the mezzanine and respective stairway.

506 MISCELLANEOUS METALS

All required countertop support framing, and other miscellaneous metals shall be provided.

Roof penetrations for exhaust fans, etc., shall be coordinated with the roof system and installed per manufacturer's recommended details.

DIVISION 6 CARPENTRY & MILLWORK:

601 Incidental wood blocking in Office Building shall be fire treated.

602 Wood framing for mezzanine and finished area in Warehouse shall be #2 yellow pine or better.

603 All Conference Room only, wood window framing shall be provided.

604 Vanity tops in men's and women's Restrooms shall be constructed of a solid surface (Corian or approved equal).

605 In the Breakroom, provide 20 linear feet of plastic laminate faced kitchen cabinets comprised of 24 inch deep base cabinets and 12 inch deep 30 inch high wall cabinets. Provide post formed plastic laminate counter top. (50% reduction)

606 Provide a closet with wood shelf and rod.

607 All Nailers and blocking for roofing, plumbing fixtures, electrical equipment and millwork shall be provided.

DIVISION 7 THERMAL & MOISTURE PROTECTION:

- 701 Office Building roof system shall be 24 gauge pre-finished standing seam, 3.6:12 slope, with minimum fiberglass insulation value of R13. Warranty for the roofing system shall be 20 year manufacturer's performance certification.
- 702 Warehouse Building roof system shall be 26 gauge galvanized screw down roof, 1:12 slope, with minimum fiberglass insulation value of R13. Warranty for the roofing system shall be 20 year manufacturer's performance certification.
- 703 At the Office Building, there will be canopies over the main, rear and side entrance doors. (reduced/ revised on East, West and South entrances)
- 704 There will be a fabric awning over the main Warehouse entrance door.
- 705 Exterior downspouts on the Office Building shall be piped underground.
- 706 Exterior downspouts on the Warehouse shall surface drain onto the Parking Lot.
- 707 Roof penetrations for exhaust fans, etc. shall be coordinated with the roof system and installed
Per manufactures' recommended details.

DIVISION 8 DOORS & WINDOWS:

- 801 Office exterior doors shall be 3070 wide stile aluminum entrance type with factory painted finish and tinted glass. These doors shall be provided with panic hardware as required by code, and master-keyed door hardware with removable cores, as manufactured by Schlage or equal.
- 802 Office windows shall be fixed aluminum type frames with factory painted finish and tinted glass. Exterior fixed glass shall be 1" insulated, low E with a shading coefficient equal to .33 as manufactured by Viracon, "VE4-52 No. 2 Bronze, or approved equal. (Color of glass may be changed by architect.
- 803 Aluminum framing system shall be equal to Kawneer 451T 2" X 4 1/2" thermal break frames.
- 804 All exterior glazing will be insulated. Glazed aluminum storefront wall system at office building entry shall be reinforced, thermally broken system designed to accept 1" GLASS.
- 805 Warehouse exterior doors shall be 3070 insulated metal with securely braced interior steel members covered with 18" gauge steel skin and insulated half glass.
- 806 Metal doorframes shall be constructed of 16 gauge steel on the exterior and 18 gauge steel on the interior.
- 807 There shall be three (3) 12' wide X 14' high grade level truck access doors into the Warehouse.
- 808 The access doors shall be motor operated with safety edges and photo eyes.
- 809 Office doors to be 3070, 1 3/4" thick solid core flush wood birch veneer or approved equal. These doors will be master-keyed door hardware with removable cores as manufactured by Schlage or equal
- 810 Locksets and latchsets shall be heavy duty, cylindrical type with brushed chrome finish and lever handles.

DIVISION 9 FINISHES:

- 901 Exterior metal studs in the Office Building to be 6", 18 gauge at 16" o.c. with 6" Kraft-faced insulation from finish floor to 12'-0" and 6" foil-faced insulation above 12'-0" to the roofline at the

gables. Interior side to have 5/8" gyp board to 12'-0". Exterior to receive 5/8" exterior gyp sheathing full height with joints taped and 15# felt building wrap.

- 902 All interior partitions in the Office Building are 3 5/8" metal studs at 16" o.c. to just above the ceiling (unless noted otherwise) with 5/8" gyp board finished for paint on each side to ceiling height. Brace walls to structure above as required. Walls around restrooms, mechanical rooms, electrical rooms and janitor rooms shall consist of 3-5/8" metal studs, 16" on center, and one (1) layer of 5/8" gypsum wall board on each of the studs. Partitions shall be 10'-6" high with ceiling joists spanning each room, sealed off and sound insulated. Telecom rooms shall receive painted plywood mounting boards on all four walls
- 903 All interior partitions to have sound batt insulation. Exposed columns in office building shall be framed with metal studs, covered with 5/8" gypsum wall board and painted. Exterior walls on the perimeter of the building shall receive insulation, gypsum board wallboard, tape and bed, smooth finish and paint on the interior side.
- 904 All exposed drywall to be finished for paint, all unexposed drywall should be taped.
- 904-a The telecom room shall receive 2' x 4' suspended acoustical panels with surface mounted fluorescent fixture.
- 905 CEILINGS (Refer to Office "Ceilings" Exhibit and Proposed Warehouse Floor Plan Exhibit)
- Type I – 2' X 2' white grid with Armstrong Cirrus regular #584 white tile
 - Type II – 2' X 4' white grid with Armstrong Cortega Second Look regular flssured white tile
 - Type III – Finished gyp board
 - Type IV – gyp board ceiling (taped only) at 10'-6" with sound batt insulation above and Type II ceiling suspended below at 9'-0"
 - All ceilings will be at 9'-0" unless noted otherwise
- 906 FLOOR COVERING (Refer to Office "Floor Covering" Exhibit and Proposed Warehouse Floor Plan Exhibit)
- Type A – Carpet (material allowance of \$14.00 plus tax per sq. yd.)
 - Type B – VCT -- Armstrong -- Standard Excelon, Imperial Texture
 - Type C – 36" X 36" rubber tiles – Retro Rubber Blend by Flexco
 - Type D – sealed concrete
 - Type E – Ceramic tile
 - 4" vinyl cove base at floor types A -- D
 - Ceramic base @ floor Type E
- 907 Office Restroom wet walls shall be covered with ceramic tile. Gypsum wallboard in toilet rooms receiving ceramic tile shall be moisture-resistant board.
- 908 Interior walls to be painted shall receive prime and two finish coats of eggshell enamel finish, as manufactured by Sherwin-Williams, Benjamin Moore or comparable quality manufacturer.
- 909 Ferrous metals shall be primed and then painted with two (2) coats Alkyd eggshell enamel.
- 910 All wood doors and stained wood shall receive 2 coats of satin finish varnish.

DIVISION 10 SPECIALTIES:

- 1001 Toilet partitions, toilet accessories, mirrors with no edging, fire extinguishers and cabinets are provided. All toilet accessories to be commercial-grade, brushed stainless steel, and be in compliance with ADA and handicap requirements. Paper towel dispensers to be of stainless steel construction with integral waste containers. Sanitary napkin disposal units will be provided.
- 1002 Adjustable Levelor mini-blinds are at all exterior windows.
- 1003 Electronically operated projection screen will be in the Training Room.
- 1004 One wall in the Conference room will be full-height "white wall" ceramic steel panels with Alliance porcelain on-steel face.

DIVISION 15 MECHANICAL:

- 1501 Office Building Restrooms include four (4) water closets, two (2) urinals and four (4) lavatories.
- 1502 Office Building also includes two (2) electric water coolers, poly urethane mop sink, kitchen sink and hot water heater.
- 1503 Warehouse includes water closet, urinal, poly urethane mop sink and electric water cooler.
- 1504 Plumbing fixtures comply with ADA and handicap requirements.
- 1505 Office space conditions will be maintained at 70- 72°F in the winter at an outdoor condition of 5°F and 75 72°F in the summer at an outdoor condition of 95°F. AC capacity to be installed is one ton for every 340 square feet.
- 1506 Warehouse and Fabrication Building space conditions will be maintained at 65°F in the winter. Summer ventilation will be provided using unconditioned outdoor air.
- 1507 Restrooms shall be exhausted at the rate of ten air changes per hour.
- 1508 Natural gas piping and connections will be provided for space heating and domestic water heating equipment.
- 1509 Summer ventilation will be provided at a rate of 2 CFM per square foot with 6 air changes per hour using exhaust fans and wall mounted louvers with motorized dampers in the Warehouse and Fabrication Building.
- 1510 Infrared tube heaters will be used to maintain a minimum temperature of 65°F in the Warehouse and Fabrication Building.
- 1511 Split systems (DX cooling/gas heat) will be used to provide space cooling and heating.
- 1512 Air distribution will be accomplished with sheetmetal ductwork and commercial grade diffusers, grilles and registers.
- 1513 Ventilation for Restrooms will be provided using ceiling mounted fans and sheetmetal air distribution systems.
- 1514 Warehouse Offices will be conditioned using a split system.
- 1515 Controls for HVAC equipment will be as follows:
- Infrared heaters will be furnished with system control thermostat switch. The thermostat will control the unit burner and fan in the winter heating mode.
 - Warehouse and Fabrication Building exhaust fan will be controlled by the electrical panel and interlocked with associated motorized outside air dampers.
 - Toilet exhaust fans will be wired to run when the space lights are on.
 - Split systems will be controlled in the heating and cooling modes by automatic changeover electric thermostats.

DIVISION 16 ELECTRICAL:

- 1601 Provide a 120/208 volt three phase electric service from a pad mounted transformer into Office Building.
- 1602 Provide a 120/240 volt single phase service underground into the Fabrication Building.

- 1603 Feed the Warehouse electric service underground from the Office Building.
- 1604 Feed the Equipment Shed electric service underground from the Fabrication Building.
- 1605 All distribution, lighting and receptacle panelboards shall be provided as required. All panelboards shall be bolt-in type, surface or flush-mounted as required with *NEMA 1*, general purpose enclosures. All panelboards shall have an integral short circuit rating as required by the distribution system fault analysis.
- 1606 All wire and cable shall be copper. Color coding of all wiring shall be provided. All wiring shall be installed in a raceway with a separate grounding conduit. The minimum size of conductors for power and lighting circuits shall be No. 12 AWG. All motors and control conductors shall be stranded.
- 1607 All conduit and fittings shall be provided. all conduit shall be sized in accordance with code requirements. All conduit shall be installed parallel and perpendicular to walls, beams and columns.
- 1608 The interior lighting systems shall be designed to provide the following, average maintained horizontal illumination levels measured in footcandles at a height of two feet six inches (2'-6") above floor.

<u>Area</u>	<u>Footcandles</u>	<u>Source</u>
Office Areas/Work Room	55-65	Fluorescent
Training Room	40-50	Fluorescent
Conference room	50-60	Fluor/Incandescent
Lobby	40-50	Fluorescent
Vestibule	20-30	Fluorescent
Break Room	30-40	Fluorescent
Toilet/Locker Areas	20-30	Fluorescent
Corridors	30-40	Fluorescent
Mechanical/Electrical Rooms	20-30	Fluorescent
Storage/Warehouse	25-30	Fluorescent
<u>Telecom Room</u>	<u>20-30</u>	<u>Fluorescent</u>

- 1609 All lighting shall be controlled by individual switches located in each space.
- 1610 Office Building interior lighting (9'-0" ceiling height) shall be provided using recessed 2' X 4' 18 cell parabolic fluorescent fixtures except at the Breakroom, Electrical, Mechanical and Restrooms which are to be 2' X 4' prismatic lens lay-in fixtures. Ballast shall be electronic. Lighting at the Vestibule to be 6" fluorescent can lights. Warehouse lighting shall be provided using 8'-0" H.O. fluorescent strip fixtures.
- 1611 Provide incandescent wall wash can fixtures in the Conference Room at the South and West walls. Fixtures shall be dimmed.
- 1612 Emergency egress lighting and illuminated exit signs shall be installed at all egress doors and in conformance with the local codes.
- 1613 A standby emergency lighting system shall be installed using battery backup ballast on selected fluorescent light fixtures (approximately 10% of all interior lighting).
- 1614 Provide 6" weatherproof incandescent can lights at the Canopies.
- 1615 General building convenience outlets shall be 20A, 120V, duplex type and shall be located on 3 walls in each Office, Conference Room and Lobby with a 20A, 120V quadplex type on the fourth wall in the same rooms. No more than six (6) duplex outlets or three (3) quadplex outlets shall be connected to the same circuit.
- 1616 Provide a wall or floor mounted quadplex receptacle per every two (2) workstations and a wall

mounted quadraplex receptacle for each computer station in the Work Room.

- 1617 Provide a duplex outlet above the ceiling in the Training Room.
- 1618 Provide a floor mounted quadraplex receptacle at each cubicle. Per Steelcase Manufactures recommendations. Steelcase to provide furniture which that will be installed by developer's contractor.
- 1619 Provide one (1) floor mounted quadraplex receptacle at the Conference Room and one (1) under the reception desk in the Lobby.
- 1620 All floor boxes are to be steel with brass cover plates.
- 1621 Provide eight (8) convenience duplex receptacles spaced evenly around the perimeter of the Warehouse and one (1) on the Mezzanine.
- 1622 Provide a duplex wall outlet in the Training Room every 20'-0", in the Break Room (East and South walls) every 20'-0" and in all other areas of the building as deemed appropriate and necessary.
- 1623 Power wiring and connections to all heating, ventilating, air conditioning, icemakers, washer & dryers, dishwasher, microwave, disposal, refrigerator, gas stove, stove exhaust fan, electrically operated projection screen, vending machines and plumbing equipment shall be provided.
- 1624 A telephone and cable TV service entrance conduit shall be provided to the building. An equipment mounting board and dedicated 120 volt receptacle shall be installed in the Electrical Room.
- 1625 Voice/data 2" X 4" outlet boxes with blank cover plates and a three-quarter inch (3/4") conduit terminated above the ceiling shall be provided as follows; one (1) per Office, one (1) in the Lobby, five (5) in the Work Room and five (5) in the Training Room, one (1) in the Breakroom, two (2) in Mapping and one (1) at copy/fax. Also mount a 2" X 4" box only above the ceiling in the Training Room.
- 1626 Voice/data 2" X 4" floor mounted outlet boxes with blank cover plates and a three-quarter inch (3/4") conduit terminated above the ceiling shall be provided as follows: one (1) at each cubicle, one (1) in the Conference Room and one (1) in the Lobby.
- 1627 Provide a voice/data wiring system consisting of one (1) CAT 5 voice and one (1) CAT 5 data to each location. Data to be terminated on a CAT 5 patch panel on a 19" free standing rack. Voice to be terminated on a 110 block mounted on the wall. Atmos will provide a contractor to make all voice/data connections from the telecom room to the terminating jacks. Voice/Data jacks to be specified by Atmos

Conduit shall be installed between the buildings for voice/data systems.

SECOND SUPPLEMENTAL LEASE AGREEMENT

THIS SECOND SUPPLEMENTAL LEASE AGREEMENT is made and entered into this 1st day of July, 2011, by and between **HARD TEN GROUP, LLC**, a **KENTUCKY limited liability corporation**, hereinafter called "Landlord", **ATMOS ENERGY CORPORATION**, a **Texas and Virginia corporation**, hereinafter call "Tenant".

RECITALS

1. The parties hereto into Lease Agreement on or about December 31, 2003, a copy of which is attached hereto and incorporated herein as exhibit A.
2. Subsequently, the parties hereto entered into a Supplemental Lease Agreement on or about November 1, 2005, a copy of which is attached hereto and incorporated as exhibit B.
3. The parties hereto now desire to enter into this Second Supplemental Lease Agreement to accurately set forth the rental payments due to Landlord from Tenant due to recent improvements.

Wherefore, based upon the foregoing the parties hereto agree as follows:

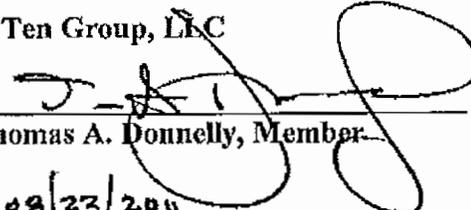
1. The above Recitals are a material part of this agreement and are incorporated herein by reference.
2. That the lease payments due to Landlord from Tenant under said Lease Agreement shall be as follows beginning July 01, 2011:
 - a. Tenant shall pay to Landlord the sum of Twenty One Thousand Nine Hundred and no/100 Dollars (\$21,900.00) per month on or before the first day of each calendar month, beginning July 01, 2011 and continuing on the first day of each month thereafter through and including one hundred twentieth monthly lease payment.

- b. Tenant shall pay to Landlord the sum of Twenty Three Thousand Two Hundred Fifty and no/ 100 Dollars (\$23,250.00) per month beginning with the one hundred twenty first monthly installment due hereunder and continuing on the first day of the month thereafter through and including the one hundred eightieth monthly lease payment.
 - c. Tenant shall pay to Landlord the sum of Twenty Four Thousand Six Hundred Seventy Five and no/100 Dollars (\$24,675.00) per month beginning with the one hundred eighty first monthly installment due hereunder and continuing on the first day of the month thereafter through and including the two hundred fortieth monthly lease payment.
3. That all remaining terms and condition of the Lease Agreement and Supplemental Lease Agreement shall remain in full force and effect and unchanged.

IN WITNESS WHEREOF, the parties hereto have executed this Second Supplemental Lease Agreement on the day and date first above written.

LANDLORD:

Hard Ten Group, LLC

By: 
Thomas A. Donnelly, Member

Date: 08/23/2011

COMMONWEALTH OF KENTUCKY)
)SS.
COUNTY OF WARREN)

The foregoing instrument was subscribed and sworn to before me this 23rd day of August, 2011 by Thomas A. Donnelly, a Kentucky LLC, and that said instrument was signed on behalf of said partnership by proper authority and the instrument was the act of the Limited Liability Corporation for the purposes stated above.



Julie W. Pearson
NOTARY PUBLIC, STATE AT LARGE
Commission expires: 1/28/2012

TENANT:

Atmos Energy Corporation

By: Jay Kevin Dabbs
Title: Operations Vice President
Date: 9-1-11

STATE OF Kentucky)
)SS.
COUNTY OF Warren)

The foregoing instrument was subscribed and sworn to before me this 1 day of September, 2011, by Jay Kevin Dabbs, to me personally known as the of Atmos Energy Corporation, and that said instruments was signed on behalf of said corporation by proper authority and the instrument was the act of the corporation for the purpose stated above.

Feb 13, 2014 / Roman Dabbs
NOTARY PUBLIC, STATE AT LARGE
Commission expires:

EXHIBIT

"A"

LEASE AGREEMENT

THIS LEASE, dated as of the 31st day of December, 2003, by and between
HARD TEN GROUP, LLC, a Kentucky limited liability corporation, hereinafter
called "Landlord"; ATMOS ENERGY CORPORATION, a Texas and Virginia
corporation, hereinafter called "Tenant".

1. LEASE EXHIBITS

Attached to this Lease and made a part hereof are the following:

Exhibit A -- being a legal description of the Leased Premises. The Term
Leased Premises shall mean that tract of land and improvements which
Landlord now owns or shall acquire prior to the commencement of the
lease term.

Exhibit B -- Being materially the form of Subordination, Nondisturbance
and Attornment Agreement which Tenant will sign if so requested by
Landlord in favor of Landlord's lienholder.

Exhibit C -- Being the Design Criteria and Specifications for the building.

2. LEASED PREMISES

Landlord hereby leases unto Tenant, and Tenant hereby rents from Landlord, for
the consideration and upon the terms and conditions herein set forth, the following
premises:

That approximately 3.7 (+1-) acre parcel of land together with the improvements
of an approximately 20,416 square foot ground floor area office building, warehouse,
fabrication building, and equipment shed ("Buildings") being legally described in
Exhibit A, located at 2450 Russellville Road, Bowling Green, Kentucky, 42101.

3. LEASE TERM

TO HAVE AND TO HOLD the Leased Premises, together with all and singular the improvements, appurtenances, rights, privileges and easements thereunto belonging or in anywise appertaining, unto Tenant, for a term commencing on the Commencement Date as hereinafter defined and ending on the 30th day of September, 2024 (the "Initial Term").

(a) The Commencement Date shall be the date on which Tenant's construction representative certifies that the Leased Premises is substantially complete and ready for occupancy by Tenant.

(b) When the Commencement Date has been determined as herein set forth, the Parties shall execute a written memorandum expressly confirming said Commencement Date, and such memorandum shall thereupon be deemed attached hereto, incorporated herein, and by this reference made a part of this Lease.

4. OPTIONS TO EXTEND

Tenant may extend this Lease, for the option period rental set forth in Section 5 below and under the same terms, conditions and covenants herein contained for two (2) additional terms of five (5) years to begin immediately upon the expiration of the preceding term, provided that Tenant shall provide Landlord with written notice at least twelve (12) months prior to the expiration of the then current term.

5. RENT

Tenant covenants and agrees to pay to Landlord as rental without offset, deduction or prior demand for the Leased Premises, the following amounts, determined and payable in the manner, at the times, and upon the conditions set forth below to-wit:

a. Tenant shall pay to Landlord the sum of Eighteen Thousand Three Hundred and 00/100 Dollars (\$18,300.00) per month on or before the first day of each calendar month from the Commencement Date and continuing on the first day of each month thereafter through and including the sixtieth monthly lease payment. In the event the Commencement Date of this Lease shall be on a day other than the first day of the month, the rent for the first month of the lease term shall be prorated on the basis of one-thirtieth ($1/30^{\text{th}}$) of the monthly rental for each day of such fractional month.

b. Tenant shall pay to Landlord the sum of \$19,475.00 per month beginning with the sixty first monthly installment due hereunder and continuing on the first day of the month thereafter through and including the one hundred twentieth monthly lease payment.

c. Tenant shall pay to Landlord the sum of \$20,725.00 per month beginning with the one hundred twenty first monthly installment due hereunder and continuing on the first day of the month thereafter through and including the one hundred eightieth monthly lease payment.

d. Tenant shall pay to Landlord the sum of \$22,050.00 per month beginning with the one hundred eighty first monthly installment due hereunder and continuing on the first day of the month thereafter through and including the two hundred fortieth monthly lease payment.

e. The rent for any option period that may be exercised pursuant to Section 4 hereof will be increased in the amount of 1.25% of the prior year's lease agreement, the first increase occurring on the two hundred forty first lease payment, and with subsequent increases to occur each twelve months thereafter.

f. Unless otherwise directed by Landlord in writing, Tenant shall pay all rental due under this Lease by check payable to the order of:

Hard Ten Group, LLC
c/o Thomas A. Donnelly
911 College Street
Suite 300
Bowling Green, KY 42101

g. Tenant's failure to pay rent or the other fees, charges, Real Property Taxes, costs and expenses owed by Tenant under the terms of this Lease promptly may cause Landlord to incur unanticipated costs. The exact amount of such costs are impractical or extremely difficult to ascertain. Such costs may include, but are not limited to, processing and accounting charges and late charges which may be imposed on Landlord by any ground lease, mortgage or trust deed encumbering the Property. Therefore, if Landlord does not receive any rent payment or other amount owing from Tenant to Landlord pursuant to the terms of this Lease within fifteen (15) days after it becomes due, Tenant shall pay Landlord a late charge equal to five percent (5%) of the overdue amount. This late charge shall be the sole amount payable by Tenant to Landlord as a direct result of the lateness of Tenant's payment. The parties agree that

such late charge represents a fair and reasonable estimate of the costs Landlord will incur by reason of such late payment.

6. TENANT'S RIGHT TO PURCHASE

Upon sixty days prior written notice to Landlord, Tenant shall have the right to purchase the leased premises and improvements from Landlord at any time during the term of this lease agreement as set forth herein below. The purchase price shall be equal the amount determined by applying the following formula:

- a. Years 1-5 annual rent divided by .07.
- b. Years 6-10 annual rent divided by .0725.
- c. Years 11-15 annual rent divided by .075.
- d. Years 16-20 annual rent divided by .0775.

7. REAL PROPERTY TAXES

(a) Tenant shall pay all Real Property Taxes which may be levied, assessed or charged against the land and building described at paragraph 2 hereof during the term of this Lease. Taxes for fractional calendar years of the lease term shall be prorated between Landlord and Tenant. Landlord shall furnish Tenant with a legal description of said parcel, and shall have said parcel and improvements segregated as a separate tax lot, and Tenant shall pay said Real Property Taxes directly to the taxing authority.

"Real Property Tax" means: (i) any fee, license, tax, levy, charge, assessment, or penalty imposed by any taxing authority against the Property; (ii) any tax or charge for fire protection, streets, sidewalks, road maintenance, refuse or other services provided to the Property by any governmental agency; (iii) any charge or fee replacing any tax previously included within the definition of real property tax. Tenant's obligation to pay

any payment of Real Property Taxes shall constitute Additional Rent under the terms of this Lease. Tenant shall make a good faith effort to forward to Landlord a receipt or other evidence of payment of Real Property Taxes after such evidence of payment is received by Tenant.

Landlord agrees to provide Tenant any notices of Real Property Taxes in advance of any applicable appeal date so that Tenant will have sufficient time to process an appeal of such Real Property Taxes. Tenant at its expense shall have the right to contest the amount or validity of all or part of the taxes for which it is required to reimburse Landlord pursuant hereto, and for that purpose, Tenant shall have the right to file in the name of Landlord all such protests or other instruments, and institute and prosecute proceedings it may deem necessary for the purpose of such contest, provided, however, prior to filing any appeal for the last year of any period of occupancy by Tenant, Tenant shall first request the consent of Landlord to such appeal, which consent shall not be unreasonably withheld. Any refund of any taxes for which Tenant has reimbursed Landlord shall belong to Tenant, and Landlord agrees to pay the same to Tenant promptly in the event payment thereof is initially made to Landlord.

Tenant shall pay all taxes charged against trade fixtures, furnishings, equipment or any other personal property belonging to Tenant. Tenant shall try to have personal property taxed separately from the premises.

(b) Nothing contained in this Lease shall require Tenant to pay (i) any franchise, corporate, estate, inheritance, succession, or transfer tax of the Landlord or (ii) any income profits, or revenue tax.

8. SIGNS

Tenant shall have the right and privilege, at its own expense, to affix signs as desired by it, upon the Leased Premises, and to change or move the same at any time, provided, however, that any such sign shall be erected in compliance with all local codes and ordinances and Tenant shall repair any and all damage to the Leased Premises and improvements caused by the installation or removal of such signs.

Landlord shall not be privileged to affix any signs to any part of the building to be occupied by Tenant during the term of this Lease or any extension thereof.

At any time during the last twenty-four (24) months of the Initial Term of the Lease or any extended term of the Lease, Landlord may place a "For Lease" sign on the Leased Premises. Tenant shall have the right to approve the text, size and location of any signage, which approval shall not be withheld unreasonably.

9. ALTERATIONS, REMOVAL OF FIXTURES & EQUIPMENT

Tenant shall not make any alterations, additions or improvements to the Leased Premises in excess of \$50,000 without Landlord's consent, such consent not being unreasonably withheld. Landlord's failure to consent shall be deemed reasonable if the reason(s), among others, Landlord declined to consent are that the Tenant failed or refused to agree to remove such alteration and repair all damage caused by such removal prior to Tenant's termination of use of the premises.

All alterations or additions which cannot be removed from the Leased Premises without irreparable damage thereto shall constitute a part of the Leased Premises and shall remain thereon. Such other alterations, additions, or improvements as are made and paid for by Tenant, and which are removable without irreparable damage to the premises,

may be removed by the Tenant at any time and Tenant shall repair any damage so incurred at the time of such removal. All signs, trade fixtures, and other fixtures not referred to above, and all machinery, equipment and/or other items of personal property placed in or upon the Leased Premises by the Tenant may be removed by the Tenant at any time and Tenant shall repair any damage so incurred at the time of such removal.

10. SURRENDER

Subject to Section 16, Tenant covenants and agrees at the end of the lease term or any extension thereof, or upon any sooner termination of this Lease, to quit and deliver up the Leased Premises to the Landlord peaceably and quietly and in good order and condition, subject to reasonable use and wear thereof.

11. USE

Tenant's use of the Leased Premises shall be for the Buildings (previously defined herein) and Service Center or any other use as deemed appropriate by the Tenant. Tenant shall not use the Leased Premises for the sale of gasoline and shall not install any underground storage tanks without the prior written consent of Landlord. Tenant shall not cause or permit the Leased Premises to be used in any way which constitutes a violation of any law, ordinance, or governmental regulation or order, or which constitutes a nuisance or waste. Tenant shall obtain and pay for all permits, required for Tenant's occupancy of the Leased Premises and shall promptly take all actions including, but not limited to, any required modification to the Leased Premises necessary to comply with all applicable statutes, ordinances, rules, regulations, orders and requirements as existing on the Commencement Date or as thereafter amended regulating the use by Tenant of the Leased Premises, provided, however, that Landlord represents and warrants that the

Leased Premises will comply with the requirements of the Americans with Disabilities Act and applicable regulations as of the Commencement Date.

Tenant warrants Tenant shall: (i) comply with all applicable laws or regulations governing the generation, production, bringing upon, use, storage, treatment or disposal of hazardous material in or about the Leased Premises, (ii) remain liable for failure to exercise due care in any such generation, production, bringing upon, use, storage, treatment or disposal, and remain liable for all costs and expenses resulting from any actual damage to person(s) or property proximately caused by the generation, production, etc. of hazardous materials on or about the Leased Premises, or (iii) not generate, produce, bring upon, use, store, treat or dispose of any hazardous material form which Tenant is prohibited by any law or regulation. "Hazardous material" shall mean any hazardous or toxic substances, materials, waste or related materials now or subsequently regulated by any applicable federal, state or local laws or regulations, with the exception of ordinary cleaners, office products and other items generally available for purchase by consumers.

12. LANDLORD'S COVENANTS AND WARRANTIES

The Landlord covenants and warrants that it has full right and power to execute and perform this Lease and to grant the estate leased herein, and covenants that the Tenant, on performing its obligations hereunder, shall peaceably and quietly hold and enjoy the Leased Premises together with the right of ingress and egress. Landlord hereby grants and assigns to Tenant the right to enforce all Landlord's rights relating to the use and protection of any and all easement rights appurtenant to the Leased Premises and to resist in Landlord's place all incursions upon those easements rights.

Landlord agrees to pay when due and perform all obligations required by all charges, encumbrances, mortgages and/or other liens on the Leased Premises created by the Landlord concurrently, with or after the commencement of this Lease, except liens or other encumbrances created by the Tenant. Tenant may, but not need, perform, acquire, or satisfy any said lien, encumbrance, covenant, restriction and/or obligation of the Landlord, including liens for taxes and assessments, which may in Tenant's judgment threaten its enjoyment of the Leased Premises. Prior to taking any such actions, however, Tenant shall give Landlord written notice of Landlord's default and Landlord shall have thirty (30) business days to either cure the default or to post a bond in the amount as deemed appropriate by Landlord. If Landlord performs in a timely manner, then Tenant shall take no further action. If the Tenant is authorized to by the terms hereof and does pay a lien, encumbrance, or obligation on behalf of Landlord, it shall be subrogated to all rights of the obligee against the Landlord and Leased Premises. No merger shall be constructed or implied which would defeat such subrogation. Provided, however, that Tenant's subrogation shall not give Tenant the right to offset or deduct the amount of Tenant's claim against rent due Landlord under this Lease. The Landlord shall reimburse the Tenant within ninety (90) days of occurrence for resulting disbursements and expenses, including attorney's fees, together with the interest at one percent (1%) over the Prime Rate of BB & T Bank, of Bowling Green, Kentucky.

Landlord agrees that it will not modify or terminate any recorded Easements, Covenants and Restrictions (ECRs) on the Leased Premises or grant any consents required from it under the terms of any said ECRs without first obtaining the written consent of Tenant which shall not be unreasonably withheld.

13. UTILITIES

Tenant covenants and agrees to promptly pay for any and all water, light, power and/or other utility service supplied to the Leased Premises during the term of this Lease or any extension thereof.

14. MAINTENANCE AND REPAIRS

- (a) Tenant shall, at Tenant's sole cost and expense, keep and maintain the Leased Premises in good repair and condition, provided, however, that Tenant shall not be required to maintain or make any repairs to any part of the Leased Premises that are made necessary by the negligence or willful misconduct of Landlord, or resulting from Landlord's failure to comply with the Plans and Specifications (as hereinafter defined) as set forth in subparagraph (c) below. Notwithstanding the foregoing, Tenant's obligations hereunder to maintain the Leased Premises shall not require Tenant to replace any structural portion of the Leased Premises.
- (b) Nothing in this Lease shall require, or be deemed to require, Landlord to make any alterations, additions, improvements, repairs, or replacements to the Leased Premises or to maintain the Leased Premises in any way (except to the extent any of such work is made necessary by the negligence or willful misconduct of Landlord, or because of Landlord's failure to comply with the Plans and Specifications as set forth in subparagraph (c) below, in which event Landlord shall promptly perform such work at its sole cost and expense). Tenant hereby expressly waives any right created or provided by any law, rule, regulation, or ordinance

now or hereafter in effect to require Landlord to make any alterations, additions, improvements, repairs, or replacements or to maintain the Leased Premises, or to cause the same to be done at Landlord's expense (except to the extent any of such work is made necessary by the act or negligence of Landlord).

- (c) For purposes of this Paragraph 14, a repair or maintenance of the Leased Premises which results from Landlord's failure to comply with the Plans and Specifications is a defect, condition or failure (hereinafter referred to as a "Construction Defect") in or upon the Leased Premises (or of any improvement thereto) which, in the sole opinion of design architect of the Leased Premises (the "Architect"), is caused by, or results from, testing, materials, equipment, labor or procedures used or employed by Landlord (or any contractor or subcontractor of Landlord) in connection with the construction of the Leased Premises, which deviate(s) from or is/are not in accordance with the Plans and Specifications of the Leased Premises prepared by Architect (the "Plans and Specifications"). A deviation from the Plans and Specifications shall also include the use of substandard or non-approved materials. If Landlord shall fail to commence efforts to remedy any Construction Defect within twenty (20) days after written notice thereof by Tenant to Landlord, then Tenant may, at Tenant's option and as Tenant's sole and exclusive remedy therefor, proceed with Tenant's own efforts to remedy such Construction Defect and all costs incurred by Tenant to remedy such Construction Defect shall be deducted from the

rent which Tenant is required to pay to Landlord under this Lease.

Tenant's failure to notify Landlord of, or to undertake any action to remedy, a Construction Defect shall not constitute a waiver of Tenant's rights or remedies under this Subparagraph (c) with respect to any other Construction Defect. The determination of the Architect as to whether or not a Construction Defect is attributable to Landlord under this subparagraph shall be binding and conclusive.

15. INSURANCE

(a) Tenant agrees during the Initial Term of this Lease, and any extension thereof, to maintain in force and effect broad form comprehensive general liability insurance, or a policy of different name but similar effect, with an insurance carrier rate A-VII or better in Best's Key Rating Guide. The policy shall insure against bodily injury, property damage (including loss of use of property) and personal injury. The initial policy limits shall be at least Three Million Dollars (\$3,000,000.00) with respect to bodily injury to or death of any one person and Five Million Dollars (\$5,000,000.00) with respect to bodily injury or death of any number of persons in any one occurrence and not less than Five Hundred Thousand dollars (\$500,000.00) with respect to property damage. These liability coverage limits shall be reviewed at least every two years so as to maintain the same relative level of coverage. The policy shall be primary and non-contributing and shall contain cross liability endorsements. Such policy or policies shall, if possible, be written on an occurrence basis. Such policy or policies shall contain a provision that they cannot be cancelled without thirty (30) days prior written notice to Landlord and shall

provide for contractual liability coverage with respect to the indemnity obligations set forth in paragraph 18 below.

(b) Tenant shall keep the Leased Premises insured against damage or destruction by fire, and such other perils as are, from time to time, included in standard extended coverage endorsements, for the full insurable value thereof. If Landlord's lender so requires, Tenant shall provide adequate earthquake and flood insurance, provided however, that Tenant shall not be required to obtain any coverage on a stand alone basis and may take advantage of any pooled properties coverage available to Tenant. For standard extended coverage purposes only, Tenant shall be responsible for determining the said full insurable value, which for the purposes hereof shall mean the actual replacement cost without deduction for depreciation, but shall not include "uninsurables" (i.e., footings, parking lot, underground piping, etc.). The proceeds of such insurance in case of loss or damage shall be applied on account of the obligation of Tenant to repair and/or rebuild the Leased Premises pursuant to the paragraph hereof captioned "Damage or Destruction" to the extent that such proceeds are required for such purpose.

(c) Certificate of insurance or certified copies of all insurance policies shall be deposited with the other party and Landlord's lender. If either party fails to comply with any of the provisions of this paragraph, the other party, at any time thirty (30) or more days after mailing notice, may without prejudice to any other rights it may have, purchase the insurance required to be carried and the cost thereof shall be billed to the refusing or neglecting party.

16. DAMAGE OR DESTRUCTION

(a) If the Building shall, during the term of this Lease or any extension thereof, be partially damaged or destroyed (i.e., less than fifty percent (50%) of office or service center comprising a portion of the Leased Premises is untenable as a result of such damage or less than fifty percent (50%) of Tenant's operations are materially impaired), this Lease shall remain in full force and effect and Tenant shall repair the damage as soon as reasonably possible. All insurance proceeds received by either Landlord or Tenant for the actual damage or destruction of the Leased Premise shall be applied to the repair of the Leased Premises. Tenant and Landlord jointly hold for their mutual use and benefit any insurance proceeds applicable to the repair of the Leased Premises pursuant to the above provision. Tenant shall be solely responsible for the payment of any deductible amount under the terms of the policy or policies maintained by Tenant. In the event the Tenant chooses not to repair and/or rebuild the Tenant shall pay to Landlord an amount equal to any such deductible.

(b) If the Leased Premises shall, during the term of this Lease or any extension thereof, be totally damaged or destroyed (any condition greater than a partial destruction described in (a) immediately above), Tenant shall have at its sole discretion, the following options:

- (i) to keep this Lease in full effect and commence restoration of the Leased Premises; or
- (ii) to terminate this Lease.

If Tenant elects to keep this Lease in full force and effect, Tenant shall repair the damage as soon as reasonably possible. All insurance proceeds received by either

Landlord or Tenant for the actual damage or destruction of the Leased Premises shall be applied to the repair of the Leased Premises, Tenant and Landlord shall jointly hold for their mutual use and benefit any insurance proceeds applicable to the repair of the Leased Premises pursuant to the above provision. The rental due hereunder shall abate proportionately during any period of reconstruction.

If Tenant elects to terminate this Lease, Tenant shall notify Landlord in writing within sixty days of the casualty of this exercise, at which time, this Lease shall terminate with the effective termination date being that on which the destruction occurred. All insurance proceeds received by Tenant for the actual damage or destruction of the Leased Premises shall be immediately turned over to the Landlord for Landlord's sole use and Tenant shall pay to Landlord the amount of any deductible under the insurance policy covering damage or destruction of the leased premises.

(c) For use in (a) and (b) above, insurance proceeds shall apply only to monies received from insuring entities which apply to the real property of the Leased Premises. Nothing herein shall be construed to imply that monies received by Tenant for losses to furniture, trade fixtures that may be removed by Tenant at the end of Tenant's occupancy of the Leased Premises, equipment, inventories or any other personalty or for interruption of business activities shall be included in the term "insurance proceeds" as used in (a) and (b) above.

(d) The full intent of Section 16(b) relating to damage or destruction of the Leased Premises is that Tenant may elect at its sole discretion to cause repairs to be made, provided that Tenant's decision to cause such repairs will result in no additional out-of-pocket cost to Landlord. To this end, Tenant agrees to reimburse Landlord for

Landlord's reasonable and necessary out-of-pocket costs relating to such repair, including but not limited to any reasonable and necessary attorney's fees incurred by Landlord in establishing the amount of the loss from the damage or destruction.

Furthermore, the full intent of this Section 16 relating to damage or destruction of the Leased Premises is that all insurance proceeds resulting from such damage or destruction are to be made available to Tenant for the repair of such damage or destruction should Tenant so elect to make such repairs.

FURTHERMORE, LENDERS TO THE LANDLORD ARE HEREBY PUT ON NOTICE OF TENANT'S RIGHTS, RELATING TO THE ACCESS AND USE OF INSURANCE PROCEEDS UNDER THIS LEASE AND THAT SO LONG AS TENANT IS NOT IN MATERIAL DEFAULT UNDER THIS LEASE, THAT THE RIGHTS AND CLAIMS UPON SUCH INSURANCE PROCEEDS WHICH A LENDER TO THE LANDLORE MAY HAVE ARE HEREBY SUBORDINATE AND INFERIOR TO THE RIGHTS AND CLAIMS UPON SUCH INSURANCE PROCEEDS WHICH TENANT HAS UNDER THE TERMS OF THIS LEASE.

(e) Unless the term of this Lease has been terminated as herein provided, Tenant shall commence the repair and restoration work promptly and as soon as is reasonably possible, but in no event later than one hundred twenty (120) days after the date of the catastrophe, and shall thereafter proceed diligently to complete said work, and if Tenant fails to do so Landlord in addition to such other rights and remedies as may be accorded Landlord by law, shall have the right and option to terminate the term of this Lease by giving Tenant written notice of Landlord's election to do so at any time prior to completion of such repairs or rebuilding provided Tenant shall not then be actively and

diligently undertaking such restoration work. If this Lease is so terminated, any insurance proceeds pertaining to such damage or destruction to the Leased Premises then held by Tenant shall be immediately released by Tenant to Landlord.

17. EMINENT DOMAIN

- (a) If, during the term of this Lease, all of the Leased Premises are condemned or taken for any public or quasi-public use under any governmental law, order, or regulation or by right of eminent domain or sold to the condemning authority under threat of condemnation, this Lease shall automatically terminate and rent shall abate as of the date that title vests in the condemning authority or the Tenant is dispossessed of the Leased Premises by such condemnation or taking, whichever occurs earliest. If less than all of the Leased Premises is condemned or taken as described above and the remaining portion of the Leased Premises continues to be, in Tenant's good faith judgment, tenantable and useable by Tenant for the same uses as Tenant was using the Leased Premises immediately prior to the condemnation or taking, this Lease shall remain in full force and effect subject to a reduction of the rent payable hereunder by an appropriate and equitable amount as determined by Tenant and Landlord.
- (b) If any portion of the Leased Premises is condemned or taken by eminent domain proceedings, Tenant shall not be entitled to any award made for such condemnation or taking except for any separate award made with respect to Tenant's property located on the Leased Premises or for Tenant's

relocation expenses or the interruption of, or damage to, Tenant's business.

18. INDEMNITY

(a) Tenant agrees to indemnify and hold Landlord harmless from all actions, claims, demands, costs, damages, and all reasonable expenses incurred in investigating or resisting the same, for injury to person, loss of life or damage to property:

(i) Occurring on the Leased Premises and arising out of Tenant's use and occupancy, the conduct of Tenant's business or anything else done or permitted by Tenant to be done in or about the Leased Premises, including any contamination of the Leased Premises or any other property resulting from the presence or use of hazardous materials caused or permitted by the Tenant, except if caused by the act or neglect of the Landlord, agents or employees, or the act or negligence of a contractor of Landlord; or

(ii) Caused by the negligence, negligent performance of or failure to perform any of its obligations under this Lease.

(b) The Landlord agrees to indemnify and hold Tenant harmless from all actions, claims, demands, costs, damages and all reasonable expenses incurred in investigations or resisting the same, for injury to person, loss of life or damage to property:

(i) Occurring on the Leased Premises if caused by the act or negligence of Landlord, its contractors, agents or employees while physically present on the Leased Premises, or otherwise if caused by the act or negligence of Landlord, its contractors, agents or employees; or

(ii) Caused by the failure to perform or negligence in performing any of its obligations under this Lease.

The rights and claims established by this Section 18 shall survive the termination of this Lease.

19. WAIVER OF SUBROGATION RIGHTS

Unless prohibited under any applicable insurance policies maintained, Landlord and Tenant each hereby waive any and all rights of recovery against the other, or against the officers, employees, agents or representatives of the other, for loss of or damage to its property or the property of others under its control, if such loss or damage is covered by any insurance policy in force (whether or not described in this Lease) at the time of such loss or damage. Upon obtaining the required policies or insurance, Landlord and Tenant shall give notice to the insurance carriers of this mutual waiver of subrogation.

20. ASSIGNMENT AND SUBLETTING

In the event Tenant wishes to assign or sublet its interest in the Leased Premises the Landlord shall be entitled to make an election. The Landlord may either (i) elect to release Tenant from any and all further liability under the terms and conditions of this Lease, or (ii) elect to have Tenant remain liable to Landlord for the full performance of Tenant's obligations. If Landlord elects to release Tenant such release shall be in writing and delivered to Tenant contemporaneously with Tenant's cessation of occupancy. If Tenant is released this Lease shall terminate and Tenant shall have no further obligations to Landlord of any kind or nature, except for those mutual agreements relating to indemnity contained herein which survive the termination of this Lease. If Landlord elects not to release Tenant Landlord shall not receive any interest in amounts received by Tenant as a result of the assignment or sublease. If Tenant is not released Tenant, and not Landlord, shall be responsible for paying the costs of any alterations to the Leased

Premises necessary to make the Leased Premises suitable for the uses and purposes of the assignee or sublessee. If Landlord elects to release Tenant, Landlord must obtain prior written approval of any commercial lender of the leased premises. The commercial lender by approving this Lease, agrees that such approval shall not be unreasonably withheld. Failure to obtain such written approval shall force Landlord to elect to have Tenant remain liable to Landlord for the full performance of Tenant's obligations. If Tenant is not released, Tenant shall continue to be directly responsible to Landlord for making all payments required hereunder. Landlord shall not have to look to the sub-Tenant for such payment.

21. SUBORDINATION, ATTORNMENT AND ESTOPPEL

Within thirty (30) days after Landlord's written request, Tenant shall deliver to Landlord an estoppel certificate certifying: (i) that none of the terms or provisions of this Lease have been changed (or if they have changed, stating how they have been changed); (ii) that this Lease has not been cancelled or terminated; (iii) the last date of payment of the rent and other charges and the time period covered by such payment; (iv) that Landlord is not in default under this Lease (or, if Landlord is claimed to be in default, stating why); and (v) such other representations or information with respect to the Lease which a prospective purchaser or encumbrancer of the Leased Premises may reasonably require. Tenant's failure to deliver the requested certificate in a timely manner shall allow the Landlord and any potential purchaser or encumbrancer to presume that the terms of the Lease have not been changed except as represented by Landlord, that the Lease is in full force and effect, that no rent has been paid in advance and that the Landlord is not in default under this Lease.

Upon written request of Landlord, Tenant agrees to subordinate its rights under this Lease to any mortgage, trust deed or similar indenture ("Lien"), covering the Leased Premises or any part thereof, upon conditions set forth below, and Landlord upon written request of Tenant agrees, as a condition of this Lease, to obtain an agreement upon the conditions set forth below from any mortgage holder, trust deed holder or similar indenture holder ("Lienholder") covering the Leased Premises or any part thereof:

Tenant shall execute and deliver to Landlord's lender, a Subordination, Nondisturbance and Attornment Agreement in substantially the form attached as Exhibit B.

22. DEFAULT

(a) The following events shall constitute events of default under this Lease:

- (i) The failure of Tenant to pay any rental or other sum payable hereunder to Landlord within fifteen (15) days after the date such payment becomes due;
- (ii) The failure of Tenant to keep and perform any of its obligations or any of the terms or conditions of this Lease (other than the payment of rent or other sums payable hereunder to Landlord) and the continuation of such failure for a period of thirty (30) days after written notice thereof is delivered to Tenant, provided, however, that if such failure cannot reasonably be cured within a thirty-day period, no event of default shall have occurred if Tenant has promptly commenced to cure the failure within such thirty-day

period and is proceeding therewith in good faith and with due diligence; or

- (iii) The failure or inability, or admission in writing of the inability, of Tenant to pay its debts as such debts become due; the assignment by Tenant for the benefit of its creditors or the petitioning or application by Tenant to any tribunal for the appointment of a custodian, receiver, or trustee for it or a substantial part of its assets; the commencement by Tenant of any proceeding under any bankruptcy, reorganization, arrangements, readjustment of debt, dissolution, or liquidation law or statute of any jurisdiction, whether now or hereafter in effect; the filing of any such petition or application or commencement of any such proceeding against Tenant in which an order for relief is entered or an adjudication or appointment is made and remains undismissed for a period of sixty (60) days or more; the indication by Tenant, by any act or omission, of its consent to, approval of, or acquiescence in any such petition, application, or proceeding or order for relief or the appointment of a custodian, receiver, or trustee for all or any substantial part of its properties; or the failure of Tenant to discharge or stay any such custodianship, receivership, or trusteeship within sixty (60) days after the appointment thereof; or
- (iv) The failure of Landlord to keep and perform any of its obligations

or any of the terms and conditions of this Lease and the continuation of such failure for a period (except as otherwise provided in this Lease) of thirty (30) days after written notice thereof is delivered to Landlord by Tenant, provided, however, that if such failure cannot reasonably be cured within a thirty-day period, no event of default shall have occurred if Landlord has promptly commenced to cure the failure within such thirty-day period and is proceeding therewith in good faith and with due diligence.

- (b) Upon the occurrence of any event of default of Tenant listed in Subparagraph 22(a) above, Landlord may, in addition to any other remedies provided by this Lease or applicable law, pursue any one or more of the following remedies:
- (i) Termination of this Lease upon five (5) days written notice to Tenant, in which event Tenant shall surrender the Leased Premises to Landlord. If Tenant fails to surrender the Leased Premises, Landlord and its agents and representatives shall have the right, without further demand or notice to Tenant, to re-enter and take possession of the Leased Premises and to expel or remove Tenant and any other person who may be occupying the Leased Premises or any portion thereof, with or without process of law, without being liable for any trespass or claim for damages therefor and without prejudice to any remedies for arrears of rent or existing

breaches of covenants.

- (ii) Termination of Tenant's right to possession of the Leased Premises without terminating this Lease and expulsion or removal of Tenant and any other person who may be occupying the Leased Premises or any portion thereof, with or without process of law, without being liable for any trespass or claim for damages therefor and without prejudice to any remedies for any breaches of covenants (including the payment of rents) then existing or thereafter occurring. In the event Landlord exercises its remedies set forth in this Subparagraph 22(b)(ii), Landlord shall, in order to mitigate Landlord's damages caused by Tenant's default hereunder, use its best efforts to relet the Leased Premises and to collect the rent therefor, which rent shall be credited to the satisfaction of Tenant's obligations hereunder after deducting from such rents all costs and expenses incurred by Landlord in repossessing and reletting the Leased Premises; provided, however, that Landlord's best efforts shall not include an obligation to renovate or remodel the Leased Premises or any portion thereof. If the net rentals received by Landlord exceed the amounts necessary to satisfy all of Tenant's obligations under this Lease, Landlord shall be entitled to such excess. If the net rentals are less than the amounts necessary to satisfy all of Tenant's obligations under this Lease, Tenant shall be liable to Landlord for such deficiency and shall pay such

deficiency on the date that rent is due hereunder; or

(iii) Enforcement of the full and specific performance by Tenant of Tenant's obligations under this Lease in any manner provided by law or equity or pursuit of such other rights or remedies available to Landlord either at law or in equity.

(c) Upon the occurrence of any event of default of Landlord listed in Subparagraph 22(a) above, Tenant may in addition to any other remedies provided by this Lease or applicable law, pursue enforcement of the full and specific performance by Landlord of Landlord's obligations under this Lease in any manner provided by law or equity or pursuit of such other rights or remedies available to Tenant either at law or in equity.

(d) Landlord's and Tenant's rights and remedies provided in this Lease are cumulative, and the pursuit by Landlord or Tenant of any remedy hereunder shall not preclude or waive its right to pursue any or all other remedies available to it.

(e) Should any litigation be commenced between the parties to this Lease concerning this Lease or the rights and obligations of either party under it, the prevailing party shall be entitled, in addition to such other relief as may be granted, to a reasonable sum as and for attorneys' fees, which may be determined by the court in such litigation (or in a separate action brought for that purpose) or as may be mutually agreed upon by the parties.

(f) No waiver by the parties hereto of any default or breach of any

term, condition, or covenant of this Lease shall constitute, or be deemed to constitute, a waiver of any subsequent default or breach of the same or any other term, condition, or covenant contained herein.

23. SHORT LEASE FORM

A Memorandum of this Lease, designating the parties in interest, the term and describing the Leased Premises shall be signed and placed of record in Warren County, KY; however, this Lease itself shall not be recorded. Landlord shall pay all transfer taxes, charges and fees incurred in connection with recording the Memorandum of this Lease.

24. EXAMINATION OF PREMISES

The Landlord, or its agents or representatives, may at reasonable times enter into or upon said premises or any part thereof for the purpose of examining the condition thereof.

25. LIENS

The Tenant will not permit any liens to stand against the Leased Premises for any labor or material furnished in connection with any work performed by or at the direction of the Tenant, and the Landlord will not permit any liens to stand against the Leased Premises for any labor or material furnished in connection with any work performed by or at the direction of the Landlord. The party at whose direction labor and material are furnished may contest the validity or amount of any such lien upon posting a bond in an amount sufficient to cause title company to remove the lien from title insurance, but upon final determination of the validity and amount thereof said party will immediately pay

any judgment rendered with all proper costs and charges and shall have the lien released at said party's expense.

26. SUCCESSORS AND ASSIGNS

This Lease binds any party who legally acquires any rights or interest in this Lease from Landlord or Tenant. However, Landlord shall have no obligation to Tenant's successor unless the rights or interest of Tenant's successor are acquired in accordance with the terms of this Lease. As used in this Lease, the term "Landlord" means only the current owner or owners of the fee title to the Leased Premises or the leasehold estate under a ground lease of the Leased Premises at the time in question. Each Landlord is obligated to perform the obligations of Landlord under this Lease only during the time such Landlord owns such interest or title. Any Landlord who transfers its title or interest is relieved of all liability with respect to the obligation of Landlord under this Lease to be performed on or after the date of transfer. However, each Landlord shall deliver to its transferee all funds that Tenant previously paid if such funds have not yet been applied under the terms of this Lease.

27. HOLDING OVER

Any holding over by the Tenant after the expiration of the term of this Lease, or any extension thereof, shall be as Tenant from month to month only, and not otherwise, and the rental payable hereunder during such holdover tenancy shall be that rental which was in effect at the expiration of this Lease.

28. WAIVER

Any waiver by either of the parties hereto of a breach of any of the terms, covenants, agreements or conditions hereof shall not be deemed a continuing waiver by such party.

29. ATTORNEYS' FEES

In the event that any suit or action is instituted by either of the parties hereto against the other to enforce compliance with any of the terms, covenants or conditions of this Lease or for damages for breach of this agreement, the unsuccessful party shall, in addition to costs and disbursements provided by statute, pay to the successful party such sums of money as any court of competent jurisdiction may adjudge reasonable as attorneys' fees in such suit or action, including appeal from any judgment rendered therein.

30. FORCE MAJEURE

Notwithstanding anything in this Lease to the contrary, the time periods described in this Lease shall be extended by any time delays (hereinafter "unavoidable delays") occurring due to causes beyond the reasonable control of the performing party including, but not limited to, acts of God; strikes; lockouts; weather in which work cannot proceed (even if normal); protests, riots; insurrection; war; authority, including courts; or acts or conduct of another party, its employees or agents, in violation of this Lease. Unavoidable delays shall not include delays due to inability or failures to obtain financing, or inadequate financial resources and shall not be applicable to non-payment of rent or other monetary obligations, including, without limitation, payment of property taxes, insurance of liens.

31. NOTICES

Any and all notices required or permitted to be given to the Landlord herein, shall be in writing and shall be sent, either by registered or certified United States mail, return receipt requested, or by personal delivery, to Landlord as follows: Hard Ten Group, LLC c/o Thomas A. Donnelly, 911 College Street, Bowling Green, Kentucky, 42101, with a copy to Darell R. Pierce, Pierce, Simpson & Shadoan, 908 State Street, Bowling Green, KY 42102. Any notices required or permitted to be given to Tenant shall be in writing and shall be sent to it by registered or certified United States mail, return receipt requested, or by personal delivery, in duplicate, with the original sent to the Tenant at the Leased Premises and copies thereof to the Tenant at: Atmos Energy Corporation, President, Kentucky Division, 2401 New Hartford Road, Owensboro, Kentucky 42303, Atmos Energy Corporation, 5430 LBJ Freeway, Suite 1800, Dallas, Texas 75240, Attn: General Counsel, and to Atmos Energy Corporation, 5430 LBJ Freeway, Suite 500, Dallas, Texas 75240, Attn: Larry Kuper. These instructions in regard to notices may be changed at any time by appropriate notice of such damage.

32. CONDITION UPON TERMINATION

Upon the termination of the Lease, Tenant shall surrender the Leased Premises to Landlord, broom clean and in the same condition as received except for ordinary wear and tear which Tenant was not otherwise obligated to remedy under any provision of this Lease. However, Tenant shall be obligated to repair any damage which Landlord is required to repair under Section 16 (Damage or Destruction). In addition, Landlord may require Tenant to remove any alterations, additions or improvements (whether or not made with landlord's consent) prior to the expiration of the Lease and to restore the Leased Premises to its prior conditions, all at Tenant's expense. All alterations, additions

and improvements which Tenant has not removed shall become Landlord's property and shall be surrendered to Landlord upon the expiration or earlier termination of the Lease. Tenant may remove any of Tenant's machinery or equipment or other business fixtures. In no event, however, shall Tenant remove any of the following materials or equipment (which shall be deemed to be Landlord's property) without Landlord's prior written consent; any power wiring or power panels; lighting or lighting fixtures; wall coverings; drapes, blinds or other window coverings; carpets or other floor coverings; heaters, air conditioners or any other heating or air condition equipment; fencing or security gates; or other similar building operating equipment and decorations. Landlord may require a payment and performance bond as a condition of consenting to such removal.

33. CHOICE OF LAW

This Lease shall be governed by the laws of the Commonwealth of Kentucky.

34. CORPORATE AUTHORITY

If Tenant is a corporation, each person signing this lease on behalf of Tenant represents and warrants that he has full authority to do so and that this Lease binds the corporation.

35. PARAGRAPH HEADINGS

Paragraph headings are for the convenience of the parties only and shall, in no manner, be construed as the text of this document nor shall same be utilized in the construing of this Lease.

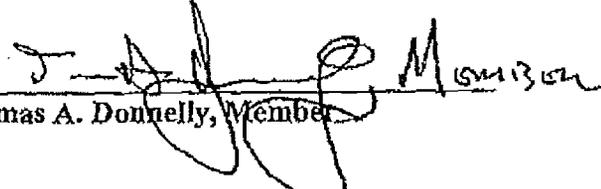
36. COMPLETE AGREEMENT

This Lease constitutes the entire agreement of the parties hereto and is a total integration thereof; any amendments to this agreement, in order to have any binding effect, shall be signed by the party against whom enforcement shall be sought.

IN WITNESS WHEREOF this Lease has been signed by the parties on the day and year first above written.

LANDLORD:

**HARD TEN GROUP, LLC, a Kentucky
limited liability corporation**

By: 
Thomas A. Donnelly, Member

TENANT:

Atmos Energy Corporation

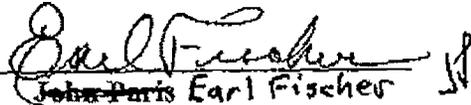
By: 
~~John Paris~~ Earl Fischer
Title: ~~President, Kentucky, Division~~
Sr. VP Operations

EXHIBIT "A"

PROPERTY DESCRIPTION OF A PORTION OF THE LANDS OF HARD TEN, L.L.C. BOWLING GREEN, WARREN COUNTY, KENTUCKY

A certain parcel of land located at southeast intersection of the William H. Natcher Parkway and U.S. 68 - Kentucky Highway 80 (Russellville Road) in Bowling Green, Warren County, Kentucky being a portion of the lands conveyed to Hard Ten, L.L.C. in Deed Book 869 Page 316 as recorded in the Office of the Warren County Court Clerk and being combined into one parcel more accurately described as:

Beginning at a the intersection of the southeastern right of way of the exit ramp of the north bound lane of the William H. Natcher Parkway and the south line of the right of way of U.S. Highway 68 - Kentucky Highway 80 (Russellville Road); thence with three lines of the right of way of US 68 - KY 80 to points the following calls: 1) N 48°55'12" E a distance of 46.00'; thence 2) N 48°26'18" E a distance of 166.75'; thence 3) N 49°41'15" E a distance of 40.14' to a point, a corner common with the remaining lands of Hard Ten; thence leaving the right of way of said roadway with two new lines of Hard Ten the following two calls: 1) S 41°26'14" E a distance of 269.45' to a point; thence 2) N 49°18'28" E a distance of 236.41' to a point on the west line of the right of way of Adamson Street thence with four lines of said right of way to points as follows: 1) S 42°20'18" E a distance of 74.48'; thence 2) with a curve turning to the right with an arc length of 122.78', with a radius of 77.31', with a chord bearing of S 03°09'37" W 110.28', thence 3) S 48°39'31" W a distance of 398.32'; thence 4) with a curve turning to the left with an arc length of 175.84', with a radius of 460.00', with a chord bearing of S 37°42'26" W 174.78' to a point a point in the line Gospel Church Of Bowling Green (DB 365 PG 22); thence leaving Adamson Street with the Gospel Church property N 33°00'35" W a distance of 57.10' to a point in the right of way of the exit ramp of the William H. Natcher Parkway; thence with the right of way two calls as follows: 1) with a curve turning to the left with an arc length of 374.61', with a radius of 781.20', with a chord bearing of N 19°16'42" W 371.04' to a point, thence 2) N 33°00'58" W a distance of 59.00' to the point of beginning containing an area of 170,021 square feet or 3.90 acres.

EXHIBIT B

SUBORDINATION, NONDISTURBANCE AND ATTORNMENT AGREEMENT

THIS AGREEMENT, made and entered into this ____ day of _____, _____, by and between HARD TEN GROUP, LLC, a Kentucky limited liability corporation (hereinafter referred to as the "Landlord"), ATMOS ENERGY, INC., (hereinafter referred to as the "Tenant"), _____, a federally chartered stock savings bank organized under the laws of the United States of America (hereinafter referred to as the "Lender"),

- A. Lender has agreed to make a mortgage loan (the "Loan") to Landlord secured by a mortgage or deed of trust (the "Deed of Trust") on the real property legally described in Exhibit A attached hereto (the "Premises"); and
- B. Tenant is the present lessee under a lease dated _____, made by Landlord, demising all of the Premises and other property (said lease and all amendments thereto being referred to as the "Lease"); and
- C. The Loan terms require that Tenant execute this Agreement as a condition to the Loan; and
- D. In return, Lender is agreeable to not disturbing Tenant's possession of the Premises covered by the Lease (the "Demised Premises"), so long as Tenant is not in default under the Lease; and

NOW, THEREFORE, the parties hereby agree as follows:

1. Subordination. The Lease, and the rights of Tenant in, to and under the Lease and the Demised Premises, are hereby subjected and subordinated to the lien of the Deed of Trust and to any and all renewals, modifications and extensions

thereof, and any and all other instruments held by Lender as security for the Loan.

2. Tenant Not To Be Disturbed. So long as Tenant is not in default (beyond any period given Tenant by the terms of the Lease to cure such default) in the payment of rent or additional rent or of any of the terms, covenants or conditions of the Lease on Tenant's part to be performed, (a) Tenant's possession of the Demised Premises, and its rights and privileges under the Lease, including but not limited to any extension or renewal rights, and those rights and privileges relating to the application of insurance proceeds and condemnation awards shall not be diminished or interfered with by Lender, provided, however, that all parties hereto agree that so long as the Deed of Trust and any and all renewals or extensions thereof secure the Lender's loan on the Demised Premises that the terms of the Deed of Trust in Section 3, Hazard Insurance, shall govern the use of any such insurance proceeds whether arising from policies provided by the Landlord under Deed of Trust of by the Tenant pursuant to the terms and conditions of the Lease. The parties hereto further mutually agree that the Tenant shall be deemed to be the "Grantor" for purposes of Section 3 of the Deed of Trust, but solely and exclusively for purposes of Section 3 thereof, and solely for so long as the Deed of Trust is in effect, including all option periods, renewals and extensions thereof, and (b) Lender will not join Tenant as a party defendant in any action or proceeding foreclosing the Deed of Trust and then only for such purpose and not for the purpose of terminating the Lease.

3. Tenant to Attorn to Lender. If Lender shall become the owner of the Premises or the Premises shall be sold by reason of foreclosure or other proceedings brought to enforce the Deed of Trust or the Premises shall be transferred by deed in lieu of foreclosure, the Lease shall continue in full force and effect as a direct Lease between the then owner of the Premises, who shall succeed to the rights and duties of the Landlord subject to the limitations hereinafter set forth, and Tenant. Tenant shall attorn to Lender or any other such owner as its Landlord, said attornment to be effective and self-operative without the execution of any further instruments; provided, however, that Lender or any such other owner (a) shall not be personally liable for any act or omission of any prior lessor (including Borrower), (b) subject to any offsets of defenses which Tenant might have against any such prior lessor, (c) bound by any prepayment of rent or additional rent which Tenant might have paid, except as otherwise expressly required by the terms of the Lease, (d) shall not be bound by any amendment or modification of the Lease or by any waiver or forbearance on the part of such prior lessor made without Lender's or such other owner's consent, which shall not be unreasonably withheld, (e) bound by any warranty or guaranty of the prior lessor or (f) shall not be liable for the return of any security deposit under the Lease unless such security deposit shall have been actually deposited with Lender. Tenant acknowledges that Borrower will assign the Lease to Lender pursuant to the terms of a separate absolute Assignment of Leases and Rents executed in connection with the Deed of Trust as security for the indebtedness secured by the Deed of Trust.

Tenant hereby agrees that upon the occurrence of any default under the loan or the documents evidencing or securing the same, and in the event of a demand on Tenant by Lender, or its successors and assigns, of the rents due under the Lease, Tenant will pay said rent to Lender and Borrower hereby consents to said payment and releases Tenant from any and all liability, damages, or claims in connection with any such payment or payments.

Borrower agrees that the receipt by Tenant of any such demand shall be conclusive evidence of the right of Lender to the receipt of said rental payments. Tenant shall be under no obligation to pay rent to Lender or any such other owner until Tenant receives written notice from Lender or such other owner.

4. Lender's Option to Cure Borrower's Default. Tenant agrees that Borrower shall not be in default under the Lease unless written notice specifying such default is given to Lender. Tenant agrees that Lender shall have the right to cure such default on behalf of Borrower within thirty (30) days after the receipt of such notice; provided, however, that said 30-day period shall be extended so long as within said 30-day period Lender has commenced to cure and is proceeding diligently to cure said default or defaults. Tenant further agrees to not to invoke any of its remedies under the Lease (except the Lease emergency repair clause) until said 30 days have elapsed.
5. Lease Assurances. The Landlord and the Tenant hereby covenant and agree with the Lender as follows and as of the date hereof:

- (a) The Lease has been properly executed and delivered by the Tenant, is valid and binding upon the Tenant in accordance with its terms, has not been modified, and is in full force and effect;
 - (b) There exist no defaults under the Lease by the Landlord or the Tenant;
 - (c) The Tenant is in possession and has accepted the condition of the Premises, and no further work on the part of the Landlord remains outstanding with respect thereto;
 - (d) The Tenant has not paid any rental to the Landlord more than one month in advance, and there exist no rent concessions or abatements;
 - (e) The Tenant has no defense, claim or lien or offset under the lease or against the rental payable thereunder;
 - (f) The Tenant has no claims to or interest in the Premises, legal or equitable, or any right or refusal or option thereunder, other than its right of possession during the Lease term as a tenant under the Lease;
and
 - (g) The lease will not merge with the fee title to the Premises without the Lender's prior written consent.
6. Notice of Discharge. Borrower shall give notice to Tenant of the reconveyance or other release of the Deed of Trust within thirty (30) days of the date the reconveyance or other release is recorded.
7. Limitation. This Agreement shall not apply to any equipment, inventory, merchandise, furniture, fixtures or other personal property owned or leased from a party other than the Borrower by Tenant which is now or hereafter

placed or installed on the Demised Premises, and Tenant shall have the full right to remove said property at any time during or at the expiration of the Lease term subject to the terms and provisions of the Lease

8. Notices. In each event in which the Tenant affords any notice to or receives any notice from the Landlord it shall promptly forward a true and correct copy of same to the Lender. In any event in which a notice is required to be given in accordance with the terms of this agreement, the same shall be forwarded by registered or certified U.S. mail, return receipt requested, with postage prepaid, and if to the Landlord by the Tenant at its address stated in the Lease; if to the Landlord by the Lender at its address stated in the Loan Security; if to the Tenant at 650 Three Springs Road, Bowling Green, Kentucky, 42104; and if to the Lender at P.O. Box 1050, Bowling Green, Kentucky 42102-1050. Notices shall be deemed effective as of the third day following the date of deposit of same in the U.S. mail, as evidenced by the U.S. postmark affixed by the post office. Any party hereto may change the address for such notices by affording written notification to the other parties in the manner hereinabove described, with such change effective for notices given after fifteen (15) days following the effective date thereof (or such later effective date as therein specified).
9. Successors and Assigns. This Agreement and each and every covenant, agreement and other provision hereof shall be binding upon and shall inure to the benefit of the parties hereto and their representatives, successors and assigns.

EXHIBIT

"B"

SUPPLEMENTAL LEASE AGREEMENT

THIS SUPPLEMENTAL LEASE AGREEMENT is made and entered into this 1st day of November, 2005, by and between **HARD TEN GROUP, LLC**, a Kentucky limited liability corporation, hereinafter called "Landlord"; **ATMOS ENERGY CORPORATION**, a Texas and Virginia corporation, hereinafter call "Tenant".

RECITALS

1. The parties hereto entered into Lease Agreement on or about December 31, 2003, a copy of which is attached hereto and incorporated herein as exhibit A.
2. That subsequent to the execution of the aforementioned exhibit A, various change orders were requested as specified on the attached exhibit B.
3. Parties hereto desire to enter into this Supplemental Lease Agreement to accurately set forth the rental payments due to Landlord from Tenant due to the aforementioned change orders described in exhibit B.

Wherefore, based upon the foregoing the parties hereto agree as follows:

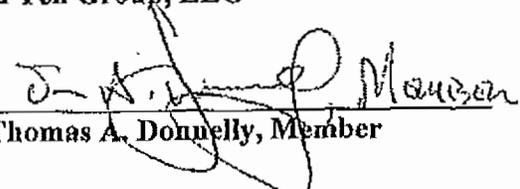
1. The above Recitals are a material part of this agreement and are incorporated herein by reference.
2. That the lease payments due to Landlord from Tenant under said Lease Agreement shall be as follows beginning October 1, 2004 (the Commencement Date):
 - a. Tenant shall pay to Landlord the sum of Nineteen Thousand Seven Hundred Fifty and 00/100 Dollars (\$19,750.00) per month on or before the first day or each calendar month from the Commencement Date and continuing on the first day of each month thereafter through and including the sixtieth monthly lease payment.

- b. Tenant shall pay to Landlord the sum of \$21,025.00 per month beginning with the sixty first monthly installment due hereunder and continuing on the first day of the month thereafter through and including the one hundred twentieth monthly lease payment.
 - c. Tenant shall pay to Landlord the sum of \$22,375.00 per month beginning with the one hundred twenty first monthly installment due hereunder and continuing on the first day of the month thereafter through and including the one hundred eightieth monthly lease payment.
 - d. Tenant shall pay to Landlord the sum of \$23,800.00 per month beginning with the one hundred eighty first monthly installment due hereunder and continuing on the first day of the month thereafter through and including the two hundred fortieth monthly lease payment.
3. That all remaining terms and conditions of the Lease Agreement attached hereto and incorporated as exhibit A shall remain in full force and effect and unchanged.

IN WITNESS WHEREOF, the parties hereto have executed this Supplemental Lease Agreement on the day and date first above written.

LANDLORD:

Hard Ten Group, LLC

By: 

Thomas A. Donnelly, Member

COMMONWEALTH OF KENTUCKY)
)SS.
COUNTY OF WARREN)

The foregoing instrument was subscribed and sworn to before me this 7th day of November, 2005 by Thomas A. Donnelly, a Kentucky LLC, and that said instrument was signed on behalf of said partnership by proper authority and the instrument was the act of the Limited Liability Corporation for the purposes stated above.

[Signature]
NOTARY PUBLIC, STATE AT LARGE
Commission expires: 1/28/2008

TENANT:

Atmos Energy Corporation

By: [Signature]

Title: Region VP

STATE OF Kentucky)
)SS.
COUNTY OF Warren)

The foregoing instrument was subscribed and sworn to before me this 22nd day of December, 2005, by William H. Greer, to me personally known as the Region VP of Atmos Energy Corporation, and that said instrument was signed on behalf of said corporation by proper authority and the instrument was the act of the corporation for the purposes stated above.

[Signature]
NOTARY PUBLIC, STATE AT LARGE
Commission expires: 1/14/2009

LEASE AGREEMENT

THIS LEASE AGREEMENT is made and entered into as of the 30th day of July, 1990 by and between WESTERN KENTUCKY GAS COMPANY, a division of Atmos Energy Corporation, a Texas corporation ("Tenant"), and GILLILAND GROUP PARTNERSHIP, a general partnership located in the State of Texas ("Landlord").

W I T N E S S E T H:

Subject to the terms and conditions set forth in this Lease, Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the following described real property (subject, however, to any and all currently existing rights-of-way and easements thereon):

BEING a certain parcel of land located in the City Limits of Glasgow, Barren County, Kentucky, and more particularly described as follows:

BEGINNING at an existing iron pin .28 east of back of sidewalk and 4.1 feet north of Building corner on the right-of-way of US 68 & 80 N. Broadway, a corner to Eugene Crumpton (Deed Book 221, Page 217 recorded in Barren County Court Clerk's office); thence with lines of Crumpton, S 61 degrees 28 minutes E 101.00 feet to set concrete nail; thence N 29 degrees 08 minutes E 59.00 feet to set iron pin, 10.8 feet Northwest of corner of garage, a corner to Eugene Crumpton and Eddie Payne (Deed Book 176, Page 156 recorded in Barren County Court Clerk's office); thence with Payne S 61 degrees 28 minutes E 59.00 feet to set concrete nail 5.28 feet east of box culvert and 8.22 feet east of garage corner, a corner to Eddie Payne and Glen Bowler (Deed Book 220, Page 544 recorded in Barren County Clerk's office); thence with Bowler and Glen Bowler (Deed Book 220, Page 855) and Harold Carter (Deed Book 223, Page 271) S 29 degrees 08 minutes W 109.26 feet to set concrete nail 2.9 feet east of culvert and 8.35 feet north of back of curb at E. Water Street on the right-of-way of East Water Street; thence with right-of-way of East Water Street (40 foot right-of-way) N 61 degrees 44 minutes W 159.80 feet to set railroad spike .28 feet east of back of sidewalk on right-of-way of E. Water Street and right-of-way of US 68 & 80 (N. Broadway) thence with right-of-way of N. Broadway (50 foot right-of-way) N 28 degrees 56 minutes E 51.00 feet to the beginning;

such real property being commonly known as 200 Broadway, Glasgow, Kentucky, together with the building or buildings and

other improvements thereon (excluding those owned by Tenant) and all rights, privileges, easements, and appurtenances belonging to or in any way pertaining to the real property (the "Leased Premises").

TO HAVE AND TO HOLD the same subject to the following:

1. Lease Term and Renewal Option.

(a) The term of this Lease shall be for a period of fifteen (15) years, commencing on August 1, 1990 and ending on July 31, 2005 unless earlier terminated or extended in accordance with the other terms and provisions of this Lease.

(b) Tenant shall have the option to extend the term of this Lease for an additional period of five (5) years commencing on August 1, 2005 (the "First Renewal Period") and for a second additional period of five (5) years commencing on August 1, 2010. Tenant may exercise such option by notifying Landlord of its election to extend the term of this Lease in writing at least one year prior to the expiration date of this Lease with respect to the first renewal option and at least one year prior to the expiration date of the First Renewal Period with respect to the second renewal option. Any such extension of the term of this Lease shall be subject to all of the terms and conditions of this Lease except that the rent payable during the renewal period shall be increased or decreased to reflect the fair market rental, as of the date of the renewal of this Lease, for space of similar size, construction, condition, and use in Glasgow, Kentucky.

2. Rent.

(a) Tenant agrees to pay to Landlord, without offset or deduction (except as expressly set forth herein), as rent for the Leased Premises a monthly rental of One Thousand One Hundred Forty-Seven and 42/100 Dollars (\$1,147.42) payable without demand in advance due on or before the first day of each month, commencing on September 1, 1990 and continuing thereafter until the expiration or termination of this Lease, provided, however, that in the event the term hereof shall commence or end on a day other than the first or last day of a calendar month, the rent for any fractional calendar month shall be prorated by days.

(b) Rent shall be paid to Landlord at Landlord's address set forth in Subparagraph 23(1) of this Lease.

3. Security Deposit.

(a) Landlord hereby acknowledges that Tenant has deposited with Landlord, upon delivery of this Lease, Six Thousand Dollars (\$6,000) as security for the full and faithful performance by Tenant of its obligations under this

Lease. Landlord may apply all or any part of such security deposit to cure any default of Tenant under the terms and provisions of this Lease. In the event of such application, Tenant must deposit with Landlord the amount applied to cure its default immediately upon notice from Landlord of the nature and amount of the application.

(b) If Landlord transfers its interest in the Leased Premises during the term of this Lease, it may either (i) return the deposit to Tenant, minus any deductions made under Subparagraph 3(a) and not replaced by Tenant, or (ii) transfer the deposit, minus any deductions made under Subparagraph 3(a) and not replaced by Tenant, to Landlord's transferee. In the event Landlord transfers all or any portion of the deposit, Landlord shall be relieved of all rights and obligations with regard to the deposit, and all of such rights and obligations will accrue to, and be binding upon, the transferee. Landlord must give Tenant notice of any such transfer, including the name and address of the transferee and the amount of the deposit transferred.

(c) Landlord shall return the deposit to Tenant, minus any amounts deducted pursuant to Subparagraph 3(a) that have not been replaced by Tenant, no later than thirty (30) days after the expiration of the initial term of this Lease or the termination hereof, whichever occurs first. The deposit must be returned as provided in this Subparagraph 3(c) to the address left with Landlord by Tenant for this purpose or, if no such address was left, at Tenant's last known address.

4. Use. Tenant shall have the right to use the Leased Premises for any lawful purpose and in any lawful manner, provided, however, that Tenant shall not commit, or suffer to be committed, any waste on the Leased Premises, nor shall it maintain or commit, or permit the maintenance or commission of, any nuisance on the Leased Premises.

5. Acceptance of Leased Premises. Tenant accepts the Leased Premises, and all buildings and improvements located thereon, as being suitable in their present condition for the purposes for which the Leased Premises are being leased.

6. Utilities. Tenant shall pay all utility charges for the Leased Premises, including, but not limited to, charges, initial connection fees, and deposits for gas, water, sewer, electricity, and telephone services.

7. Taxes and Assessments.

(a) Tenant shall, before interest or penalties are due thereon, pay and discharge all taxes and assessments, general or special, and other governmental charges and impositions imposed upon or assessed against the Leased Premises or any portion thereof ("Impositions") (subject to Tenant's right to

contest such Impositions), provided, however, that Tenant shall have no obligation to pay (i) any federal, state, or local income tax of Landlord or any similar tax of Landlord determined on the basis of Landlord's net income; (ii) any estate, inheritance, succession, gift, or similar tax of Landlord's; or (iii) any capital gains tax or real estate transfer tax imposed in connection with the sale of the Leased Premises by Landlord to any person. If any Imposition against the Leased Premises may be paid in installments, Tenant may pay such Imposition in installments as and when such installments become due. Tenant shall, upon Landlord's written request, furnish to Landlord evidence satisfactory to Landlord of the payment of any such Imposition.

(b) If Tenant fails to pay any Imposition before it becomes delinquent or to contest the Imposition in a timely manner, Landlord may, at its election, pay the Imposition and any interest and penalties due thereon. The amount paid by Landlord shall be repayable by Tenant upon Landlord's demand therefor.

(c) Tenant shall have the right to apply to the appropriate taxing authority to obtain a reduction of the assessed valuation of the Leased Premises for any year for the purpose of reducing taxes thereon. Landlord agrees that it will not object to any such application by Tenant and will cooperate with Tenant as necessary in order to obtain such a reduction.

8. Alterations, Additions, and Improvements. Tenant may make such alterations, additions, or improvements to the Leased Premises as Tenant may deem desirable without the prior written consent of Landlord so long as neither the value nor the utility of the Leased Premises is materially diminished thereby. Tenant agrees that (i) all such alterations, additions, and improvements shall be performed in a good and workmanlike manner and in accordance with applicable laws and regulations, (ii) Tenant shall discharge or remove all liens filed against any of the Leased Premises arising out of the performance of the alterations, additions, or improvements (subject to Tenant's right to contest such lien), (iii) Tenant shall procure and pay for all permits and licenses required in connection with any such alterations, additions, or improvements, and (iv) all such alterations, additions, and improvements shall be subject to this Lease and shall, upon the expiration or termination of this Lease, become the property of Landlord.

9. Contests of Impositions and Liens. Tenant shall not be required to pay any Imposition or to discharge any lien referred to in clause (ii) of Paragraph 8 above so long as Tenant shall, in good faith and at its sole cost and expense, contest the validity or amount of such Imposition or lien by appropriate legal proceedings. Tenant shall have the right to

contest such Impositions or liens in Landlord's name if required by law. During the pendency of any such contest, Landlord shall cooperate with Tenant to the fullest extent in such contest, and Landlord shall not have the right to pay, remove, or cause to be discharged the Imposition or lien being contested or to make or enter into any settlement, compromise, or other disposition of the contest, to discontinue or withdraw any contest, or to accept any refund, adjustment, or credit of or from any Imposition being contested or as a result of any such contest.

10. Signs. Tenant shall have the right to place or affix signs or advertisements upon the Leased Premises or on any buildings or improvements located thereon, provided, however, that such signs and advertisements shall conform with any laws and regulations applicable to the Leased Premises. Tenant shall remove all signs upon the termination of this Lease and shall repair any damage and close any holes in the Leased Premises caused or revealed by such removal.

11. Maintenance and Repair.

(a) Tenant shall, at Tenant's sole cost and expense, keep and maintain the Leased Premises in good repair and condition, provided, however, that Tenant shall not be required to maintain or make any repairs to any part of the Leased Premises that are made necessary by the negligence or willful misconduct of Landlord. Notwithstanding the foregoing, Tenant's obligations hereunder to maintain the Leased Premises shall not require Tenant to replace any structural portion of the Leased Premises or any major equipment or system used in and necessary for the operation of the Leased Premises for any reason unless Tenant shall, in its sole discretion, elect to make such a replacement.

(b) Nothing in this Lease shall require, or be deemed to require, Landlord to make any alterations, additions, improvements, repairs, or replacements to the Leased Premises or to maintain the Leased Premises in any way (except to the extent any of such work is made necessary by the negligence or willful misconduct of Landlord, in which event Landlord shall promptly perform such work at its sole cost and expense). Tenant hereby expressly waives any right created or provided by any law, rule, regulation, or ordinance now or hereafter in effect to require Landlord to make any alterations, additions, improvements, repairs, or replacements or to maintain the Leased Premises, or to cause the same to be done at Landlord's expense (except to the extent any of such work is made necessary by the act or negligence of Landlord).

12. Insurance.

(a) Tenant shall maintain, at its sole cost and expense, insurance on the Leased Premises to insure against fire and

casualty losses, including flood and earthquake peril, and claims for bodily injury, death, or property damage occurring on, in, or about the Leased Premises. Tenant shall maintain (i) such fire and casualty insurance in an amount not less than the actual replacement value of the Leased Premises (excluding, however, footings and foundations and other parts of the Leased Premises that are not insurable) with a deductible not exceeding \$100,000 and (ii) such general public liability insurance in an amount not less than \$10,000,000 in excess of a self-insurance retention not exceeding \$500,000.

(b) Notwithstanding anything expressly or impliedly to the contrary in this Lease, each of Landlord and Tenant hereby waives any and all rights of recovery, claims, actions, or causes of action against the other party and its directors or partners, officers, or employees for any loss or damage that may occur to the Leased Premises or to any property of such party located within or upon the Leased Premises or for any personal injury occurring on or arising from the Leased Premises if such loss, damage, or injury is covered by, and recoverable under, any fire and extended coverage or public liability insurance policy maintained by the other party. To the extent permitted by the parties' respective insurance policies, each of the parties further waives all rights of subrogation that such party's insurer or insurers may have, if any, against the other party.

(c) Tenant shall be responsible for maintaining, at its sole cost and expense, such insurance, if any, as it deems appropriate to insure Tenant's personal property located on the Leased Premises.

13. Damage or Destruction of the Leased Premises.

(a) If, during the term of this Lease, any buildings or other improvements located on and constituting a part of the Leased Premises are damaged or destroyed by fire or other casualty of any kind, Tenant shall promptly notify Landlord thereof and shall proceed with reasonable diligence to rebuild, repair, or restore the Leased Premises to substantially the same condition as such Leased Premises were in prior to the occurrence of the fire or other casualty, subject, however, to the provisions of Subparagraph 13(b) below. During the period of reconstruction, Tenant shall not be entitled to any abatement or reduction of rent as a result of any such damage or destruction.

(b) Notwithstanding the provisions of Subparagraph 13(a) above, if any portion of the Leased Premises shall be damaged or destroyed by fire or other casualty of any kind and Tenant shall determine, in its good faith judgment, that it is uneconomical to rebuild, repair, or restore the Leased Premises, Tenant may terminate this Lease as to all, or the affected portion, of the Leased Premises, provided, however,

that Tenant must notify Landlord, in writing, of such termination within thirty (30) days after the occurrence of the casualty. The termination shall become effective thirty (30) days after Tenant notifies Landlord thereof. In the event of Tenant's termination or partial termination of this Lease pursuant to this Subparagraph 13(b), Tenant shall pay to Landlord \$75,000 in the event of the termination of this entire Lease or an appropriate percentage of such amount in the event of the partial termination of this Lease.

14. Condemnation or Eminent Domain.

(a) If, during the term of this Lease, all of the Leased Premises are condemned or taken for any public or quasi-public use under any governmental law, order, or regulation or by right of eminent domain or sold to the condemning authority under threat of condemnation, this Lease shall automatically terminate and rent shall abate as of the date that title vests in the condemning authority or the Tenant is dispossessed of the Leased Premises by such condemnation or taking, whichever occurs earliest. If less than all of the Leased Premises is condemned or taken as described above and the remaining portion of the Leased Premises continues to be, in Tenant's good faith judgment, tenantable and useable by Tenant for the same uses as Tenant was using the Leased Premises immediately prior to the condemnation or taking, this Lease shall remain in full force and effect subject to a reduction of the rent payable hereunder by an appropriate and equitable amount as determined by Tenant and Landlord.

(b) If any portion of the Leased Premises is condemned or taken by eminent domain proceedings, Tenant shall not be entitled to any award made for such condemnation or taking except for any separate award made with respect to Tenant's property located on the Leased Premises or for Tenant's relocation expenses or the interruption of, or damage to, Tenant's business.

15. Indemnification.

(a) Tenant hereby agrees to indemnify and hold harmless Landlord and Landlord's partners, employees, and agents from and against (i) any costs incurred by Landlord of removing or disposing of any asbestos-containing or other hazardous materials (collectively, "Hazardous Materials") existing on the Leased Premises or in any buildings or improvements located thereon as of the date of the commencement of this Lease caused or required by virtue of Tenant, at any time during the term of this Lease, disturbing or otherwise causing any such existing Hazardous Materials to cease to be dormant, thereby requiring remedial actions of removal or disposal to be undertaken by Landlord, (ii) any and all claims, suits, actions, damages, judgments, and expenses of any nature whatsoever suffered or incurred by Landlord or Landlord's

partners, employees, or agents due to personal injuries or death suffered by any person as a result of any deposit, storage, disposal, burial, discharge, spillage, uncontrolled loss, seepage, or filtration of any Hazardous Materials by Tenant during the term of this Lease at, upon, under, or within the Leased Premises, and (iii) any injury to persons or damage to property (except such injuries or damages arising from any Hazardous Materials, in which event Tenant's liability, if any, shall be as set forth in clauses (i) and (ii) above) on the Leased Premises caused by the negligence or misconduct of Tenant or its directors, officers, employees, subtenants, agents, or licensees or any other person entering the Leased Premises under the express or implied invitation of Tenant or arising out of the use or occupancy of the Leased Premises by Tenant in the conduct of its business therein or out of any breach or default by Tenant in the performance of its obligations hereunder.

(b) Landlord hereby agrees to indemnify and hold harmless Tenant and Tenant's directors, officers, employees, and agents from and against (i) any claims, suits, actions, damages, judgments, and liability, including attorneys' fees and expenses, relating to Hazardous Materials that Landlord, by its actions or conduct, places upon, under, or within the Leased Premises or if Landlord disturbs or otherwise causes Hazardous Materials existing as of the date of the commencement of this Lease to cease to be dormant thereby giving rise to a new and separate risk of illness or death and (ii) any injury to persons or damage to property (except such injuries or damages arising from any Hazardous Materials, in which event Landlord's liability, if any, shall be as set forth in clause (i) above) caused by the negligence or misconduct of Landlord or its partners, employees, or agents.

16. Assignment and Subleasing.

(a) Landlord shall have the right to assign its interest under this Lease, provided, however, that prior to making such an assignment Landlord shall have obtained a written agreement from the assignee whereby the assignee agrees to assume and undertake to perform and discharge all of Landlord's liabilities and obligations under this Lease, to recognize Tenant's rights hereunder, and not to disturb Tenant's peaceable and quiet possession of the Leased Premises so long as no event of default as hereafter described in Subparagraph 18(a) has occurred and is continuing. Nothing herein shall prevent, or be deemed to prevent, Landlord from assigning this Lease or the rents payable hereunder to Lender for the purpose of securing the payment of Landlord's indebtedness under the Mortgage (as defined in Paragraph 21 of this Lease).

(b) Tenant shall have the right, without obtaining the consent of Landlord but with prior written notice to Landlord, to assign its interest in this Lease or to sublet the Leased

Premises or any portion thereof, provided, however, that prior to making any assignment of its interest herein Tenant shall have obtained a written agreement from the assignee whereby the assignee agrees to be bound by all of the terms of this Lease. In the event of any assignment or subletting, Tenant shall remain fully liable for the full performance of all of Tenant's obligations hereunder.

17. Surrender of Leased Premises. Tenant agrees that, upon the expiration or termination of this Lease, whether by lapse of time or because of any other conditions or provisions contained herein, Tenant shall peaceably leave and surrender possession of the Leased Premises to Landlord. If Tenant or any of its successors or assigns fail to leave and surrender the Leased Premises upon the expiration or termination hereof, such holding over shall constitute a tenancy from month to month at a monthly rental equal to 150% of the rent paid for the last month of the term of this Lease unless otherwise agreed in writing by Landlord and Tenant.

18. Events of Default and Remedies.

(a) The following events shall constitute events of default by Tenant under this Lease:

(i) The failure of Tenant to pay any rental or other sum payable hereunder to Landlord within ten (10) days after the date such payment becomes due;

(ii) The failure of Tenant to keep and perform any of its obligations or any of the terms or conditions of this Lease (other than the payment of rent or other sums payable hereunder to Landlord) and the continuation of such failure for a period of thirty (30) days after written notice thereof is delivered to Tenant, provided, however, that if such failure cannot reasonably be cured within a thirty-day period, no event of default shall have occurred if Tenant has promptly commenced to cure the failure within such thirty-day period and is proceeding therewith in good faith and with due diligence; or

(iii) The failure or inability, or admission in writing of the inability, of Tenant to pay its debts as such debts become due; the assignment by Tenant for the benefit of its creditors or the petitioning or application by Tenant to any tribunal for the appointment of a custodian, receiver, or trustee for it or a substantial part of its assets; the commencement by Tenant of any proceeding under any bankruptcy, reorganization, arrangements, readjustment of debt, dissolution, or liquidation law or statute of any jurisdiction, whether now or hereafter in effect; the filing of any such petition or application or

commencement of any such proceeding against Tenant in which an order for relief is entered or an adjudication or appointment is made and remains undismissed for a period of sixty (60) days or more; the indication by Tenant, by any act or omission, of its consent to, approval of, or acquiescence in any such petition, application, or proceeding or order for relief or the appointment of a custodian, receiver, or trustee for all or any substantial part of its properties; or the failure of Tenant to discharge or stay any such custodianship, receivership, or trusteeship within sixty (60) days after the appointment thereof.

(b) Upon the occurrence of any event of default listed in Subparagraph 18(a) above, Landlord may pursue any one or more of the following remedies:

(i) Termination of this Lease upon five (5) days written notice to Tenant, in which event Tenant shall surrender the Leased Premises to Landlord. If Tenant fails to surrender the Leased Premises, Landlord and its agents and representatives shall have the right, without further demand or notice to Tenant, to re-enter and take possession of the Leased Premises and to expel or remove Tenant and any other person who may be occupying the Leased Premises or any portion thereof, with or without process of law, without being liable for any trespass or claim for damages therefor and without prejudice to any remedies for arrears of rent or existing breaches of covenants;

(ii) Termination of Tenant's right to possession of the Leased Premises without terminating this Lease and expulsion or removal of Tenant and any other person who may be occupying the Leased Premises or any portion thereof, with or without process of law, without being liable for any trespass or claim for damages therefor and without prejudice to any remedies for any breaches of covenants (including the payment of rents) then existing or thereafter occurring. In the event Landlord exercises its remedies set forth in this Subparagraph 18(b)(ii), Landlord shall, in order to mitigate Landlord's damages caused by Tenant's default hereunder, use its best efforts to relet the Leased Premises and to collect the rent therefor, which rent shall be credited to the satisfaction of Tenant's obligations hereunder after deducting from such rents all costs and expenses incurred by Landlord in repossessing and reletting the Leased Premises, provided, however, that Landlord's best efforts shall not include an obligation to renovate or remodel the Leased Premises or any portion thereof. If the net rentals received by Landlord exceed the amounts necessary to satisfy all of Tenant's obligations under this Lease, Landlord shall be entitled to such excess. If the net

rentals are less than the amounts necessary to satisfy all of Tenant's obligations under this Lease, Tenant shall be liable to Landlord for such deficiency and shall pay such deficiency on the date that rent is due hereunder; or

(iii) Enforcement of the full and specific performance by Tenant of its obligations under this Lease in any manner provided by law or equity or pursuit of such other rights or remedies available to Landlord either at law or in equity.

(c) Notwithstanding anything expressly or impliedly to the contrary in this Lease, if Landlord applies all or any part of the security deposit to cure a default by Tenant as provided in Subparagraph 3(a) of this Lease and Tenant replaces such amount so applied, Tenant shall not be deemed to be in default of this Lease and Landlord shall have no right to pursue any other remedies against Tenant.

(d) Except as otherwise provided in Subparagraph 18(c) above, Landlord's rights and remedies provided in this Lease are cumulative, and the pursuit by Landlord of any remedy hereunder shall not preclude or waive its right to pursue any or all other remedies available to Landlord.

(e) If, on account of any breach or default by Landlord or Tenant of their respective obligations under this Lease, the nondefaulting party employs an attorney to enforce or defend any of its rights or remedies hereunder, the defaulting party shall pay the reasonable attorney's fees and expenses incurred by the nondefaulting party.

(f) No waiver by the parties hereto of any default or breach of any term, condition, or covenant of this Lease shall constitute, or be deemed to constitute, a waiver of any subsequent default or breach of the same or any other term, condition, or covenant contained herein.

19. Covenant of Quiet Enjoyment. Landlord hereby covenants and warrants to Tenant that, so long as no event of default as described in Subparagraph 18(a) above has occurred and is continuing, Tenant may and shall peaceably and quietly have, hold, occupy, use, and enjoy, and have the full, exclusive, and unrestricted use and enjoyment of, all of the Leased Premises during the entire term of this Lease and that such peaceable and quiet enjoyment shall not be disturbed or interfered with by Landlord or any person or entity claiming by, through, or under Landlord.

20. Landlord's Right of Access. Tenant agrees that it will permit the Landlord and the Landlord's representatives free and full access to the Leased Premises, with no less than forty-eight (48) hours advance notice to Tenant, for the

purpose of making (i) inspections of the Leased Premises or (ii) alterations, additions, improvements, repairs, and replacements to the Leased Premises made necessary by the negligence or willful misconduct of the Landlord.

21. Subordination. Tenant acknowledges that the Leased Premises are, or will contemporaneously with the execution hereof become, subject to a mortgage or deed of trust (the "Mortgage") held by MetLife Capital Corporation ("Lender"). Tenant agrees to execute and deliver upon demand such instruments subjecting and subordinating this Lease to the Mortgage as may be required by Landlord or Lender so long as Tenant shall have received from Lender a nondisturbance agreement pursuant to which Lender agrees (i) that it will recognize Tenant's rights under this Lease and will not disturb Tenant's peaceable and quiet possession of the Leased Premises so long as no event of default as described in Subparagraph 18(a) above has occurred and is continuing, (ii) that, in the event of a foreclosure of the Mortgage, this Lease shall continue in full force and effect as a direct lease between the succeeding owner of the Leased Premises and Tenant upon and subject to all of the terms, covenants, and conditions contained herein, and (iii) that Lender will notify Tenant of any failure by Landlord to pay when due any installment of principal or interest on the Mortgage and permit Tenant, if Tenant elects to do so, to make such payment on the Landlord's behalf prior to Lender commencing any foreclosure proceedings against the Leased Premises. Tenant shall not be obligated to make any such payment on Landlord's behalf to Lender, and such right shall not constitute, or be deemed to constitute, a guarantee by Tenant of Landlord's obligations under the Mortgage. In the event Tenant makes any such payment on Landlord's behalf, Tenant shall be entitled, at its election, either to offset such payments from the lease payments due hereunder or to obtain reimbursement from Landlord of the amount so paid together with interest thereon at the highest rate permitted by law computed from the date that such payment was made.

22. Right of First Refusal. Landlord hereby grants to Tenant a right of first refusal with respect to the Leased Premises during the term of this Lease or any renewal period, provided, however, that, as of the date on which such right may be exercised, Tenant is leasing the Leased Premises pursuant to this Lease and is not in default hereunder. Such right of first refusal is subject to the following terms and conditions:

(i) In the event Landlord receives a bona fide offer from a third party (an "Offer") to purchase all or any portion of the Leased Premises, which offer Landlord intends to accept, Landlord shall first offer to sell such Leased Premises or the pertinent portion thereof to Tenant on terms identical to those contained in the

Offer. The Offer shall be in writing and signed by the third party making such Offer, and a copy thereof shall be furnished to Tenant.

(ii) Tenant shall have fifteen (15) days after receipt of a copy of the Offer within which to elect to purchase the Leased Premises or the pertinent portion thereof pursuant to the terms of the Offer and to notify Landlord, in writing, of such election. Upon such election and notification, Landlord and Tenant shall immediately commence preparations of a formal contract of sale containing the terms of the Offer and such other terms and provisions as the parties may mutually agree. The closing of the purchase and sale of the Leased Premises or the pertinent portion thereof shall be held within sixty (60) days after Tenant notifies Landlord of its election to exercise its right of first refusal.

(iii) If Tenant does not elect to exercise its right of first refusal within such fifteen-day period, Landlord may, within one hundred twenty (120) days after the expiration of Tenant's right of first refusal with respect to the Offer, sell the Leased Premises to the third party who made such Offer on the same terms and conditions as those contained in the Offer. If such sale has not closed within such 120-day period, the Offer shall be deemed to constitute a new offer and must be offered again to Tenant pursuant to the terms of this Paragraph 22.

23. Miscellaneous.

(a) This Lease is intended and is hereby deemed to be a fully "net" lease, it being the intention of the parties hereto that Landlord shall have and enjoy the rent herein reserved to it without deduction therefrom except as otherwise expressly set forth in this Lease.

(b) Tenant and Landlord agree that the terms and provisions of this Lease are confidential and that neither they nor any of their respective directors or partners, officers, employees, agents, or consultants will divulge or disclose any of the terms or provisions hereof to any person (other than Lender or any interim lender) without the prior written consent of the other party, provided, however, that neither party shall be liable for divulging or disclosing any of the terms or provisions hereof that (i) are necessary to be disclosed in order to enforce the disclosing party's rights or remedies under this Contract or (ii) are required to be disclosed by applicable federal, state, or local statute, ordinance, or regulation or by order of any court or regulatory agency having proper jurisdiction. In the event either party becomes legally compelled to disclose any of the terms or provisions hereof, such party shall promptly provide

the other party notice thereof. Landlord shall also use its best efforts to obtain Lender's written agreement to maintain the confidentiality of the terms and provisions of this Lease.

(c) Landlord and Tenant agree to execute a memorandum of this Lease, in the form attached hereto as Exhibit 1, for recording purposes. Landlord shall record the memorandum and shall pay all costs and fees associated therewith. Nothing herein shall authorize Landlord or Tenant to, and Landlord and Tenant hereby agree that neither party shall, record this Lease without the prior written consent of the other party. Landlord and Tenant further agree that, in the event of any conflict or contradiction in language between this Lease and such memorandum, the terms and provisions of this Lease shall control.

(d) Each of the parties hereto represents and warrants that it has not employed the services of any broker or finder in connection with this Lease and does not owe any broker's or finder's fee or commission in connection herewith. Each of Landlord and Tenant agrees to indemnify and hold harmless the other party from and against any loss, claim, liability, or expense arising from a breach of this representation and warranty and from any commissions or brokerage fees claimed on account of the execution of this Lease due to any action of the indemnifying party.

(e) It is the intent of the parties hereto that the relationship between Landlord and Tenant created by this Lease is solely that of a landlord and tenant, and nothing herein is intended to, or shall be deemed to constitute, the creation of any partnership, joint venture, agency, guaranty, or other relationship between the parties hereto other than a landlord-tenant relationship.

(f) There shall be no merger of the leasehold estate created by this Lease with the fee estate in any of the Leased Premises by reason of the fact that the same person or entity may acquire, hold, or own, directly or indirectly, (i) the leasehold estate created by this Lease or any part hereof or interest herein or any interest of Tenant in this Lease and (ii) the fee estate in any of the Leased Premises or any interest in such fee estate. No such merger shall occur unless and until all persons or entities having any interest in the leasehold estate created by this Lease and the fee estate in the Leased Premises or any part thereof shall join in a written instrument effecting such merger and shall duly record the same.

(g) This Lease constitutes the entire agreement between Landlord and Tenant with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral and written, between Landlord and Tenant with respect to the subject matter hereof.

(h) Neither this Lease nor any provision contained herein may be amended, waived, discharged, or terminated orally but only by an instrument in writing signed by the party against which enforcement of such amendment, waiver, discharge, or termination is sought.

(i) All notices given pursuant to the terms of this Lease shall be in writing and shall be sufficient in all respects if delivered by hand, sent by facsimile to the fax number set forth below and verified by a subsequent mailing thereof by regular mail, or mailed by registered or certified mail, postage prepaid, as follows:

If to Tenant: Western Kentucky Gas Company,
a division of Atmos Energy Corporation
P.O. Box 650205
Dallas, Texas 75265
Attn: Mr. Jerry Knierim
Executive Vice President

Fax No. (214) 991-5235 or
(214) 788-3793

If to Landlord: Gilliland Group Partnership
P.O. Box 750
Amarillo, Texas 79105-0750
Attn: Mr. Bill Gilliland

Fax No. (806) 374-3818

Any notice given in any manner described above shall be deemed effective upon actual receipt by the party to whom such notice is sent. Addresses or fax numbers may be changed on notice to the other party given pursuant to this Subparagraph 23(i).

(j) If any provision in this Lease shall for any reason be held to be invalid or unenforceable in any respect, the validity and enforceability of the remaining provisions of this Lease shall not be affected and this Lease shall be construed as if such invalid or unenforceable provision had never been contained herein.

(k) This Lease shall be binding upon and shall inure to the benefit of and be enforceable by the parties hereto and their respective successors and assigns, and is solely for the benefit of Tenant and Landlord and not for the benefit of any other person or entity not a party hereto.

(l) Neither Landlord nor Tenant shall be required to perform any term, condition, or covenant in this Lease (other than the payment of rent) so long as such performance is delayed or prevented by any event of force majeure. The term "force majeure" shall mean any cause not reasonably within the control of the nonperforming party and includes, but is not

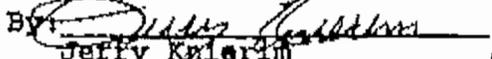
limited to, acts of God; strikes; lock-outs; wars; riots; orders or decrees of any lawfully constituted federal, state, or local body; fires; storms; floods; wash-outs; explosions; inability to obtain or a delay in obtaining material, supplies, or labor permits; and other similar events and occurrences.

(m) THIS LEASE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF KENTUCKY.

(n) The descriptive headings of the provisions of this Lease are formulated and used for convenience only and shall not be deemed to affect the meaning or construction of any of such provisions.

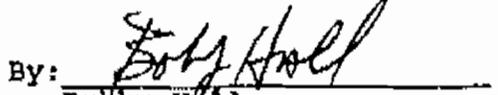
IN WITNESS WHEREOF, the parties hereto have executed this Lease Agreement as of the date first written above.

WESTERN KENTUCKY GAS COMPANY,
a division of
Atmos Energy Corporation

By: 
Jeff Kalarin
Executive Vice President
Atmos Energy Corporation

GILLILAND GROUP PARTNERSHIP

By: 
Bill Gilliland
Partner

By: 
Bobby Hall
Partner

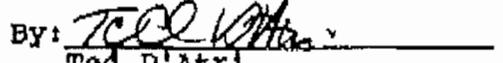
By: 
Ted D'Atri
Partner

EXHIBIT 1
TO
LEASE AGREEMENT

MEMORANDUM OF LEASE

1. Date of Lease: July 30, 1990
2. Name and address of Landlord: Gilliland Group Partnership
P.O. Box 750
Amarillo, Texas 79105-0750
3. Name and address of Tenant: Western Kentucky Gas
Company, a division of
Atmos Energy Corporation
P.O. Box 650205
Dallas, Texas 75265
4. Description of Leased Premises:

BEING a certain parcel of land located in the City Limits of Glasgow, Barren County, Kentucky, and more particularly described as follows:

BEGINNING at an existing iron pin .28 east of back of sidewalk and 4.1 feet north of Building corner on the right-of-way of US 68 & 80 N. Broadway, a corner to Eugene Crumpton (Deed Book 221, Page 217 recorded in Barren County Court Clerk's office); thence with lines of Crumpton, S 61 degrees 28 minutes E 101.00 feet to set concrete nail; thence N 29 degrees 08 minutes E 59.00 feet to set iron pin, 10.8 feet Northwest of corner of garage, a corner to Eugene Crumpton and Eddie Payne (Deed Book 176, Page 156 recorded in Barren County Court Clerk's office); thence with Payne S 61 degrees 28 minutes E 59.00 feet to set concrete nail 5.28 feet east of box culvert and 8.22 feet east of garage corner, a corner to Eddie Payne and Glen Bowler (Deed Book 220, Page 544 recorded in Barren County Clerk's office); thence with Bowler and Glen Bowler (Deed Book 220, Page 855) and Harold Carter (Deed Book 223, Page 271) S 29 degrees 08 minutes W 109.26 feet to set concrete nail 2.9 feet east of culvert and 8.35 feet north of back of curb at E. Water Street on the right-of-way of East Water Street; thence with right-of-way of East Water Street (40 foot right-of-way) N 61 degrees 44 minutes W 159.80 feet to set railroad spike .28 feet east of back of sidewalk on right-of-way of E. Water Street and right-of-way of US 68 & 80 (N. Broadway) thence with right-of-way of N. Broadway (50 foot right-of-way) N 28 degrees 56 minutes E 51.00 feet to the beginning.

5. Term of Lease: A term of fifteen (15) years, commencing on August 1, 1990 and ending on July 31, 2005.

6. Renewal Option: Tenant has the option to extend the term of the Lease for an additional period of five (5) years commencing on August 1, 2005 and for a second additional period of five (5) years commencing on August 1, 2010. Specific provisions regarding this option are set forth in the Lease.

7. Right of First Refusal: Tenant has a right of first refusal for the purchase of all or any portion of the Leased Premises during the term of the Lease or any renewal period. Specific provisions regarding this right of first refusal are set forth in the Lease.

IN WITNESS WHEREOF, the parties hereto have executed this Memorandum of Lease this 30th day of July, 1990.

TENANT:

LANDLORD:

WESTERN KENTUCKY GAS COMPANY,
a division of
Atmos Energy Corporation

GILLILAND GROUP PARTNERSHIP

By: _____
Jerry Knierim
Executive Vice President
Atmos Energy Corporation

By: _____
Bill Gilliland
Partner

By: _____
Bobby Hall
Partner

By: _____
Ted D'Atri
Partner

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

The foregoing instrument was acknowledged before me this 30th day of July, 1990 by Jerry Knierim, Executive Vice President of Atmos Energy Corporation, a Texas corporation, on behalf of the corporation.

Notary Public in and for
the State of Texas

My commission expires:

Notary Public Printed Name

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

The foregoing instrument was acknowledged before me this 30th day of July, 1990 by Bill Gilliland, Bobby Hall, and Ted D'Atri, partners on behalf of Gilliland Group Partnership, a partnership.

Notary Public in and for
the State of Texas

My commission expires:

Notary Public Printed Name

FIRST AMENDMENT TO LEASE AGREEMENT

THIS FIRST AMENDMENT TO LEASE AGREEMENT (the "Amendment") is made and entered into this 15 day of March, 2005, by and between Atmos Energy Corporation, a Texas and Virginia corporation (formerly d/b/a Western Kentucky Gas Company) ("Tenant"), and GILLILAND GROUP PARTNERSHIP, a Texas general partnership ("Landlord").

RECITALS

A. Landlord and Tenant have entered into that certain Lease Agreement (the "Lease") dated July 30, 1990, covering the real property described on Exhibit "A", which is attached hereto and made a part hereof for all purposes, such real property being commonly known as 200 Broadway Street, Glasgow, Kentucky.

B. Tenant desires to exercise its first renewal option to extend the term of the Lease for five (5) years commencing on August 1, 2005, and ending on July 31, 2010.

C. Tenant and Landlord desire to evidence their agreement regarding certain amendments to the Lease.

AGREEMENT

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Landlord and Tenant agree as follows:

1. Tenant hereby exercises its option to extend the term of the Lease for an additional period of five (5) years commencing on August 1, 2005, and ending on July 31, 2010 (the "First Renewal Period"). Landlord hereby agrees that the term of the Lease has been extended for an additional period of five (5) years commencing on August 1, 2005, and ending on July 31, 2010.
2. The Lease is amended as follows:
 - (a) The last sentence of Subparagraph 1(b) is deleted in its entirety, and the following sentences are substituted therefor:

The First Renewal Period shall be subject to all of the terms and conditions of this Lease, including the rent payable immediately prior to the commencement of the First Renewal Period. The second renewal period, if exercised, shall be subject to all of the terms and conditions of this Lease, except that the rent payable during the second renewal period shall be increased or decreased to reflect the fair market value, as of the date of the renewal of this Lease, for space of similar size, construction, condition, and use in Glasgow, Kentucky.

- (b) The following is added as Subparagraph 1(c):

Tenant shall have the right to terminate this Lease at any time without penalty by giving Landlord at least six (6) months prior written notice. The notice shall specify the effective date of the termination. Tenant shall remain liable for all of Tenant's liabilities and obligations that arise under this Lease prior to the effective date of the termination.

- (c) Subparagraph 23(d) is deleted in its entirety, and the following is substituted therefor:

Each of the parties hereto represents and warrants that it has not employed the services of any broker or finder in connection with this Lease, except The Staubach Company – Great Lakes Real Estate Partners, LLC. Each of the parties hereto also represents and warrants that it does not owe any broker's or finder's fee or commission in connection with this Lease, except that the Landlord shall pay The Staubach Company – Great Lakes Real Estate Partners, LLC a six percent (6%) commission on the amount of base rent that is due and payable during the First Renewal Period, payable semiannually beginning August 1, 2005. The Staubach Company – Great Lakes Real Estate Partners, LLC shall pay its co-broker out of the commission paid. The Landlord's obligation to pay the commission to The Staubach Company – Great Lakes Real Estate Partners, LLC shall terminate in the event this Lease is terminated by the Tenant or otherwise expires or terminates during the First Renewal Period. Each of Landlord and Tenant agrees to indemnify and hold harmless the other party from and against any loss, claim, liability or expense arising from a breach of the representations and warranties contained in this Subparagraph 23(d) and from any commissions or brokerage fees claimed on account of the execution of this Lease due to any action of the indemnifying party.

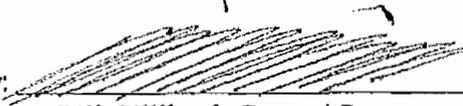
3. As modified by this Amendment, the Lease shall remain in full force and effect, enforceable in accordance with its terms.
4. This Amendment shall be binding upon and shall inure to the benefit of the Landlord and Tenant, and their respective successors and assigns.
5. This Amendment shall be governed by and construed and enforced in accordance with the laws of the State of Kentucky.

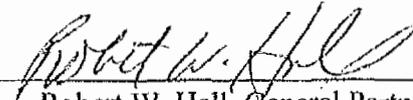
IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first written above.

LANDLORD:

GILLILAND GROUP PARTNERSHIP, a Texas
general partnership

By: Gilliland Group Family Partnership, a Texas
general partnership, General Partner

By: 
Bill Gilliland, General Partner

By: 
Robert W. Hall, General Partner

TENANT:

ATMOS ENERGY CORPORATION

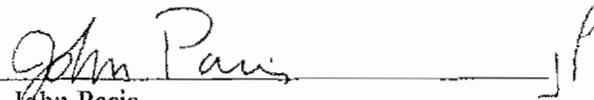
By: 
John Paris
President, Kentucky Division

EXHIBIT "A"

BEING a certain parcel of land located in the City Limits of Glasgow, Barren County, Kentucky, and more particularly described as follows:

BEGINNING at an existing iron pin .28 east of back of sidewalk and 4.1 feet north of Building corner on the right-of-way of US 68 & 80 N. Broadway, a corner to Eugene Crumpton (Deed Book 221, Page 217 recorded in Barren County Court Clerk's office); thence with lines of Crumpton, S 61 degrees 28 minutes E 101.00 feet to set concrete nail; thence N 29 degrees 08 minutes E 59.00 feet to set iron pin, 10.8 feet Northwest of corner of garage, a corner to Eugene Crumpton and Eddie Payne (Deed Book 176, Page 156 recorded in Barren County Court Clerk's office); thence with Payne S 61 degrees 28 minutes E 59.00 feet to set concrete nail 5.28 feet east of box culvert and 8.22 feet east of garage corner, a corner to Eddie Payne and Glen Bowier (Deed Book 220, Page 544 recorded in Barren County Clerk's office); thence with Bowier and Glen Bowier (Deed Book 220, Page 855) and Harold Carter (Deed Book 223, Page 271) S 29 degrees 08 minutes W 109.26 feet to set concrete nail 2.9 feet east of culvert and 8.35 feet north of back of curb at E. Water Street on the right-of-way of East Water Street; thence with right-of-way of East Water Street (40 foot right-of-way) N 61 degrees 44 minutes W 159.80 feet to set railroad spike .28 feet east of back of sidewalk on right-of-way of E. Water Street and right-of-way of US 68 & 80 (N. Broadway) thence with right-of-way of N. Broadway (50 foot right-of-way) N 28 degrees 56 minutes E 51.00 feet to the beginning.

SECOND AMENDMENT TO LEASE AGREEMENT

THIS SECOND AMENDMENT TO LEASE AGREEMENT (the "Second Amendment") is made and entered into this 26 day of July, 2010, by and between Atmos Energy Corporation, a Texas and Virginia Corporation (formerly d/b/a Western Kentucky Gas Company) ("Tenant"), and GILLILAND GROUP PARTNERSHIP, a Texas general partnership ("Landlord").

WITNESSETH

WHEREAS, Landlord and Tenant have entered into that certain Lease Agreement dated July 30, 1990 (the Lease"), and that First Amendment to Lease Agreement dated March 15, 2005 (the "First Amendment"), pursuant to which Tenant occupies certain real property described on Exhibit "A", which is attached hereto and made a part hereof for all purposes, such real property being commonly known as 200 Broadway Street, Glasgow, Kentucky.

WHEREAS, pursuant to the Second Amendment the current term of the Lease shall expire on July 31, 2010;

WHEREAS, Landlord and Tenant desire to amend the Lease to extend the expiration date of the Lease to July 31, 2015, and to make such other modifications to the Lease as are hereinafter expressly set forth;

NOW, THEREFORE, for and in consideration of the rent to be paid, the covenants and agreements to be performed, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant agree to the following:

1. Tenant hereby exercises its option to extend the term of the Lease for an additional period of five (5) years commencing on August 1, 2010, and ending on July 31, 2015 (the "Second Renewal Period"). Landlord hereby agrees that the term of the Lease has been extended for an additional period of five (5) years commencing on August 1, 2010, and ending on July 31, 2015. The monthly rental during the Second Renewal Period shall be ONE THOUSAND AND NO/100 (\$1,000.00) DOLLARS commencing on August 1, 2010 and payable as set forth in the Lease.
2. Except as modified by this Amendment, all other terms of the Lease Agreement, as previously amended, shall be and remain in full force and effect.
3. This Amendment shall be binding upon and shall inure to the benefit of the Landlord and Tenant, and their respective successors and assigns.
4. This Amendment shall be governed by and construed and enforced in accordance with the laws of the State of Kentucky.

SIGNATURE PAGE TO FOLLOW

IN WITNESS WHEREOF, the parties have executed this Second Amendment as of the date first written above.

LANDLORD:

Gilliland Group Partnership, a Texas general partnership

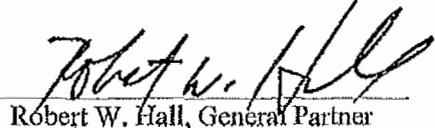
By: Gilliland Group Family Partnership, a Texas general partnership, General Partner

By:



Bill Gilliland, General Partner

By:

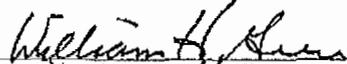


Robert W. Hall, General Partner

TENANT:

ATMOS ENERGY CORPORATION

BY:



Name: William H. Greer

Title: Division VP - Operations
Atmos Energy Corporation

Exhibit "A"

BEING a certain parcel of land located in the City Limits of Glasgow, Barren County, Kentucky, and more particularly described as follows:

BEGINNING at an existing iron pin .28 east of back of sidewalk and 4 .1 feet north of Building corner on the right-of-way of US 68 & 80 N. Broadway, a corner to Eugene Crumpton (Deed Book 221, Page 217 recorded in Barren County Court Clerk's office); thence with lines of Crumpton, S 61 degrees 28 minutes & 101 .00 feet to set concrete nail; thence N 29 degrees 08 minutes E 59 .00 feet to set iron pin, 10 .8 feet Northwest of corner of garage, a corner to Eugene Crumpton and Eddie Payne (Deed Book 176, Page 156 recorded in Barren County Court Clerk's office); thence with Payne S 61 degrees 28 minutes E 59 .00 feet to set concrete nail 5 .28 feet east of box culvert and 8 .22 feet east of garage corner, a corner to Eddie Payne and Glen Bowie; (Deed Book 220, Page 544 recorded in Barren County Clerk's office); thence with Bowie; and Glen Bowie; (Deed Book 220, Page 855) and Harold Carter (Deed Book 223, Page 271) S 29 degrees 08 minutes W 109 .26 feet to set concrete nail 2 .9 feet east of culvert and 8 .35 feet north of back of curb at E. Water street on the right-of-way of East Water Street; thence with right-of-way of East Water Street (40 foot right-of-way) N 61 degrees 44 minutes W 159 .80 feet to set railroad spike .28 feet east of back of sidewalk on right-of-way of E. Water street and right-of-way of US 68 & 80 (N. Broadway) thence with right-of-way of N. Broadway (50 foot right-of-way) N 28 degrees 56 minutes E 51 .00 feet to the beginning.

1833 E. 9th St.
Hopkinsville Ky 42240

LEASE

THIS LEASE is dated as of July 16th, 2002 by and between PEARTREE PARTNERS, LLC ("Landlord") and ATMOS ENERGY CORPORATION ("Tenant").

1. PREMISES

The Landlord, in consideration of the rents to be paid and the covenants to be performed by the Tenant, does hereby lease to the Tenant the real property and improvements thereon (the "Premises") situated in Christian County, Kentucky, and being more particularly described in Exhibit "A" attached hereto and incorporated herein.

2. TERMS

Whenever in this Lease the terms "Landlord" and "Tenant" are used, they shall have the same meaning as "Landlord" and "Tenant".

3. TERM AND RENT

The term of this Lease shall commence on the 1st day of December, 2002, or upon Landlord's delivery of possession of the Premises to Tenant, whichever last occurs (the "Term Commencement Date"). Tenant shall have no obligation to accept delivery of the Premises by Landlord until the same are substantially completed ("Improvement Complete") in accordance with the plans therefore approved by Landlord and Tenant and as evidenced by a certificate of occupancy issued by the local government agency or authority having jurisdiction. The initial term of this Lease shall be for 84 months from the date of commencement.

Tenant shall pay rent of \$4,300.00 per month for the first three (3) years of this Lease. The monthly rent shall increase each third year on the anniversary date of the Lease by the percentage increase in the ALL URBAN CONSUMERS PRICE INDEX (CPI) published by the U.S. Department of Labor for the previous three (3) years. All rent shall be due on the 1st day of each month.

4. OPTION TO RENEW

Tenant is hereby granted an option to extend the term of this Lease for an additional three (3) five (5) year terms, upon the same terms and conditions of the last month of the preceding term. If Tenant elects to extend this Lease for any renewal term, then written notice thereof must be given to Landlord not less than 60 days before the end of the then current term.

5. USE OF PREMISES

Tenant shall use and occupy the Premises for general use. The Premises shall not

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EXHIBIT "A"

A certain lot or parcel of land situated on the west side of U.S. Highway 41 about three-fourths of a mile south of Hopkinsville, Christian County, Kentucky, and more particularly described as follows:

BEGINNING at a stake and a new corner in the Tom Leavell property line on the south side of R/W of U.S. 41; thence South 40 degrees 58 minutes West 381 feet, a new line to a new corner, an iron stake; thence South 53 degrees 19 minutes East 139 feet to a corner post of Tom Leavell and wife and Ralph Heltsley; thence with Ralph Heltsley line North 39 degrees 39 minutes East 376.5 feet to a stake in the edge of the R/W of U.S. 41; thence with the R/W North 50 degrees 45 minutes West 129 feet to the BEGINNING.

THERE IS EXCEPTED AND NOT CONVEYED HEREIN a tract conveyed to the Commonwealth of Kentucky by deed recorded in Deed Book 317, Page 215, Christian County Clerk's Office.

BEING a portion of the same property conveyed to Henry C. Clayton and Billie Clayton, his wife, by deed dated April 27, 1959, from Tom Leavell and Louise Leavell, his wife, which deed is recorded in Deed Book 268, Page 478, Christian County Clerk's Office.

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EXHIBIT "B"

WORK LETTER AGREEMENT

Attached to and made part of

Lease Agreement dated: July 16, 2002

Landlord: Peartree Partners, LLC

Tenant: Atmos Energy Corporation

WORK LETTER AGREEMENT

This Work Letter Agreement (this "Agreement") is made and entered into this 16 day of July, 2002, between Landlord and Tenant. In the event of any inconsistencies between this Agreement and the Lease Agreement (the "Lease") dated concurrently herewith to which this Agreement is attached as Exhibit "B", the Lease shall control. Capitalized terms used in this Agreement shall, unless otherwise specifically set forth herein, have the same meanings as in the Lease.

WITNESSETH:

WHEREAS, Landlord and Tenant have executed the Lease on this date and, in connection therewith, are entering into this Agreement for the construction of certain leasehold improvements of and to the Premises referenced in the Lease; and

WHEREAS, all terms capitalized herein but not defined herein shall have the meanings ascribed to them in the Lease; and

WHEREAS, (i) Landlord or its contractor(s) shall do all work referenced herein in accordance with the terms and provisions hereof, and (ii) Tenant shall not do or cause to be done any of such work or interfere in any way with Landlord's or its contractors' efforts to do any of such work.

NOW, THEREFORE, for One Dollar (\$1.00) and other good and valuable considerations, the receipt, adequacy and sufficiency of which is hereby acknowledged, Landlord and Tenant agree as follows:

SECTION 1

RECITALS

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be used for any illegal purpose.

6. PUBLIC LIABILITY INSURANCE

Tenant shall obtain and keep in effect a policy of public liability and property damage insurance with respect to the premises in the amount of Five Hundred Thousand Dollars (\$500,000.00) for damages resulting to one person, One Million Dollars (\$1,000,000.00) for damages resulting from one casualty and One Hundred Thousand Dollars (\$100,000.00) for property damage. The policy shall not be cancelable except upon not less than thirty (30) days prior written notice to Landlord. Tenant may self-insure for all or any portion of the coverage herein required.

Landlord shall obtain and keep in effect a policy of public liability and property damage insurance which shall contain an express waiver, in favor of Tenant, of any right of subrogation by the insurer.

7. CASUALTY INSURANCE

Landlord agrees to carry a standard "all risk" casualty insurance policy covering all of the improvements made by Landlord on or about the building subject only to standard policy exclusions, in an amount equal to one hundred percent (100%) of the full replacement costs of such improvements, and shall contain express waiver, in favor of Tenant, of any right of subrogation by the insurer. Tenant shall be responsible for insuring the contents of, and any tenant installed improvements in, the premises, which insurance policy shall contain an express waiver, in favor of Landlord, of any right of subrogation by the insurer.

If Tenant's use of the building causes an increase in insurance premiums above standard rates, Tenant shall pay the difference.

8. REAL ESTATE TAXES

Landlord will throughout the term of this Lease, and before interest or penalties are due thereon, pay and discharge all taxes and assessments, general or special, and other governmental charges and impositions imposed upon or assessed against the Premises or any portion thereof, except for any taxes, assessments, impositions or charges imposed upon or assessed against Tenant's personal property in or upon the Premises.

9. LANDLORD'S REPAIR AND MAINTENANCE

Landlord shall, at its sole cost and expense, maintain, repair and replace as necessary all exterior and structural portions of the premises and building, including, but not limited to the roof, gutters, downspouts, foundation, the four outer walls, and the structural soundness of the building. Landlord shall also maintain all utility pipes, lines, conduits and other utility facilities, and the heating, ventilating and air condition system, serving the premises and/or building. In

1.01 Landlord and Tenant agree to the recitals set forth above and acknowledge that each of same is true and correct and by this reference is hereby incorporated into this Agreement.

SECTION 2

FINAL WORKING DRAWINGS AND TURNKEY IMPROVEMENTS

2.01 Landlord and Tenant hereby agree that Landlord shall employ a general contractor to perform the construction and build-out of the Premises (inclusive of site preparation, grading, paving and construction of all structures and other improvements thereon) in accordance with those certain Final Working Drawings (as hereinafter defined) which will be prepared in accordance with Paragraph 2.02 below (the improvements set forth in the Final Working Drawings are sometimes hereinafter called the "Turnkey Improvements"); provided, however, Landlord's obligation to pay the cost of the Turnkey Improvements shall be limited to the work as set forth and delineated in the Final Working Drawings and building standard finishes as therein set forth. (the "Landlord's Allowance") and such costs in excess of the requirements of said plans shall be deemed to be included within the definition of Tenant's Non-Standard Work (as hereinafter defined). The Landlord's cost shall be funded in such a manner and to a party Landlord deems appropriate so that the Turnkey Improvements can be completed on a lien-free basis.

2.02 Landlord shall develop the Plans (as hereinafter defined) and the Final Working Drawings and shall promptly cause the same to be delivered to Tenant. Tenant shall have fifteen (15) business days from the date Landlord submits the plans, inclusive of improvement plans and site plans (collectively hereinafter called the "Plans"), to Tenant to approve the same. Such Plans shall also include, as part of the Turnkey Improvements and included within Landlord's Allowance, the removal of trees and shrubbery within State owned right-of-way which would otherwise obstruct the view of the Premises from the main street and installation of a fence in place thereof, as well as a the installation of a fence along the south property line, across the backside of the property and along a portion of the north property line. If Tenant does not disapprove the Plans within such fifteen (15) day period, Tenant shall be deemed to have approved same. Upon approval, the Plans will be attached to the Lease and will form the basis for completion of the Final Working Drawings. If disapproved by Tenant, Landlord ~~and Tenant~~ will revise the Plans in an attempt to reflect the comments of the Tenant; provided, however, that such changes will not require the expenditure of additional funds to complete the Turnkey Improvements. Landlord will require Tenant's approval of the revised Plans within five (5) business days of submittal of such revisions to Tenant. If Tenant does not disapprove the space plan within such five (5) day period, Tenant shall be deemed to have approved same. In all events, the Plans should be completed within thirty (30) days after the date Tenant is first presented with said Plans, and if no Plans have been agreed to on said date, then the Term Commencement Date shall not be delayed because said Plans have not been agreed to or by any subsequent revisions to the Plans, and the Term Commencement Date shall be as specified in the Lease, notwithstanding when the Plans are ultimately agreed upon or the Completion Date is achieved. The cost of producing the Plans and one revision thereof, if necessary, shall be borne by Landlord. Subsequent planning and the cost of producing all additional plans, specifications and cost estimates as may be required in this Agreement shall be paid by Tenant.

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2.03 The Final Working Drawings shall be sufficiently detailed and in a form suitable for obtaining all necessary permits from any applicable governmental authority to commence construction of the Turnkey Improvements. Landlord and/or Landlord's contractor shall be solely responsible for procuring and paying for any such permits.

SECTION 3

TENANT'S NON-STANDARD WORK

3.01 Tenant may request that Landlord make, or cause to be made, at Tenant's cost and expense improvements to the Premises in addition to or different from the Turnkey Improvements (hereinafter "Tenant's Non-Standard Work").

3.02 If Landlord approves Tenant's request for Tenant's Non-Standard Work, Landlord shall, in accordance with this Agreement, install the Tenant's Non-Standard Work including, but not limited to, the following:

3.02-1 Qualities of Turnkey Improvements in excess of those provided by Landlord as set forth in Section 2 hereof.

3.02-2 Substitution of materials or change in design from the Turnkey Improvements.

Tenant acknowledges that if Tenant requests Landlord to install Tenant's Non-Standard Work, such request may cause a delay in completion of the Turnkey Improvements under this Agreement.

SECTION 4

FINANCIAL

4.01 If Tenant requests Tenant's Non-Standard Work, Tenant will pay Landlord all costs related to Tenant's Non-Standard Work, which will include, but not be limited to, the following:

4.01-1 The cost of the professional services (including services of architects, engineers and consultants), if any, required in order to complete Tenant's Non-Standard Work; and

4.01-2 The additional cost, if any, resulting from the use of materials other than those used in the Turnkey Improvements and the cost of installing such materials; and

Whether or not Tenant requests Tenant's Non-Standard Work, Tenant shall not be entitled to any credits whatsoever for any portion of Landlord's Allowance not utilized by Tenant.

4.02 Following commencement of construction, Landlord will bill Tenant for the cost of obtaining and installing Tenant's Non-Standard Work. Tenant shall pay Landlord the entire amount of each statement within thirty (30) days after receipt.

4.03 Any sums payable by Tenant to Landlord under this Agreement which shall not be paid within thirty (30) days after billing of Tenant shall bear interest at the rate of fifteen percent (15%) per annum from the date of said initial billing. If any payments due under this Agreement are not paid within forty (40) days after receipt of the original billing, such non-payment shall be a default under this Agreement and the Lease and Landlord shall have all remedies available under the Lease in the event of default, including, but not limited to, the stoppage of all work to be performed under this Agreement. Should Landlord stop work under this Agreement due to a monetary default of Tenant under this Agreement or the Lease, Tenant shall have no right to set-off or abatement of Base Rent or Additional Rent under the Lease and further Tenant shall make no claim against Landlord for any damages whatsoever, actual or consequential, including any claims or damages for holdover rent of a prior tenancy or as a result of a delay in taking occupancy of the Premises under the Lease.

SECTION 5

CONSTRUCTION OF IMPROVEMENTS AND LEASE COMMENCEMENT DATE

5.01 Landlord estimates, but does not warrant, that the Premises will be substantially completed, in accordance with the Final Working Drawings on or before December 1, 2002, (the "Estimated Completion Date"), unless extended by other provisions of this Agreement.

5.02 (a) In the event the Completion Date (as hereinafter defined) should be delayed beyond the Estimated Completion Date for a reason solely and directly attributable to Landlord, then the Commencement Date will be extended one day for each day of such delay.

(b) In the event that the actual Completion Date should occur beyond the Estimated Completion Date due to causes beyond Landlord's control, including, but not limited to, causes beyond the reasonable control of Landlord, or if such delay includes, but is not solely attributable to, in whole or in part, acts of God, civil strife, riots, strikes, governmental action, shortages of equipment or supplies, then one day shall be added to the Term Commencement Date for each day of such delay.

5.03 In the event the actual Completion Date should occur beyond the Estimated Completion Date for any reason attributable to Tenant or Tenant's agents, then no adjustment shall be made to the Term Commencement Date.

SECTION 6

SUBSTANTIAL COMPLETION AND OCCUPANCY

6.01 The "Completion Date", as that term is used in this Agreement, will be deemed to be the date that improvements to the Premises, including the Turnkey Improvements and Tenant's Non-Standard Work, if any, are substantially complete and the Premises is ready for occupancy by Tenant, as evidenced by a certificate of occupancy issued by the appropriate governmental authority

addition, Landlord shall maintain in good repair the roads, parking areas and sidewalks.

10. TENANT'S REPAIRS AND MAINTENANCE

Tenant shall keep the premises in a clean and healthful condition according to the laws or ordinances of the governmental agencies having jurisdiction of the premises. Tenant shall not permit or allow waste to the premises. At the end of this lease, Tenant will surrender the premises to the Landlord in good condition, except for reasonable wear and tear and damage by fire, casualty or the elements. By taking possession of the premises, Tenant accepts the premises as being in good condition and repair. Tenant shall, at Tenant's sole cost and expense, make repairs to the interior of the lease premises, including, but not limited to, walls, windows, doors, lighting, plumbing, and other fixtures, paint, wall and window coverings, and cleaning the carpet, ordinary wear and tear and damage by fire or other unavoidable casualty excepted. Lessee will be responsible for any and all damages caused by Lessee or Lessee's agents, employees, owners, invitees, or visitors. Tenant will at its sole cost, repair, maintain and replace all Tenant provided leasehold improvements.

11. QUIET USE AND POSSESSION

Landlord warrants that it has good title to the premises in fee simple, free and clear of all liens and encumbrances excepting the lien for current taxes and the first mortgage or deed of trust. Landlord also warrants that it has the right to make this lease for the term described herein, including any option period(s). Landlord warrants that Tenant, on performing its obligations under the Lease, shall peacefully and quietly hold and enjoy the premises.

12. QUIET ENJOYMENT

Tenant, upon paying the rent and performing the covenants herein agreed to be by it performed, shall and may peaceably and quietly have, hold and enjoy the premises for the term of this Lease, and any extensions or renewals thereof.

13. FIRE OR CASUALTY

If the premises shall be damaged or destroyed, in whole or in part, by fire or other casualty, Landlord shall at its own cost and expense, promptly repair and restore the premises to a condition substantially equal to the condition of the premises immediately prior to such damage, except that Tenant will at its expense repair and restore, to the extent desired by the Tenant, all Tenant provided leasehold improvements. Such repairs shall be completed not later than one hundred and twenty days after such damage. Rent shall be abated proportionally during any such repair period.

Anything hereinabove to the contrary notwithstanding, if the Premises are damaged by fire or other casualty and, in the reasonable opinion of either party, are rendered substantially

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unusable by reason of such fire or other casualty and such damage cannot be repaired by Landlord using reasonable diligence within 180 days, either party shall have the right to terminate this Lease. Said right shall be exercised by notice in writing delivered to the other party and the tenancy hereby created shall cease as of the date of said termination.

14. EMINENT DOMAIN

If the whole or part of the premises shall be taken by eminent domain, or sold under threat of eminent domain, then this Lease shall terminate as of the date title is taken or transferred.

15. HOLDING OVER

If the Tenant holds over after the termination of this Lease (including any renewal or option period) then the tenancy shall be from month to month in the absence of any written agreement to the contrary.

Rent during such holdover period shall be set at 110% of the rent charged for the last month of the just-ended lease term. Tenant may be evicted during any holdover period upon 30 days prior written notice to Tenant.

16. ENTRY BY LANDLORD

Tenant shall permit Landlord and its authorized representatives to enter the premises during reasonable business hours for the purpose of inspection, and at all reasonable times for the purposes of maintenance, repairs or additions, or for the purpose of posting upon the premises at any time within 120 days prior to the expiration of this Lease, any usual or ordinary "for rent" signs.

17. ASSIGNMENT AND SUBLETTING

Tenant shall not, without the prior written consent of Landlord, assign this Lease, sublet the premises, or permit the use of the premises by any party other than Tenant.

18. UTILITIES

Tenant shall be responsible for payment of all utility bills. Landlord shall pay for the initial shell installation of telephone, electric, gas, water and sewer utilities to the premises, as provided in paragraph 31 of this Lease, LANDLORD IMPROVEMENTS. The utilities shall be in Tenant's name, and Tenant will pay all deposits, hookup charges and all other installation costs.

19. REMEDIES NOT CUMULATIVE

Landlord's and Tenant's rights, remedies and benefits under this Lease are cumulative and shall not be exclusively of any other rights, remedies and benefits allowed by law or equity.

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20. SUCCESSORS

The covenants, conditions and agreements made and entered into by the Landlord and Tenant shall be binding on their heirs, personal representatives, administrators, executors, successors and assigns. If there shall be more than one Landlord or Tenant, they shall all be bound, jointly and severally, by the terms, covenants and agreements contained herein.

21. ENTIRE AGREEMENT

This lease, the exhibits, rider and addendum, if any, attached hereto and forming a part hereof, set forth all the covenants, promises, agreements, conditions, terms, provisions and understandings by and between the Landlord and Tenant concerning the premises. There are no other such matters, whether oral or written, between Landlord and Tenant other than are set forth herein. No change, modification, alteration, amendment, addition or deletion to the Lease shall be binding upon Landlord and Tenant unless it is in writing and executed by the persons to be so charged with the same.

22. CAPTIONS AND SECTION NUMBERS

The captions and section numbers are inserted only as a matter of convenience and in no way affect, limit, construct or describe the scope or intent of this Lease.

23. INTERPRETATION AND PRONOUNS

This Lease shall be interpreted to the broadest extent possible to give full and fair meaning to the intentions of the parties hereto.

The use of a neuter singular pronoun to refer to Landlord or Tenant shall be deemed a proper reference, even though the Landlord or Tenant may be an individual, partnership, corporation, other entity or a group of two (2) or more individuals or entities. The necessary grammatical changes required to make the provisions of this Lease apply whenever necessary shall, in all instances, be assumed as though fully expressed.

24. PARTIAL INVALIDITY

The invalidity or unenforceability of any provisions of this Lease shall not affect or impair the validity of any other provision.

25. NOTICES

All notices of any kind to Tenant shall be sent to Tenant at the following address or to such other address as Tenant may designate by written notice:

Atmos Energy Corporation
Attn: Controller
2401 New Hartford Road
Owensboro, KY 42303

All communications to Tenant, including invoices and estoppel agreements, shall be sent to Tenant at its address set forth for notices and will not be considered received until received at said address. No documentation shall be considered legally binding upon Tenant until signed by:

All notices of any kind to Landlord shall be sent to the following address or such other address as Landlord may designate by written notice:

Peartree Partners, LLC
Attn: Jim Drury
402 Deepwood Drive
Hopkinsville, KY 42240

Any notice which may or shall be given under the terms of this Lease shall be in writing and sent by United States Registered or Certified Mail, postage prepaid, return receipt requested, or by telegram or by a nationally recognized express delivery service to the addresses set forth above, or by facsimile or e-mail if properly addressed and received. Such addressees may be changed from time to time by either party by giving written notice as provided herein. Notice shall be deemed given when received.

26. REASONABLE CONSENT

Wherever Landlords and Tenant's consent is required in this Lease such consent shall not unreasonably be withheld or unreasonably delayed.

27. RELATIONSHIP OF THE PARTIES

Nothing contained in this Lease shall be deemed or construed as creating the relationship of principal and agent or of partnership or joint venture between the parties hereto, it being understood and agreed that neither the method of computing rent or any additional charges, nor any other provision herein nor any acts of the parties shall create any relationship between the parties other than that of Landlord and Tenant.

28. HAZARDOUS SUBSTANCES

The Landlord hereby represents that, to the best of their knowledge, the premises are free from material containing asbestos and/or hazardous material risks.

Landlord represents and warrants that (a) to the best of his knowledge there have been no complaints regarding the indoor air quality anywhere in the building or in the ventilating system; (b) he will deliver to Tenant copies of any such complaints received; (c) to the best of his knowledge there are no indoor air pollution and/or air quality problems in the Building; (d) he will notify Tenant if he becomes aware that any indoor air quality or environmental problem is discovered or reported in the building, and diligently undertake to correct such problem.

If the premises shall be rendered unusable because of a freon and/or asbestos related problem, air quality and/or air pollution found in the premises or the building in which they premises is located, the rent due hereunder shall be abated until the premises are again usable.

Tenant will only assume responsibility for environmental cleanup costs which are caused by Tenant, its employees, visitors or invitees. Tenant will assume no responsibility for any migration of contaminates or those caused by current or prior building owners and tenants.

29. ATTORNEY FEES

In the event of the employment by Landlord or Tenant of an attorney to collect any rents or other sums due hereunder or to protect the interest of Landlord or Tenant in the event of a breach by the other party of any of the terms and conditions of this Lease, the losing party will pay the prevailing party's reasonable attorney fees.

30. CHANGE OF OWNERSHIP

If the ownership and/or name and address of the party entitled to receive rent hereunder shall be changed, the Tenant shall, until receipt of proper notice of such change, continue to pay the rent and other charges herein reserved accrued and to accrue hereunder to the party to whom in the manner in which the last preceding installment of Rent or other charges paid, and each such payment shall, to the extent thereof, exonerate and discharge the Tenant.

31. IMPROVEMENTS

- A. Landlord Improvements - See Exhibit "B" for Work Letter Agreement
- B. Tenant Improvements

No alterations, additions or improvements to the premises, except as provided for in this lease, shall be made by Tenant without first obtaining Landlord's prior written consent. Any such Tenant improvements shall be at Tenant's sole cost and expense. Any items or property installed by Tenant upon the premises which are not permanent fixtures shall be and remain the property of Tenant, except that Tenant shall, at Tenant's costs, repair any damage caused by the removal of any such property including restoring the premises to their original condition. Any permanent fixtures installed by Tenant which would damage Landlord's property if removed shall

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be and remain the property of Landlord, without compensation to Tenant. Tenant agrees to save Landlord harmless from any mechanic or materialmen's liens in connection with any Tenant initiated alterations, additions or improvements. If a lien or encumbrance is imposed on the premises and the same is not removed within 30 days, Landlord shall have the right to pay the same or any portion thereof. The amount so paid shall be deemed to be additional rent due from Tenant to Landlord immediately upon written notice to Tenant. All improvements made by Tenant shall be in compliance with all applicable building codes and other government laws and regulations including but not limited to the American with Disabilities Act and any other federal, state or local handicap requirements.

32. EMERGENCY

Tenant may, if any emergency shall exist, perform any obligation of the Landlord hereunder for the account of the Landlord, after first notifying the Landlord of the same by telephone or telegram of such emergency. In such event, Landlord shall reimburse Tenant for any reasonable expenses related to the repair to the extent required under the Lease.

33. WAIVER OF SUBROGATION

Anything in this Lease to the contrary notwithstanding, Landlord and Tenant each hereby waives any and all rights of recovery, claim, action or cause of action, against the other, its agents, officers, or employees, for any loss or damage that may occur to the premises, or any improvements thereto, or the building of which the premises are a party or any improvements thereto, or any personal property of such part therein, by reason of fire, the elements, or any other cause(s) for which insurance is carried by the injured the party at the time such damage, regardless of the cause of such loss or damage, including negligence of the other party hereto, its agents, servants or employees; provided, however, that this provision shall be inapplicable if it shall have the effect of invalidating the insurance coverage of a party hereto.

34. DEFAULT

In the event of a breach (as hereinafter defined) by Tenant of any of the terms or conditions of this Lease, Landlord shall have the right, at its option, to either terminate this Lease upon written notice to Tenant, and take possession of the premises, or, upon such notice, to re-enter or re-rent the premises or parcels thereof from time to time as agents of Tenant, and such re-entry and/or re-renting shall not discharge Tenant from any liability or obligations hereunder, except that net rents collected as a result of such re-renting shall be applied on Tenant's liability for rents payable and other sums due under the terms of this lease. Nothing herein, however, shall be construed to require Landlord to re-enter and re-rent in such event, nor shall anything herein be construed to waive or postpone the right of Landlord to sue for rents due.

The occurrence of any one of the following events shall be considered a breach of this Lease: (a) in the event Tenant should fail to pay any one or more installments of rent when the same

shall become due and payable and such default shall continue for a period of ten (10) days after written notice thereof by Landlord to Tenant; (b) in the event an execution or other legal process is levied upon the property of Tenant located on the premises or upon the interest of Tenant in this lease, unless such execution or other levy be discharged of record within thirty (30) days; (c) in the event a petition in bankruptcy is filed by or against Tenant or in the event Tenant makes an assignment for the benefit of creditors, or in the event of the appointment of a receiver of Tenant's property; or (d) in the event Tenant violates any of the other terms of this Lease and fails to remedy the same within thirty (30) days after written notice thereof by Landlord to Tenant.

No default or acceleration of rent shall occur due to voluntary vacancy by Tenant, except that Tenant will pay for any increase insurance costs to Landlord as well as any other expenses incurred by them due to the vacancy. During any vacancy, Tenant shall continue to pay for electricity and heat utilities, and Tenant shall provide Landlord with a key to the premises and Landlord shall have the right to regularly inspect the premises without notice to Tenant.

35. RULES AND REGULATIONS

Landlord reserves the right to promulgate reasonable rules and regulations which in its judgment may from time to time be needed or desired for the safety, care and cleanliness of the premises and the building and for the preservation of good order therein, but which shall not impair the use and enjoyment of the premises under the other terms and provisions of this Lease.

36. GOVERNING LAW

This Lease shall be governed by the laws of the Commonwealth of Kentucky.

TENANT:

LANDLORD:

ATMOS ENERGY CORPORATION

PEARTREE PARTNERS, LLC

BY: William H. Green

BY: Bobby Cumbee

TITLE: Region VP

TITLE: member

DATE: 7/16/02

DATE: 7/16/02

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FIRST AMENDMENT TO LEASE AGREEMENT

THIS FIRST AMENDMENT TO LEASE AGREEMENT ("Amendment") is made and entered into as of the 9th day of October, 2009, by and between PEARTREE PARTNERS, LLC, as Landlord, and ATMOS ENERGY CORPORATION, a Texas and Virginia corporation, as Tenant.

WITNESSETH:

WHEREAS, on or about July 16, 2002, Landlord and Tenant entered into that certain Lease Agreement ("Lease") pursuant to which Tenant leased from Landlord the real property being commonly known as 1833 East 9th Street, Hopkinsville, Kentucky (the "Premises"), upon the terms and conditions more particularly stated in the Lease; and

WHEREAS, the initial term of the Lease will expire on November 30, 2009; and

WHEREAS, Tenant desires to renew the Lease for an additional term of five (5) years pursuant to the renewal clause contained in the Lease and the parties desire to modify certain terms and provisions of the Lease as hereinafter set forth.

NOW, THEREFORE, in consideration of the sum of \$1.00 and other good and valuable consideration, Landlord and Tenant hereby amend and modify the Lease as follows:

1. Lease Term. Upon the expiration of the initial term of the Lease, the Lease shall renew for an additional term of five (5) years commencing on December 1, 2009 and ending on November 30, 2014 (the "First Renewal Term").

2. Rent. The monthly rental for the First Renewal Term shall be FOUR THOUSAND NINE HUNDRED NINETY-TWO AND 74/100 (4,992.74) DOLLARS due on the first of every month commencing on December 1, 2009. If Tenant elects to extend the Lease beyond the First Renewal Term, the monthly rental shall be as agreed between the parties.

3. Effective Date of Amendment. The terms and provisions of this First Amendment to Lease, and the modifications to the Lease hereby made, shall become effective on the first day of the First Renewal Term. Except as herein modified, all other terms and provisions of the Lease shall remain in full force and effect.

IN WITNESS WHEREOF, Landlord and Tenant have executed this First Amendment to Lease Agreement as of the date first written above.

TENANT:

LANDLORD:

ATMOS ENERGY CORPORATION

PEARTREE PARTNERS, LLC

By: J. Kevin Dobbs
J. Kevin Dobbs
VP, Mid-States Division

By: Robert L. Cumber
Name: ROBERT L. CUMBER
Title: MEMBER

LEASE AGREEMENT

THIS LEASE AGREEMENT is made and entered into as of the 30th day of July, 1990 by and between WESTERN KENTUCKY GAS COMPANY, a division of Atmos Energy Corporation, a Texas corporation ("Tenant"), and GILLILAND GROUP PARTNERSHIP, a general partnership located in the State of Texas ("Landlord").

W I T N E S S E T H:

Subject to the terms and conditions set forth in this Lease, Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the following described real property (subject, however, to any and all currently existing rights-of-way and easements thereon):

The following described property situated in the City of Madisonville, Hopkins County, Kentucky, to wit: Beginning at an iron pin located approximately 600 feet west of South Spring Street in the south right-of-way of Broadway Street, being a common corner with Mary Jane Mullins; thence with Mary Jane Mullins and George Allard, Jr., S 04 degrees 14' W 472.03 feet to an iron pin in the North line of J. E. Ruby heirs; thence with said Ruby heirs N 87 degrees 00' W 100.00 feet to an iron pin; thence continuing with said Ruby heirs N 04 degrees 14' E 495.85 feet to an iron pin in the south right-of-way of Broadway Street, being 22.5 feet from the centerline of Broadway Street; thence with the south right-of-way of said street, S 75 degrees 20' E 50.84 feet; thence S 71 degrees 46' E 51.53 feet to the beginning;

such real property being commonly known as 638 W. Broadway, Madisonville, Kentucky, together with the building or buildings and other improvements thereon (excluding those owned by Tenant) and all rights, privileges, easements, and appurtenances belonging to or in any way pertaining to the real property (the "Leased Premises").

TO HAVE AND TO HOLD the same subject to the following:

1. Lease Term and Renewal Option.

(a) The term of this Lease shall be for a period of fifteen (15) years, commencing on August 1, 1990 and ending on July 31, 2005 unless earlier terminated or extended in accordance with the other terms and provisions of this Lease.

(b) Tenant shall have the option to extend the term of this Lease for an additional period of five (5) years commencing on August 1, 2005 (the "First Renewal Period") and

for a second additional period of five (5) years commencing on August 1, 2010. Tenant may exercise such option by notifying Landlord of its election to extend the term of this Lease in writing at least one year prior to the expiration date of this Lease with respect to the first renewal option and at least one year prior to the expiration date of the First Renewal Period with respect to the second renewal option. Any such extension of the term of this Lease shall be subject to all of the terms and conditions of this Lease except that the rent payable during the renewal period shall be increased or decreased to reflect the fair market rental, as of the date of the renewal of this Lease, for space of similar size, construction, condition, and use in Madisonville, Kentucky.

2. Rent.

(a) Tenant agrees to pay to Landlord, without offset or deduction (except as expressly set forth herein), as rent for the Leased Premises a monthly rental of One Thousand Nine Hundred Eighty-Eight and 83/100 Dollars (\$1,988.83) payable without demand in advance due on or before the first day of each month, commencing on September 1, 1990 and continuing thereafter until the expiration or termination of this Lease, provided, however, that in the event the term hereof shall commence or end on a day other than the first or last day of a calendar month, the rent for any fractional calendar month shall be prorated by days.

(b) Rent shall be paid to Landlord at Landlord's address set forth in Subparagraph 23(1) of this Lease.

3. Security Deposit.

(a) Landlord hereby acknowledges that Tenant has deposited with Landlord, upon delivery of this Lease, Nine Thousand Dollars (\$9,000) as security for the full and faithful performance by Tenant of its obligations under this Lease. Landlord may apply all or any part of such security deposit to cure any default of Tenant under the terms and provisions of this Lease. In the event of such application, Tenant must deposit with Landlord the amount applied to cure its default immediately upon notice from Landlord of the nature and amount of the application.

(b) If Landlord transfers its interest in the Leased Premises during the term of this Lease, it may either (i) return the deposit to Tenant, minus any deductions made under Subparagraph 3(a) and not replaced by Tenant, or (ii) transfer the deposit, minus any deductions made under Subparagraph 3(a) and not replaced by Tenant, to Landlord's transferee. In the event Landlord transfers all or any portion of the deposit, Landlord shall be relieved of all rights and obligations with regard to the deposit, and all of such rights and obligations will accrue to, and be binding upon, the transferee. Landlord

must give Tenant notice of any such transfer, including the name and address of the transferee and the amount of the deposit transferred.

(c) Landlord shall return the deposit to Tenant, minus any amounts deducted pursuant to Subparagraph 3(a) that have not been replaced by Tenant, no later than thirty (30) days after the expiration of the initial term of this Lease or the termination hereof, whichever occurs first. The deposit must be returned as provided in this Subparagraph 3(c) to the address left with Landlord by Tenant for this purpose or, if no such address was left, at Tenant's last known address.

4. Use. Tenant shall have the right to use the Leased Premises for any lawful purpose and in any lawful manner, provided, however, that Tenant shall not commit, or suffer to be committed, any waste on the Leased Premises, nor shall it maintain or commit, or permit the maintenance or commission of, any nuisance on the Leased Premises.

5. Acceptance of Leased Premises. Tenant accepts the Leased Premises, and all buildings and improvements located thereon, as being suitable in their present condition for the purposes for which the Leased Premises are being leased.

6. Utilities. Tenant shall pay all utility charges for the Leased Premises, including, but not limited to, charges, initial connection fees, and deposits for gas, water, sewer, electricity, and telephone services.

7. Taxes and Assessments.

(a) Tenant shall, before interest or penalties are due thereon, pay and discharge all taxes and assessments, general or special, and other governmental charges and impositions imposed upon or assessed against the Leased Premises or any portion thereof ("Impositions") (subject to Tenant's right to contest such Impositions), provided, however, that Tenant shall have no obligation to pay (i) any federal, state, or local income tax of Landlord or any similar tax of Landlord determined on the basis of Landlord's net income; (ii) any estate, inheritance, succession, gift, or similar tax of Landlord's; or (iii) any capital gains tax or real estate transfer tax imposed in connection with the sale of the Leased Premises by Landlord to any person. If any Imposition against the Leased Premises may be paid in installments, Tenant may pay such Imposition in installments as and when such installments become due. Tenant shall, upon Landlord's written request, furnish to Landlord evidence satisfactory to Landlord of the payment of any such Imposition.

(b) If Tenant fails to pay any Imposition before it becomes delinquent or to contest the Imposition in a timely manner, Landlord may, at its election, pay the Imposition and

any interest and penalties due thereon. The amount paid by Landlord shall be repayable by Tenant upon Landlord's demand therefor.

(c) Tenant shall have the right to apply to the appropriate taxing authority to obtain a reduction of the assessed valuation of the Leased Premises for any year for the purpose of reducing taxes thereon. Landlord agrees that it will not object to any such application by Tenant and will cooperate with Tenant as necessary in order to obtain such a reduction.

8. Alterations, Additions, and Improvements. Tenant may make such alterations, additions, or improvements to the Leased Premises as Tenant may deem desirable without the prior written consent of Landlord so long as neither the value nor the utility of the Leased Premises is materially diminished thereby. Tenant agrees that (i) all such alterations, additions, and improvements shall be performed in a good and workmanlike manner and in accordance with applicable laws and regulations, (ii) Tenant shall discharge or remove all liens filed against any of the Leased Premises arising out of the performance of the alterations, additions, or improvements (subject to Tenant's right to contest such lien), (iii) Tenant shall procure and pay for all permits and licenses required in connection with any such alterations, additions, or improvements, and (iv) all such alterations, additions, and improvements shall be subject to this Lease and shall, upon the expiration or termination of this Lease, become the property of Landlord.

9. Contests of Impositions and Liens. Tenant shall not be required to pay any Imposition or to discharge any lien referred to in clause (ii) of Paragraph 8 above so long as Tenant shall, in good faith and at its sole cost and expense, contest the validity or amount of such Imposition or lien by appropriate legal proceedings. Tenant shall have the right to contest such Impositions or liens in Landlord's name if required by law. During the pendency of any such contest, Landlord shall cooperate with Tenant to the fullest extent in such contest, and Landlord shall not have the right to pay, remove, or cause to be discharged the Imposition or lien being contested or to make or enter into any settlement, compromise, or other disposition of the contest, to discontinue or withdraw any contest, or to accept any refund, adjustment, or credit of or from any Imposition being contested or as a result of any such contest.

10. Signs. Tenant shall have the right to place or affix signs or advertisements upon the Leased Premises or on any buildings or improvements located thereon, provided, however, that such signs and advertisements shall conform with any laws and regulations applicable to the Leased Premises. Tenant shall remove all signs upon the termination of this Lease and

shall repair any damage and close any holes in the Leased Premises caused or revealed by such removal.

11. Maintenance and Repair.

(a) Tenant shall, at Tenant's sole cost and expense, keep and maintain the Leased Premises in good repair and condition, provided, however, that Tenant shall not be required to maintain or make any repairs to any part of the Leased Premises that are made necessary by the negligence or willful misconduct of Landlord. Notwithstanding the foregoing, Tenant's obligations hereunder to maintain the Leased Premises shall not require Tenant to replace any structural portion of the Leased Premises or any major equipment or system used in and necessary for the operation of the Leased Premises for any reason unless Tenant shall, in its sole discretion, elect to make such a replacement.

(b) Nothing in this Lease shall require, or be deemed to require, Landlord to make any alterations, additions, improvements, repairs, or replacements to the Leased Premises or to maintain the Leased Premises in any way (except to the extent any of such work is made necessary by the negligence or willful misconduct of Landlord, in which event Landlord shall promptly perform such work at its sole cost and expense). Tenant hereby expressly waives any right created or provided by any law, rule, regulation, or ordinance now or hereafter in effect to require Landlord to make any alterations, additions, improvements, repairs, or replacements or to maintain the Leased Premises, or to cause the same to be done at Landlord's expense (except to the extent any of such work is made necessary by the act or negligence of Landlord).

12. Insurance.

(a) Tenant shall maintain, at its sole cost and expense, insurance on the Leased Premises to insure against fire and casualty losses, including flood and earthquake peril, and claims for bodily injury, death, or property damage occurring on, in, or about the Leased Premises. Tenant shall maintain (i) such fire and casualty insurance in an amount not less than the actual replacement value of the Leased Premises (excluding, however, footings and foundations and other parts of the Leased Premises that are not insurable) with a deductible not exceeding \$100,000 and (ii) such general public liability insurance in an amount not less than \$10,000,000 in excess of a self-insurance retention not exceeding \$500,000.

(b) Notwithstanding anything expressly or impliedly to the contrary in this Lease, each of Landlord and Tenant hereby waives any and all rights of recovery, claims, actions, or causes of action against the other party and its directors or partners, officers, or employees for any loss or damage that may occur to the Leased Premises or to any property of such

party located within or upon the Leased Premises or for any personal injury occurring on or arising from the Leased Premises if such loss, damage, or injury is covered by, and recoverable under, any fire and extended coverage or public liability insurance policy maintained by the other party. To the extent permitted by the parties' respective insurance policies, each of the parties further waives all rights of subrogation that such party's insurer or insurers may have, if any, against the other party.

(c) Tenant shall be responsible for maintaining, at its sole cost and expense, such insurance, if any, as it deems appropriate to insure Tenant's personal property located on the Leased Premises.

13. Damage or Destruction of the Leased Premises.

(a) If, during the term of this Lease, any buildings or other improvements located on and constituting a part of the Leased Premises are damaged or destroyed by fire or other casualty of any kind, Tenant shall promptly notify Landlord thereof and shall proceed with reasonable diligence to rebuild, repair, or restore the Leased Premises to substantially the same condition as such Leased Premises were in prior to the occurrence of the fire or other casualty, subject, however, to the provisions of Subparagraph 13(b) below. During the period of reconstruction, Tenant shall not be entitled to any abatement or reduction of rent as a result of any such damage or destruction.

(b) Notwithstanding the provisions of Subparagraph 13(a) above, if any portion of the Leased Premises shall be damaged or destroyed by fire or other casualty of any kind and Tenant shall determine, in its good faith judgment, that it is uneconomical to rebuild, repair, or restore the Leased Premises, Tenant may terminate this Lease as to all, or the affected portion, of the Leased Premises, provided, however, that Tenant must notify Landlord, in writing, of such termination within thirty (30) days after the occurrence of the casualty. The termination shall become effective thirty (30) days after Tenant notifies Landlord thereof. In the event of Tenant's termination or partial termination of this Lease pursuant to this Subparagraph 13(b), Tenant shall pay to Landlord \$130,000 in the event of the termination of this entire Lease or an appropriate percentage of such amount in the event of the partial termination of this Lease.

14. Condemnation or Eminent Domain.

(a) If, during the term of this Lease, all of the Leased Premises are condemned or taken for any public or quasi-public use under any governmental law, order, or regulation or by right of eminent domain or sold to the condemning authority under threat of condemnation, this Lease shall automatically

terminate and rent shall abate as of the date that title vests in the condemning authority or the Tenant is dispossessed of the Leased Premises by such condemnation or taking, whichever occurs earliest. If less than all of the Leased Premises is condemned or taken as described above and the remaining portion of the Leased Premises continues to be, in Tenant's good faith judgment, tenantable and useable by Tenant for the same uses as Tenant was using the Leased Premises immediately prior to the condemnation or taking, this Lease shall remain in full force and effect subject to a reduction of the rent payable hereunder by an appropriate and equitable amount as determined by Tenant and Landlord.

(b) If any portion of the Leased Premises is condemned or taken by eminent domain proceedings, Tenant shall not be entitled to any award made for such condemnation or taking except for any separate award made with respect to Tenant's property located on the Leased Premises or for Tenant's relocation expenses or the interruption of, or damage to, Tenant's business.

15. Indemnification.

(a) Tenant hereby agrees to indemnify and hold harmless Landlord and Landlord's partners, employees, and agents from and against (i) any costs incurred by Landlord of removing or disposing of any asbestos-containing or other hazardous materials (collectively, "Hazardous Materials") existing on the Leased Premises or in any buildings or improvements located thereon as of the date of the commencement of this Lease caused or required by virtue of Tenant, at any time during the term of this Lease, disturbing or otherwise causing any such existing Hazardous Materials to cease to be dormant, thereby requiring remedial actions of removal or disposal to be undertaken by Landlord, (ii) any and all claims, suits, actions, damages, judgments, and expenses of any nature whatsoever suffered or incurred by Landlord or Landlord's partners, employees, or agents due to personal injuries or death suffered by any person as a result of any deposit, storage, disposal, burial, discharge, spillage, uncontrolled loss, seepage, or filtration of any Hazardous Materials by Tenant during the term of this Lease at, upon, under, or within the Leased Premises, and (iii) any injury to persons or damage to property (except such injuries or damages arising from any Hazardous Materials, in which event Tenant's liability, if any, shall be as set forth in clauses (i) and (ii) above) on the Leased Premises caused by the negligence or misconduct of Tenant or its directors, officers, employees, subtenants, agents, or licensees or any other person entering the Leased Premises under the express or implied invitation of Tenant or arising out of the use or occupancy of the Leased Premises by Tenant in the conduct of its business therein or out of any breach or default by Tenant in the performance of its obligations hereunder.

(b) Landlord hereby agrees to indemnify and hold harmless Tenant and Tenant's directors, officers, employees, and agents from and against (i) any claims, suits, actions, damages, judgments, and liability, including attorneys' fees and expenses, relating to Hazardous Materials that Landlord, by its actions or conduct, places upon, under, or within the Leased Premises or if Landlord disturbs or otherwise causes Hazardous Materials existing as of the date of the commencement of this Lease to cease to be dormant thereby giving rise to a new and separate risk of illness or death and (ii) any injury to persons or damage to property (except such injuries or damages arising from any Hazardous Materials, in which event Landlord's liability, if any, shall be as set forth in clause (i) above) caused by the negligence or misconduct of Landlord or its partners, employees, or agents.

16. Assignment and Subleasing.

(a) Landlord shall have the right to assign its interest under this Lease, provided, however, that prior to making such an assignment Landlord shall have obtained a written agreement from the assignee whereby the assignee agrees to assume and undertake to perform and discharge all of Landlord's liabilities and obligations under this Lease, to recognize Tenant's rights hereunder, and not to disturb Tenant's peaceable and quiet possession of the Leased Premises so long as no event of default as hereafter described in Subparagraph 18(a) has occurred and is continuing. Nothing herein shall prevent, or be deemed to prevent, Landlord from assigning this Lease or the rents payable hereunder to Lender for the purpose of securing the payment of Landlord's indebtedness under the Mortgage (as defined in Paragraph 21 of this Lease).

(b) Tenant shall have the right, without obtaining the consent of Landlord but with prior written notice to Landlord, to assign its interest in this Lease or to sublet the Leased Premises or any portion thereof, provided, however, that prior to making any assignment of its interest herein Tenant shall have obtained a written agreement from the assignee whereby the assignee agrees to be bound by all of the terms of this Lease. In the event of any assignment or subletting, Tenant shall remain fully liable for the full performance of all of Tenant's obligations hereunder.

17. Surrender of Leased Premises. Tenant agrees that, upon the expiration or termination of this Lease, whether by lapse of time or because of any other conditions or provisions contained herein, Tenant shall peaceably leave and surrender possession of the Leased Premises to Landlord. If Tenant or any of its successors or assigns fail to leave and surrender the Leased Premises upon the expiration or termination hereof, such holding over shall constitute a tenancy from month to month at a monthly rental equal to 150% of the rent paid for

the last month of the term of this Lease unless otherwise agreed in writing by Landlord and Tenant.

18. Events of Default and Remedies.

(a) The following events shall constitute events of default by Tenant under this Lease:

(i) The failure of Tenant to pay any rental or other sum payable hereunder to Landlord within ten (10) days after the date such payment becomes due;

(ii) The failure of Tenant to keep and perform any of its obligations or any of the terms or conditions of this Lease (other than the payment of rent or other sums payable hereunder to Landlord) and the continuation of such failure for a period of thirty (30) days after written notice thereof is delivered to Tenant, provided, however, that if such failure cannot reasonably be cured within a thirty-day period, no event of default shall have occurred if Tenant has promptly commenced to cure the failure within such thirty-day period and is proceeding therewith in good faith and with due diligence; or

(iii) The failure or inability, or admission in writing of the inability, of Tenant to pay its debts as such debts become due; the assignment by Tenant for the benefit of its creditors or the petitioning or application by Tenant to any tribunal for the appointment of a custodian, receiver, or trustee for it or a substantial part of its assets; the commencement by Tenant of any proceeding under any bankruptcy, reorganization, arrangements, readjustment of debt, dissolution, or liquidation law or statute of any jurisdiction, whether now or hereafter in effect; the filing of any such petition or application or commencement of any such proceeding against Tenant in which an order for relief is entered or an adjudication or appointment is made and remains undismissed for a period of sixty (60) days or more; the indication by Tenant, by any act or omission, of its consent to, approval of, or acquiescence in any such petition, application, or proceeding or order for relief or the appointment of a custodian, receiver, or trustee for all or any substantial part of its properties; or the failure of Tenant to discharge or stay any such custodianship, receivership, or trusteeship within sixty (60) days after the appointment thereof.

(b) Upon the occurrence of any event of default listed in Subparagraph 18(a) above, Landlord may pursue any one or more of the following remedies:

(i) Termination of this Lease upon five (5) days written notice to Tenant, in which event Tenant shall surrender the Leased Premises to Landlord. If Tenant fails to surrender the Leased Premises, Landlord and its agents and representatives shall have the right, without further demand or notice to Tenant, to re-enter and take possession of the Leased Premises and to expel or remove Tenant and any other person who may be occupying the Leased Premises or any portion thereof, with or without process of law, without being liable for any trespass or claim for damages therefor and without prejudice to any remedies for arrears of rent or existing breaches of covenants;

(ii) Termination of Tenant's right to possession of the Leased Premises without terminating this Lease and expulsion or removal of Tenant and any other person who may be occupying the Leased Premises or any portion thereof, with or without process of law, without being liable for any trespass or claim for damages therefor and without prejudice to any remedies for any breaches of covenants (including the payment of rents) then existing or thereafter occurring. In the event Landlord exercises its remedies set forth in this Subparagraph 18(b)(ii), Landlord shall, in order to mitigate Landlord's damages caused by Tenant's default hereunder, use its best efforts to relet the Leased Premises and to collect the rent therefor, which rent shall be credited to the satisfaction of Tenant's obligations hereunder after deducting from such rents all costs and expenses incurred by Landlord in repossessing and reletting the Leased Premises, provided, however, that Landlord's best efforts shall not include an obligation to renovate or remodel the Leased Premises or any portion thereof. If the net rentals received by Landlord exceed the amounts necessary to satisfy all of Tenant's obligations under this Lease, Landlord shall be entitled to such excess. If the net rentals are less than the amounts necessary to satisfy all of Tenant's obligations under this Lease, Tenant shall be liable to Landlord for such deficiency and shall pay such deficiency on the date that rent is due hereunder; or

(iii) Enforcement of the full and specific performance by Tenant of its obligations under this Lease in any manner provided by law or equity or pursuit of such other rights or remedies available to Landlord either at law or in equity.

(c) Notwithstanding anything expressly or impliedly to the contrary in this Lease, if Landlord applies all or any part of the security deposit to cure a default by Tenant as provided in Subparagraph 3(a) of this Lease and Tenant replaces such amount so applied, Tenant shall not be deemed to

be in default of this Lease and Landlord shall have no right to pursue any other remedies against Tenant.

(d) Except as otherwise provided in Subparagraph 18(c) above, Landlord's rights and remedies provided in this Lease are cumulative, and the pursuit by Landlord of any remedy hereunder shall not preclude or waive its right to pursue any or all other remedies available to Landlord.

(e) If, on account of any breach or default by Landlord or Tenant of their respective obligations under this Lease, the nondefaulting party employs an attorney to enforce or defend any of its rights or remedies hereunder, the defaulting party shall pay the reasonable attorney's fees and expenses incurred by the nondefaulting party.

(f) No waiver by the parties hereto of any default or breach of any term, condition, or covenant of this Lease shall constitute, or be deemed to constitute, a waiver of any subsequent default or breach of the same or any other term, condition, or covenant contained herein.

19. Covenant of Quiet Enjoyment. Landlord hereby covenants and warrants to Tenant that, so long as no event of default as described in Subparagraph 18(a) above has occurred and is continuing, Tenant may and shall peaceably and quietly have, hold, occupy, use, and enjoy, and have the full, exclusive, and unrestricted use and enjoyment of, all of the Leased Premises during the entire term of this Lease and that such peaceable and quiet enjoyment shall not be disturbed or interfered with by Landlord or any person or entity claiming by, through, or under Landlord.

20. Landlord's Right of Access. Tenant agrees that it will permit the Landlord and the Landlord's representatives free and full access to the Leased Premises, with no less than forty-eight (48) hours advance notice to Tenant, for the purpose of making (i) inspections of the Leased Premises or (ii) alterations, additions, improvements, repairs, and replacements to the Leased Premises made necessary by the negligence or willful misconduct of the Landlord.

21. Subordination. Tenant acknowledges that the Leased Premises are, or will contemporaneously with the execution hereof become, subject to a mortgage or deed of trust (the "Mortgage") held by MetLife Capital Corporation ("Lender"). Tenant agrees to execute and deliver upon demand such instruments subjecting and subordinating this Lease to the Mortgage as may be required by Landlord or Lender so long as Tenant shall have received from Lender a nondisturbance agreement pursuant to which Lender agrees (i) that it will recognize Tenant's rights under this Lease and will not disturb Tenant's peaceable and quiet possession of the Leased Premises so long as no event of default as described in

Subparagraph 18(a) above has occurred and is continuing, (ii) that, in the event of a foreclosure of the Mortgage, this Lease shall continue in full force and effect as a direct lease between the succeeding owner of the Leased Premises and Tenant upon and subject to all of the terms, covenants, and conditions contained herein, and (iii) that Lender will notify Tenant of any failure by Landlord to pay when due any installment of principal or interest on the Mortgage and permit Tenant, if Tenant elects to do so, to make such payment on the Landlord's behalf prior to Lender commencing any foreclosure proceedings against the Leased Premises. Tenant shall not be obligated to make any such payment on Landlord's behalf to Lender, and such right shall not constitute, or be deemed to constitute, a guarantee by Tenant of Landlord's obligations under the Mortgage. In the event Tenant makes any such payment on Landlord's behalf, Tenant shall be entitled, at its election, either to offset such payments from the lease payments due hereunder or to obtain reimbursement from Landlord of the amount so paid together with interest thereon at the highest rate permitted by law computed from the date that such payment was made.

22. Right of First Refusal. Landlord hereby grants to Tenant a right of first refusal with respect to the Leased Premises during the term of this Lease or any renewal period, provided, however, that, as of the date on which such right may be exercised, Tenant is leasing the Leased Premises pursuant to this Lease and is not in default hereunder. Such right of first refusal is subject to the following terms and conditions:

(i) In the event Landlord receives a bona fide offer from a third party (an "Offer") to purchase all or any portion of the Leased Premises, which offer Landlord intends to accept, Landlord shall first offer to sell such Leased Premises or the pertinent portion thereof to Tenant on terms identical to those contained in the Offer. The Offer shall be in writing and signed by the third party making such Offer, and a copy thereof shall be furnished to Tenant.

(ii) Tenant shall have fifteen (15) days after receipt of a copy of the Offer within which to elect to purchase the Leased Premises or the pertinent portion thereof pursuant to the terms of the Offer and to notify Landlord, in writing, of such election. Upon such election and notification, Landlord and Tenant shall immediately commence preparations of a formal contract of sale containing the terms of the Offer and such other terms and provisions as the parties may mutually agree. The closing of the purchase and sale of the Leased Premises or the pertinent portion thereof shall be held within sixty (60) days after Tenant notifies Landlord of its election to exercise its right of first refusal.

(iii) If Tenant does not elect to exercise its right of first refusal within such fifteen-day period, Landlord may, within one hundred twenty (120) days after the expiration of Tenant's right of first refusal with respect to the Offer, sell the Leased Premises to the third party who made such Offer on the same terms and conditions as those contained in the Offer. If such sale has not closed within such 120-day period, the Offer shall be deemed to constitute a new offer and must be offered again to Tenant pursuant to the terms of this Paragraph 22.

23. Miscellaneous.

(a) This Lease is intended and is hereby deemed to be a fully "net" lease, it being the intention of the parties hereto that Landlord shall have and enjoy the rent herein reserved to it without deduction therefrom except as otherwise expressly set forth in this Lease.

(b) Tenant and Landlord agree that the terms and provisions of this Lease are confidential and that neither they nor any of their respective directors or partners, officers, employees, agents, or consultants will divulge or disclose any of the terms or provisions hereof to any person (other than Lender or any interim lender) without the prior written consent of the other party, provided, however, that neither party shall be liable for divulging or disclosing any of the terms or provisions hereof that (i) are necessary to be disclosed in order to enforce the disclosing party's rights or remedies under this Contract or (ii) are required to be disclosed by applicable federal, state, or local statute, ordinance, or regulation or by order of any court or regulatory agency having proper jurisdiction. In the event either party becomes legally compelled to disclose any of the terms or provisions hereof, such party shall promptly provide the other party notice thereof. Landlord shall also use its best efforts to obtain Lender's written agreement to maintain the confidentiality of the terms and provisions of this Lease.

(c) Landlord and Tenant agree to execute a memorandum of this Lease, in the form attached hereto as Exhibit 1, for recording purposes. Landlord shall record the memorandum and shall pay all costs and fees associated therewith. Nothing herein shall authorize Landlord or Tenant to, and Landlord and Tenant hereby agree that neither party shall, record this Lease without the prior written consent of the other party. Landlord and Tenant further agree that, in the event of any conflict or contradiction in language between this Lease and such memorandum, the terms and provisions of this Lease shall control.

(d) Each of the parties hereto represents and warrants that it has not employed the services of any broker or finder

in connection with this Lease and does not owe any broker's or finder's fee or commission in connection herewith. Each of Landlord and Tenant agrees to indemnify and hold harmless the other party from and against any loss, claim, liability, or expense arising from a breach of this representation and warranty and from any commissions or brokerage fees claimed on account of the execution of this Lease due to any action of the indemnifying party.

(e) It is the intent of the parties hereto that the relationship between Landlord and Tenant created by this Lease is solely that of a landlord and tenant, and nothing herein is intended to, or shall be deemed to constitute, the creation of any partnership, joint venture, agency, guaranty, or other relationship between the parties hereto other than a landlord-tenant relationship.

(f) There shall be no merger of the leasehold estate created by this Lease with the fee estate in any of the Leased Premises by reason of the fact that the same person or entity may acquire, hold, or own, directly or indirectly, (i) the leasehold estate created by this Lease or any part hereof or interest herein or any interest of Tenant in this Lease and (ii) the fee estate in any of the Leased Premises or any interest in such fee estate. No such merger shall occur unless and until all persons or entities having any interest in the leasehold estate created by this Lease and the fee estate in the Leased Premises or any part thereof shall join in a written instrument effecting such merger and shall duly record the same.

(g) This Lease constitutes the entire agreement between Landlord and Tenant with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral and written, between Landlord and Tenant with respect to the subject matter hereof.

(h) Neither this Lease nor any provision contained herein may be amended, waived, discharged, or terminated orally but only by an instrument in writing signed by the party against which enforcement of such amendment, waiver, discharge, or termination is sought.

(i) All notices given pursuant to the terms of this Lease shall be in writing and shall be sufficient in all respects if delivered by hand, sent by facsimile to the fax number set forth below and verified by a subsequent mailing thereof by regular mail, or mailed by registered or certified mail, postage prepaid, as follows:

If to Tenant: Western Kentucky Gas Company,
a division of Atmos Energy Corporation
P.O. Box 650205
Dallas, Texas 75265
Attn: Mr. Jerry Knierim
Executive Vice President

Fax No. (214) 991-5235 or
(214) 788-3793

If to Landlord: Gilliland Group Partnership
P.O. Box 750
Amarillo, Texas 79105-0750
Attn: Mr. Bill Gilliland

Fax No. (806) 374-3818

Any notice given in any manner described above shall be deemed effective upon actual receipt by the party to whom such notice is sent. Addresses or fax numbers may be changed on notice to the other party given pursuant to this Subparagraph 23(i).

(j) If any provision in this Lease shall for any reason be held to be invalid or unenforceable in any respect, the validity and enforceability of the remaining provisions of this Lease shall not be affected and this Lease shall be construed as if such invalid or unenforceable provision had never been contained herein.

(k) This Lease shall be binding upon and shall inure to the benefit of and be enforceable by the parties hereto and their respective successors and assigns, and is solely for the benefit of Tenant and Landlord and not for the benefit of any other person or entity not a party hereto.

(l) Neither Landlord nor Tenant shall be required to perform any term, condition, or covenant in this Lease (other than the payment of rent) so long as such performance is delayed or prevented by any event of force majeure. The term "force majeure" shall mean any cause not reasonably within the control of the nonperforming party and includes, but is not limited to, acts of God; strikes; lock-outs; wars; riots; orders or decrees of any lawfully constituted federal, state, or local body; fires; storms; floods; wash-outs; explosions; inability to obtain or a delay in obtaining material, supplies, or labor permits; and other similar events and occurrences.

(m) THIS LEASE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF KENTUCKY.

(n) The descriptive headings of the provisions of this Lease are formulated and used for convenience only and shall not be deemed to affect the meaning or construction of any of such provisions.

IN WITNESS WHEREOF, the parties hereto have executed this Lease Agreement as of the date first written above.

WESTERN KENTUCKY GAS COMPANY,
a division of
Atmos Energy Corporation

BY: *Jerry Khierin* (L)
Jerry Khierin
Executive Vice President
Atmos Energy Corporation

GILLILAND GROUP PARTNERSHIP

BY: *[Signature]*
Bill Gilliland
Partner

BY: *Bobby Hall*
Bobby Hall
Partner

BY: *Ted D'Atti*
Ted D'Atti
Partner

EXHIBIT 1
TO
LEASE AGREEMENT

MEMORANDUM OF LEASE

1. Date of Lease: July 30, 1990
2. Name and address of Landlord: Gilliland Group Partnership
P.O. Box 750
Amarillo, Texas 79105-0750
3. Name and address of Tenant: Western Kentucky Gas
Company, a division of
Atmos Energy Corporation
P.O. Box 650205
Dallas, Texas 75265
4. Description of Leased Premises:

The following described property situated in the City of Madisonville, Hopkins County, Kentucky, to wit: Beginning at an iron pin located approximately 600 feet west of South Spring Street in the south right-of-way of Broadway Street, being a common corner with Mary Jane Mullins; thence with Mary Jane Mullins and George Allard, Jr., S 04 degrees 14' W 472.03 feet to an iron pin in the North line of J. E. Ruby heirs; thence with said Ruby heirs N 87 degrees 00' W 100.00 feet to an iron pin; thence continuing with said Ruby heirs N 04 degrees 14' E 495.85 feet to an iron pin in the south right-of-way of Broadway Street, being 22.5 feet from the centerline of Broadway Street; thence with the south right-of-way of said street, S 75 degrees 20' E 50.84 feet; thence S 71 degrees 46' E 51.53 feet to the beginning.

5. Term of Lease: A term of fifteen (15) years, commencing on August 1, 1990 and ending on July 31, 2005.
6. Renewal Option: Tenant has the option to extend the term of the Lease for an additional period of five (5) years commencing on August 1, 2005 and for a second additional period of five (5) years commencing on August 1, 2010. Specific provisions regarding this option are set forth in the Lease.

7. Right of First Refusal: Tenant has a right of first refusal for the purchase of all or any portion of the Leased Premises during the term of the Lease or any renewal period. Specific provisions regarding this right of first refusal are set forth in the Lease.

IN WITNESS WHEREOF, the parties hereto have executed this Memorandum of Lease this 30th day of July, 1990.

TENANT:

WESTERN KENTUCKY GAS COMPANY,
a division of
Atmos Energy Corporation

LANDLORD:

GILLILAND GROUP PARTNERSHIP

By: _____
Jerry Knierim
Executive Vice President
Atmos Energy Corporation

By: _____
Bill Gilliland
Partner

By: _____
Bobby Hall
Partner

By: _____
Ted D'Atri
Partner

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

The foregoing instrument was acknowledged before me this 30th day of July, 1990 by Jerry Knierim, Executive Vice President of Atmos Energy Corporation, a Texas corporation, on behalf of the corporation.

Notary Public in and for
the State of Texas

My commission expires:

Notary Public Printed Name

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

The foregoing instrument was acknowledged before me this 30th day of July, 1990 by Bill Gilliland, Bobby Hall, and Ted D'Atri, partners on behalf of Gilliland Group Partnership, a partnership.

Notary Public in and for
the State of Texas

My commission expires:

Notary Public Printed Name

SECOND AMENDMENT TO LEASE AGREEMENT

THIS SECOND AMENDMENT TO LEASE AGREEMENT (the "Second Amendment") is made and entered into this 26th day of July, 2010, by and between Atmos Energy Corporation, a Texas and Virginia Corporation (formerly d/b/a Western Kentucky Gas Company) ("Tenant"), and GILLILAND GROUP PARTNERSHIP, a Texas general partnership ("Landlord").

WITNESSETH

WHEREAS, Landlord and Tenant have entered into that certain Lease Agreement dated July 30, 1990 (the "Lease"), and that First Amendment to Lease Agreement dated March 15, 2005 (the "First Amendment"), pursuant to which Tenant occupies certain real property described on Exhibit "A", which is attached hereto and made a part hereof for all purposes, such real property being commonly known as 638 Broadway Street, Madisonville, Kentucky.

WHEREAS, pursuant to the Second Amendment the current term of the Lease shall expire on July 31, 2010;

WHEREAS, Landlord and Tenant desire to amend the Lease to extend the expiration date of the Lease to July 31, 2015, and to make such other modifications to the Lease as are hereinafter expressly set forth;

NOW, THEREFORE, for and in consideration of the rent to be paid, the covenants and agreements to be performed, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant agree to the following:

1. Tenant hereby exercises its option to extend the term of the Lease for an additional period of five (5) years commencing on August 1, 2010, and ending on July 31, 2015 (the "Third Renewal Period"). Landlord hereby agrees that the term of the Lease has been extended for an additional period of five (5) years commencing on August 1, 2010, and ending on July 31, 2015. The monthly rental during the Third Renewal Period shall be ONE THOUSAND FOUR HUNDRED AND NO/100 (\$1,400.00) DOLLARS commencing on August 1, 2010 and payable as set forth in the Lease.
2. Except as modified by this Amendment, all other terms of the Lease Agreement, as previously amended, shall be and remain in full force and effect.
3. This Amendment shall be binding upon and shall inure to the benefit of the Landlord and Tenant, and their respective successors and assigns.
4. This Amendment shall be governed by and construed and enforced in accordance with the laws of the State of Kentucky.

SIGNATURE PAGE TO FOLLOW

IN WITNESS WHEREOF, the parties have executed this Second Amendment as of the date first written above.

LANDLORD:

Gilliland Group Partnership, a Texas general partnership

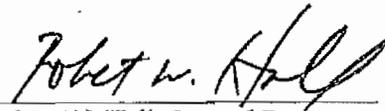
By: Gilliland Group Family Partnership, a Texas general partnership, General Partner

By:



Bill Gilliland, General Partner

By:

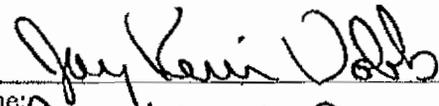


Robert W. Hall, General Partner

TENANT:

ATMOS ENERGY CORPORATION

BY:



Name:

Title:

Operations V.P.

Exhibit "A"

The following described property situated in the City of Madisonville, Hopkins County, Kentucky, to wits:

Beginning at an iron pin located approximately 600 feet west of South Spring Street in the south right-of-way of Broadway Street, being a common corner with Mary Jane Mullins; thence with Mary Jane Mullins and George Allard, Jr., S 04 degrees 14' W 472 .03 feet to an iron pin in the North line of J. E. Ruby heirs ; thence with said Ruby heirs N 87 degrees 00' W 100 .00 feet to an iron pin; thence continuing with said Ruby heirs N 04 degrees 14' E 495 .85 feet to an iron pin in the south right-of-way of Broadway Street, being 22 .5 feet from the centerline of Broadway Street ; thence with the south right-of-way of said street, S 75 degrees 20' E 50 .84 feet ; thence S 71 degrees 46' E 51 .53 feet to the beginning.

FIRST AMENDMENT TO LEASE AGREEMENT

THIS FIRST AMENDMENT TO LEASE AGREEMENT (the "Amendment") is made and entered into this 15 day of March, 2005, by and between Atmos Energy Corporation, a Texas and Virginia corporation (formerly d/b/a Western Kentucky Gas Company) ("Tenant"), and GILLILAND GROUP PARTNERSHIP, a Texas general partnership ("Landlord").

RECITALS

A. Landlord and Tenant have entered into that certain Lease Agreement (the "Lease") dated July 30, 1990, covering the real property described on Exhibit "A", which is attached hereto and made a part hereof for all purposes, such real property being commonly known as 638 Broadway Street, Madison, Kentucky.

B. Tenant desires to exercise its first renewal option to extend the term of the Lease for five (5) years commencing on August 1, 2005, and ending on July 31, 2010.

C. Tenant and Landlord desire to evidence their agreement regarding certain amendments to the Lease.

AGREEMENT

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Landlord and Tenant agree as follows:

1. Tenant hereby exercises its option to extend the term of the Lease for an additional period of five (5) years commencing on August 1, 2005, and ending on July 31, 2010 (the "First Renewal Period"). Landlord hereby agrees that the term of the Lease has been extended for an additional period of five (5) years commencing on August 1, 2005, and ending on July 31, 2010.
2. The Lease is amended as follows:
 - (a) The last sentence of Subparagraph 1(b) is deleted in its entirety, and the following sentences are substituted therefor:

The First Renewal Period shall be subject to all of the terms and conditions of this Lease, including the rent payable immediately prior to the commencement of the First Renewal Period. The second renewal period, if exercised, shall be subject to all of the terms and conditions of this Lease, except that the rent payable during the second renewal period shall be increased or decreased to reflect the fair market value, as of the date of the renewal of this Lease, for space of similar size, construction, condition, and use in Madisonville, Kentucky.

- (b) The following is added as Subparagraph 1(c):

Tenant shall have the right to terminate this Lease at any time without penalty by giving Landlord at least six (6) months prior written notice. The notice shall specify the effective date of the termination. Tenant shall remain liable for all of Tenant's liabilities and obligations that arise under this Lease prior to the effective date of the termination.

- (c) Subparagraph 23(d) is deleted in its entirety, and the following is substituted therefor:

Each of the parties hereto represents and warrants that it has not employed the services of any broker or finder in connection with this Lease, except The Staubach Company – Great Lakes Real Estate Partners, LLC. Each of the parties hereto also represents and warrants that it does not owe any broker's or finder's fee or commission in connection with this Lease, except that the Landlord shall pay The Staubach Company – Great Lakes Real Estate Partners, LLC a six percent (6%) commission on the amount of base rent that is due and payable during the First Renewal Period, payable semiannually beginning August 1, 2005. The Staubach Company – Great Lakes Real Estate Partners, LLC shall pay its co-broker out of the commission paid. The Landlord's obligation to pay the commission to The Staubach Company – Great Lakes Real Estate Partners, LLC shall terminate in the event this Lease is terminated by the Tenant or otherwise expires or terminates during the First Renewal Period. Each of Landlord and Tenant agrees to indemnify and hold harmless the other party from and against any loss, claim, liability or expense arising from a breach of the representations and warranties contained in this Subparagraph 23(d) and from any commissions or brokerage fees claimed on account of the execution of this Lease due to any action of the indemnifying party.

3. As modified by this Amendment, the Lease shall remain in full force and effect, enforceable in accordance with its terms.
4. This Amendment shall be binding upon and shall inure to the benefit of the Landlord and Tenant, and their respective successors and assigns.
5. This Amendment shall be governed by and construed and enforced in accordance with the laws of the State of Kentucky.

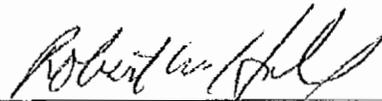
IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first written above.

LANDLORD:

GILLILAND GROUP PARTNERSHIP, a Texas
general partnership

By: Gilliland Group Family Partnership, a Texas
general partnership, General Partner

By: 
Bill Gilliland, General Partner

By: 
Robert W. Hall, General Partner

TENANT:

ATMOS ENERGY CORPORATION

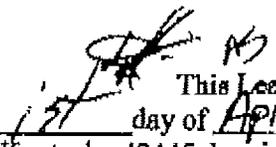
By:  JP
John Paris
President, Kentucky Division

EXHIBIT "A"

The following described property situated in the City of Madisonville, Hopkins County, Kentucky, to wit:

Beginning at an iron pin located approximately 600 feet west of South Spring Street in the south right-of-way of Broadway Street, being a common corner with Mary Jane Mullins; thence with Mary Jane Mullins and George Allard, Jr., S 04 degrees 14' W 472.03 feet to an iron pin in the North line of J. E. Ruby heirs; thence with said Ruby heirs N 87 degrees 00' W 100.00 feet to an iron pin; thence continuing with said Ruby heirs N 04 degrees 14' E 495.85 feet to an iron pin in the south right-of-way of Broadway Street, being 22.5 feet from the centerline of Broadway Street; thence with the south right-of-way of said street, S 75 degrees 20' E 50.84 feet; thence S 71 degrees 46' E 51.53 feet to the beginning.

LEASE AGREEMENT

 This Lease agreement (the "Lease") made and entered into as of the 17 day of April, 2001, by and between D & L Properties, P.O. Box 724, Princeton, Kentucky 42445, hereinafter referred to as "Lessor" and Western Kentucky Gas Company, a division of Atmos Energy Corporation, a Texas and Virginia corporation, hereinafter collectively referred to as "Lessee".

WITNESSETH:

Whereas, Lessor is owner in fee of a tract of real property located off Marion Road, Princeton, Kentucky 42445, upon which tract Lessor has constructed an office complex and related facilities; and

Whereas, it is the desire, intent, and plan of Lessee to lease from Lessor a unit in said office complex and related facilities located off Marion Road, Princeton, Kentucky 42445; and

Whereas, it is the express intent of the parties hereto to enter into a lease agreement which will set out the terms, conditions, and covenants of parties' contractual relationship;

Now, therefore, for and in consideration of the terms, covenants, and conditions herein set forth and contained, Lessor and Lessee contract and agree as follows:

ARTICLE I
PREMISES - USE

1.1 Premises. Lessor hereby leases, demises, and lets unto Lessee and Lessee hereby leases and lets from Lessor a unit in the said office complex, which unit is generally known as 309A Marion Road, Princeton, Kentucky 42445, consisting of 3,000 square feet, and a metal building, consisting of 2,400 square feet, and located to the rear of said office complex, which is hereinafter referred to as the "Premises"; and more particularly depicted on Exhibit "A" which is attached and made part hereof; and a nonexclusive right to Lessee and Lessee's employees, agents, representatives, invitees, and licensees to use Lessor's access and parking facilities (the "Common Areas").

1.2 Condition of Premises. It is expressly understood that Lessee accepts the premises in an "as is" condition and shall provide and install at its costs all furnishings and fixtures it deems necessary and desirable in connection with the operation of its business. At the termination of this Lease, Lessee shall be permitted, but not obligated, to remove the same, provided that Lessee shall repair or compensate Lessor for any damage resulting from such

removal. All appurtenances and the improvements furnished or installed by Lessor shall be and remain the property of Lessor.

1.3 Use of Premises. The Premises shall be occupied and used by the Lessee for any lawful purpose. The Premises shall not be used for any other purpose. If the Premises is occupied or used for any other purpose, the Lessor shall have the right to terminate the Lease and immediately retake possession of the Premises.

1.4 Restricted Covenants. Lessor represents and warrants to Lessee that the Premises are in compliance with all applicable local, state and federal laws, including without limitation, building code and zoning laws. Lessee covenants that its use of the Premises shall comply with all applicable federal, state and local laws.

1.5 Lessee shall not place into the Premises any Hazardous Material (defined below). Lessee agrees to indemnify, defend and hold Lessor, its officers, directors, employees and agents harmless as to any claims, demands, causes of action, costs, expenses (including, without limitation, attorney's fees and court costs) or liabilities to the extent caused by, directly or indirectly relating to, or arising from any Hazardous Material placed or introduced into the Premises by Lessee. Lessor agrees to indemnify, defend and hold Lessee, its officers, directors, employees and agents harmless as to any claims, demands, causes of action, costs, expenses (including, without limitation, attorney's fees and court costs) or liabilities to the extent caused by, directly or indirectly relating to, or arising from any Hazardous Material placed or introduced into the Premises by Lessor. As used herein (i) the term "Hazardous Material" means any hazardous or toxic, or which requires special handling or treatment, under any applicable Legal Requirement; and (ii) the term "Legal Requirement" means any federal, state or local law, statute, ordinance, code, rule, regulation, license, permit, authorization, decision, order, injunction or decree, as any of the same now exists or may be changed or amended or come into effect in the future. In the event Lessee's construction of leasehold improvements hereunder causes the release or disturbance of Hazardous Materials in the Premises, which were placed or introduced into the Premises by Lessor, and such release or disturbance results in the necessity of remediation activities, treatment, abatement or removal of Hazardous Materials, Lessor shall be responsible for the cost of such activities, treatment, abatement or removal.

ARTICLE II LEASE TERM

2.1 Primary Term. The primary term of this Lease (the "Primary Term") shall be for a period of five years. The Primary Term and the Lease payments are to commence (the "Rent Commencement Date") on the later of (i) the 1st day of April, 2002, or (ii) the date of issuance of a certificate of occupancy for the office portion of the Premises, and are to continue in accord with the terms and conditions contained herein and end on the 30th day of November, 2006.

2.2 Renewal Term. Lessee shall have the option of one (1) renewal term of five (5) years commencing on the 1st day of April, 2007 and continuing until the 30th day of April, 2012. Lessee may exercise such option by notifying Lessor of its election to extend the

term of this Lease in writing at least sixty (60) days prior to the expiration date of the Primary Term of this Lease, subject to the provision of Article IV and provided Lessee is not in default.

ARTICLE III RENTALS

3.1 Primary Term Rental. Lessee shall pay to Lessor as rental payment an amount equal to \$2,800.00 per month for the Primary Term. Said monthly installments shall be paid to Lessor at Lessor's business address, unless Lessor designates by prior written notice some other place of payment, on or before the 1st day of each month. Said rental payments shall commence on the Rent Commencement Date, and continue thereafter for each successive month of the Primary Term. Rent for any partial month shall be prorated.

3.2 Renewal Option Term Rentals. The renewal term rentals shall be the amount of \$3,080.00 per month. Said monthly installments shall be paid to Lessor at Lessor's business address, unless Lessor designates by prior written notice some other place of payment, on or before the 1st day of each month of the renewal term. Said rental payments shall commence on April 1, 2007, and continue thereafter for each successive month of the renewal term.

ARTICLE IV MAINTENANCE AND REPAIRS

4.1 Maintenance and Repair-Premises. Lessee shall keep the Premises in good condition and repair, including, but not by way of limitation, wall and floor coverings, electric lights, light fixtures, interior heating and air conditioning systems, wiring, plumbing, all doors and windows, paint and inside maintenance, excepting however, repairs and maintenance to the roof, structural components thereof and furnace.

Lessee shall keep the Premises and adjacent Common Areas, including the parking lot and grass medians, orderly, neat, clean and free from rubbish and trash at all times and to permit no refuse from accumulating around the exterior of the Premises or the grass from becoming unsightly and high. Lessee shall not burn any trash, rubbish or garbage in or about the Premises. All trash of Lessee on the Premises shall be stored in a sanitary and inoffensive manner.

Lessor shall not be obligated to make any repairs to the roof, heating and air conditioning systems or the structural components thereof when such repairs are necessitated by the fault, act, or negligence of the Lessee, or any of its servants, employees, agents, invitees, or customers.

Lessor shall also be responsible for maintaining the underground plumbing repairs and underground electrical repairs, and parking lot. Lessee shall satisfy itself that all mechanical systems are in good working upon Lease commencement.

4.2 Utilities and Services. Lessee shall be responsible for paying for any

utilities. Both Lessor and Lessee shall promptly pay all monthly utility charges for which they are responsible directly to the utility providers as the same become due.

4.3 Notice and Submission of Plans for Improvements and Alterations. Lessee may make, or cause to be made, on Premises such improvements or alterations as may be necessary or appropriate in connection with the carrying on and efficient operation of Lessee's business, subject to the discretionary approval of the Lessor. Prior to the commencement of any construction at or upon the Premises, Lessee shall first give written notice of the nature and extent of any specific improvements to be undertaken to Lessor. All construction, alterations or improvements made to the Premises shall at once become a part of the Premises and become property of Lessor.

4.4 Signs. Lessee shall be entitled to erect, maintain, alter and install upon the Premises one (1) identification and advertising sign appropriate to its business. Said sign shall be subject to the prior written approval of the Lessor, which shall not be unreasonably withheld, as to the location and size, and shall be removed by Lessee at Lessee's expense upon the expiration or earlier termination of the Lease. With the prior consent of Lessor, which consent will not be unreasonably withheld, Lessee may place one or more signs or advertisements in or on the doors and windows of the Premises and may affix signage to the buildings comprising the Premises.

4.5 Lien Claims. Lessee hereby covenants to unconditionally indemnify Lessor against and save Lessor harmless from any and all liens or claims of any nature whatsoever arising out of the use and occupancy of the Premises in any manner connected with the construction, installation, erection, maintenance and/or repair of any sign, improvement, facilities and/or equipment effectuated by Lessee or any third person on or about the Premises. Lessee further agrees that it shall, in the event any such liens are filed, forthwith effect the removal and/or satisfaction of same. At the request of Lessor, Lessee shall furnish Lessor with written proof of payment of any item which would or might constitute the basis for such lien on Premises if not paid.

4.6 Lessor's Right to Repair. In the event that Lessee fails to promptly effectuate any repair or maintenance which it has assumed in Section 4.1 of the Lease within a reasonable time from when such need arose, Lessor may, at its option and in addition to any other remedy Lessor may have, effectuate such repair or maintenance to be the sole responsibility of Lessee. Upon demand, Lessee shall pay promptly to Lessor all costs incurred for such repair or maintenance.

ARTICLE V INDEMNIFICATION AND INSURANCE

5.1 Insurance. Lessor shall maintain fire and extended coverage on all improvements and facilities located upon the office complex in which the Premises are located and upon the Common Areas; provided, however, Lessee shall reimburse Lessor for any increase in Lessor's insurance premium which may be directly attributable to Lessee's use of the Premises. Lessee shall carry fire legal liability for the amount of \$500,000.

Lessee shall maintain comprehensive general liability insurance covering the Premises, stipulating limits of liability of not less than One Million Dollars (\$1,000,000.00) for any one person, and not less than One Million Dollars (\$1,000,000.00) for any one accident, and property damage insurance in limits of Five Hundred Thousand Dollars (\$500,000.00). Fire legal liability includes fire on contents and building if caused by Lessee.

Lessee shall be solely responsible for all insurance on the personal property and trade fixtures of the Lessee contained in the Premises.

Lessee shall also provide adequate and sufficient Worker's Compensation coverage at statutory limits.

Lessee shall provide all insurance policies or duly executed certificates for the same required to be carried by Lessee under this Lease, together with satisfactory evidence of the payment of the premium thereof.

Lessee shall be entitled to self-insure one or more of the insurance coverage's for which it is required to procure and maintain under this Section 5.1 so long as its net worth is \$250,000,000 or more. If Lessee makes the election to self-insure one or more such insurance coverage's, it shall notify Lessor of such election and shall provide Lessor, in reasonable detail, information about its self-insurance program at Lessor's request.

5.2 Indemnification. Lessee hereby releases and discharges Lessor from and shall fully protect, indemnify, keep and save Lessor harmless from any and all costs, charges, expenses, penalties, and damages imposed for the violation of any applicable laws of the County of Caldwell or the City of Princeton, Kentucky, incurred by any act or omission of Lessee or Lessee's representatives, assigns, agents, servants, employees, licensees, invitees, and any other person or persons occupying under Lessee. Lessee shall fully protect, fully indemnify and save forever harmless Lessor from any and all liability, costs, damage, and expense, incident to injury (including injury resulting in death) of persons or damages to or destruction of property incident to, arising out of or in any way connected with Lessee's use and occupancy or right of use and occupancy of the Premises leased hereby, the parking lot and related facilities, whether by omission or commission of any act and shall by irrespective of exclusive or nonexclusive rights therein. This shall include, but not limited to, the operations of Lessee's business, the construction, erection, installation, existence, repair, maintenance, alteration and/or demolition of any improvements, facilities and/or equipment or the conduct of any other activities. Lessor will indemnify, hold harmless and defend Lessee, its directors, officers, employees, agents, attorneys and assigns from and against any and all suits, claims, demands, causes of actions, damages, losses, liability costs and expenses, including reasonable attorney's fees and other expenses of litigation, caused by the actions or omissions of Lessor or its breach of the Lease.

ARTICLE VI TERMINATION AND OTHER RIGHTS

6.1 Surrender Upon Expiration Or Termination. Provided that Lessee shall have one hundred twenty (120) days to continue to possess the Premises under this Lease as a

holdover tenant pursuant to Section 6.5 hereof after receipt of a notice from Lessor of termination of this Lease, upon the expiration or earlier termination of this Lease, Lessee shall quit and surrender said premises to Lessor in good and operable facilities and improvements shall be surrendered by Lessee to Lessor.

6.2 Events Of Default. The following shall be "Events of Default" under this Lease. The terms "Events of Defaults" or "Default" shall mean, whenever they are used in this Lease, any one or more of the following events:

- (a) In the case of the Lessee, the insolvency, assignment for the benefit of creditors, adjudication as a bankrupt or the appointment of a receiver for substantially all of Lessee's property and/or Lessee's interest in this Lease;
- (b) In the case of the Lessee, the issuance of execution against Lessee's interest in this Lease;
- (c) In the case of the Lessee, Lessee's failure to pay or cause to be paid any installment rental within fifteen (15) days of when the same becomes due or the failure or refusal of Lessee to timely pay or cause to be paid any insurance premiums, taxes, costs or repairs or maintenance, or any other charges as herein assumed by Lessee;
- (d) In the case of the Lessee, in the event Lessee, without the written consent of Lessor, uses the same for purposes other than the purposes for which the same are hereby let, or ceases to use said premises for the purposes herein specified;
- (e) In the case of the Lessee, failure by the Lessee to perform any other agreement, covenant, condition, duty, obligation, and/or undertaking herein contained or to observe or comply with any of the terms, provisions and conditions of this Lease.

6.3 Determination of Damages. If this Lease Agreement shall come to an end by means of default, summary proceeding, any other action or proceeding terminating this Lease, or if the Lessor reenters the Premises as provided in Section 6.4, Lessee shall pay and be responsible to the Lessor for the lease rentals due hereunder for the remainder of the then current term (less any rentals received by Lessor by reason of the re-letting of the Premises), Lessors reentry upon the Premises including, but not limited to, all repossession and reentry costs, legal expenses, attorneys fees, alteration and repair costs and such other expenses necessary for preparing the premises for reletting. Any other charges and/or obligations, if any as may otherwise be payable under this agreement, shall be and become immediately due and payable, and the liability of the Lessee for the full amount provided herein shall not be extinguished for the balance of the term of this Lease. Lessee shall make good to Lessor any deficiency arising from a reletting of the Premises at a lesser rental than that herein above agreed upon. Lessee shall pay such deficiency each month as the amount thereon is ascertained by the Lessor. Lessor shall use best efforts to mitigate damages.

6.4 Re-Entry. Upon termination of this agreement, either by lapse pursuant to the terms of the same, or in the event of default as defined herein, Lessor may immediately, or at any time thereafter reenter the premises without notice or demand, and remove all persons and things therefrom with or without legal process and without prejudice to any of Lessor's other legal rights, using such force as may be necessary or proper for the purpose.

If upon reentry there remains any abandoned personal property of the Lessee or of any other person upon the Premises, the Lessor may take possession of such property and sell it at public or private sale without notice to the Lessee. This right to take and sell shall be a prior lien and claim against the property. If the Lessor elects to take possession of the property and sell it, the proceeds of such sale shall be applied first to the cost of the sale, second to the payment of the charges for storage, if any, and third to the payment of any other amounts which may be due from Lessee to Lessor, and the balance, if any, shall be paid to Lessee.

In the alternative the Lessor may, as its option and without obligation to do so, take possession of such property and hold it for the owners thereof or may place the same in a public garage or warehouse, all at the expense and risk of the owners' thereof. Lessee shall reimburse the Lessor for any expense incurred by the Lessor in connection with such removal or storage.

6.5 Holding Over. If the Lessee remains in the Premises beyond the end of the Term, which end of Term may be caused by Lessee's failure to renew the Lease for an additional renewal Term, a sixty (60) day notice of no intent to renew the Lease for an additional renewal year in accord with Section 2.2, the expiration of the last Renewal Term, Lessee's termination of the Lease, or an Event of Default allowing for holdover under this Article 6.5, such holding over in itself will not constitute a renewal or extension of the Lease or an exercise of any option to renew, extend or purchase or a revocation of a termination of the Lease, but in such event a monthly periodic tenancy will arise upon the covenants and conditions herein set forth, subject to payment of the same rental by the Lessee each month as that is payable on account of the last month of the Term. Such holding over period may be terminated by either party upon thirty (30) days written notice of intent to so terminate.

6.6 Damages to Premises. Lessor covenants and agrees, except as provided herein, that in the event of damage to any building or improvement on the Premises, or destruction of the whole or any part thereof, by any cause whatsoever, Lessor will, entirely at its own expense and without cost to the Lessee (to the extent of insurance proceeds received by Lessor and the deductible paid by Lessee), proceed immediately and diligently to restore the building, improvements and Premises to the equivalent condition or status that they were required to be kept before such destruction or damage. To the extent that any damage or destruction to the Premises renders the same untenable, Lessee shall have the option to terminate the Lease; provided however, that should Lessee elect to retain the Premises, there shall be an abatement of rental payments until the affected areas are restored. In the event that Lessor fails to restore the affected areas within ninety (90) days after the occurrence of such damage or destruction, then Lessee shall be entitled to terminate this Lease at any time by notice to Lessor.

6.7 Eminent Domain. In the event the Premises, or any part thereof or interest therein, or any building or improvement thereon, is taken or condemned for a public or quasi-public use, or is conveyed in lieu thereof (herein referred to as a "condemnation"), the rights of the Lessor and Lessee in respect of the condemnation proceeding shall be determined as provided herein. Any condemnation allowance or award or judgment relating thereto, allowed or awarded to the Lessor and Lessee and any interest thereon ("condemnation proceeds") will be paid as provided herein. If the condemnation results in a taking of a portion of the Premises, the condemnation proceeds will be applied in the following order: (i) to pay for the restoration of the affected areas of the Premises and any personal or other property of Lessee, unless the Lease is terminated, (ii) to pay Lessee a pro rata portion of the interest, if any, constituting part of the award, and (iii) to Lessor and Lessee in proportion of the fee simple interest and leasehold interest taken or affected by the condemnation, unless this Lease is terminated.

In the event more than 5% or all of the Premises is taken in condemnation proceedings, or any portion is taken and Lessee, in its reasonable judgment, cannot continue to conduct business in the Premises as contemplated under this Lease, then Lessee may either terminate this Lease by notice to Lessor or, at its option, retain the Premises. If the lease is not terminated, the condemnation proceeds for the partial taking will be payable as provided in this Section 6.7. If this lease is terminated as a result of such condemnation, then condemnation proceeds shall be used first to the payment of the loss of any fixtures, personal property and moving expenses of Lessee in connection with the condemnation and the balance to the Lessor; provided, however, that Lessee shall be entitled to assert a claim against the loss of its leasehold estate in the Lease as a result of a condemnation.

In the event that any portion of the Premises are taken or adversely affected by a condemnation proceeding, then Lessor to the extent reasonably practicable, and weather permitting, shall restore that portion of the Premises taken or adversely affected by the condemnation, unless Lessee elects to terminate this lease as provided herein. All restoration work shall be done in a diligent and good and workmanlike manner and shall be completed no later than ninety (90) days after the occurrence of the condemnation. If Lessee cannot operate its business in the Premises as a result of a condemnation, and does not elect to terminate this Lease, then the rental payment shall abate until Lessor completes the restoration.

6.8 Waiver. Waiver by either of Lessor or Lessee of any breach or default of this Lease by the other shall not be deemed a waiver of similar or other breaches or defaults, nor shall the failure of either of the Lessor or Lessee to take any action by reason of any such breach or default deprive such party of the right to take action at any time when such breach or default continues. The rights and remedies created by this Lease shall be cumulative and nonexclusive of those to which Lessor or Lessee may be entitled at law and equity.

ARTICLE VII MISCELLANEOUS

7.1 Inspection of the Premises. Lessor, or its appointed employees or agents, shall have the right to enter the Premises at reasonable hours to make repairs required of Lessor

under the terms of this Lease.

7.2 Taxes, Assessments and Fees. Lessor shall be responsible for and shall promptly pay all state and local real property taxes becoming due and payable against the Premises, or the permanent improvements and facilities erected or installed upon said Premises. Lessee shall be responsible for taxes upon its own personal property. It is expressly understood and agreed that Lessee will not be required to pay, or reimburse Lessor for (i) all real estate taxes and general assessments which accrue against the Premises, (ii) any local, state or federal capital levy, tax or impost in lieu of or a substitute for any other tax or imposed upon or which would be payable by Lessee under the provisions hereof, or (iii) any estate, inheritance, devolution, succession or transfer tax which may be imposed upon or with respect to any transfer of Lessor's interest in the Premises. Lessee may contest any such tax, assessment, cost or expense, imposition or charge in any manner permitted by law, in Lessee's name, and whenever necessary, in Lessor's name, provided such tax or assessment is only levied against the Premises.

7.3 Quiet Enjoyment. Lessor covenants that during the entire term of this agreement and for so long as Lessee shall make timely payments of rentals due hereunder and shall perform all covenants on its part to be performed, Lessee shall and may peacefully and quietly have, hold and enjoy the Premises.

7.4 Entire Agreement. It is expressly agreed by Lessee, as a material consideration for the execution of this Lease, that this Lease, with the specific references to extrinsic documents, is the entire agreement of the parties; that there are, and were, no verbal representations, warranties, understandings, stipulations, agreement or promises pertaining to the subject matter of this Lease or of any expressly mentioned extrinsic documents that are not incorporated in writing in this Lease.

7.5 Writings. This lease agreement may not be changed, modified or discharged, in whole or part, except in a writing executed by both of the parties. No executory agreement shall be effective to change, modify or discharge, in whole or part, this lease agreement or any obligation hereunder. All consents, notifications, and requests must be in writing.

7.6 Choice Law. This Lease shall be construed under and governed by the laws of the Commonwealth of Kentucky, both as to its interpretation and enforcement.

7.7 Assignment/Subleases. This lease agreement and the Premises may not be assigned nor subleased by Lessee without the express and prior written consent of Lessor.

7.8 Attornment. Should Lessor sell, convey, lease or pledge the Premises and/or any part of the office complex in which the Premises are contained, Lessee shall attorn to the new Lessor, as its landlord. The provisions for attornment herein before set forth shall require the written notice to Lessee of Lessor's sale, conveyance, lease or pledge of the Premises.

7.9 Successors and Assigns. The covenants, terms and conditions and obligation set forth and contained in this Lease shall be binding upon and inure to the benefit of

the Lessor and the Lessee and their respective successors and assigns.

7.10 **Effective Date.** The effective date of this Lease shall be November 1, 2001.

7.11 **Notices.** All notices required or permitted hereunder shall be in writing and shall be deemed to have been duly given if sent by certified mail, postage prepaid, and return receipt requested to the parties, addressed as follows (or at such other addresses as designated by the parties in writing from time to time):

If to Lessor, to:	D & L Properties P.O. Box 724 Princeton, Kentucky 42445
If to Lessee, to:	Western Kentucky Gas Company

7.12 **Estoppel Certificates.** Each party hereto will, without charge as to the first such request within the Primary Term and any renewal term and thereafter during the same term for a charge of \$500.00, and within thirty (30) days after written request, furnish to the other party hereto and to any proposed mortgagee, ground lessor, or purchaser, lease assignee, or subtenant, as the case may be, of the Premises, an estoppel certificate in the form and substance reasonably required by the requesting party. Each party hereto certifies that it has the authority to execute this lease and the same is binding and valid upon each such party.

7.13 **Execution.** This Lease will not be binding and effective until a counterpart hereof has been executed and delivered by the parties each to the other. This Lease may not be modified except by instrument in writing.

7.14 **Brokerage.** Lessor and Lessee warrant, each to the other, that they have dealt with no broker who would be entitled to a commission or fee by reason of the execution of this Lease. Lessor and Lessee will indemnify each other from and against any and all claims for commissions or fees by brokers claiming through them.

7.15 **Memorandum.** The parties will execute and cause to be recorded a memorandum of this Lease upon the written request of the other party, which memorandum will contain only the minimum information required by law.

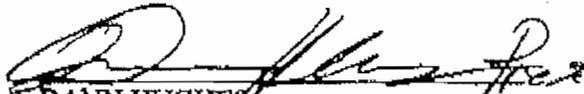
7.16 **No Joint Venture.** This Lease may not be deemed or construed to create or establish any relationship or partnership, agency, or joint venture (or any other similar relationship or arrangement) between Lessor and Lessee.

7.17 **Severability.** If any clause or provision of this Lease is illegal, invalid or enforceable, then and in that event, it is the intention of the parties hereto that the remainder of this Lease will not be affected thereby, and it is also the intention of the parties to this Lease that in lieu of each clause or provision of this Lease that is illegal, invalid or unenforceable, there be

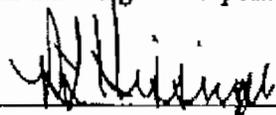
added as a part of this Lease a clause or provision as similar in terms to such illegal, invalid or unenforceable clause or provision as may be possible and be legal, valid and enforceable.

Witness signatures of the parties as of the year and date first above written.

LESSOR:


DANN HUGHES
D & L PROPERTIES

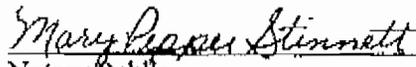
LESSEE: WESTERN KENTUCKY GAS COMPANY, INC.
A Division of Atmos Energy Corporation
A Texas and Virginia corporation

By: 
Printed Name Richard L. Kissinger
Regional Vice President
Its: Western Kentucky Gas Company

STATE OF KENTUCKY.)

COUNTY OF Caldwell)

The foregoing instrument was sworn to and acknowledged before me, a Notary Public, this 11th day of April, 2007 by Richard L. Kissinger, of Western Kentucky Gas Company, a division of Atmos Energy Corporation, a Texas and Virginia corporation, on behalf of such entity.


Notary Public

My Commission Expires: 8-1-04

FIRST AMENDMENT TO LEASE AGREEMENT

THIS FIRST AMENDMENT TO LEASE AGREEMENT ("Amendment"), is made and entered into as of the 1st day of April, 2012, by and between D & L PROPERTIES, as Landlord, and ATMOS ENERGY CORPORATION, a Texas and Virginia corporation, successor in interest, as Tenant.

WITNESSETH:

WHEREAS, on or about April 1, 2001, Landlord and Tenant entered into that certain Lease Agreement ("Lease") pursuant to which Tenant leased from Landlord certain real property and improvements with a municipal address of 307 Marion Road, Princeton, Kentucky 42445 (the "Premises"), upon the terms and conditions more particularly stated in the Lease; and

WHEREAS, the current renewal term of the Lease will expire on April 1, 2012; and

WHEREAS, Tenant desires to renew the Lease and the parties desire to modify certain terms and provisions of the Lease as hereinafter set forth.

NOW, THEREFORE, in consideration of the sum of \$1.00 and other good and valuable consideration, Landlord and Tenant hereby amend and modify the Lease as follows:

1. Item 2.2 "Renewal Term" of the Lease is hereby deleted in its entirety and the following is substituted therefore:

"2.2 Renewal Term. Lessee shall have the option of four (4) renewal terms of five (5) years each commencing on the 1st day of April of each renewal term year. Lessee may exercise such option by notifying Lessor of its election to extend the term of this Lease in writing at least sixty (60) days prior to the expiration date of the then current term of the Lease, subject to the provision of Article IV and provided Lessee is not in default."

2. Item 3.2 "Renewal Option Term Rentals." of the Lease is hereby deleted in its entirety and the following is substituted therefore:

"3.2 Renewal Option Term Rentals. The renewal term rental for the period from April 1, 2007 through March 31, 2012 (the "First Renewal Term") shall be the sum of \$3,080.00 per month. The renewal term rental for the period from April 1, 2012 through March 31, 2017 (the "Second Renewal Term") shall be the sum of \$4,000.00 per month. The renewal term rental for the period from April 1, 2017 through March 31, 2022 (the "Third Renewal Term") shall be the sum of 4,300.00 per month. The renewal term rental for the period from April 1, 2022 through March 31, 2027 (the "Fourth Renewal Term") shall be the sum of \$4,600.00 per month.

Said monthly installments shall be paid to Lessor at Lessor's business address, unless Lessor designates by prior written notice some other place of payment, on or before the first day of each month of the renewal term. Said rental payments shall commence on April 1, 2007, and continue thereafter for each successive month of the then renewal term."

3. Upon the expiration of the First Renewal Term of the Lease, the Lease shall renew for the Second Renewal Term of five (5) years commencing on April 1, 2012 and ending on March 31, 2017.

4. Effective Date of Amendment. The terms and provisions of this First Amendment to Lease, and the modifications to the Lease hereby made, shall become effective on the first day of the First Renewal Term. Except as herein modified, all other terms and provisions of the Lease shall remain in full force and effect.

IN WITNESS WHEREOF, Landlord and Tenant have executed this First Amendment to Lease Agreement as of the date first written above.

Landlord:

D & L PROPERTIES

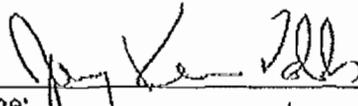
Attest: _____

By: 
Name: Darryl Hughes
Title: President

Tenant:

ATMOS ENERGY CORPORATION

Attest: _____

By: 
Name: _____
Title: Operations Vice President

LEASE AGREEMENT

THIS LEASE, dated as of the ~~25~~¹⁷ day of October, 2004, by and between **HARD TEN GROUP – MAYFIELD, LLC**, a Kentucky limited liability corporation, hereinafter called "Landlord"; **ATMOS ENERGY CORPORATION**, a Texas and Virginia corporation, hereinafter called "Tenant".

1. LEASE EXHIBITS

Attached to this Lease and made a part hereof are the following:

Exhibit A -- being a legal description of the Leased Premises. The Term Leased Premises shall mean that tract of land and improvements which Landlord now owns or shall acquire prior to the commencement of the lease term.

Exhibit B -- Being materially the form of Subordination, Nondisturbance and Attornment Agreement which Tenant will sign if so requested by Landlord in favor of Landlord's lienholder.

Exhibit C -- Being the Design Criteria and Specifications for the building.

2. LEASED PREMISES

Landlord hereby leases unto Tenant, and Tenant hereby rents from Landlord, for the consideration and upon the terms and conditions herein set forth, the following premises:

That approximately 1.5 +/- acre parcel of land together with the improvements of an approximately 3,570 +/- square foot ground floor area office building, approximately 4,000 +/- square foot warehouse, and equipment shed ("Buildings") being legally

described in Exhibit A, located at Commonwealth Drive and Highway 121 By-Pass, Mayfield, Kentucky.

3. LEASE TERM

TO HAVE AND TO HOLD the Leased Premises, together with all and singular the improvements, appurtenances, rights, privileges and easements thereunto belonging or in anywise appertaining, unto Tenant, for a term commencing on the Commencement Date as hereinafter defined and ending on the last day of the 240th full calendar month following the Commencement Date (the "Initial Term").

(a) The Commencement Date shall be the date on which Tenant's construction representative certifies that the Leased Premises is substantially complete and ready for occupancy by Tenant.

(b) When the Commencement Date has been determined as herein set forth, the Parties shall execute a written memorandum expressly confirming said Commencement Date together with the ending date of the Initial Term, and such memorandum shall thereupon be deemed attached hereto, incorporated herein, and by this reference made a part of this Lease.

4. OPTIONS TO EXTEND

Tenant may extend this Lease, for the option period rental set forth in Section 5 below and under the same terms, conditions and covenants herein contained for two (2) additional terms of five (5) years to begin immediately upon the expiration of the preceding term, provided that Tenant shall provide Landlord with written notice at least twelve (12) months prior to the expiration of the then current term.

5. RENT

Tenant covenants and agrees to pay to Landlord as rental without offset, deduction or prior demand for the Leased Premises, the following amounts, determined and payable in the manner, at the times, and upon the conditions set for the below to-wit:

a. Tenant shall pay to Landlord the sum of Eight Thousand Seven Hundred Fifty and 00/100 Dollars (\$8,750) per month on or before the first day of each calendar month from the Commencement Date and continuing on the first day of each month thereafter through and including the sixtieth monthly lease payment. In the event the Commencement Date of this Lease shall be on a day other than the first day of the month, the rent for the first month of the lease term shall be prorated on the basis of one-thirtieth ($1/30^{\text{th}}$) of the monthly rental for each day of such fractional month.

b. Tenant shall pay to Landlord the sum of Nine Thousand Seven Hundred Fifty and 00/100 Dollars (\$9,750) per month beginning with the sixty first monthly installment due hereunder and continuing on the first day of the month thereafter through and including the one hundred twentieth monthly lease payment.

c. Tenant shall pay to Landlord the sum of Eleven Thousand Two Hundred Fifty and 00/100 Dollars (\$11,250.00) per month beginning with the one hundred twenty first monthly installment due hereunder and continuing on the first day of the month thereafter through and including the one hundred eightieth monthly lease payment.

d. Tenant shall pay to Landlord the sum of Twelve Thousand Seven Hundred Fifty and 00/100 Dollars (\$12,750.00) per month beginning with the one hundred eighty first monthly installment due hereunder and continuing on the first day of the month thereafter through and including the two hundred fortieth monthly lease payment.

e. The rent for any option period that may be exercised pursuant to Section 4 hereof will be increased in the amount of 1.25% of the prior year's lease agreement, the first increase occurring on the two hundred forty first lease payment, and with subsequent increases to occur each twelve months thereafter.

f. Unless otherwise directed by Landlord in writing, Tenant shall pay all rental due under this Lease by check payable to the order of:

Hard Ten Group – Mayfield, LLC
c/o Thomas A. Donnelly
911 College Street
Suite 300
Bowling Green, KY 42101

g. Tenant's failure to pay rent or the other fees, charges, Real Property Taxes, costs and expenses owed by Tenant under the terms of this Lease promptly may cause Landlord to incur unanticipated costs. The exact amount of such costs are impractical or extremely difficult to ascertain. Such costs may include, but are not limited to, processing and accounting charges and late charges which may be imposed on Landlord by any ground lease, mortgage or trust deed encumbering the Property. Therefore, if Landlord does not receive any rent payment or other amount owing from Tenant to Landlord pursuant to the terms of this Lease within fifteen (15) days after it

becomes due, Tenant shall pay Landlord a late charge equal to five percent (5%) of the overdue amount. This late charge shall be the sole amount payable by Tenant to Landlord as a direct result of the lateness of Tenant's payment. The parties agree that such late charge represents a fair and reasonable estimate of the costs Landlord will incur by reason of such late payment.

6. CHANGE ORDERS

Without invalidating this Agreement, Atmos may order changes in the Work which may result in an addition to or deduction from the amount set forth herein. Atmos may also order minor changes in the Work, which in no specific, concrete or substantial way increase or decrease the amount set forth herein, and such minor changes shall not involve any adjustment in the Lease. All changes shall be evidenced by an executed Change Order referencing this Agreement, and if adjustments to the Lease are required then they shall be stated in the Change Order. This Agreement may not be amended or modified except by a Change Order or an Addendum executed by both parties. Except as expressly amended by a Change Order or an Addendum, this Agreement shall continue in full force and effect. All Change Orders will be in a form reasonably acceptable to both Atmos and Developer. The amount of monthly rent to be paid by Atmos to Developer under the lease agreement shall be accordingly increased or decreased because of any increase or decrease in the Lease effected by a Change Order.

7. TENANT'S RIGHT TO PURCHASE

Upon sixty days prior written notice to Landlord, Tenant shall have the right to purchase the leased premises and improvements from Landlord at any time during the

term of this lease agreement as set forth herein below. The purchase price shall be equal the amount determined by applying the following formula:

- a. Years 1-5, annual rent divided by .07.
- b. Years 6-10, annual rent divided by .0725.
- c. Years 11-15, annual rent divided by .075.
- d. Years 16-20, annual rent divided by .0775.

8. REAL PROPERTY TAXES

(a) Tenant shall pay all Real Property Taxes which may be levied, assessed or charged against the land and building described at paragraph 2 hereof during the term of this Lease. Taxes for fractional calendar years of the lease term shall be prorated between Landlord and Tenant. Landlord shall furnish Tenant with a legal description of said parcel, and shall have said parcel and improvements segregated as a separate tax lot, and Tenant shall pay said Real Property Taxes directly to the taxing authority.

"Real Property Tax" means: (i) any fee, license, tax, levy, charge, assessment, or penalty imposed by any taxing authority against the Property; (ii) any tax or charge for fire protection, streets, sidewalks, road maintenance, refuse or other services provided to the Property by any governmental agency; (iii) any charge or fee replacing any tax previously included within the definition of real property tax. Tenant's obligation to pay any payment of Real Property Taxes shall constitute Additional Rent under the terms of this Lease. Tenant shall make a good faith effort to forward to Landlord a receipt or other evidence of payment of Real Property Taxes after such evidence of payment is received by Tenant.

Landlord agrees to provide Tenant any notices of Real Property Taxes in advance of any applicable appeal date so that Tenant will have sufficient time to process an appeal of such Real Property Taxes. Tenant at its expense shall have the right to contest the amount or validity of all or part of the taxes for which it is required to reimburse Landlord pursuant hereto, and for that purpose, Tenant shall have the right to file in the name of Landlord all such protests or other instruments, and institute and prosecute proceedings it may deem necessary for the purpose of such contest, provided, however, prior to filing any appeal for the last year of any period of occupancy by Tenant, Tenant shall first request the consent of Landlord to such appeal, which consent shall not be unreasonably withheld. Any refund of any taxes for which Tenant has reimbursed Landlord shall belong to Tenant, and Landlord agrees to pay the same to Tenant promptly in the event payment thereof is initially made to Landlord.

Tenant shall pay all taxes charged against trade fixtures, furnishings, equipment or any other personal property belonging to Tenant. Tenant shall try to have personal property taxed separately from the premises.

(b) Nothing contained in this Lease shall require Tenant to pay (i.) any franchise, corporate, estate, inheritance, succession, or transfer tax of the Landlord or (ii) any income profits, or revenue tax.

9. SIGNS

Tenant shall have the right and privilege, at its own expense, to affix signs as desired by it, upon the Leased Premises, and to change or move the same at any time, provided, however, that any such sign shall be erected in compliance with all local codes

and ordinances and Tenant shall repair any and all damage to the Leased Premises and improvements caused by the installation or removal of such signs.

Landlord shall not be privileged to affix any signs to any part of the building to be occupied by Tenant during the term of this Lease or any extension thereof.

At any time during the last twenty-four (24) months of the Initial Term of the Lease or any extended term of the Lease, Landlord may place a "For Lease" sign on the Leased Premises. Tenant shall have the right to approve the text, size and location of any signage, which approval shall not be withheld unreasonably.

10. ALTERATIONS, REMOVAL OF FIXTURES & EQUIPMENT

Tenant shall not make any alterations, additions or improvements to the Leased Premises in excess of \$50,000 without Landlord's consent, such consent not being unreasonably withheld. Landlord's failure to consent shall be deemed reasonable of the reason(s), among others, Landlord declined to consent are that the Tenant failed or refused to agree to remove such alteration and repair all damage caused by such removal prior to Tenant's termination of use of the premises.

All alterations or additions which cannot be removed from the Leased Premises without irreparable damage thereto shall constitute a part of the Leased Premises and shall remain thereon. Such other alterations, additions, or improvements as are made and paid for by Tenant, and which are removable without irreparable damage to the premises, may be removed by the Tenant at any time and Tenant shall repair any damage so incurred at the time of such removal. All signs, trade fixtures, and other fixtures not referred to above, and all machinery, equipment and/or other items of personal property

placed in or upon the Leased Premises by the Tenant may be removed by the Tenant at any time and Tenant shall repair any damage so incurred at the time of such removal.

11. SURRENDER

Subject to Section 16, Tenant covenants and agrees at the end of the lease term or any extension thereof, or upon any sooner termination of this Lease, to quit and deliver up the Leased Premises to the Landlord peaceably and quietly and in good order and condition, reasonable use and wear thereof.

12. USE

Tenant's use of the Leased Premises shall be for the Buildings (Previously defined herein) and Service Center or any other use as deemed appropriate by the Tenant. Tenant shall not use the Leased Premises for the sale of gasoline and shall not install any underground storage tanks without the prior written consent of Landlord. Tenant shall not cause or permit the Leased Premises to be used in any way which constitutes a violation of any law, ordinance, or governmental regulation or order, or which constitutes a nuisance or waste. Tenant shall obtain and pay for all permits, required for Tenant's occupancy of the Leased Premises and shall promptly take all actions including, but not limited to, any required modification to the Leased Premises necessary to comply with all applicable statutes, ordinances, rules, regulations, orders and requirements as existing on the Commencement Date or as thereafter amended regulating the use by Tenant of the Leased Premises, provided, however, that Landlord represents and warrants that the Leased Premises will comply with the requirements of the Americans with Disabilities Act and applicable regulations as of the Commencement Date.

Tenant warrants Tenant shall: (i) comply with all applicable laws or regulations governing the generation, production, bringing upon, use, storage, treatment or disposal of hazardous material in or about the Leased Premises, (ii) remain liable for failure to exercise due care in any such generation, production, bringing upon, use, storage, treatment or disposal, and remain liable for all costs and expenses resulting from any actual damage to person(s) or property proximately caused by the generation, production, etc. of hazardous materials on or about the Leased Premises, or (iii) not generate, produce, bring upon, use, store, treat or dispose of any hazardous material form which Tenant is prohibited by any law or regulation. "Hazardous material" shall mean any hazardous or toxic substances, materials, waste or related materials now or subsequently regulated by any applicable federal, state or local laws or regulations, with the exception of ordinary cleaners, office products and other items generally available for purchase by consumers.

13. LANDLORD'S COVENANTS AND WARRANTIES

The Landlord covenants and warrants that it has full right and power to execute and perform this Lease and to grant the estate leased herein, and covenants that the Tenant, on performing its obligations hereunder, shall peaceably and quietly hold and enjoy the Leased Premises together with the right of ingress and egress. Landlord hereby grants and assigns to Tenant the right to enforce all Landlord's rights relating to the use and protection of any and all easement rights appurtenant to the Leased Premises and to resist in Landlord's place all incursions upon those easements rights.

Landlord agrees to pay when due and perform all obligations required by all charges, encumbrances, mortgages and/or other liens on the Leased Premises created by

the Landlord concurrently, with or after the commencement of this Lease, except liens or other encumbrances created by the Tenant. Tenant may, but not need, perform, acquire, or satisfy any said lien, encumbrance, covenant, restriction and/or obligation of the Landlord, including liens for taxes and assessments, which may in Tenant's judgment threaten its enjoyment of the Leased Premises. Prior to taking any such actions, however, Tenant shall give Landlord written notice of Landlord's default and Landlord shall have thirty (30) business days to either cure the default or to post a bond in the amount as deemed appropriate by Landlord. If Landlord performs in a timely manner, then Tenant shall take no further action. If the Tenant is authorized to by the terms hereof and does pay a lien, encumbrance, or obligation on behalf of Landlord, it shall be subrogated to all rights of the obligee against the Landlord and Leased Premises. No merger shall be constructed or implied which would defeat such subrogation. Provided, however, that Tenant's subrogation shall not give Tenant the right to offset or deduct the amount of Tenant's claim against rent due Landlord under this Lease. The Landlord shall reimburse the Tenant within ninety (90) days of occurrence for resulting disbursements and expenses, including attorney's fees, together with the interest at one percent (1%) over the Prime Rate of BB & T Bank, of Bowling Green, Kentucky.

Landlord agrees that it will not modify or terminate any recorded easements, covenants and restrictions (ECRs) on the Leased Premises or grant any consents required from it under the terms of any said ECRs without first obtaining the written consent of Tenant which shall not be unreasonably withheld.

14. UTILITIES

Tenant covenants and agrees to promptly pay for any and all water, light, power and/or other utility service supplied to the Leased Premises during the term of this Lease or any extension thereof.

15. MAINTENANCE AND REPAIRS

- (a) Tenant shall, at Tenant's sole cost and expense, keep and maintain the Leased Premises in good repair and condition, provided, however, that Tenant shall not be required to maintain or make any repairs to any part of the Leased Premises that are made necessary by the negligence or willful misconduct of Landlord, or resulting from Landlord's failure to comply with the Plans and Specifications (as hereinafter defined) as set forth in subparagraph (c) below. Notwithstanding the foregoing, Tenant's obligations hereunder to maintain the Leased Premises shall not require Tenant to replace any structural portion of the Leased Premises.
- (b) Nothing in this Lease shall require, or be deemed to require, Landlord to make any alterations, additions, improvements, repairs, or replacements to the Leased Premises or to maintain the Leased Premises in any way (except to the extent any of such work is made necessary by the negligence or willful misconduct of Landlord, or because of Landlord's failure to comply with the Plans and Specifications as set forth in subparagraph (c) below, in which event Landlord shall promptly perform such work at its sole cost and expense). Tenant hereby expressly waives any right created or provided by any law, rule, regulation, or ordinance now or hereafter in effect to require Landlord to make any alterations,

additions, improvements, repairs, or replacements or to maintain the Leased Premises, or to cause the same to be done at Landlord's expense (except to the extent any of such work is made necessary by the act or negligence of Landlord).

- (c) For purposes of this Paragraph 15, a repair or maintenance of the Leased Premises which results from Landlord's failure to comply with the Plans and Specifications is a defect, condition or failure (hereinafter referred to as a "Construction Defect") in or upon the Leased Premises (or of any improvement thereto) which, in the sole opinion of design architect of the Leased Premises (the "Architect"), is caused by, or results from, testing, materials, equipment, labor or procedures used or employed by Landlord (or any contractor or subcontractor of Landlord) in connection with the construction of the Leased Premises, which deviate(s) from or is/are not in accordance with the Plans and Specifications of the Leased Premises prepared by Architect (the "Plans and Specifications"). A deviation from the Plans and Specifications shall also include the use of substandard or non-approved materials. If Landlord shall fail to commence efforts to remedy any Construction Defect within twenty (20) days after written notice thereof by Tenant to Landlord, then Tenant may, at Tenant's option and as Tenant's sole and exclusive remedy therefore, proceed with Tenant's own efforts to remedy such Construction Defect and all costs incurred by Tenant to remedy such Construction Defect shall be deducted from the rent which Tenant is required to pay to Landlord under this

Lease. Tenant's failure to notify Landlord of, or to undertake any action to remedy, a Construction Defect shall not constitute a waiver of Tenant's rights or remedies under this Subparagraph (c) with respect to any other Construction Defect. The determination of the Architect as to whether or not a Construction Defect is attributable to Landlord under this subparagraph shall be binding and conclusive.

16. INSURANCE

(a) Tenant agrees during the Initial Term of this Lease, and any extension thereof, to maintain in force and effect broad form comprehensive general liability insurance, or a policy of different name but similar effect, with an insurance carrier rate A-VII or better in Best's Key Rating Guide. The policy shall insure against bodily injury, property damage (including loss of use of property) and personal injury. The initial policy limits shall be at least Three Million Dollars (\$3,000,000.00) with respect to bodily injury to or death of any one person and Five Million Dollars (\$5,000,000.00) with respect to bodily injury or death of any number of persons in any one occurrence and not less than Five Hundred Thousand dollars (\$500,000.00) with respect to property damage. These liability coverage limits shall be reviewed at least every two years so as to maintain the same relative level of coverage. The policy shall be primary and non-contributing and shall contain cross liability endorsements. Such policy or policies shall, if possible, be written on an occurrence basis. Such policy or policies shall contain a provision that they cannot be cancelled without thirty (30) days prior written notice to Landlord and shall provide for contractual liability coverage with respect to the indemnity obligations set forth in paragraph 19 below.

(b) Tenant shall keep the Leased Premises insured against damage or destruction by fire, and such other perils as are, from time to time, included in standard extended coverage endorsements, for the full insurable value thereof. If Landlord's lender so requires, Tenant shall provide adequate earthquake and flood insurance, provided however, that Tenant shall not be required to obtain any coverage on a stand alone basis and may take advantage of any pooled properties coverage available to Tenant. For standard extended coverage purposes only, Tenant shall be responsible for determining the said full insurable value, which for the purposes hereof shall mean the actual replacement cost without deduction for depreciation, but shall not include "uninsurables" (i.e., footings, parking lot, underground piping, etc.). The proceeds of such insurance in case of loss or damage shall be applied on account of the obligation of Tenant to repair and/or rebuild the Leased Premises pursuant to the paragraph hereof captioned "Damage or Destruction" to the extent that such proceeds are required for such purpose.

(c) Certificate of insurance or certified copies of all insurance policies shall be deposited with the other party and Landlord's lender. If either party fails to comply with any of the provisions of this paragraph, the other party, at any time thirty (30) or more days after mailing notice, may without prejudice to any other rights it may have, purchase the insurance required to be carried and the cost thereof shall be billed to the refusing or neglecting party.

17. DAMAGE OR DESTRUCTION

(a) If the Building shall, during the term of this Lease or any extension thereof, be partially damaged or destroyed (i.e., less than fifty percent (50%) of office or service center comprising a portion of the Leased Premises is untenable as a result of such

damage or less than fifty percent (50%) of Tenant's operations are materially impaired), this Lease shall remain in full force and effect and Tenant shall repair the damage as soon as reasonably possible. All insurance proceeds received by either Landlord or Tenant for the actual damage or destruction of the Leased Premise shall be applied to the repair of the Leased Premises. Tenant and Landlord jointly hold for their mutual use and benefit any insurance proceeds applicable to the repair of the Leased Premises pursuant to the above provision. Tenant shall be solely responsible for the payment of any deductible amount under the terms of the policy or policies maintained by Tenant. In the event the Tenant chooses not to repair and/or rebuild the Tenant shall pay to Landlord an amount equal to any such deductible.

(b) If the Leased Premises shall, during the term of this Lease or any extension thereof, be totally damaged or destroyed (any condition greater than a partial destruction described in (a) immediately above), Tenant shall have at its sole discretion, the following options:

- (i) to keep this Lease in full effect and commence restoration of the Leased Premises; or
- (ii) to terminate this Lease.

If Tenant elects to keep this Lease in full force and effect, Tenant shall repair the damage as soon as reasonably possible. All insurance proceeds received by either Landlord or Tenant for the actual damage or destruction of the Lease Premises shall be applied to the repair of the Leased Premises, Tenant and Landlord shall jointly hold for their mutual use and benefit any insurance proceeds applicable to the repair of the Leased

Premises pursuant to the above provision. The rental due hereunder shall abate proportionately during any period of reconstruction.

If Tenant elects to terminate this Lease, Tenant shall notify Landlord in writing within sixty days of the casualty of this exercise, at which time, this Lease shall terminate with the effective termination date being that on which the destruction occurred. All insurance proceeds received by Tenant for the actual damage or destruction of the Leased Premises shall be immediately turned over to the Landlord for Landlord's sole use and Tenant shall pay to Landlord the amount of any deductible under the insurance policy covering damage or destruction of the leased premises.

(c) For use in (a) and (b) above, insurance proceeds shall apply only to monies received from insuring entities which apply to the real property of the Leased Premises. Nothing herein shall be construed to imply that monies received by Tenant for losses to furniture, trade fixtures that may be removed by Tenant at the end of Tenant's occupancy of the Leased Premises, equipment, inventories or any other personalty or for interruption of business activities shall be included in the term "insurance proceeds" as used in (a) and (b) above.

(d) The full intent of Section 17(b) relating to damage or destruction of the Leased Premises is that Tenant may elect at its sole discretion to cause repairs to be made, provided that Tenant's decision to cause such repairs will result in no additional out-of-pocket cost to Landlord. To this end, Tenant agrees to reimburse Landlord for Landlord's reasonable and necessary out-of-pocket costs relating to such repair, including but not limited to any reasonable and necessary attorney's fees incurred by Landlord in establishing the amount of the loss from the damage or destruction.

Furthermore, the full intent of this Section 17 relating to damage or destruction of the Leased Premises is that all insurance proceeds resulting from such damage or destruction are to be made available to Tenant for the repair of such damage or destruction should Tenant so elect to make such repairs.

FURTHERMORE, LENDERS TO THE LANDLORD ARE HEREBY PUT ON NOTICE OF TENANT'S RIGHTS, RELATING TO THE ACCESS AND USE OF INSURANCE PROCEEDS UNDER THIS LEASE AND THAT SO LONG AS TENANT IS NOT IN MATERIAL DEFAULT UNDER THIS LEASE, THAT THE RIGHTS AND CLAIMS UPON SUCH INSURANCE PROCEEDS WHICH A LENDER TO THE LANDLORD MAY HAVE ARE HEREBY SUBORDINATE AND INFERIOR TO THE RIGHTS AND CLAIMS UPON SUCH INSURANCE PROCEEDS WHICH TENANT HAS UNDER THE TERMS OF THIS LEASE.

(e) Unless the term of this Lease has been terminated as herein provided, Tenant shall commence the repair and restoration work promptly and as soon as is reasonable possible, but in no event later than one hundred twenty (120) days after the date of the catastrophe, and shall thereafter proceed diligently to complete said work, and if Tenant fails to do so Landlord in addition to such other rights and remedies as may be accorded Landlord by law, shall have the right and option to terminate the term of this Lease by giving Tenant written notice of Landlord's election to do so at any time prior to completion of such repairs or rebuilding provided Tenant shall not then be actively and diligently undertaking such restoration work. If this Lease is so terminated, any insurance proceeds pertaining to such damage or destruction to the Leased Premises then held by Tenant shall be immediately released by Tenant to Landlord.

18. EMINENT DOMAIN

- (a) If, during the term of this Lease, all of the Leased Premises are condemned or taken for any public or quasi-public use under any governmental law, order, or regulation or by right of eminent domain or sold to the condemning authority under threat of condemnation, this Lease shall automatically terminate and rent shall abate as of the date that title vests in the condemning authority or the Tenant is dispossessed of the Leased Premises by such condemnation or taking, whichever occurs earliest. If less than all of the Leased Premises is condemned or taken as described above and the remaining portion of the Leased Premises continues to be, in Tenant's good faith judgment, tenantable and useable by Tenant for the same uses as Tenant was using the Leased Premises immediately prior to the condemnation or taking, this Lease shall remain in full force and effect subject to a reduction of the rent payable hereunder by an appropriate and equitable amount as determined by Tenant and Landlord.
- (b) If any portion of the Leased Premises is condemned or taken by eminent domain proceedings, Tenant shall not be entitled to any award made for such condemnation or taking except for any separate award made with respect to Tenant's property located on the Leased Premises or for Tenant's relocation expenses or the interruption of, or damage to, Tenant's business.

19. INDEMNITY

(a) Tenant agrees to indemnify and hold Landlord harmless from all actions, claims, demands, costs, damages, and all reasonable expenses incurred in investigating or resisting the same, for injury to person, loss of life or damage to property:

(i) Occurring on the Leased Premises and arising out of Tenant's use and occupancy, the conduct of Tenant's business or anything else done or permitted by Tenant to be done in or about the Leased Premises, including any contamination of the Leased Premises or any other property resulting from the presence or use of hazardous materials caused or permitted by the Tenant, except if caused by the act or neglect of the Landlord, agents or employees, or the act or negligence of a contractor of Landlord; or

(ii) Caused by the negligence, negligent performance of or failure to perform any of its obligations under this Lease.

(b) The Landlord agrees to indemnify and hold Tenant harmless from all actions, claims, demands, costs, damages and all reasonable expenses incurred in investigations or resisting the same, for injury to person, loss of life or damage to property:

(i) Occurring on the Leased Premises if caused by the act of negligence of Landlord, its contractors, agents or employees while physically present on the Leased Premises, or otherwise if caused by the negligence of Landlord, its contractors, agents or employees; or

(ii) Caused by the failure to perform or negligence in performing any of its obligations under this Lease.

The rights and claims established by this Section 19 shall survive the termination of this Lease.

20. WAIVER OF SUBROGATION RIGHTS

Unless prohibited under any applicable insurance policies maintained, Landlord and Tenant each hereby waive any and all rights of recovery against the other, or against the officers, employees, agents or representatives of the other, for loss of or damage to its property or the property of others under its control, if such loss or damage is covered by any insurance policy in force (whether or not described in this Lease) at the time of such loss or damage. Upon obtaining the required policies or insurance, Landlord and Tenant shall give notice to the insurance carriers of this mutual waiver of subrogation.

21. ASSIGNMENT AND SUBLETTING

In the event Tenant wishes to assign or sublet its interest in the Leased Premises the Landlord shall be entitled to make an election. The Landlord may either (i) elect to release Tenant from any and all further liability under the terms and conditions of this Lease, or (ii) elect to have Tenant remain liable to Landlord for the full performance of Tenant's obligations. If Landlord elects to release Tenant such release shall be in writing and delivered to Tenant contemporaneously with Tenant's cessation of occupancy. If Tenant is released this Lease shall terminate and Tenant shall have no further obligations to Landlord of any kind or nature, except for those mutual agreements relating to indemnity contained herein which survive the termination of this Lease. If Landlord elects not to release Tenant, Landlord shall not receive any interest in amounts received by Tenant as a result of the assignment or sublease. If Tenant is not released Tenant, and not Landlord, shall be responsible for paying the costs of any alterations to the Leased Premises necessary to make the Leased Premises suitable for the uses and purposes of the assignee or sublessee. If Landlord elects to release Tenant, Landlord must obtain prior written approval of any commercial lender of the leased premises. The commercial

lender by approving this Lease, agrees that such approval shall not be unreasonably withheld. Failure to obtain such written approval shall force Landlord to elect to have Tenant remain liable to Landlord for the full performance of Tenant's obligations. If Tenant is not released, Tenant shall continue to be directly responsible to Landlord for making all payments required hereunder. Landlord shall not have to look to the sub-Tenant for such payment.

22. SUBORDINATION, ATTORNMENMENT AND ESTOPPEL

Within thirty (30) days after Landlord's written request, Tenant shall deliver to Landlord an estoppel certificate certifying: (i) that none of the terms or provisions of this Lease have been changed (or if they have changed, stating how they have been changed); (ii) that this Lease has not been cancelled or terminated; (iii) the last date of payment of the rent and other charges and the time period covered by such payment; (iv) that Landlord is not in default under this Lease (or, if Landlord is claimed to be in default, stating why); and (v) such other representations or information with respect to the Lease which a prospective purchaser or encumbrancer of the Leased Premises may reasonably require. Tenant's failure to deliver the requested certificate in a timely manner shall allow the Landlord and any potential purchaser or encumbrancer to presume that the terms of the Lease have not been changed except as represented by Landlord, that the Lease is in full force and effect, that no rent has been paid in advance and that the Landlord is not in default under this Lease.

Upon written request of Landlord, Tenant agrees to subordinate its rights under this Lease to any mortgage, trust deed or similar indenture ("Lien"), covering the Leased Premises or any part thereof, upon conditions set forth below, and Landlord upon written

request of Tenant agrees, as a condition of this Lease, to obtain an agreement upon the conditions set forth below from any mortgage holder, trust deed holder or similar indenture holder ("Lienholder") covering the Leased Premises or any part thereof:

Tenant shall execute and deliver to Landlord's lender, a Subordination, Nondisturbance and Attornment Agreement in substantially the form attached as Exhibit B.

23. DEFAULT

- (a) The following events shall constitute events of default under this Lease:
- (i) The failure of Tenant to pay any rental or other sum payable hereunder to Landlord within fifteen (15) days after the date such payment becomes due;
 - (ii) The failure of Tenant to keep and perform any of its obligations or any of the terms or conditions of this Lease (other than the payment of rent or other sums payable hereunder to Landlord) and the continuation of such failure for a period of thirty (30) days after written notice thereof is delivered to Tenant, provided, however, that if such failure cannot reasonably be cured within a thirty-day period, no event of default shall have occurred if Tenant has promptly commenced to cure the failure within such thirty-day period and is proceeding therewith in good faith and with due diligence; or
 - (iii) The failure or inability, or admission in writing of the inability, of

Tenant to pay its debts as such debts become due; the assignment by Tenant for the benefit of its creditors or the petitioning or application by Tenant to any tribunal for the appointment of a custodian, receiver, or trustee for it or a substantial part of its assets; the commencement by Tenant of any proceeding under any bankruptcy, reorganization, arrangements, readjustment of debt, dissolution, or liquidation law or statute of any jurisdiction, whether now or hereafter in effect; the filing of any such petition or application or commencement of any such proceeding against Tenant in which an order for relief is entered or an adjudication or appointment is made and remains undismissed for a period of sixty (60) days or more; the indication by Tenant, by any act or omission, of its consent to, approval of, or acquiescence in any such petition, application, or proceeding or order for relief or the appointment of a custodian, receiver, or trustee for all or any substantial part of its properties; or the failure of Tenant to discharge or stay any such custodianship, receivership, or trusteeship within sixty (60) days after the appointment thereof; or

- (iv) The failure of Landlord to keep and perform any of its obligations or any of the terms and conditions of this Lease and the continuation of such failure for a period (except as otherwise provided in this Lease) of thirty (30) days after written notice

thereof is delivered to Landlord by Tenant, provided, however, that if such failure cannot reasonably be cured within a thirty-day period, no event of default shall have occurred if Landlord has promptly commenced to cure the failure within such thirty-day period and is proceeding therewith in good faith and with due diligence.

(b) Upon the occurrence of any event of default of Tenant listed in Subparagraph 23(a) above, Landlord may, in addition to any other remedies provided by this Agreement or applicable law, pursue any one or more of the following remedies:

- (i) Termination of this Lease upon five (5) days written notice to Tenant, in which event Tenant shall surrender the Leased Premises to Landlord. If Tenant fails to surrender the Leased Premises, Landlord and its agents and representatives shall have the right, without further demand or notice to Tenant, to re-enter and take possession of the Leased Premises and to expel or remove Tenant and any other person who may be occupying the Leased Premises or any portion thereof, with or without process of law, without being liable for any trespass or claim for damages therefore and without prejudice to any remedies for arrears of rent or existing breaches of covenants.
- (ii) Termination of Tenant's right to possession of the Leased Premises without terminating this Lease and expulsion or removal of Tenant

and any other person who may be occupying the Leased Premises or any portion thereof, with or without process of law, without being liable for any trespass or claim for damages therefore and without prejudice to any remedies for any breaches of covenants (including the payment of rents) then existing or thereafter occurring. In the event Landlord exercises its remedies set forth in this Subparagraph 23(b)(ii), Landlord shall, in order to mitigate Landlord's damages caused by Tenant's default hereunder, use its best efforts to relet the Leased Premises and to collect the rent therefor, which rent shall be credited to the satisfaction of Tenant's obligations hereunder after deducting from such rents all costs and expenses incurred by Landlord in repossessing and reletting the Leased Premises, provided, however, that Landlord's best efforts shall not include an obligation to renovate or remodel the Leased Premises or any portion thereof. If the net rentals received by Landlord exceed the amounts necessary to satisfy all of Tenant's obligations under this Lease, Landlord shall be entitled to such excess. If the net rentals are less than the amounts necessary to satisfy all of Tenant's obligations under this Lease, Tenant shall be liable to Landlord for such deficiency and shall pay such deficiency on the date that rent is due hereunder; or

- (iii) Enforcement of the full and specific performance by Tenant of Tenant's obligations under this Lease in any manner provided by

law or equity or pursuit of such other rights or remedies available to Landlord either at law or in equity.

(c) Upon the occurrence of any event of default of Landlord listed in Subparagraph 23(a) above, Tenant may in addition to any other remedies provided by this Lease or applicable law, pursue enforcement of the full and specific performance by Landlord of Landlord's obligations under this Lease in any manner provided by law or equity or pursuit of such other rights or remedies available to Tenant either at law or in equity.

(d) Landlord's and Tenant's rights and remedies provided in this Lease are cumulative, and the pursuit by Landlord or Tenant of any remedy hereunder shall not preclude or waive its right to pursue any or all other remedies available to it.

(e) Should any litigation be commenced between the parties to this Lease concerning this Lease or the rights and obligations of either party under it, the prevailing party shall be entitled, in addition to such other relief as may be granted, to a reasonable sum as and for attorneys' fees, which may be determined by the court in such litigation (or in a separate action brought for that purpose) or as may be mutually agreed upon by the parties.

(f) No waiver by the parties hereto of any default or breach of any term, condition, or covenant of this Lease shall constitute, or be deemed to constitute, a waiver of any subsequent default or breach of the same or any other term, condition, or covenant contained herein.

24. SHORT LEASE FORM

A Memorandum of this Lease, designating the parties in interest, the term and describing the Leased Premises shall be signed and placed of record in Graves County, KY; however, this Lease itself shall not be recorded. Landlord shall pay all transfer taxes, charges and fees incurred in connection with recording the Memorandum of this Lease.

25. EXAMINATION OF PREMISES

The Landlord, or its agents or representatives, may at reasonable times enter into or upon said premises or any part thereof for the purpose of examining the condition thereof.

26. LIENS

The Tenant will not permit any liens to stand against the Leased Premises for any labor or material furnished in connection with any work performed by or at the direction of the Tenant, and the Landlord will not permit any liens to stand against the Leased Premises for any labor or material furnished in connection with any work performed by or at the direction of the Landlord. The party at whose direction labor and material are furnished may contest the validity or amount of any such lien upon posting a bond in an amount sufficient to cause title company to remove the lien from title insurance, but upon final determination of the validity and amount thereof said party will immediately pay any judgment rendered with all proper costs and charges and shall have the lien released at said party's expense.

27. SUCCESSORS AND ASSIGNS

This Lease binds any party who legally acquires any rights or interest in this Lease from Landlord or Tenant. However, Landlord shall have no obligation to Tenant's successor unless the rights or interest of Tenant's successor are acquired in accordance with the terms of this Lease. As used in this Lease, the term "Landlord" means only the current owner or owners of the fee title to the Leased Premises or the leasehold estate under a ground lease of the Leased Premises at the time in question. Each Landlord is obligated to perform the obligations of Landlord under this Lease only during the time such Landlord owns such interest or title. Any Landlord who transfers its title or interest is relieved of all liability with respect to the obligation of Landlord under this Lease to be performed on or after the date of transfer. However, each Landlord shall deliver to its transferee all funds that Tenant previously paid if such funds have not yet been applied under the terms of this Lease.

28. HOLDING OVER

Any holding over by the Tenant after the expiration of the term of this Lease, or any extension thereof, shall be as Tenant from month to month only, and not otherwise, and the rental payable hereunder during such holdover tenancy shall be that rental which was in effect at the expiration of this Lease.

29. WAIVER

Any waiver by either of the parties hereto of a breach of any of the terms, covenants, agreements or conditions hereof shall not be deemed a continuing waiver by such party.

30. ATTORNEYS' FEES

In the event that any suit or action is instituted by either of the parties hereto against the other to enforce compliance with any of the terms, covenants or conditions of this Lease or for damages for breach of this agreement, the unsuccessful party shall, in addition to costs and disbursements provided by statute, pay to the successful party such sums of money as any court of competent jurisdiction may adjudge reasonable as attorneys' fees in such suit or action, including appeal from any judgment rendered therein.

31. FORCE MAJEURE

Notwithstanding anything in this Lease to the contrary, the time periods described in this Lease shall be extended by any time delays (hereinafter "unavoidable delays") occurring due to causes beyond the reasonable control of the performing party including, but not limited to, acts of God; strikes; lockouts; weather in which work cannot proceed (even if normal); protests, riots; insurrection; war; authority, including courts; or acts or conduct of another party, its employees or agents, in violation of this Lease. Unavoidable delays shall not include delays due to inability or failures to obtain financing, or inadequate financial resources and shall not be applicable to non-payment of rent or other monetary obligations, including, without limitation, payment of property taxes, insurance of liens..

32. NOTICES

Any and all notices required or permitted to be given to the Landlord herein, shall be in writing and shall be sent, either by registered or certified United States mail, return receipt requested, or by personal delivery, to Landlord as follows: Hard Ten Group --

Mayfield, LLC c/o Thomas A. Donnelly, 911 College Street, Bowling Green, Kentucky, 42101, with a copy to Darell R. Pierce, Pierce, Simpson & Shadoan, 908 State Street, Bowling Green, KY 42102, Any notices required or permitted to be given to Tenant shall be in writing and shall be sent to it by registered or certified United States mail, return receipt requested, or by personal delivery, in duplicate, with the original sent to the Tenant at the Leased Premises and a duplicate thereof to the Tenant at: Atmos Energy Corporation, President, Kentucky Division, 2401 New Hartford Road, Owensboro, Kentucky 42303, and Atmos Energy Corporation, 5430 LBJ Freeway, Suite 1800, Dallas, Texas 75240, Attn: General Counsel, and Atmos Energy Corporation, 5430 LBJ Freeway, Suite 500, Dallas, Texas 75240, Attn: Larry Kuper. These instructions in regard to notices may be changed at any time by appropriate notice of such damage.

33. CONDITION UPON TERMINATION

Upon the termination of the Lease, Tenant shall surrender the Leased Premises to Landlord, broom clean and in the same condition as received except for ordinary wear and tear which Tenant was not otherwise obligated to remedy under any provision of this Lease. However, Tenant shall be obligated to repair any damage which Landlord is required to repair under Section 17 (Damage or Destruction). In addition, Landlord may require Tenant to remove any alterations, additions or improvements (whether or not made with landlord's consent) prior to the expiration of the Lease and to restore the Leased Premises to its prior conditions, all at tenant's expense. All alterations, additions and improvements which Tenant has not removed shall become Landlord's property and shall be surrendered to Landlord upon the expiration or earlier termination of the Lease. Tenant may remove any of Tenant's machinery or equipment or other business fixtures.

In no event, however, shall Tenant remove any of the following materials or equipment (which shall be deemed to be Landlord's property) without Landlord's prior written consent; any power wiring or power panels; lighting or lighting fixtures; wall coverings; drapes, blinds or other window coverings; carpets or other floor coverings; heaters, air conditioners or any other heating or air condition equipment; fencing or security gates; or other similar building operating equipment and decorations. Landlord may require a payment and performance bond as a condition of consenting to such removal.

34. CHOICE OF LAW

This Lease shall be governed by the laws of the Commonwealth of Kentucky.

35. CORPORATE AUTHORITY

If Tenant is a corporation, each person signing this Lease on behalf of Tenant represents and warrants that he has full authority to do so and that this Lease binds the corporation.

36. PARAGRAPH HEADINGS

Paragraph headings are for the convenience of the parties only and shall, in no manner, be construed as the text of this document shall same be utilized in the construing of this Lease.

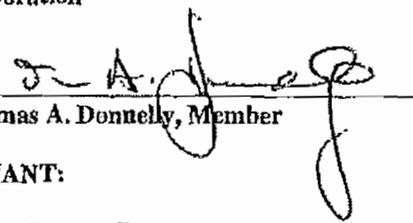
37. COMPLETE AGREEMENT

This Lease constitutes the entire agreement of the parties hereto and is a total integration thereof; any amendments to this agreement, in order to have any binding effect, shall be signed by the party against whom enforcement shall be sought.

IN WITNESS WHEREOF this Lease has been signed by the parties on the day
and year first above written.

LANDLORD:

**HARD TEN GROUP - MAYFIELD,
LLC, a Kentucky limited liability
corporation**

By: 
Thomas A. Donnelly, Member

TENANT:

Atmos Energy Corporation

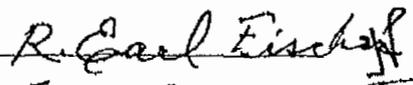
By: 
Title: Sr. V.P. Operations

EXHIBIT B

SUBORDINATION, NONDISTURBANCE AND ATTORNMENT AGREEMENT

THIS AGREEMENT, made and entered into this _____ day of _____,
_____, by and between **HARD TEN GROUP – MAYFIELD, LLC**, a Kentucky
limited liability corporation (hereinafter referred to as the "Landlord"), **ATMOS**
ENERGY, INC., (hereinafter referred to as the "Tenant"), _____, a
federally chartered stock savings bank organized under the laws of the United States of
America (hereinafter referred to as the "Lender"),

- A. Lender has agreed to make a mortgage loan (the "Loan") to Landlord secured by a mortgage or deed of trust (the "Deed of Trust") on the real property legally described in Exhibit A attached hereto (the "Premises"); and
- B. Tenant is the present lessee under a lease dated _____, made by Landlord, demising all of the Premises and other property (said lease and all amendments thereto being referred to as the "Lease"); and
- C. The Loan terms require that Tenant execute this Agreement as a condition to the Loan; and
- D. In return, Lender is agreeable to not disturbing Tenant's possession of the Premises covered by the Lease (the "Demised Premises"), so long as Tenant is not in default under the Lease; and

NOW, THEREFORE, the parties hereby agree as follows:

- 1. Subordination. The Lease, and the rights of Tenant in, to and under the Lease and the Demised Premises, are hereby subjected and subordinated to the lien of the Deed of Trust and to any and all renewals, modifications and extensions

thereof, and any and all other instruments held by Lender as security for the Loan.

2. Tenant Not To Be Disturbed. So long as Tenant is not in default (beyond any period given Tenant by the terms of the Lease to cure such default) in the payment of rent or additional rent or of any of the terms, covenants or conditions of the Lease on Tenant's part to be performed, (a) Tenant's possession of the Demised Premises, and its rights and privileges under the Lease, including but not limited to any extension or renewal rights, and those rights and privileges relating to the application of insurance proceeds and condemnation awards shall not be diminished or interfered with by Lender, provided, however, that all parties hereto agree that so long as the Deed of Trust and any and all renewals or extensions thereof secure the Lender's loan on the Demised Premises that the terms of the Deed of Trust in Section 3, Hazard Insurance, shall govern the use of any such insurance proceeds whether arising from policies provided by the Landlord under Deed of Trust of by the Tenant pursuant to the terms and conditions of the Lease. The parties hereto further mutually agree that the Tenant shall be deemed to be the "Grantor" for purposes of Section 3 of the Deed of Trust, but solely and exclusively for purposes of Section 3 thereof, and solely for so long as the Deed of Trust is in effect, including all option periods, renewals and extensions thereof, and (b) Lender will not join Tenant as a party defendant in any action or proceeding foreclosing the Deed of Trust and then only for such purpose and not for the purpose of terminating the Lease.

3. Tenant to Attorn to Lender. If Lender shall become the owner of the Premises or the Premises shall be sold by reason of foreclosure or other proceedings brought to enforce the Deed of Trust or the Premises shall be transferred by deed in lieu of foreclosure, the Lease shall continue in full force and effect as a direct Lease between the then owner of the Premises, who shall succeed to the rights and duties of the Landlord subject to the limitations hereinafter set forth, and Tenant. Tenant shall attorn to Lender or any other such owner as its Landlord, said attornment to be effective and self-operative without the execution of any further instruments; provided, however, that Lender or any such other owner (a) shall not be personally liable for any act or omission of any prior lessor (including Borrower), (b) subject to any offsets of defenses which Tenant might have against any such prior lessor, (c) bound by any prepayment of rent or additional rent which Tenant might have paid, except as otherwise expressly required by the terms of the Lease, (d) shall not be bound by any amendment or modification of the Lease or by any waiver or forbearance on the part of such prior lessor made without Lender's or such other owner's consent, which shall not be unreasonably withheld, (e) bound by any warranty or guaranty of the prior lessor or (f) shall not be liable for the return of any security deposit under the Lease unless such security deposit shall have been actually deposited with Lender. Tenant acknowledges that Borrower will assign the Lease to Lender pursuant to the terms of a separate absolute Assignment of Leases and Rents executed in connection with the Deed of Trust as security for the indebtedness secured by the Deed of Trust.

Tenant hereby agrees that upon the occurrence of any default under the Loan or the documents evidencing or securing the same, and in the event of a demand on Tenant by Lender, or its successors and assigns, of the rents due under the Lease, Tenant will pay said rent to Lender and Borrower hereby consents to said payment and releases Tenant from any and all liability, damages, or claims in connection with any such payment or payments. Borrower agrees that the receipt by Tenant of any such demand shall be conclusive evidence of the right of Lender to the receipt of said rental payments. Tenant shall be under no obligation to pay rent to Lender or any such other owner until Tenant receives written notice from Lender or such other owner.

4. Lender's Option to Cure Borrower's Default. Tenant agrees that Borrower shall not be in default under the Lease unless written notice specifying such default is given to Lender. Tenant agrees that Lender shall have the right to cure such default on behalf of Borrower within thirty (30) days after the receipt of such notice; provided, however, that said 30-day period shall be extended so long as within said 30-day period Lender has commenced to cure and is proceeding diligently to cure said default or defaults. Tenant further agrees to not to invoke any of its remedies under the Lease (except the Lease emergency repair clause) until said 30 days have elapsed.
5. Lease Assurances. The Landlord and the Tenant hereby covenant and agree with the Lender as follows and as of the date hereof:

- (a) The Lease has been properly executed and delivered by the Tenant, is valid and binding upon the Tenant in accordance with its terms, has not been modified, and is in full force and effect;
 - (b) There exist no defaults under the Lease by the Landlord or the Tenant;
 - (c) The Tenant is in possession and has accepted the condition of the Premises, and no further work on the part of the Landlord remains outstanding with respect thereto;
 - (d) The Tenant has not paid any rental to the Landlord more than one month in advance, and there exist no rent concessions or abatements;
 - (e) The Tenant has no defense, claim or lien or offset under the lease or against the rental payable thereunder;
 - (f) The Tenant has no claims to or interest in the Premises, legal or equitable, or any right of refusal or option thereunder, other than its right of possession during the Lease term as a tenant under the Lease;
and
 - (g) The lease will not merge with the fee title to the Premises without the Lender's prior written consent.
6. Notice of Discharge. Borrower shall give notice to Tenant of the reconveyance or other release of the Deed of Trust within thirty (30) days of the date the reconveyance or other release is recorded.
7. Limitation. This Agreement shall not apply to any equipment, inventory, merchandise, furniture, fixtures or other personal property owned or leased from a party other than the Borrower by Tenant which is now or hereafter

placed or installed on the Demised Premises, and Tenant shall have the full right to remove said property at any time during or at the expiration of the Lease term subject to the terms and provisions of the Lease

8. Notices. In each event in which the Tenant affords any notice to or receives any notice from the Landlord it shall promptly forward a true and correct copy of same to the Lender. In any event in which a notice is required to be given in accordance with the terms of this agreement, the same shall be forwarded by registered or certified U.S. mail, return receipt requested, with postage prepaid, and if to the Landlord by the Tenant at its address stated in the Lease; if to the Landlord by the Lender at its address stated in the Loan Security; if to the Tenant at the addresses as set forth under Item 32 in the Lease; and if to the Lender at P.O. Box 1050, Bowling Green, Kentucky 42102-1050. Notices shall be deemed effective as of the third day following the date of deposit of same in the U.S. mail, as evidenced by the U.S. postmark affixed by the post office. Any party hereto may change the address for such notices by affording written notification to the other parties in the manner hereinabove described, with such damage effective for notices given after fifteen (15) days following the effective date thereof (or such later effective date as therein specified).
9. Successors and Assigns. This Agreement and each and every covenant, agreement and other provision hereof shall be binding upon and shall inure to the benefit of the parties hereto and their representatives, successors and assigns.

Commencement Date

The undersigned, _____, do hereby agree that the Commencement Date of the Lease Agreement shall be the _____ day of _____, 2003.

Signed this _____ day of _____, 2003.

ATMOS ENERGY CORPORATION

By: _____

Title: _____

**Hard Ten Group – Mayfield, LLC, a
Kentucky limited liability corporation**

By: _____
Thomas A. Donnelly

EXHIBIT C
Design Criteria and Specifications

LEASE AGREEMENT
BETWEEN
TRIPLE H&B INVESTMENTS LLC
AS LANDLORD, AND
ATMOS ENERGY CORPORATION,
AS TENANT
For Premises located at
3725 Highland Point Drive
Owensboro, Daviess County, Kentucky

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LEASE AGREEMENT

This Lease Agreement (this "Lease") is executed to be effective as of _____, 200__ ("Commencement Date"), and is between Triple H&B Investments LLC, a Kentucky limited liability company (together with its successors and permitted assigns, "Landlord"), and Atmos Energy Corporation, a Texas and Virginia corporation (together with its successors and permitted assigns, "Tenant").

ARTICLE 1.

LEASED PREMISES; TERM

Section 1.1. Leased Premises; Term. Upon and subject to the terms and conditions hereinafter set forth, Landlord leases to Tenant and Tenant rents from Landlord all of Landlord's rights and interests in and to the following real property (collectively, the "Leased Premises");

(a) the real property described on Exhibit A attached hereto (the "Land"), subject only to those exceptions to title described on Exhibit C attached hereto (the "Permitted Encumbrances");

(b) all buildings, structures, Fixtures (as hereinafter defined) and other improvements of every kind including, but not limited to, alleys and connecting tunnels, sidewalks, utility pipes, conduits and lines (on-site and off-site), signage, parking areas and roadways appurtenant to such buildings and structures presently or hereafter situated upon the Land, and any permitted alterations and additions including those being built by Landlord as more fully described in Section 1.3 below (collectively, the "Improvements");

(c) all easements, rights and appurtenances relating to the Land and the Improvements; and

(d) all permanently affixed equipment, machinery, fixtures, and other items of real and/or personal property, including all components thereof, now and hereafter located in, on or used in connection with, and permanently affixed to or incorporated into the Leased Premises, including, without limitation, all furnaces, boilers, heaters, electrical equipment, heating, plumbing, lighting, ventilating, refrigerating, waste disposal, air-cooling and air-conditioning systems and apparatus, sprinkler systems and fire and theft protection equipment, all of which, to the greatest extent permitted by law, are hereby deemed-by the parties hereto to constitute real estate, together with all replacements, modifications, alterations and additions thereto (collectively, the "Fixtures");

TO HAVE AND TO HOLD for a fixed term (the "Primary Term") commencing on the Commencement Date; and ending at midnight on _____, 20__.

Section 1.2. Renewal Terms. Provided no Event of Default exists as of the date of the Extension Notice or as of the date immediately preceding the first day of the Renewal Term in question, Tenant may renew this Lease for two (2) additional periods of

five (5) years each (respectively, the "**First Renewal Term**" and the "**Second Renewal Term**", and each being a "**Renewal Term**"), by delivering written notice of the exercise of the renewal option in question (each being an "**Extension Notice**") to Landlord no later than twelve (12) months before the expiration of the Primary Term or First Renewal Term, as the case may be. Base Rent payable each month during each such extended Term shall be determined in accordance with Section 3.1. Landlord and Tenant shall, on or before the commencement date of the extended Term, execute an amendment to this Lease extending the Term on the same terms provided in this Lease, except as follows:

- (a) Base Rent shall be adjusted in accordance with the terms of Section 3.1;
- (b) except for any unexercised Renewal Term(s) hereunder, Tenant shall have no further renewal options unless expressly granted by Landlord in writing; and
- (c) Landlord shall lease to Tenant the Leased Premises in its then-current condition, and Landlord shall not be required to make any improvements or repairs to the Leased Premises, or provide to Tenant any finish allowances or other tenant inducements.

Section 1.3. Construction of Improvements; Construction Warranty.

(a) Landlord has completed the Improvements in substantial compliance with those plans and specifications as more particularly described on Exhibit B attached hereto and made a part hereof (collectively, the "**Final Plans and Specifications**").

(b) Landlord has obtained all express or implied warranties from its contractors and materialmen performing construction of the Improvements or providing material used in connection with the construction of the Improvement as more particularly described on Exhibit D attached hereto and made a part hereof (the "**Warranties**"), and by execution of this Lease, Landlord, at its sole expense, has assigned the Warranties to Tenant. In addition, Landlord hereby warrants to Tenant that the Improvements initially constructed by Landlord pursuant to this Lease are free of defects in workmanship and/or materials and in substantial compliance with the Final Plans and Specifications and in full compliance with all Legal Requirements as of the Commencement Date (such Landlord warranty being referred to as the "**Limited Construction Warranty**"). If Tenant makes a claim under the Limited Construction Warranty, Landlord agrees, at its sole cost and expense, to promptly cause the repair or replacement during the Term of any defects or deficiencies in the Improvements occasioned by poor workmanship and/or materials or inconsistencies with the Final Plans and Specifications or Legal Requirements in the Improvements as of the Commencement Date. Tenant agrees to cooperate with Landlord in the enforcement by Landlord, at Landlord's sole cost and expense, of any Warranties and shall cooperate with Landlord in the enforcement by Landlord, at Landlord's sole cost and expense, of any service contracts that provide service, repair or maintenance to any item incorporated in the Leased Premises. From and after the expiration of the Limited Construction Warranty, Landlord agrees to cooperate with Tenant in the enforcement by Tenant, at Tenant's sole cost and expense, of any Warranties for a period of time in excess of the term of the Limited Construction Warranty described above and to cooperate with Tenant in the enforcement by Tenant, at Tenant's sole cost and expense,

of any service contracts that provide service, repair or maintenance to any item incorporated in the Leased Premises:

(c) After the Commencement Date, Tenant shall notify Landlord, in writing, of all "punchlist" items that are incomplete and Landlord shall forthwith complete such items no later than 30 days after delivery of the "punchlist" notice. Tenant will provide access to Landlord and cooperate with Landlord in order to complete such work.

(d) Save and except for Landlord's obligations related to the Limited Construction Warranty and any punchlist items, Tenant shall have and hold the Leased Premises as the same shall then be without any liability or obligation on the part of Landlord for making any alterations, improvements or repairs of any kind in or about the Leased Premises for the Term of this Lease, and Tenant agrees to maintain the Leased Premises and all parts thereof in a good and sufficient state of repair as required by the provisions of this Lease.

ARTICLE 2. **DEFINITIONS**

For all purposes of this Lease, except as otherwise expressly provided or unless the context otherwise requires, (a) the terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular, (b) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles as at the time applicable, and (c) all references in this Lease to designated "Articles", "Sections" and other subdivisions are to the designated Articles, Sections and other subdivisions of this Lease, and (d) the words "herein", "hereof" and "hereunder" and other words of similar import refer to this Lease as a whole and not to any particular Article, Section or other subdivision:

"Additional Rent": As defined in Section 3.2.

"Affiliate": When used with respect to any Entity, the term "Affiliate" shall mean any person, which, directly or indirectly, controls or is controlled by or is under common control with such Entity. For the purposes of this definition, "**Control**" (including the correlative meanings of the terms "**Controlled by**" and "**under common control with**"), as used with respect to any person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such person, through the ownership of voting securities, partnership interests, other equity interests or otherwise through management agreements.

"Bankruptcy Code" means Title 11 of the United States Code or any successor hereinafter enacted.

"Base Rent": As defined in Section 3.1(a).

"Business Day": Each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which national banks in the City of Dallas, Texas are authorized, by law or executive order, to close.

"Commencement Date": As defined in the Preamble.

"Encumbrance": Any mortgage, deed of trust, lien, security interest, title retention agreement, attachment, levy, claim or other encumbrance.

"Entity" means any individual, joint venture, partnership, corporation, trust or other entity or association.

"Environmental Reports" That certain Phase I Environmental Site Assessment Report dated October 17, 2006, prepared by Envision Contractors LLC.

"Event of Default": As defined in Article 16.

"Extension Notice": As defined in Section 1.2.

"Final Plans and Specifications" As defined in Section 1.3.

"First Renewal Term": As defined in Section 1.2.

"Fiscal Year": Solely for the purposes of this Lease, the twelve (12) month period from January 1 to December 31.

"Fixtures": As defined in Section 1.1.

"Hazardous Substances": Any hazardous, toxic or dangerous substance, material, waste, gas or particulate matter which is defined as such for purposes of regulation by any governmental authority, including, but not limited to, any material or substance which is (i) defined as a "hazardous waste," "hazardous material," "hazardous substance," "extremely hazardous waste," or "restricted hazardous waste" under any provision of Kentucky law, (ii) petroleum, (iii) asbestos, (iv) polychlorinated biphenyl, (v) radioactive material, (vi) designated as a "hazardous substance" pursuant to Section 311 of the Clean Water Act, 33 U.S.C. Sec. 1251 et seq. (33 U.S.C. Sec. 1317), (vii) defined as a "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. Sec. 6901 et seq. (42 U.S.C. Sec. 6903), or (viii) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. Sec. 9601 et seq. (42 U.S.C. Sec. 9601), and other applicable existing and future federal, state or local environmental laws and the regulations adopted under those acts, as amended.

"Impositions": Collectively, all taxes (including, without limitation, all ad valorem, sales and use, single business, gross receipts, transaction privilege, rent or similar taxes), assessments (including, without limitation, all assessments for public improvements or benefits, whether or not commenced or completed prior to the date hereof and whether or not to be completed within the Term), water, sewer or other rents and charges, excises, tax levies, and all other governmental charges, in each case whether general or special, ordinary or extraordinary, or foreseen or unforeseen, of every character in respect of the Leased Premises and/or the Rent, which at any time during the Term may be assessed or imposed on or in respect of or be a lien upon (a) Landlord or Landlord's interest in the Leased Premises, (b) the Leased Premises or any part thereof or any rent therefrom or any estate, right, title or interest therein, or (c) any

occupancy, operation, use or possession of, sales from, or activity conducted on, or in connection with, the Leased Premises or the leasing or use of the Leased Premises or any part thereof; provided, however, nothing contained in this Lease shall be construed to require Tenant to pay (1) any tax based on net income (whether denominated as a franchise or capital stock or other tax) imposed on Landlord, or (2) any transfer or net revenue tax of Landlord, or (3) any tax imposed with respect to the sale, exchange or other disposition by Landlord of any portion of the Leased Premises or the proceeds thereof, or (4) except as expressly provided elsewhere in this Lease, any principal or interest on any Encumbrance on the Leased Premises, except to the extent that any tax, assessment, tax levy or charge which Tenant is obligated to pay pursuant to the first sentence of this definition and which is in effect at any time during the Term hereof is totally or partially repealed, and a tax, assessment, tax levy or charge set forth in clause (1) or (2) is levied, assessed or imposed expressly in lieu thereof.

"Improvements": As defined in Section 1.1.

"Insurance Requirements": All terms, conditions and requirements of any insurance policy required by this Lease, all requirements of the issuer of any such policy and all requirements of any insurance board, association, organization, or company necessary for the maintenance of any such policy.

"Land": As defined in Section 1.1.

"Landlord": As defined in the Preamble.

"Landlord Part(ies)": Landlord, its officers, directors, shareholders, partners, trustees, members, agents, employees, contractors and subcontractors.

"Lease": As defined in the Preamble.

"Lease Month": Each calendar month during the Term with the first Lease Month beginning on the Commencement Date.

"Lease Year": Each period of 12 full calendar months during the Term commencing on the Commencement Date (and if the Commencement Date does not occur on the first day of a calendar month, the period from the Commencement Date to the first day of the next calendar month shall be included in the first Lease Year for purposes of determining the monthly Base Rent rate applicable for such partial year).

"Leased Premises": As defined in Section 1.1.

"Legal Requirements": All federal, state, county, municipal and other governmental statutes, laws, rules, orders, regulations, ordinances, judgments, decrees and injunctions affecting either the Leased Premises or the construction, use or alteration thereof, whether now or hereafter enacted and in force, including any which may (a) require repairs, modification, or alterations in or to the Leased Premises, or (b) in any way adversely affect the use and enjoyment thereof, and all permits, licenses, authorizations and regulations relating thereto, and all covenants, agreements, restrictions and encumbrances contained in any instruments, either of

record or known to Tenant (other than encumbrances created by Landlord without the consent of Tenant), at any time in force affecting the Leased Premises.

"Limited Construction Warranty": As defined in Section 1.3.

"Mortgage": Any deed of trust or mortgage that at any time encumbers Landlord's interest in the Leased Premises or any part thereof.

"Mortgagee": Any lender who has made a loan secured by a Mortgage.

"Overdue Rate": On any date, a rate per annum equal to five percent (5%) above the Prime Rate, but in no event greater than the maximum rate then permitted under applicable law.

"Permitted Encumbrance(s)": As defined in Section 1.1(a).

"Primary Intended Use": As defined in Section 7.2(a).

"Primary Term": As defined in Section 1.1.

"Prime Rate": The annual rate announced by Bank of America, N.A. to be its prime rate for ninety (90) day unsecured loans to its United States corporate borrowers as in effect from time to time, or if Bank of America, N.A. no longer exists or conducts business in the United States, then the largest commercial bank existing in the United States.

"Rent": Collectively, the Base Rent, the Additional Rent and other Additional Rent.

"Second Renewal Term": As defined in Section 1.2.

"Self-Insured Retention": As defined in Section 13.2.

"Tenant": As defined in the Preamble.

"Tenant Part(ies)": Tenant, its officers, directors, shareholders, partners, trustees, members, agents, contractors, subcontractors, employees, licensees and invitees.

"Tenant's Personal Property": All machinery, equipment, furniture, furnishings, movable walls or partitions, computers, trade fixtures or other personal property, used or useful in Tenant's business on the Leased Premises, including without limitation, all items of furniture, furnishings, equipment, supplies and inventory, except items, if any, included within the definition of Fixtures.

"Term": The Primary Term, as same may have been extended by the First Renewal Term or the Second Renewal Term, unless earlier terminated pursuant to the provisions hereof.

"Unsuitable for Its Primary Intended Use": As used anywhere in this Lease, the term "Unsuitable for Its Primary Intended Use" shall mean that, by reason of non-compliance with Legal Requirements, damage or destruction, or a taking by condemnation, the Improvement cannot be operated on a commercially practicable basis for its Primary Intended Use.

"Warranties": As defined in Section 1.3(b).

ARTICLE 3.
RENT

Section 3.1. Base Rent. Tenant will pay to Landlord in advance on the first day of each calendar month during the Term, without demand or notice, at Landlord's address set forth herein or at such other place or to such other person, firms or corporations as Landlord from time to time may designate in writing, rent ("**Base Rent**") during the Term, as follows:

(a) **Base Rent During Primary Term.** Base Rent during the Primary Term is as follows:

<u>Lease Month</u>	<u>Annual Base Rent</u>	<u>Monthly Base Rent</u>
1-60	\$ 420,196.00	\$ 35,016.33
61-120	\$ 462,215.00	\$ 38,517.92
121-180	\$ 508,437.00	\$ 42,369.75
181-264	\$ 559,280.00	\$ 46,606.67

(b) **Base Rent During First Renewal Term.** If Tenant exercises its first renewal option in accordance with Section 1.2, then annual Base Rent during the First Renewal Term shall be the annual Base Rent for the Lease Year immediately preceding the first day of the First Renewal Term ("**Existing Base Rent**") increased by 9.00%.

(c) **Base Rent During Second Renewal Term.** If Tenant timely exercises its second renewal option in accordance with Section 1.2, then the annual Base Rent during the Second Renewal Term shall be the annual Base Rent for the Lease Year immediately preceding the first day of the Second Renewal Term increased by 9.00%.

Section 3.2. Additional Rent. In addition to the Base Rent, Tenant will also (a) pay and discharge as and when due and payable all other amount, liabilities, obligations and Impositions which Tenant assumes or agrees to pay under the Lease, and (b) in the event of any failure on the part of Tenant to pay any of those items referred to in clause (a) above, Tenant will also promptly pay and discharge every fine, penalty, interest and cost which may be added for non-payment or late payment of such items, and Landlord shall have all legal, equitable and contractual rights, powers and remedies provided in this Lease, by statute or otherwise, in the case of non-payment of the Base Rent as well as the foregoing additional charges. To the extent that Tenant pays any additional charges to Landlord pursuant to any requirement of this Lease, Tenant shall be relieved of its obligation to pay such charges to the Entity to which they would otherwise be due. All taxes, other impositions, insurance premiums, and all sums, liabilities, obligations, and other amounts which Tenant is required to pay or discharge pursuant to

this Lease, including but not limited to, Articles 4, 9, 13 and 14 of this Lease, in addition to Base Rent, any additional charges (including late charges) or as a result of Landlord's curing an Event of Default pursuant to Article 17 of this Lease, together with any interest, penalty, or other sum which may be added for late payment thereof, shall constitute additional rent hereunder ("Additional Rent").

Section 3.3. Net Lease. The Rent shall be paid "net" to Landlord, so that this Lease shall yield to Landlord the full amount of the installments of Base Rent and the payments of Additional Rent throughout the Term.

Section 3.4. All Sums Rent. Notwithstanding anything contained in this Lease to the contrary, all amounts payable by Tenant to or on behalf of Landlord under this Lease, whether or not expressly denominated as rent, shall constitute rent for the purposes of Section 502(b)(6) (or any comparable successor provision) of the Bankruptcy Code and for all other purposes.

ARTICLE 4. IMPOSITIONS

Section 4.1. Payment of Impositions. Subject to Tenant's right of contest pursuant to the provisions of Article 12, Tenant will pay, or cause to be paid, all Impositions prior to the date that any fine, penalty, interest or cost may be added for non-payment, such payments to be made directly to the taxing authorities where feasible. Tenant's obligation to pay such Impositions shall be deemed absolutely fixed upon the date such Impositions become or could become a lien upon the Leased Premises or any part thereof. If any such Imposition may, at the option of the taxpayer, lawfully be paid in installments (whether or not interest shall accrue on the unpaid balance of such Imposition), Tenant may exercise the option to pay the same (and any accrued interest on the unpaid balance of such Imposition) in installments and, in such event, shall pay such installments during the Term hereof (subject to Tenant's right of contest pursuant to the provisions of Article 12) as the same respectively become due and before any fine, penalty, premium, further interest or cost may be added thereto. Landlord, at its expense, shall, to the extent permitted by applicable law, prepare and file all tax returns and reports as may be required by governmental authorities in respect of Landlord's net income, gross receipts, franchise taxes and taxes on its capital stock, and Tenant, at its expense, shall, to the extent permitted by applicable laws and regulations, prepare and file all other tax returns and reports in respect of any Imposition as may be required by governmental authorities. If any refund shall be due from any taxing authority in respect of any Imposition paid by Tenant, the same shall be paid over to or retained by Tenant. Any such funds retained by Landlord due to an Event of Default shall be applied as provided in Article 16. Landlord and Tenant shall, upon request of the other, provide such data as is maintained by the party to whom the request is made with respect to the Leased Premises as may be reasonably necessary to prepare any required returns and reports. In the event any governmental authorities classify any property covered by this Lease as personal property, Tenant shall file all personal property tax returns in such jurisdictions where it may legally so file. Landlord, to the extent it possesses the same, and Tenant, to the extent it possesses the same, will provide the other party, upon request, with costs and

depreciation records necessary for filing returns for any property so classified as personal property. Where Landlord is legally required to file personal property tax returns, Tenant will be provided with copies of assessments notices indicating a value in excess of the reported value in sufficient time for Tenant to file a protest. Tenant may, upon giving notice to Landlord, at Tenant's option and at Tenant's sole cost and expense, protest, appeal, or institute such other proceedings as Tenant may deem appropriate to effect a reduction of real estate or personal property assessments and Landlord, at Tenant's expense as aforesaid, shall fully cooperate with Tenant in such protest, appeal, or other action. Billings for reimbursement by Tenant to Landlord of personal property taxes shall be accompanied by copies of a bill therefor and payments thereof which identify the personal property with respect to which such payments are made.

Section 4.2. Adjustment of Impositions. Impositions imposed in respect of the tax-fiscal period during which the Term terminates shall be adjusted and prorated between Landlord and Tenant, whether or not such Imposition is imposed before or after such termination, and Tenant's obligation to pay its prorated share thereof shall survive such termination.

Section 4.3. Utility Charges. Tenant will contract for, in its own name, and will pay or cause to be paid all charges for electricity, gas, oil, water, storm sewer, sanitary sewer, garbage collection, communications, and other utilities used in or serving the Leased Premises during the Term. Tenant shall also pay for all maintenance upon such utilities. In no event shall Landlord be liable for any interruption or failure of utility service to the Leased Premises unless such interruption is caused by Landlord's actions.

Section 4.4. Insurance Premiums. Tenant will contract for in its own name and will pay or cause to be paid all premiums for the insurance coverage required to be maintained pursuant to Article 13 during the Term.

**ARTICLE 5.
INTENTIONALLY DELETED**

**ARTICLE 6.
OWNERSHIP OF LEASED PROPERTY AND PERSONAL PROPERTY**

Section 6.1. Ownership of the Leased Premises. Tenant acknowledges that the Leased Premises is the property of Landlord and that Tenant has only the right to the possession and use of the Leased Premises upon the terms and conditions of this Lease.

Section 6.2. Tenant's Personal Property. Tenant may (and shall as provided herein below), at its expense, install, affix or assemble or place on any parcels of the Land or in any of the Improvements, any items of Tenant's Personal Property, and Tenant may, subject to the conditions set forth below, and upon notice from Landlord must, remove the same upon the expiration or any prior termination of the Term. Tenant shall provide and maintain during the entire Term all such Tenant's Personal Property as shall be necessary in order to operate the Improvement in compliance with all licensure and certification requirements, in compliance with all applicable Legal Requirements and

Insurance Requirements and otherwise in accordance with customary practice in the industry for the Primary Intended Use. Landlord agrees to waive any statutory, constitutional, or common law landlord's lien for such Tenant's Personal Property.

ARTICLE 7.
CONDITION AND USE OF LEASED PROPERTY

Section 7.1. Condition of the Leased Premises. Landlord warrants that the Leased Premises is suitable for Tenant's Primary Intended Use, that title to Land is free and clear from any encumbrance, lien, or other matter other than the Permitted Encumbrances, that the Improvements installed by Landlord fully comply with all applicable Legal Requirements, and that Landlord has obtained all permits, licenses, and other approvals necessary for Tenant's possession and occupancy of the Leased Premises.

Section 7.2. Use of the Leased Premises. Tenant covenants that it will obtain and maintain all approvals needed to use and operate the Leased Premises and the Improvements for the Primary Intended Use, as defined below, under applicable local, state and federal law.

(a) During the entire Term, Tenant shall use or cause to be used the Leased Premises and the Improvements thereon as an office/service center and warehouse for Tenant's operations as a primary use and for such other uses as may be necessary in connection with or incidental to such uses (the "**Primary Intended Use**"). Tenant may, however, use the Leased Premises or any portion thereof for any other use in compliance with all Legal Requirements.

(b) Tenant shall not commit or suffer to be committed any waste on the Leased Premises, nor shall Tenant cause or permit any nuisance thereon.

(c) Tenant shall neither suffer nor permit (provided Tenant knows) the Leased Premises or any portion thereof, or Tenant's Personal Property, to be used in such a manner as (1) might reasonably tend to impair Landlord's title thereto or to any portion thereof, or (2) may reasonably make possible a claim or claims or adverse usage or adverse possession by the public, as such, or of implied dedication of the Leased Premises or any portion thereof.

(d) Nothing in this Lease requires Tenant to occupy or conduct business in the Leased Premises.

Section 7.3. Hazardous Materials.

(a) Tenant may not cause or permit the escape, disposal, or release in the Leased Premises of any Hazardous Substances, or bring, or permit any of its agents, contractors, employees, or invitees to bring, any Hazardous Substances into the Leased Premises other than items customarily used for Tenant's operations, provided that such items are stored and used in accordance with all Legal Requirements and manufacturer's recommendations.

(b) Landlord has delivered a true, correct and complete copy of the Environmental Reports to Tenant and Landlord has no knowledge that is contrary to the findings in the Environmental Reports. Landlord represents and warrants to Tenant that, except as disclosed in the Environmental Reports, (i) the Leased Premises and every part thereof, and all operations and activities therein and thereon and the use and occupancy thereof, complies in all material respects with all Legal Requirements; (ii) no Hazardous Substances have been placed or disposed of on, at or from the Leased Premises or any part thereof in any manner or quantity which would constitute a violation of any Legal Requirement; (iii) Landlord has not received any written notices that the Leased Premises is in violation of any Legal Requirement regarding the Leased Premises; (iv) the Leased Premises have not been used for the production, processing, manufacture, generation, treatment, handling, storage or disposal of Hazardous Substances; and (v) no underground or aboveground storage tanks, barrels, wells, pits, swamps, lagoons or other containers of any kind are or were located in, on, under or about the Leased Premises.

(c) Tenant shall indemnify, defend and hold Landlord harmless in the manner specified in Article 21 from any release of Hazardous Substances in or on the Leased Premises caused or permitted by Tenant, its agents, contractors, employees, or invitees.

(d) Landlord shall indemnify, defend and hold Tenant harmless in the manner specified in Article 21 from the presence of any Hazardous Substances in or on the Leased Premises as of the Commencement Date, or caused or permitted by any party other than Tenant, its agents, contractors, employees, or invitees.

ARTICLE 8. **LEGAL AND INSURANCE REQUIREMENTS**

Section 8.1. Compliance with Legal and Insurance Requirements. Subject to Article 12 relating to permitted contests, Tenant, at its expense, will promptly (a) comply with all Legal Requirements and Insurance Requirements in respect of the use, operation, maintenance, repair and restoration of the Leased Premises and Tenant's Personal Property, whether or not compliance therewith shall require structural change in any of the Improvements or interfere with the use and enjoyment of the Leased Premises (except that Tenant is required to undertake structural changes to the Leased Premises only as required by Legal Requirements or Insurance Requirements not in effect or applicable to the Leased Premises as of the Commencement Date), and (b) procure, maintain and comply with all licenses, certificates and other authorizations required for any use of the Leased Premises and Tenant's Personal Property then being made, and for the proper erection, installation, operation and maintenance of the Leased Premises and Tenant's Personal Property or any part thereof. Tenant covenants and agrees that the Leased Premises and Tenant's Personal Property shall not be used for any unlawful purpose. Tenant shall acquire and maintain all licenses, certificates, permits, and other authorizations and approvals needed to operate the Leased Premises in its customary manner for the Primary Intended Use and any other use conducted on the Leased Premises as may be permitted from time to time hereunder.

ARTICLE 9.
REPAIRS AND RESTRICTIONS

Section 9.1. Tenant's Repairs and Restrictions.

(a) Save and except for the repair or replacement of defects covered by the Limited Construction Warranty and Landlord's obligation to repair any punchlist items under Section 1.3(c), Tenant, at its sole cost and expense, throughout the term of this Lease, shall take good care of the Leased Premises (including the Improvements and any other improvements hereafter erected or installed on the Land), and shall keep the same in good order, condition and repair, and shall make and perform all necessary maintenance thereof and all necessary repairs thereto, whether interior or exterior, structural or non-structural, ordinary and extraordinary, foreseen and unforeseen, of every nature, kind and description. When used in this Article 9, "**repairs**" shall include all necessary replacements, renewals, alterations, additions and betterments. All repairs made by Tenant shall be at least equal in quality to the original work, will be construction of substantially similar materials and shall be made by Tenant in accordance with all Legal Requirements. The necessity for or adequacy of maintenance and repairs shall be measured by the standards which are appropriate for improvements of similar construction and class, provided that Tenant shall in any event make all repairs necessary to avoid any structural damage or other damage or injury to the Improvements, any other property or any persons.

(b) Tenant, at its sole cost and expense, shall take good care of, repair and maintain all driveways, pathways, roadways, sidewalks, curbs, parking areas, loading areas, landscaped areas, entrances and passageways in good order and repair and shall promptly remove all accumulated snow, ice and debris from any and all driveways, pathways, roadways, sidewalks, curbs, parking areas, loading areas, entrances and passageways, and keep all portions of the Leased Premises, including areas appurtenant thereto, in a clean and orderly condition free of snow, ice, dirt, rubbish, debris and unlawful obstructions.

(c) Tenant shall not do or suffer any waste or damage, disfigurement or injury to the Leased Premises, or any improvements hereafter erected thereon, or to the fixtures or equipment therein.

(d) If Tenant should fail to perform any of its obligations under this Article 9, in a situation where failure to perform its obligations may cause or exacerbate additional problems with the Leased Premises (including without limitation issues of structural integrity) within thirty (30) days after written notice from Landlord as provided in this Lease; provided, if such failure cannot be cured within thirty (30) days, Tenant will have additional time reasonably necessary to cure such failure provided Tenant is diligently pursuing the cure of same, then Landlord may, if it so elects, in addition to any other remedies provided herein, effect such repairs and maintenance. Any sums expended by Landlord in effecting such repairs and maintenance shall be deemed Additional Rent hereunder and shall be due and payable as provided herein.

(e) In addition to Tenant's general maintenance and repair obligations set forth in this Article 9, Tenant shall be responsible for all repairs to the Leased Premises which are made necessary by any misuse or neglect by: (i) Tenant or any of its officers, agents, employees, contractors, licensees, or subtenants; or (ii) any visitors, patrons, guests, or invitees of Tenant or its subtenant while in or upon the Leased Premises.

(f) Landlord reserves the right to enter upon the Leased Premises upon at least twenty-four (24) hours prior notice to Tenant (except in the case of emergency in which event no prior notice shall be required) for the purpose of performing any of Landlord's repair obligations under Landlord's Limited Construction Warranty during regular business hours or otherwise and to temporarily close doors, entryways, spaces and corridors and to interrupt or temporarily suspend services and facilities of the Leased Premises. No entry in making any of such repairs shall be deemed an eviction or disturbance of Tenant's use or possession, or render Landlord liable for damages, by abatement of rent or otherwise or relieve Tenant from any obligation herein set forth. Landlord shall use its best efforts not to interfere with the operations of Tenant's business while conducting such work.

(g) Except as required pursuant to the Limited Construction Warranty and Landlord's obligation to repair any punchlist items under Section 1.3(c), Landlord shall not under any circumstances be required to build or rebuild any improvements on the Leased Premises, or to make any repairs, replacements, alterations, restoration, or renewals of any nature or description to the Leased Premises, whether ordinary or extraordinary, structural or non-structural, foreseen or unforeseen, or to make any expenditure whatsoever with respect thereto in connection with this Lease, or to maintain the Leased Premises in any way.

(h) Nothing contained in this Lease and no action or inaction by Landlord shall be construed as constituting the consent or request of Landlord, expressed or implied, to any contractor, subcontractor, laborer, materialman or vendor to or for the performance of any labor or services or the furnishing or any materials or other property for the construction, alteration, addition, repair or demolition of or to the Leased Premises or any part thereof.

(i) Tenant will, upon the expiration or prior termination of this Term, vacate and surrender the Leased Premises to Landlord in a "broom clean" condition, subject to ordinary wear and tear, and subject to the provisions of Article 14 and Article 15.

ARTICLE 10. **ALTERATIONS**

Section 10.1. Alterations. Tenant may, without Landlord's consent, make any structural repairs consistent with the Final Plans and Specifications and any non-structural alterations, improvements, repairs, modifications, or additions to the Leased Premises. Tenant may also, with Landlord's consent, such consent not to be unreasonably withheld, conditioned or delayed, make any structural alterations, improvements, modifications or additions to the Leased Premises.

Section 10.2. Guidelines for Alterations. Any alterations, additions, substitutions or replacements performed by Tenant shall be performed in a good and workmanlike manner.

ARTICLE 11.
ENCUMBRANCES

Subject to the provisions of Article 12 relating to permitted contests, Tenant will not, directly or indirectly, create any liens upon the Leased Premises.

ARTICLE 12.
PERMITTED CONTESTS

Tenant, on its own or on Landlord's behalf (or in Landlord's name), but at Tenant's expense, may contest, by appropriate legal proceedings conducted in good faith and with due diligence, the amount, validity or application, in whole or in part, of any Imposition, Legal Requirement, Insurance Requirement or Encumbrance, provided that (a) in the case of an unpaid Imposition or Encumbrance, the commencement and continuation of such proceedings shall suspend the collection thereof from Landlord and from the Leased Premises, (b) neither the Leased Premises nor any Rent therefrom nor any part thereof or interest therein would be in any immediate danger of being sold, forfeited, attached or lost, (c) in the case of a Legal Requirement, Landlord would not be in any immediate danger of civil or criminal liability for failure to comply therewith pending the outcome of such proceedings, (d) in the case of a Legal Requirement and/or an Imposition or Encumbrance, Tenant shall give such reasonable security as may be required by applicable laws (such as a bond or title insurance endorsement) to insure ultimate payment of the same and to prevent any sale or forfeiture of the affected portion of the Leased Premises or the Rent by reason of such non-payment or non-compliance, provided, however, the provisions of this Article 12 shall not be construed to permit Tenant to contest the payment of Rent (except as to contests concerning the method of computation of, or the basis of levy of, any Imposition or the basis for the assertion of any other claim by a party other than Landlord) or any other sums payable by Tenant to Landlord hereunder, (e) in the case of an Insurance Requirement, the coverage required by Article 13 shall be maintained, and (f) if such contest be finally resolved against Landlord or Tenant, Tenant shall, as Additional Rent due hereunder, promptly pay the amount required to be paid; together with all interest and penalties accrued thereon, or comply with the applicable Legal Requirement or Insurance Requirement. Landlord, at Tenant's expense, shall execute and deliver to Tenant such authorizations and other documents as may reasonably be required in any such contest and, if reasonably requested by Tenant or if Landlord so desires, Landlord shall join as a party therein. Tenant shall indemnify, defend and save Landlord harmless from and against any liability, cost or expense of any kind that may be imposed upon Landlord in connection with any such contest and any loss resulting therefrom.

ARTICLE 13.
INSURANCE

Section 13.1. Liability Insurance. Tenant, at its sole cost and expense; shall obtain and continuously maintain in full force and effect during the term of this Lease,

commencing on the Commencement Date, broad form commercial general liability insurance, or a policy of different name but similar effect, with an insurance carrier rate A-VII or better in Best's Key Rating Guide. The policy shall insure against bodily injury, property damage (including loss of use of property) and personal injury.

Section 13.2. Property Insurance. During the term of this Lease, Tenant, at its sole cost and expense, shall keep the Leased Premises insured against damage or destruction by fire, and such other perils as are, included in special form of property coverage (sometimes referred to as "all-risk" coverage), for the actual replacement cost thereof (including both hard and soft costs) from time to time, including increased cost of construction endorsement plus exclusions provided in the normal casualty insurance policy. In connection with such property insurance, the parties hereto agree that Tenant may maintain up to \$1,000,000 of self insurance as to its property insurance requirement pursuant to this Section 13.2 (the "Self-Insured Retention") provided that Tenant receives the same protection against claims that Landlord would otherwise have received had Tenant carried the insurance policies required hereunder.

Section 13.3. Self Insurance. Provided that Tenant's shareholder equity exceeds \$100,000,000, Tenant may elect to self-insure a portion of the insurance coverages and limits required in this Lease through a program of self-insurance, provided the self-insurance provided by Tenant will protect Landlord as fully as if Tenant had provided the insurance coverages and limited required by this Lease.

Section 13.4. Applicability of Insurance Provisions. Notwithstanding anything contained in the contrary in this Article 13, the insurance provisions set forth in Section 13.3 and the provisions regarding rights to Self-Insured Retention in Section 13.2 shall only apply to Tenant or its Affiliates and not to any subtenant or assignee of Tenant.

Section 13.5. Landlord's Rights Regarding Tenant's Insurance. If at any time during the term of this Lease, Tenant fails to obtain the insurance required hereunder and such failure continues for a period of thirty (30) days after written notice from Landlord, Landlord may obtain such insurance and the premiums therefor will be billed to Tenant as Additional Rent.

Section 13.6. Waiver of Subrogation. Each party waives all claims that arise or may arise in its favor against the other party, or anyone claiming through or under them, by way of subrogation or otherwise, during the Primary Term or any Renewal Term, for all losses of, or damage to, any of its property (**WHETHER OR NOT THE LOSS OR DAMAGE IS CAUSED IN WHOLE OR IN PART BY THE FAULT OR NEGLIGENCE OR STRICT LIABILITY OF THE OTHER PARTY OR ANYONE FOR WHOM THE OTHER PARTY IS RESPONSIBLE**), which loss or damage is covered by valid and collectible property insurance policies, to the extent that the loss or damage is recovered under the insurance policies. All insurance policies carried by either party covering the Leased Premises and/or Tenant's Personal Property, including without limitation, contents, fire and casualty insurance, shall expressly waive any right of subrogation on the part of the insurer against the other party.

ARTICLE 14.
FIRE AND CASUALTY

Section 14.1. Destruction and Restoration. Tenant covenants and agrees that in case of damage to or destruction of the Improvements after the Commencement Date by fire or otherwise, Tenant, at its sole cost and expense, shall promptly restore, repair, replace and rebuild the Improvements in accordance with this Article in substantially similar condition that the same were in immediately prior to such damage or destruction with such changes or alterations (made in conformity with the terms of this Lease) as may be reasonably acceptable to Landlord or required by law. Such restoration, repairs, replacements, rebuilding, changes and alterations, including the cost of temporary repairs for the protection of the Leased Premises, or any portion thereof, pending completion thereof are sometimes hereinafter referred to as the "**Restoration**". In all events, the Restoration must be of at least as good quality as the initial Improvements and using substantially similar building materials unless otherwise agreed in writing by Landlord. Tenant shall promptly give Landlord written notice of such damage or destruction upon the occurrence thereof and specify in such notice, in reasonable detail, the extent thereof. The Restoration shall be carried on and completed in accordance with the provisions and conditions of Section 13.2 hereof. All insurance proceeds received by either Tenant or Landlord for the actual damage or destruction of the Leased Premises shall be applied to the repair thereof. Tenant shall be solely responsible for the payment of any deductible amount under the terms of the policy or policies maintained by Tenant, including, without limitation, the Self-Insured Retention amount set forth in Section 13.2 above. Tenant shall not be obligated to undertake Restoration during the final five (5) years of the Primary Term or the final two (2) years of any Extension Term.

Section 14.2. Use of Insurance Proceeds. As set forth in Section 13.2 above, Tenant hereby covenants and agrees to pay any and all proceeds from such Self-Insured Retention portion of the casualty insurance in connection with a casualty event, to be applied in accordance with Section 14.3 below. All property insurance proceeds beyond such Self-Insured Retention shall be procured by Tenant, at its sole cost. Nothing herein shall be construed to imply that monies received by Tenant for losses to furniture, trade fixtures that may be removed by Tenant at the end of the Term, equipment, inventories or any other personalty or for interruption of business activities shall be included in the term "**insurance proceeds**" as used in Section 13.2 above. In connection with damage or destruction of the Leased Premises, Tenant agrees to cause all repairs to be made at its sole cost. Further, the full intent of this Article 14 relating to damage or destruction of the Leased Premises is that all insurance proceeds resulting from such damage or destruction are to be made available for the repair of such damage or destruction. All repairs, replacements and restoration of the Leased Premises must be made in accordance with the terms of this Lease.

Section 14.3. Application of Insurance Proceeds. All insurance proceeds received by Tenant pursuant to Section 14.2 above shall be held by Tenant. All such proceeds shall be applied to the payment of the costs of the Restoration and shall be paid out from time to time as the Restoration progresses. If the insurance proceeds (including Tenant's Self-Insured Retention) are insufficient to pay the entire costs of the Restoration,

Tenant shall be responsible for any deficiency. Tenant shall deliver evidence reasonably satisfactory to Landlord and Mortgagee that the Restoration has been paid for in full and the damaged or destroyed Improvements and other improvements repaired, restored or rebuilt as nearly as possible to the condition they were in immediately prior to such damage or destruction.

Section 14.4. Restoration. Unless the Term of this Lease has been terminated as herein provided and except as provided in Section 14.1, Tenant shall commence the repair and restoration work promptly and as soon as is reasonably possible, and shall thereafter proceed diligently to complete said work.

ARTICLE 15. CONDEMNATION

If, during the term of this Lease, all of the Leased Premises are condemned or taken for any public or quasi-public use under any governmental law, order or regulation, or by right of eminent domain or sold to the condemning authority under threat of condemnation, this Lease shall automatically terminate and Rent shall abate as of the date Tenant vacates the Leased Premises. If less than all of the Leased Premises is condemned or taken as described above but the remaining portion of the Leased Premises is not Unsuited for Its Primary Intended Use in Tenant's good faith judgment, this Lease shall remain in full force and effect subject to a pro rata reduction of the Base Rent payable hereunder based on the percentage reduction in square footage of the Leased Premises.

ARTICLE 16. DEFAULT

Section 16.1. Events of Default. The occurrence of any one or more of the following events (individually, an "Event of Default") shall constitute Events of Default hereunder:

(a) Tenant does not pay any Rent when due and the failure continues for a period of 10 Business Days after written notice from Landlord; provided, however, Landlord is required to give notice under this Section 16.1 only twice in any 12-month period. Landlord is not required to give Tenant notice of default for the third and any subsequent Rent payment defaults during any 12-month period and, for those defaults, an Event of Default occurs if Tenant fails to pay any Rent when due and the failure continues for a period of 10 Business Days; or

(b) If default shall be made by Tenant in keeping, observing or performing any of the terms contained in this Lease, other than those referred to in Subparagraph (a) of this Section 16.1, and such default shall continue for a period of 30 days after written notice thereof given by Landlord to Tenant; provided, however, if the default is of such a nature that it cannot with due diligence and in good faith be cured within 30 days, then so long as Tenant proceeds promptly and with due diligence and in good faith to cure the same and thereafter to prosecute the curing of such default with due diligence and in

good faith, the time allowed Tenant within which to cure the same shall be extended for such period as may be necessary to effect such cure; or

(c) If, during the term of this Lease, (1) Tenant shall make an assignment for the benefit of creditors, (2) a voluntary petition be filed by Tenant under any law having for its purpose the adjudication of Tenant a bankrupt, or Tenant be adjudged a bankrupt pursuant to an involuntary petition in bankruptcy, (3) a receiver be appointed for the property of Tenant, or (4) any department of the state or federal government, or any officer thereof duly authorized, shall take possession of the business or property of Tenant.

Section 16.2. Landlord's Remedies Upon Default by Tenant. Upon the occurrence of any Event of Default of Tenant listed in Section 16.1 above, Landlord may, in addition to any other remedies provided by this Lease or applicable law, pursue any one or more of the following remedies:

(a) Termination of this Lease upon five (5) Business Days written notice to Tenant, in which event Tenant shall surrender the Leased Premises to Landlord. If Tenant fails to surrender the Leased Premises, Landlord and its agents and representatives shall have the right, without further demand or notice to Tenant, to re-enter and take possession of the Leased Premises and to expel or remove Tenant and any other person who may be occupying the Leased Premises or any portion thereof, with or without process of law, without being liable for trespass or claim for damages therefor and without prejudice to any remedies for arrears of rent or existing breaches of covenants. If Landlord so terminates this Lease, then Landlord may recover from Tenant the sum of: (i) the unpaid Base Rent, Additional Rent and all other sums payable under this Lease which have been earned prior to the time of termination; plus (ii) the amount by which the aggregate of the unpaid Base Rent, Additional Rent and all other sums payable under this Lease for the balance of the Term exceeds the reasonable rental value of the Leased Premises, with such difference being discounted to present value at eight percent interest.

(b) Termination of Tenant's right to possession of the Leased Premises without terminating this Lease and expulsion or removal of Tenant and any other person who may be occupying the Leased Premises or any portion thereof, with or without process of law, without being liable for any trespass or claim for damages therefor and without prejudice to any remedies for any breaches of covenants (including payment of rent) then existing or thereafter occurring. In the event Landlord exercises its remedies set forth in this Subparagraph (b), Landlord shall use commercially reasonable efforts to mitigate its damages as required by Applicable Law; if Landlord collects the rent due to reletting the Leased Premises, such rent shall be credited to the satisfaction of Tenant's obligations hereunder after deducting from such rents all costs and expenses incurred by Landlord in repossessing and reletting the Leased Premises; provided, however, that Landlord's commercially reasonable efforts shall not include an obligation to renovate or remodel Leased Premises or any portion thereof. If the net rentals and other sums due hereunder received by Landlord exceed the amounts necessary to satisfy all of Tenant's obligations under this Lease, Landlord shall be entitled to such excess. If the net rentals or other

sums due hereunder are less than the amounts necessary to satisfy all of Tenant's obligations under this Lease, Tenant shall be liable to Landlord for such deficiency and shall pay such deficiency on the date that rent is due hereunder; or

(c) Enforcement of the full and specific performance by Tenant of Tenant's obligations under this Lease in any manner provided by law or equity or pursuit of any other rights or remedies available to Landlord either at law or in equity.

Section 16.3. Tenant's Remedies Upon Landlord Default. Landlord shall be in default hereunder if Landlord fails to keep and perform any of Landlord's obligations with regard to the Limited Construction Warranty or under Article 14 of this Lease, or otherwise fails to comply with any of the terms and conditions of this Lease, and such failure continues for a period of 30 days after written notice thereof is delivered to Landlord by Tenant; provided, however, if the default is of such a nature that it cannot with due diligence and in good faith be cured within 30 days, then so long as Landlord proceeds promptly and with due diligence and in good faith to cure the same and thereafter to prosecute the curing of such default with due diligence and in good faith, the time allowed Landlord within which to cure the same shall be extended for such period as may be necessary to effect such cure. Upon the occurrence of any default by Landlord described in this Section, Tenant may in addition to any other remedies provided by this Lease or applicable law, pursue enforcement of the full and specific performance by Landlord of Landlord's obligations under this Lease in any manner provided in law or equity or pursuit of such other rights and remedies to Tenant either at law or in equity.

Section 16.4. Application of Funds. Any payments otherwise payable to Tenant which are received by Landlord under any of the provisions of this Lease during the existence or continuance of any Event of Default shall be applied to Tenant's obligations in the order which Landlord may reasonably determine or as may be prescribed by the laws of the State in which the Improvements are located.

ARTICLE 17. **LANDLORD'S RIGHT TO CURE**

If Tenant shall fail to make any payment, or to perform any act required to be made or performed under this Lease and to cure the same after applicable notice and within the relevant time periods provided in this Lease, if any, Landlord, without waiving or releasing any obligation or Event of Default, may (but shall be under no obligation to) at any time thereafter make such payment or perform such act for the account and at the expense of Tenant, and may, to the extent permitted by law, enter upon the Leased Premises for such purpose and take all such action thereon as, in Landlord's opinion, may be necessary or appropriate therefor. No such entry shall be deemed an eviction of Tenant or a breach of Landlord's covenant of quiet enjoyment in favor of Tenant. All sums so paid by Landlord and all costs and expense (including, without limitation, reasonable attorneys' fees and expense, in each case, to the extent permitted by law) so incurred, together with a late charge thereon (to the extent permitted by law) at the Overdue Rate from the date on which such sums or expenses are paid or incurred by Landlord, shall be paid by Tenant to Landlord on demand. The obligations of Tenant and rights

of Landlords contained in this Article shall survive the expiration or earlier termination of this Lease.

ARTICLE 18.
HOLDING OVER

If Tenant shall for any reason remain in possession of the Leased Premises after the expiration or termination of the Term, such possession shall be as a tenancy at will during which time Tenant shall pay as Base Rent each month, (a) one and one half (1-1/2) times the aggregate of one-twelfth (1/12) of the aggregate Base Rent payable with respect to the last complete Lease Year prior to the expiration of the Term; and (b) all other Additional Rent and other sums payable by Tenant pursuant to the provisions of this Lease with terms, covenants and conditions of this Lease, but shall have no rights hereunder other than the right, to the extent given by law to month-to-month tenancies, to continue its occupancy and use of the Leased Premises. If Tenant fails to surrender the Leased Premises upon the termination or expiration of this Lease, in addition to any other liabilities to Landlord accruing therefrom, Tenant shall protect, defend, indemnify and hold Landlord harmless from all loss, costs (including reasonable attorney's fees) and liability resulting from such failure, including any claims made by any succeeding tenant founded upon such failure to surrender. Nothing contained herein shall constitute the consent, express or implied, of Landlord to the holding over of Tenant after the expiration or earlier termination of this Lease nor shall Landlord or Tenant have the unilateral right to renew the Term as a result of the holding over of Tenant.

ARTICLE 19.
RISK OF LOSS

During the Term of this Lease, the risk of loss or of decrease in the enjoyment and beneficial use of the Leased Premises in consequence of the damage or destruction thereof by fire, the elements, casualties, thefts, riots, wars or otherwise, or in consequence of foreclosures, attachments, levies or executions (other than by Landlord and those claiming from, through or under Landlord) is assumed by Tenant and, Landlord shall in no event be answerable or accountable therefor nor shall any of the events mentioned in this Section entitle Tenant to any abatement of Rent except as specifically provided in this Lease.

ARTICLE 20.
TENANT'S PURCHASE OPTION

Upon not less than one hundred twenty (120) days prior written notice to Landlord following the Commencement Date, Tenant shall have the right to purchase the Leased Premises from Landlord. The purchase price for the Leased Premises will be the amount determined by the following formula based on the annual Base Rent that is in effect on the date Tenant acquires the Leased Premises:

- | | |
|-------------------------|-----------------------------------|
| (a) Lease Years 1 – 5 | Annual Base Rent divided by .06 |
| (b) Lease Years 6 – 10 | Annual Base Rent divided by .0625 |
| (c) Lease Years 11 – 15 | Annual Base Rent divided by .065 |

(d) Lease Years 16 – 22

Annual Base Rent divided by .0675

In the event Tenant purchases the Leased Premises from Landlord pursuant to the terms of this Lease, Landlord shall, upon receipt from Tenant of the applicable purchase price, together with full payment of any unpaid Rent due and payable with respect to any period ending on or before the date of the purchase, deliver to Tenant an appropriate special warranty deed or other instrument of conveyance conveying the entire interest of Landlord in and to the Leased Premises to Tenant in their then current condition, free and clear of all encumbrances other than those affecting the Leased Premises immediately prior to Landlord's acquisition of the Land.

ARTICLE 21.
INDEMNIFICATION

Section 21.1. Tenant's Indemnification of Landlord Parties; Assumption.

(a) Tenant shall indemnify, defend, and hold all Landlord Parties harmless from all claims, fines, suits, losses, costs, liabilities, demands, expenses, actions, and judgments, of every kind and character (in law, equity, or otherwise), including legal fees and expenses (collectively, "Claims"), except to the extent such Claims result from the negligence or willful misconduct of any Landlord Party, arising out of or relating (directly or indirectly) to this Lease or the Leased Premises, including, without limitation:

(i) any breach or default in performance of any obligation on Tenant's part to be performed under this Lease, whether before or during the Term or after its expiration or earlier termination;

(ii) any act, omission, negligence, or misconduct of any Tenant Party or of any other person entering upon the Leased Premises under or with the express or implied invitation or permission of Tenant;

(iii) any alterations, activities, work, or things done, permitted, allowed, or suffered by Tenant in, at, or about the Leased Premises, including the violation by any Tenant Party of any Legal Requirements;

(iv) any injuries to any employee (full-time, part-time, or temporary) of any Tenant Party, regardless of whether such injury is covered by applicable workers' compensation laws or whether such employee has exhausted all rights under such laws; and

(v) the occupancy or use by any Tenant Party or guest or invitee thereof of the Leased Premises.

(b) The provisions of this Section 21.1 survive the expiration or earlier termination of this Lease.

(c) The indemnification provisions of this Section 21.1 may not be construed or interpreted as in any way restricting, limiting, or modifying Tenant's obligations to

maintain insurance and any other obligations of Tenant under this Lease and are independent of Tenant's insurance and other obligations under this Lease.

Section 21.2. Landlord's Indemnification of Tenant Parties; Assumption.

Landlord shall indemnify, defend, and hold all Tenant Parties harmless from all Claims (except to the extent such Claims result from the negligence or willful misconduct of any Tenant Party) arising out of or relating (directly or indirectly) to this Lease or the Leased Premises, including, without limitation:

(i) any breach or default in performance of any obligation on Landlord's part to be performed under this Lease;

(ii) any act, omission, negligence, or misconduct of any Landlord Party or of any other person entering upon the Leased Premises under or with the express or implied invitation or permission of Landlord;

(iii) any alterations, activities, work, or things done, permitted, allowed, or suffered by Landlord in, at, or about the Leased Premises, including the violation by any Landlord Party of any Legal Requirements;

(iv) any injuries to any employee (full-time, part-time, or temporary) of any Landlord Party, regardless of whether such injury is covered by applicable workers' compensation laws or whether such employee has exhausted all rights under such laws; and

(v) the occupancy or use by any Landlord Party or guest or invitee thereof of the Leased Premises.

ARTICLE 22.

SUBLETTING AND ASSIGNMENT

Section 22.1. Subletting and Assignment. Tenant may assign this Lease or sublet all of any part of the Leased Premises, provided that (A) in the case of a subletting, the subtenant shall comply with the provisions of this Section 22.1, and its use will be in compliance with all Legal Requirements, (B) in the case of an assignment, Landlord shall have the right to approve the credit-worthiness of the proposed assignee (such approval not to be unreasonably withheld, delayed, or conditioned), and if approved, then the assignee shall assume in writing and agree to keep and perform all of the terms of this Lease on the part of Tenant to be kept and performed and shall be and become liable for the performance thereof, and thereafter Landlord shall be discharged and released from all obligations under the Lease, (C) a copy of each such sublease and assignment and assumption, duly executed by Tenant and such subtenant or assignee shall be delivered promptly to Landlord, and (D) in case of a sublease, Tenant shall remain primarily liable, as principal rather than as surety, for the prompt payment of the Rent and for the performance and observance of all of the covenants and conditions to be performed by Tenant hereunder. Notwithstanding any provision in the foregoing to the contrary, Tenant may, without the prior consent of Landlord, sublet all or any part of the Premises

to an Affiliate, or assign this Lease to an Affiliate or a successor entity of Tenant resulting from the sale of substantially all of Tenant's assets, a merger of Tenant with another entity, the consolidation of Tenant with another entity or the reorganization/restructure of Tenant, if (1) Tenant provides Landlord a copy of the sublease or the assignment, and (2) the transaction was not entered into as a subterfuge to avoid the obligations and restrictions of this Lease. Landlord has no obligation to recognize an Affiliate or permitted assignee as an assignee or sublessee under this Lease unless Landlord timely receives a complete copy of the assignment or sublease.

Section 22.2. No Release of Tenant for Sublease. If an Event of Default should occur while the Leased Premises or any part thereof are sublet, Landlord, in addition to any other remedies herein provided or provided by law, may at its option collect directly from such subtenant all rents becoming due to Tenant under such sublease and apply such rent against any sums due to Landlord by Tenant hereunder, and Tenant hereby authorizes and directs any such subtenant to make such payments of rent directly to Landlord upon receipt of notice from Landlord. No direct collection by Landlord from any such subtenant shall be construed to constitute a novation or a release of Tenant from the further performance of its obligations hereunder. The receipt by Landlord of rent from any such assignee or subtenant obligated to make payments of rent shall be a full and complete release, discharge, and acquittance of Tenant's obligation to pay Rent to the extent of any such amount of Rent so paid to Landlord.

Section 22.3. Attornment. Each sublease permitted under Section 22.1 shall be subject and subordinate to all of the terms and provisions of this Lease and to the rights of Landlord hereunder.

ARTICLE 23. ESTOPPEL CERTIFICATES

At any time and from time to time, within fifteen (15) days following written request by either party, the other party will furnish an estoppel certificate certifying, if true, that this Lease is unmodified and in full force and effect (or that this Lease is in full force and effect as modified and setting forth the modifications) and the dates to which the Rent has been paid and any other information as may be reasonably required by Landlord or Tenant.

ARTICLE 24. INSPECTION

Upon no less than two days prior written notice, Landlord and its authorized representatives may enter the Leased Premises during business hours to show the Leased Premises to prospective lenders and purchasers and during the last six (6) months of the Term.

ARTICLE 25. NO WAIVER

No failure by Landlord or Tenant to insist upon the strict performance of any term hereof or to exercise any right, power or remedy consequent upon a breach thereof, and no acceptance of full or partial payment of Rent during the continuance of any such breach, shall constitute a

waiver of any such breach or any such term. To the extent permitted by law, no waiver of any breach shall affect or alter this Lease, which shall continue in full force and effect with respect to any other then existing or subsequent breach.

ARTICLE 26.
REMEDIES CUMULATIVE

To the extent permitted by law, and except as otherwise provided herein, each legal, equitable or contractual right, power and remedy of Landlord or Tenant now or hereafter provided either in this Lease or by statute or otherwise shall be cumulative and concurrent and shall be in addition to every other right, power and remedy and the exercise or beginning of the exercise by Landlord or Tenant of any one or more of such rights, powers and remedies shall not preclude the simultaneous or subsequent exercise by Landlord or Tenant of any or all of such other rights, powers and remedies.

ARTICLE 27.
SURRENDER

No surrender to Landlord of this Lease or of the Leased Premises or any part of any thereof, or of any interest therein, shall be valid or effective unless agreed to and accepted in writing by Landlord and no act by Landlord or any representative or agent of Landlord, other than such a written acceptance by Landlord, shall constitute an acceptance of any such surrender.

ARTICLE 28.
NO MERGER OF TITLE

There shall be no merger of this Lease or of the leasehold estate created hereby by reason of the fact that the same person, firm, corporation or other Entity may acquire, own or hold, directly or indirectly, (a) this Lease or the leasehold estate created hereby or any interest in this Lease or such leasehold estate and (b) the fee estate in the Leased Premises.

ARTICLE 29.
PROHIBITED TRANSFERS BY LANDLORD

If Landlord or any successor owner of the Leased Premises shall convey the Leased Premises in accordance with the terms hereof, the grantee or transferee of the Leased Premises shall be deemed to have expressly assumed all obligations of Landlord hereunder arising or accruing from and after the date of such conveyance or transfer. During the first three years of the Lease, Landlord shall not sell or transfer title to the Land to any party, except that Landlord may sell or transfer title to the Land to an Affiliate with notice to, but without the consent of, Tenant.

ARTICLE 30.
QUIET ENJOYMENT

Tenant shall peaceably and quietly have, hold and enjoy the Leased Premises for the Term hereof, free of any claim or other action.

ARTICLE 31.
NOTICES

All notices and other communications which are required to be, or which may be given under this Lease shall be in writing, and shall be delivered at the addresses set out herein below. Notice may be given by personal delivery, recognized overnight courier, by United States mail or by facsimile transmission in the manner set forth below (provided that a copy of any notice sent via facsimile is concurrently sent via one of the other methods permitted hereby). Notice shall be deemed to have been duly given (a) if by personal delivery, on the first to occur of the date of actual receipt or refusal of delivery by any person at the intended address, (b) if by overnight courier, on the first (1st) Business Day after being delivered to a recognized overnight courier, (c) if by mail, on the second (2nd) Business Day after being deposited in the United States mail, certified or registered mail, return receipt requested, postage prepaid, or (d) by facsimile transmission shall be deemed to have been given on the day and at the time transmitted, as evidenced by the confirmation slip generated by the sender's facsimile machine addressed as follows:

if to Tenant: Atmos Energy Corporation
 500 Three Lincoln Centre
 5430 LBJ Freeway
 Dallas, Texas 75240
 Attention: Larry Kuper
 Phone: 972-855-4082
 Fax: 972-550-9282

with a copy to: Atmos Energy Corporation
 500 Three Lincoln Centre
 5430 LBJ Freeway
 Dallas, Texas 75240
 Attention: Legal/Real Estate
 Phone: 972-855-3129
 Fax: 214-550-8679

if to Landlord: Triple H&B Investments LLC
 2960 Fairview Drive
 Owensboro, Kentucky 42303
 Attention: Matt Hayden
 Phone: 270-663-2325
 Fax: 270-684-1301

with a copy to: Neal & Mitchell, PLLC
 611 Frederica Street
 Owensboro, Kentucky 42301
 Attention: William Mitchell
 Phone: 270-926-9911
 Fax: 270-686-7905

or to such other address as either party may from time to time specify as its address for the receipt of notices hereunder, in a notice to the other party. Notices given by an attorney shall be deemed to constitute notice from that party.

ARTICLE 32.

ENCUMBRANCES; FINANCING OF THE LEASED PROPERTY

Landlord represents that the Land is subject only to Permitted Encumbrances. Landlord may not place any additional Encumbrances on the Land other than a Mortgage without the prior written consent of Tenant. Landlord agrees that, if it grants or creates any Mortgage upon the Leased Premises, Landlord will cause the Mortgagee to agree (a) to give Tenant the same notice, if any, given to Landlord of any default or acceleration of any obligation underlying any such Mortgage or any sale in foreclosure of such Mortgage, (b) to permit Tenant to cure any such default on Landlord's behalf within any applicable cure period, (c) to permit Tenant to appear with its representatives and to bid at any foreclosure sale with respect to any such Mortgage. Landlord will cause the holder of each such Mortgage to agree to enter into an agreement with Tenant containing the provisions described in Article 33 of this Lease.

ARTICLE 33.

SUBORDINATION AND NON-DISTURBANCE

At the request from time to time by any Mortgagee, Tenant will subordinate this Lease and all of Tenant's rights and estate hereunder to each Mortgage and agree with each such Mortgagee that Tenant will attorn to and recognize such Mortgagee or the purchaser at any foreclosure sale or any sale under a power of sale contained in any such Mortgage as Landlord under this Lease for the balance of the Term then remaining, subject to all of the terms and provisions of this Lease; provided, however, that each such Mortgagee simultaneously executes, delivers and records a written agreement (a) consenting to this Lease and agreeing that, notwithstanding any such other lease, mortgage, deed of trust, right, title or interest, or any default, expiration, termination, foreclosure, sale, entry or other act or omission under, pursuant to or affecting any of the foregoing, Tenant shall not be disturbed in peaceful enjoyment of the Leased Premises nor shall this Lease be terminated or canceled at any time, except in the event Landlord shall have the right to terminate this Lease under the terms and provisions expressly set forth herein; and (b) agreeing that all proceeds of the casualty insurance described in Article 14 of this Lease and all condemnation awards described in Article 15 will be made available as and to the extent required by this Lease, subject only to reasonable regulation regarding the disbursement and application thereof. Without limiting the generality of the foregoing, Landlord and Tenant agree to enter into a subordination, non-disturbance and attornment agreement as described above with the Landlord's Mortgagee that finances Landlord's purchase of the Land and construction of the Leased Premises.

ARTICLE 34.

MISCELLANEOUS

Section 34.1. General. Anything contained in this Lease to the contrary notwithstanding, all claims against, and liabilities of, Tenant or Landlord arising prior to any date of termination of this Lease shall survive such termination. If any term or

provision of this Lease or any application thereof shall be invalid or unenforceable, the remainder of this Lease and any other application of such term or provision shall not be affected thereby. If any late charges provided for in any provision of this Lease are based upon a rate in excess of the maximum rate permitted by applicable law, the parties agree that such charges shall be fixed at the maximum permissible rate. Except as may otherwise be provided for herein, neither this Lease nor any provision hereof may be changed, waived, discharged or terminated except by an instrument in writing signed by Landlord and Tenant. All the terms and provisions of this Lease shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. The headings in this Lease are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

Section 34.2. Complete Agreement. This Lease supersedes and takes the place of any and all previous agreements and communications between the parties hereto relating to the matters covered hereby. By executing this Lease, the parties agree that any prior versions of this Lease shall be of no further force or effect and that this Lease shall supersede and supplant any prior versions or drafts of this Lease in all respects.

Section 34.3. Transfer of Licenses. Upon the expiration or earlier termination of the Term, to the extent transferable, Tenant shall use commercially reasonable efforts to transfer to Landlord or Landlord's nominee all licenses, operating permits and other governmental authorizations and all contracts, including contracts with governmental or quasi-governmental entities which may be necessary or useful in the operation of the Improvement.

ARTICLE 35. MEMORANDUM OF LEASE

Landlord and Tenant shall, promptly upon the request of either, enter into a short form memorandum of this Lease, in form suitable for recording under the laws of the State in which the Leased Premises is located in which reference to this Lease, and all options contained herein, shall be made. The party requesting the recordation of such a memorandum shall be responsible for all filing and recording fees.

ARTICLE 36. BROKER

Tenant and Landlord each warrants that it has had no dealings with any broker or agent in connection with the negotiation or execution of this Lease, other than Gulf Stream (the "**Broker**"). Landlord agrees to pay to the Broker a brokerage commission pursuant to a separate agreement in the event the transaction contemplated by this Agreement is consummated, but not otherwise. Each party shall indemnify and hold harmless the other from and against any and all commissions, fees, expenses and all claims therefor by any broker, salesman or other party in connection with or arising out of the indemnifying party's action in entering into this Lease. The provisions of this Article 36 survive termination of this Lease.

ARTICLE 37.
GOVERNING LAW

This Lease shall be governed by the laws of the State of Kentucky (other than the conflicts of laws principles thereof). All covenants, conditions and agreements of Tenant arising hereunder shall be performable in the county wherein the Leased Premises are located. Any suit arising from or relating to this Lease shall be brought in the county wherein the Leased Premises are located, and the parties hereto waive the right to be sued elsewhere.

[Signature page follows.]

IN WITNESS WHEREOF, the parties have caused this Lease to be executed and attested by their respective officers thereunto duly authorized.

LANDLORD:

TRIPLE H&B INVESTMENTS LLC
a Kentucky limited liability company

By: _____
Name: _____
Title: _____

TENANT:

ATMOS ENERGY CORPORATION,
a Texas and Virginia corporation

By: _____
Name: _____
Title: _____

EXHIBIT A

PROPERTY DESCRIPTION

BEING Tract 8H, of Unit 3, of Highland Pointe, containing 4.224 acres, a plat of which is of record in Plat Book 32, page 175, in the Office of the Daviess County Clerk, to which plat reference is hereby made for a more particular description of said lot.

EXHIBIT B

SCHEDULE OF FINAL PLANS AND SPECIFICATIONS

[To Be Supplemented]

[See Attached]

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E3.1 ELECTRICAL DETAILS	09/04/08
E4.0 SITE ELECTRICAL PLAN	08/22/08
E5.0 SITE LIGHTING PLAN	08/22/08
M1.0 MECHANICAL PLANS & NOTES	08/22/08
M1.1 MEZZANINE PLAN AND NOTES	08/22/08
M2.0 MECHANICAL DETAILS	08/22/08
F1.0 FIRE PROTECTION PLAN AND NOTES	08/22/08
G1 GAS PIPING PLAN	08/22/08
MEP1 SPECIFICATIONS	08/22/08
P1 WATER & WASTEWATER UTILITY PLAN	
P2 SANITARY PIPING - OFFICE	
P3 DOMESTIC WATER PIPING - OFFICE	
P4 WASTE RISER DIAGRAM - OFFICE	
P5 WATER RISER DIAGRAMS	
P6 WASTE RISER DIAGRAM - WAREHOUSE	

WAREHOUSE

STRUCTURAL DRAWINGS	
WS1 FOUNDATION PLAN "C" WAREHOUSE	09/04/08
WS2 SECTION DETAILS & GENERAL NOTES - WAREHOUSE	09/04/08
ARCHITECTURAL DRAWINGS	
WA-1 WAREHOUSE PLANS & SCHEDULES	09/04/08
WA-2 EXTERIOR ELEVATIONS	09/04/08
WA-3 BUILDING SECTION, WALL SECTIONS & DETAILS	09/04/08
MEP DRAWINGS	
WE-1 POWER & LIGHTING PLANS	09/05/08
WE-2 ELECTRICAL DETAILS	09/05/08
WP-1 MECHANICAL/PLUMBING PLANS	09/05/08
WP-2 MECHANICAL/PLUMBING DETAILS	09/05/08

EXHIBIT C

PERMITTED ENCUMBRANCES

[To Be Supplemented]

1. Subject to all matters as shown on the plat of record in Plat Book 32, page 175, in the Office of the Daviess County Clerk.

EXHIBIT D

SCHEDULE OF WARRANTIES

[See Attached]

To Be Supplemented

EXHIBIT "D"-WARRANTY

The Contractor warrants to the Owner that materials and equipment furnished under the Contract will be of good quality and new unless the Contract Documents require or permit otherwise. The Contractor further warrants that the Work will conform to the requirements of the Contract Documents and will be free from defects, except for those inherent in the quality of the Work the Contract Documents require or permit. Work, materials, or equipment not conforming to these requirements may be considered defective. The Contractor's warranty excludes remedy for damage or defect caused by abuse, alterations to the Work not executed by the Contractor, improper or insufficient maintenance, improper operation, or normal wear and tear and normal usage.

In addition to the Contractor's obligations above, if, within one year after the date of Substantial Completion of the Work or designated portion thereof or after the date of Substantial Completion, or by terms of an applicable special warranty required by the Contract Documents, any of the Work is found to be not in accordance with the requirements of the Contract Documents, the Contractor shall correct it promptly after receipt of written notice from the Owner to do so unless the Owner has previously given the Contractor a written acceptance of such condition. The Owner shall give such notice promptly after discovery of the condition. During the one-year period for correction of Work, if the Owner fails to notify the Contractor and give the Contractor an opportunity to make the correction, the Owner waives the rights to require correction by the Contractor and to make a claim for breach of warranty. If the Contractor fails to correct nonconforming Work within a reasonable time during that period after receipt of notice from the Owner or Architect, the Owner may correct it.

If the Contractor defaults or neglects to carry out the required corrective work and fails within a ten-day period after receipt of written notice from the Owner to commence and continue correction of such default or neglect with diligence and promptness, the Owner may, without prejudice to other remedies the Owner may have, correct such deficiencies. In such case an appropriate Change Order shall be issued deducting from payments then or thereafter due the Contractor the reasonable cost of correcting such deficiencies, including Owner's expenses made necessary by such default, neglect or failure. If payments then or thereafter due the Contractor are not sufficient to cover such amounts, the Contractor shall pay the difference to the Owner.

Exhibit J

Form of Assignment of Office Lease

[See Attached]

ASSIGNMENT AND ASSUMPTION OF SUB-LEASE

This ASSIGNMENT AND ASSUMPTION OF SUB-LEASE (this "Assignment") is made effective as of _____, 200_ (the "Effective Date"), by and between Atmos Energy Corporation, a Texas and Virginia corporation, as successor in interest to Western Kentucky Gas Company ("Assignor"), HBH Investments LLC, a Kentucky limited liability company ("Assignee").

RECITALS:

- A. Assignor and Assignee entered into that certain Master Agreement dated effective _____, 2008 (the "Agreement").
- B. Assignor, as Sub-tenant, entered into that certain Sublease Agreement dated effective September 20, 1993 (the "Office Sub-Lease ") with Gilliland Group Partnership, a Texas general partnership ("Sub-Landlord") for that certain office space located at 2401 New Hartford Road, Owensboro, Kentucky more particularly described on Exhibit A attached hereto and made a part hereof for all purposes (the "Office Property"). All capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Office Sub-Lease.
- C. Assignor desires to transfer and assign any and all of Assignor's right, title and interest in and to the Office Sub-Lease and Assignee desires to accept such assignment of the Office Sub-Lease.

AGREEMENT:

NOW, THEREFORE, in consideration of the sum of Ten Dollars in hand paid to Assignor by Assignee, and other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged by Assignor, Assignor hereby conveys, covenants and agrees as follows:

1. Assignment and Assumption. Assignor does hereby grant, bargain, transfer, sell, convey and assign to Assignee the Office Sub-Lease and Assignee hereby assumes all of the obligations of the Assignor as tenant under the Office Sub-Lease accruing subsequent to the Effective Date. Assignee does hereby indemnify and hold Assignor harmless from and against any and all such claims, demands, actions, causes of action, liabilities, costs and expenses arising after the Effective Date in connection with the Office Sub-Lease and any other matter relating thereto. Assignor does hereby agree to indemnify and hold Assignee harmless from and against any and all claims, demands, actions, causes of action, liabilities, costs and expenses arising in connection with the Office Sub-Lease and any other matter relating thereto arising on or prior to the Effective Date. Assignor will otherwise be released from the Office Sub-Lease as of the Effective Date, except for those covenants of the Office Sub-Lease that expressly survive assignment.
2. Amendments. No amendment, modification or cancellation of this Assignment shall be valid unless in writing and signed by all the parties hereto.
3. Headings. The Paragraph and Subparagraph headings hereof are inserted for convenience and reference only and shall not alter, define, or be used in construing the text of such Paragraphs or Subparagraphs.
4. Execution in Counterparts. This Assignment may be executed, acknowledged and delivered in any number of counterparts, and each such counterpart shall constitute an original, but together such counterparts shall constitute only one instrument.
5. Entire Agreement. No oral understandings or agreements exist between the parties, all of which oral understandings or agreements are merged herein and of no further force and effect.

IN WITNESS WHEREOF, the undersigned have executed this Assignment this the _____ day of _____, 200_.

ASSIGNOR:

ATMOS ENERGY CORPORATION,
a Texas and Virginia corporation

By: _____
Name: _____
Title: _____

ASSIGNEE:

HBH INVESTMENTS LLC,
a Kentucky limited liability company

By: _____
Name: _____
Title: _____

EXHIBIT A

(Description of Office Property)

Exhibit K

Form of Assignment of Sublease

[See Attached]

ASSIGNMENT AND ASSUMPTION OF SUB SUB-LEASE

This ASSIGNMENT AND ASSUMPTION OF SUB SUB-LEASE (this "Assignment") is made effective as of _____, 200__ (the "Effective Date"), by and between Atmos Energy Corporation, a Texas and Virginia corporation, as successor in interest to Western Kentucky Gas Company ("Assignor"), and HBH Investments LLC, a Kentucky limited liability company ("Assignee").

RECITALS:

A. Assignor and Assignee entered into that certain Master Agreement dated effective _____, 2008 (the "Agreement").

B. Assignor, as Sub-Landlord, entered into that certain Sublease Agreement with Old National Bank, a national banking association ("Sub Sub-Tenant"), dated effective June 15, 2000, as amended by that certain First Amendment to Sublease Agreement dated effective May 1, 2001, as further amended by that certain Second Amendment to Sublease Agreement dated effective March 21, 2003, as further amended by that certain Third Amendment to Sublease Agreement dated effective March 1, 2007 (as amended, the "Sub Sub-Lease") for a portion of the premises in that certain office space located at 2401 New Hartford Road, Owensboro, Kentucky more particularly described on Exhibit A attached hereto and made a part hereof for all purposes (the "Office Property"). All capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Sub Sub-Lease.

C. Assignor desires to transfer and assign any and all of Assignor's right, title and interest in and to the Lease and Assignee desires to accept such assignment of the Sub Sub-Lease.

AGREEMENT:

NOW, THEREFORE, in consideration of the sum of Ten Dollars in hand paid to Assignor by Assignee, and other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged by Assignee, Assignee hereby conveys, covenants and agrees as follows:

1. **Assignment.** Assignor does hereby grant, bargain, transfer, sell, convey and assign to Assignee the Sub Sub-Lease together with any and all prepaid rents, security deposits, utility deposits, and other deposits made thereunder in Assignor's possession with respect to the Sub Sub-Lease as of the Effective Date.

2. **Assumption.** Assignee hereby assumes all of the obligations of the Assignor as Sub Sub-Landlord under the Sub Sub-Lease accruing subsequent to the Effective Date. Assignee does hereby indemnify and hold Assignor harmless from and against any and all such claims, demands, actions, causes of action, liabilities, costs and expenses arising after the Effective Date in connection with the Sub Sub-Lease and any other matter relating thereto. Assignor does hereby agree to indemnify and hold Assignee harmless from and against any and all claims, demands, actions, causes of action, liabilities, costs and expenses arising in connection with the Sub Sub-Lease and any other matter relating thereto arising on or prior to the Effective Date.

3. **Amendments.** No amendment, modification or cancellation of this Assignment shall be valid unless in writing and signed by all the parties hereto.

4. **Headings.** The Paragraph and Subparagraph headings hereof are inserted for convenience and reference only and shall not alter, define, or be used in construing the text of such Paragraphs or Subparagraphs.

5. Execution in Counterparts. This Assignment may be executed, acknowledged and delivered in any number of counterparts, and each such counterpart shall constitute an original, but together such counterparts shall constitute only one instrument.

6. Entire Agreement. No oral understandings or agreements exist between the parties, all of which oral understandings or agreements are merged herein and of no further force and effect.

[Signature page to follow]

IN WITNESS WHEREOF, the undersigned have executed this Assignment this the _____ day of _____, 200_.

ASSIGNOR:

ATMOS ENERGY CORPORATION,
a Texas and Virginia corporation

By: _____
Name: _____
Title: _____

ASSIGNEE:

HBH INVESTMENTS LLC,
a Kentucky limited liability company

By: _____
Name: _____
Title: _____

EXHIBIT A

(Description of Office Property)

Exhibit L

Form of Bill of Sale

[See Attached]

BILL OF SALE

THIS BILL OF SALE (this "Bill of Sale") is made as of the ____ day of _____, 200_, by and between ATMOS ENERGY CORPORATION, a Texas and Virginia corporation, as successor in interest to Western Kentucky Gas Company ("Seller") and HBH Investments, LLC, a Kentucky limited liability company (the "Purchaser").

RECITALS:

A. Seller and Purchaser entered into that certain Master Agreement dated effective _____, 2008 (the "Agreement").

B. Pursuant to the Agreement, Seller has of even date herewith, assigned to Purchaser its right, title and interest as sub-tenant in and to that certain Sublease Agreement, dated effective September 20, 1993 (the "Office Sub-Lease ") with Gilliland Group Partnership, a Texas general partnership, as sub-landlord for that certain office space located at 2401 New Hartford Road, Owensboro, Kentucky more particularly described in the Office Sub-Lease (the "Office Property"), together with all fixtures, equipment, machinery, furniture, furnishings, supplies and other items of personal property (and replacements thereof) located in or on the Office Property or used in connection with the operation, ownership, occupancy or maintenance of the Office Property described on Exhibit A attached hereto and made a part hereof for all purposes (collectively, the "Personal Property").

C. Seller desires to convey, transfer and assign any and all of Seller's right, title and interest in and to all of the Personal Property by separate agreement.

NOW, THEREFORE, in consideration of the sum of Ten Dollars in hand paid to Seller by Purchaser, and other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged by Seller, Seller hereby conveys, covenants and agrees as follows:

1. Seller hereby conveys, transfers, assigns, sets over and grants, to Purchaser, any and all of Seller's right, title and interest in and to the Personal Property.

2. This Bill of Sale shall be binding upon and inure to the benefit of Seller and Purchaser and their respective successors and assigns.

3. This Bill of Sale may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

4. Seller shall indemnify, defend, and hold Purchaser harmless from any and all liabilities, claims, demands, damages, and causes of actions that may now or hereafter be made or asserted against Purchaser arising out of or related to the Personal Property, occurring prior to the date hereof.

5. Purchaser shall indemnify, defend, and hold Seller harmless from any and all liabilities, claims, demands, damages, and causes of actions that may now or hereafter be made or asserted against Seller arising out of or related to the Personal Property, occurring on or after the date hereof.

[Signature Page to Follow.]

EXECUTED the _____ day of _____, 200_

SELLER:

ATMOS ENERGY CORPORATION,
a Texas and Virginia corporation

By: _____
Name: _____
Title: _____

BUYER:

HBH INVESTMENTS LLC,
a Kentucky limited liability company

By: _____
Name: _____
Title: _____

EXHIBIT A

THE PERSONAL PROPERTY

Wood furniture	Qty	Pictures	Qty	Steel furniture	Qty
2 Dr lateral file 30x20	1	22x17	1	2 Dr lateral file 36x18	34
2 Dr lateral file 38x22	1	29x12	1	2 Dr lateral file 43x26x20	1
2 Dr lateral file 42x23	1	29x25	3		
2 Dr lateral file 36x21	1	32x20	2	Tables	
		33x28	3	65x30	4
Desk 78x42	13	33x28	5	60x25	2
Desk w/ LH ret 67x32/48x24	5	33x33	1	65x25	1
Desk w/ RH ret 67x32/48x24	1	34x30	1		
Desk w/ RH ret 67x50/48x24	1	35x27	7	2 Dr file cabinet	1
Desk w/ LH ret 72x36/48x24	2	36x32	2		
U-shaped reception unit 102x72	1	37x30	5	Bookcase-overhead	
U-shaped reception unit 110x72	1	38x28	1	30x15	28
Desk 75x25	1	40x28	1	35x15	22
Desk 84x42	1	40x34	7	42x15	2
Desk 72x18	1	42x33	7	45x15	1
Desk 60x30	1	44x24	1		
		44x33	1	4 Dr file cabinet	40
Credenza 75x25	15	45x28	1		
Credenza 72x36	2	53x33	1	Storage closet	
Credenza 70x20	3			64x36x24	16
				78x36x21	1
Bookcase 54x37 w adj shelf	9			72x36x18	2
Bookcase 48x36 w adj shelf	3			66x18x18	1
Bookcase 84x36 w adj shelf	4				
Bookcase 58x24 5 shelf	1			Bookcase	
Bookcase/file cab combo 84x21	1			52x36 w adj shelf	2
Closed bookcase 78x32	1			42x36 w adj shelf	4
2 Dr Hutch 73x53	3			Rolling cart 49x30x20	1
Side tables				Shelving	
15" Round	1			84x36	19
28" Square	15			72x36	5
42" Round	4			76x36	7
30x20	2				
Storage 30x24	1			Mail room sorting facility	1
28x27 drop side	2				
				Cubicles (consist of panels/desk/pedestal)	
48x24	1			120x94	5
51x14	2				

Exhibit M

Form of Service Center Lease Termination

[See Attached]

TERMINATION OF LEASE AGREEMENT

THIS TERMINATION OF LEASE AGREEMENT (this "Termination") is made and entered into as of _____, 200_ (the "Effective Date"), by Western Kentucky Gas Company, a division of Atmos Energy Corporation, a Texas and Virginia corporation ("Tenant"), and Gilliland Group Partnership, a Texas general partnership ("Landlord").

RECITALS:

- A. Landlord and Tenant entered into a Lease Agreement, dated effective July 30, 1990, as amended by that certain First Amendment to Lease Agreement dated March 15, 2005 (as amended, the "Service Center Lease"), whereby Tenant leased from Landlord that certain warehouse building located at 3425 Old Hartford Road, Owensboro, Kentucky (the "Leased Premises").
- B. Landlord and Tenant desire to terminate the Service Center Lease effective as of the Effective Date.

AGREEMENT:

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Landlord and Tenant agree as follows:

1. Capitalized Terms. All capitalized terms used but not otherwise defined in this Termination have the same meanings as in the Service Center Lease.
2. Termination of Lease. The Lease is terminated as of the Effective Date and is of no further force and effect after the Effective Date, except for those covenants of the Service Center Lease that expressly survive the termination or expiration thereof.
3. Surrender of Leased Premises. On or before the Effective Date, Tenant shall: (a) surrender to Landlord possession of the Leased Premises in good repair and condition, and (b) deliver to Landlord all keys to the Leased Premises and all parking access cards.
4. Security Deposit. If Tenant complies with Paragraph 3 of this Amendment and is not otherwise in default of the Lease as of the Effective Date, Landlord shall return the Security Deposit to Tenant within 10 days after the Effective Date.
5. Conflicts. The terms of this Termination prevail if there is a conflict with the terms of the Lease.
6. Headings. The headings or captions of the paragraphs in this Termination are for convenience only and do not limit or expand the construction and intent of the contents of the respective paragraph.
7. Binding Effect. This Termination is binding upon and inures to the benefit of the parties and their respective successors and assigns, but this reference to assigns is not a consent to an assignment by Tenant.

8. Counterparts; Facsimile Signatures. This Termination may be executed in two or more counterparts, each of which is deemed an original and all of which together constitute one and the same instrument. Facsimile signatures are binding on the party providing them.

[SIGNATURE PAGE TO FOLLOW.]

EXECUTED as of the date first above written.

LANDLORD:

GILLILAND GROUP PARTNERSHIP,
a Texas general partnership

By: _____
Name: _____
Title: _____

TENANT:

WESTERN KENTUCKY GAS COMPANY,
a division of Atmos Energy Corporation, a
Texas and Virginia corporation

By: _____
Name: _____
Title: _____

Exhibit N

Form of Special Warranty Deed

[See Attached]

THIS DEED, made and entered into this the ____ day of _____, 2008, by and between ATMOS ENERGY CORPORATION, a Texas and Virginia corporation, of 500 Three Lincoln Centre, 5430 LBJ Freeway, Dallas, Texas, GRANTOR, and HBH Investments, LLC, a Kentucky limited liability company, of 2960 Fairview Drive, Owensboro, Kentucky, GRANTEE.

WITNESSETH:

THAT FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which is hereby acknowledged, the Grantor does hereby grant and convey unto the Grantee, HBH Investments, LLC, a Kentucky limited liability company, all of its right, title and interest in and to, the following described real property located in Daviess County, Kentucky and being more particularly described as follows, to-wit:

3415 New Hartford Road, Owensboro, KY 42303

BEGINNING at an iron pipe in the east margin of U.S. Highway No. 231 and 45 feet from the center line of same (said pipe being 200 feet N 25° 57' W from an iron pipe set in the north margin of a 31.7 foot roadway leading into Dr. Pardon's remaining lands, and 1067.5 feet from the northwest corner of the Nils Anderson lot); thence with the said highway N 25° 57' W 150 feet to a pipe in the east margin of said highway and corner to Dr. Pardon;

thence with his lines as follows, N 64° 03' E 250 feet to an iron pipe; thence S 25° 57' E 150 feet to an iron pipe; thence S 64° 03' W 250 feet to the beginning, as per survey by A. A. VanWinkle, Registered Engineer.

LESS AND EXCEPT that certain portion conveyed to the Commonwealth of Kentucky Department of Transportation dated February 28, 1978, of record in Deed Book 475, page 571, in the Daviess County Clerk's Office.

AND BEING the same property conveyed to Atmos Energy Corporation, by a Deed from East Side Jersey Dairy, Inc., (successor by merger to Hoosier Dairy, Inc.), an Indiana corporation, dated November 8, 2005, of record in Deed Book 814, page 384, in the Office of the Daviess County Clerk.

This conveyance is made subject to all legal and existing restrictions, easements, rights-of-way and prior mineral reservations and mineral conveyances of record, which might in any manner affect the title of the property herein being conveyed, including the applicable ordinances as same pertain to the Daviess County Planning Commission.

Consideration Certificate: This conveyance is for no consideration and therefore is exempt from transfer tax pursuant to KRS 142.050. The parties hereby swear and/or affirm that the fair cash value of the interest conveyed herein is _____ DOLLARS AND NO/100 (\$ _____).

The Grantee joins in the execution of this Deed for the sole purpose of complying with the provisions of KRS Chapter 382. Both Grantor and Grantee swear and/or affirm that the consideration reflected in this Deed is the full consideration paid for the

property hereby conveyed.

TO HAVE AND TO HOLD all of its right, title and interest in and to the above described property, with all improvements thereon unto the Grantee, its successors and assigns forever, and Grantor does hereby bind itself and its successors and assigns to warrant and forever defend all and singular the said premises unto Grantee, its successors and assigns against every person whomsoever lawfully claiming, or to claim the same, or any part thereof, by, through, or under Grantor, but not otherwise, and with covenant of Special Warranty of title.

IN TESTIMONY WHEREOF, the Grantor and Grantee have hereunto set their hands on the date which is first above written.

GRANTOR:

ATMOS ENERGY CORPORATION,
A Texas and Virginia corporation

By: _____

As: _____

STATE OF _____)
COUNTY OF _____)

The foregoing Deed and Certificate of Consideration were subscribed and sworn to and acknowledged before me by _____, as _____, of Atmos Energy Corporation, a Texas and Virginia corporation, as the Grantor herein, on this the ____ day of _____, 2008, on behalf of the said corporation.

My commission expires: _____.

Notary Public

GRANTEE:

HBH INVESTMENTS, LLC,
a Kentucky limited liability company

By: _____

As: _____

STATE OF KENTUCKY)
COUNTY OF _____)

The foregoing Deed and Certificate of Consideration were subscribed and sworn to and acknowledged before me by _____, as _____, of HBH Investments, LLC, a Kentucky limited liability company, as the Grantors herein, on this the ____ day of _____, 2008, on behalf of the said company.

My commission expires: _____.

Notary Public

This instrument prepared by:

Neal & Mitchell, PLLC
Attorneys at Law
613 Frederica Street
Owensboro, Kentucky 42301
270-926-9911

The in-care-of address to which property tax bill for 2008 may be sent to:

TERMINATION OF LEASE AGREEMENT

THIS TERMINATION OF LEASE AGREEMENT (this "Termination") is made and entered into as of April 30, 2009 (the "Effective Date"), by Western Kentucky Gas Company, a division of Atmos Energy Corporation, a Texas and Virginia corporation ("Tenant"), and Gilliland Group Partnership, a Texas general partnership ("Landlord").

RECITALS:

- A. Landlord and Tenant entered into a Lease Agreement, dated effective July 30, 1990, as amended by that certain First Amendment to Lease Agreement dated March 15, 2005 (as amended, the "Service Center Lease"), whereby Tenant leased from Landlord that certain warehouse building located at 3425 Old Hartford Road, Owensboro, Kentucky (the "Leased Premises").
- B. Landlord and Tenant desire to terminate the Service Center Lease effective as of the Effective Date.

AGREEMENT:

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Landlord and Tenant agree as follows:

1. Capitalized Terms. All capitalized terms used but not otherwise defined in this Termination have the same meanings as in the Service Center Lease.
2. Termination of Lease. The Lease is terminated as of the Effective Date and is of no further force and effect after the Effective Date, except for those covenants of the Service Center Lease that expressly survive the termination or expiration thereof.
3. Surrender of Leased Premises. On or before the Effective Date, Tenant shall: (a) surrender to Landlord possession of the Leased Premises in good repair and condition, and (b) deliver to Landlord all keys to the Leased Premises and all parking access cards.
4. Security Deposit. If Tenant complies with Paragraph 3 of this Amendment and is not otherwise in default of the Lease as of the Effective Date, Landlord shall return the Security Deposit to Tenant within 10 days after the Effective Date.
5. Conflicts. The terms of this Termination prevail if there is a conflict with the terms of the Lease.
6. Headings. The headings or captions of the paragraphs in this Termination are for convenience only and do not limit or expand the construction and intent of the contents of the respective paragraph.
7. Binding Effect. This Termination is binding upon and inures to the benefit of the parties and their respective successors and assigns, but this reference to assigns is not a consent to an assignment by Tenant.

8. Counterparts; Facsimile Signatures. This Termination may be executed in two or more counterparts, each of which is deemed an original and all of which together constitute one and the same instrument. Facsimile signatures are binding on the party providing them.

[SIGNATURE PAGE TO FOLLOW.]

EXECUTED as of the date first above written.

LANDLORD:

GILLILAND GROUP PARTNERSHIP,
a Texas general partnership

By: [Signature]
Name: Abbott
Title: Managing Partner

TENANT:

WESTERN KENTUCKY GAS COMPANY,
a division of Atmos Energy Corporation, a
Texas and Virginia corporation

By: [Signature]
Name: Kim R Cocklin
Title: President & COO

STORE BUILDING LEASE

THIS LEASE, made and entered into this 14th day of July, 1976, by and between M. R. Anderson and wife, Jean Anderson, of Russellville, Logan County, Kentucky, Lessors, and the WESTERN KENTUCKY GAS COMPANY, a Delaware Corporation, having its principal office in Owensboro, Daviess County, Kentucky, Lessee,

WITNESSETH: That the Lessors, in consideration of the rents and covenants hereinafter stipulated, to be paid and performed by the Lessee, do hereby let, rent and lease unto the said Lessee, the ground floor of a building located on the East side of South Main Street in Russellville, Kentucky, and being the same building now occupied by the Western Kentucky Gas Company, for a term of fifteen (15) years, beginning the first day of August, 1976, and ending 31st day of July, 1991, for a monthly rental as follows:

\$200.00 per month beginning August 1, 1976

\$225.00 per month beginning August 1, 1981

\$250.00 per month beginning August 1, 1986

payable in advance on the first day of each and every month during the said term.

Lessors agree to maintain the roof and exterior of the building including the sidewalk in a good serviceable condition throughout the entire term of this lease. Lessee agrees to maintain the interior of said building and do any necessary redecorating or repainting to the interior throughout the term of this lease and to be responsible for any damage

DESE L. RILEY, JR.
ATTORNEY AT LAW
RUSSELLVILLE, KENTUCKY

or breakage due directly to their fault through carelessness or negligence, and to return said building to Lessors at the expiration of this lease in as good condition as when received, ordinary wear and tear, natural decay and depreciation excepted, unless said building be damaged or destroyed by fire, lightning, riots or civil commotion, acts of an alien enemy, or other causes beyond the control of the Lessee.

~~Lessee is to have the right to install and/or attach any partitions, fixtures, or equipment desired or necessary and shall, also, have the right to remove same at the expiration of this lease.~~ CRH

Lessee shall have the right to sublease or sublet any part of the premises leased at any time during the term of this lease, and shall have the right to assign or transfer this lease at any time before the expiration of same to any person, firm or corporation engaged in same or similar business, but to any other person, firm or corporation only with the written consent of the lessors, and the provisions of this lease shall apply to and be binding upon the successors, heirs and assigns of both the Lessors and the Lessee.

Upon non-payment of the rental herein stipulated for a period of sixty days, and with demand made therefor, or upon breach of any other agreement herein contained by the Lessee, the Lessors may terminate this lease and re-enter and re-possess said premises and same shall not be construed as a waiver of their rights to enforce the provisions hereof against the Lessee, or its successors or assigns, in the event said lease is transferred or assigned as herein provided.

In consideration of the payment of the rentals herein stipulated, and the other covenants and agreements herein contained, the Lessors further covenant and agree that

SEE L. RILEY, JR.
ATTORNEY AT LAW
BELLVILLE, KENTUCKY

in the event the second floor of the building herein mentioned is leased to any person, firm or corporation during the term hereof, that the lease will contain provision that the lessee shall not use the said second story of said building, or permit the use of same, in such manner that noise or other disturbance therefrom will interfere with the peaceful use of the premises herein leased by the Lessee, its successors or assigns.

The parties hereto agree that should the building be damaged or destroyed by fire, lightning, windstorm or any other causes during the term of this lease and thereby rendered partially or wholly untenable, then in that event, the obligation of each party, one to the other, shall cease and this agreement shall be wholly at an end; provided, however, that if Lessors restore the premises to original condition in a reasonable length of time, the lease shall be reinstated and continue in full force and effect until original expiration date.

It is further agreed between the parties hereto that the water and sewer pipes connecting the second floor of the building herein mentioned, and which pass through the premises herein leased to the Lessee, may remain intact in their present position, and the agent, servants or employees of the Lessors shall have the right to make necessary repairs thereto.

It is further agreed that inasmuch as the water connections to the premises herein leased and the second floor of said building are now served by the water meter which will be used by the Lessee herein, same may continue in this manner, and the Lessee and the occupants of the second floor of said building shall make satisfactory

JOSE L. RILEY, JR.
ATTORNEY AT LAW
MILLSVILLE, KENTUCKY

arrangement relative to the apportionment of the charges therefor.

Lessors shall be responsible for and promptly pay all legally levied and assessed taxes against the building and shall have the right to reasonable entry of the building for inspection purposes.

Lessee shall be responsible for and will properly maintain the interior of the building including floor covering, ceiling, wall and front plate glass window & shall furnish, install and maintain at their expense all heating, air conditioning and water heating equipment. This equipment shall remain Lessee property except that at the expiration of this lease or any extension thereof Lessors may purchase the equipment at the then book value or 10% of the original cost whichever is greater.

Lessee shall have the right to install counters, bins, light fixtures, signs (inside and outside), partitions and rest room facilities, all of which, except signs, counters and bins shall become Lessors property at termination of this lease or any extension thereof.

Should any repair or repainting become necessary due to the negligence of either party by failing to perform their responsibility then that party shall be responsible for the repair or repainting. Also each party shall hold the other harmless from any liability of personal injury or damage claim that might arise from any instances in their area of responsibility.

JESSE L. WILEY, JR.
ATTORNEY AT LAW
RUSSELLVILLE, KENTUCKY

RUSSELLVILLE

RATIFICATION OF LEASE

THIS RATIFICATION OF LEASE, made and entered into this the 9th day of May, 1986, by and between Charles Lawson and Sheldon Baugh, parties of the first part, of Russellville, Logan County, Kentucky, and Western Kentucky Gas Company of Owensboro, Davless County, Kentucky, party of the second part,

WITNESSETH: That whereas, there is a certain store building lease dated July 16, 1976, by and between M. R. Anderson and Western Kentucky Gas Company, a copy of which is attached hereto as a part hereof and marked Exhibit "A", and,

WHEREAS, the second parties have entered into a lease and option to purchase the property described in the above lease with M.R. Anderson and Jean Anderson by document dated February 11, 1983, as of record in Miscellaneous Book 27, Page 128, in the office of the Clerk of the Logan County Court, a copy of which is attached hereto as a part hereof, and,

WHEREAS, the second party desires to enter into an agreement to ratify said lease dated July 16, 1976, and to give unto the second party the right to remodel the building which is subject to said lease, therefore, the parties do contract and agree as follows:

I

That the first parties do hereby ratify and affirm the lease entered into by and between M. R. Anderson, et al, and Western Kentucky Gas Company dated July 16, 1976.

JESSE L. RILEY, JR.
ATTORNEY AT LAW
RUSSELLVILLE, KENTUCKY

II

That the first parties do hereby give unto the second party the right to remodel said business premises subject to attached plans which are attached hereto as a part hereof, which remodeling shall be done at the expense of the second party.

That all terms of said lease shall remain in full force and effect.

Witness the hands of the parties the day and date first above written.

Charles Lawson
CHARLES LAWSON

Sheldon Baugh
SHELDON BAUGH
WESTERN KENTUCKY GAS COMPANY

BY: Carl Fischer

STATE OF KENTUCKY
COUNTY OF LOGAN

I, Roy D. Nash, a Notary Public, in and for the aforesaid County and State do hereby certify that the foregoing Ratification of Lease was produced to me this day in my County and acknowledged by Charles Lawson and Sheldon Baugh to be their true act and deeds.

Given under my hand this the 9th day of May, 1986.

Roy D. Nash
NOTARY PUBLIC

My Commission expires: 9-26-94

JESSE L. NILEY, JR.
ATTORNEY AT LAW
RUSSELLVILLE, KENTUCKY

STATE OF KENTUCKY
COUNTY OF DAVIESS

I, Billy R. Glass, a Notary Public
in and for the aforesaid County and State do hereby certify
that the foregoing Ratification of Lease was produced to me
this day in my County and acknowledged by Earl Fischer,
Vice President Operations of Western Kentucky Gas Company
to be his true act and deed as said Earl Fischer
of Western Kentucky Gas Company and the true act and deed
of Western Kentucky Gas Company.

Given under my hand this the 7 day of May,
1986.

Billy R. Glass
NOTARY PUBLIC

My Commission expires: 2/4/90

Western Kentucky Gas Company

MEMORANDUM



WK-747, M-2-88

SUBJECT: Russellville Office

July 17, 1991

TO: Mariam Johnson

Attached for your file is a copy of a Letter Agreement covering subject office facility.

Beginning August 1, 1991 the monthly rental for this office shall be \$350.00 per month. The original copy of the Letter Agreement has been filed with the Lease Agreement.

Billy H. Glass
Billy H. Glass

BRG:ck
Attachment

cc: Ray Simpson
Larry Brown
Johnny Mantlo

Western Kentucky Gas Company



June 28, 1991

Mr. Charles Lawson
Mr. Sheldon Baugh
265 East Fourth Street
Russellville, KY 42276

Gentlemen:

This Letter Agreement shall serve as confirmation of the mutual understanding reached on June 25, 1991, at our meeting concerning Western Kentucky Gas Company's continued occupancy of your building located at 181 South Main Street, Russellville, Kentucky.

All terms and conditions of the original Lease dated July 16, 1976 and the Ratification of Lease dated May 9, 1986, shall remain in full force and effect except the amendments as follows:

1. The term of the lease shall be extended for a period of one year beginning August 1, 1991, and continue on a year to year basis until cancelled by either party by the giving of ninety (90) days written notice of such cancellation to the other party.
2. The monthly rental shall be Three Hundred and Fifty Dollars (\$350.00) per month payable in advance on or before the tenth day (10th) day of each month.
3. All written notices shall be as follows:

Lessors: Mr. Charles Lawson
Mr. Sheldon Baugh
265 East Fourth Street
Russellville, KY 42276

Lessee: Western Kentucky Gas Company
311 West Seventh Street
Owensboro, KY 42301
Attn: Billy R. Glass

Mr. Charles Lawson
Mr. Sheldon Baugh

-2-

June 28, 1991

If you are agreeable to the terms and conditions of the Letter Agreement, please indicate so by the signing of both copies and returning one copy to this office.

Very truly yours,

Billy R. Glass
Billy R. Glass, Coordinator
Land, Lease and R/W

BRG:ck

AGREED AND ACCEPTED

BY: *Charles Lawson*
Charles Lawson

BY: *Sheldon Baugh*
Sheldon Baugh

Date: 6-28-91

LEASE AGREEMENT

THIS LEASE AGREEMENT is made and entered into as of the 30th day of July, 1990 by and between WESTERN KENTUCKY GAS COMPANY, a division of Atmos Energy Corporation, a Texas corporation ("Tenant"), and GILLILAND GROUP PARTNERSHIP, a general partnership located in the State of Texas ("Landlord").

W I T N E S S E T H:

Subject to the terms and conditions set forth in this Lease, Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the following described real property (subject, however, to any and all currently existing rights-of-way and easements thereon):

A tract of land lying in Paducah, McCracken County, Kentucky, more particularly described as follows:

Beginning at Walker and Abell's Northwest corner, same being the southwest corner of a tract now or formerly owned by John Smith Investment Company and same point lying on the east side of a variable width alley; thence S 56 degrees 37' 56" E along the North boundary of the Walker and Abell a distance of 335.00 feet to the Northeast corner of the tract herein described; thence S 32 degrees 21' 21" W a distance of 391.38 feet to the southeast corner of the herein described tract; thence North 58 degrees 14' 35" W along an Easterly projection of the North right-of-way line of Parker Street a distance of 335.00 feet to the West boundary of the Walker and Abell, same being the Southwest corner of the tract herein described; thence N 32 degrees 21' 38" E a distance of 400.80 feet along the Walker and Abell West boundary, same being the East side of the variable width alley, to the point of beginning.

There is dedicated adjacent to the south boundary of said tract a permanent access easement 50 feet in width which would correspond to an Eastward projection of Parker Street, if extended, and said easement runs the full 335.00 foot width of the above described tract. Said easement is intended to provide a perpetual means of access to the above described tract.

The above described property is shown as Tract C on a plat filed in Plat Section H, Page 581 in the McCracken County Court Clerk's office;

such real property being commonly known as 3034 Parker, Paducah, Kentucky, together with the building or buildings and other improvements thereon (excluding those owned by Tenant) and all rights, privileges, easements, and appurtenances belonging to or in any way pertaining to the real property (the "Leased Premises").

TO HAVE AND TO HOLD the same subject to the following:

1. Lease Term and Renewal Option.

(a) The term of this Lease shall be for a period of fifteen (15) years, commencing on August 1, 1990 and ending on July 31, 2005 unless earlier terminated or extended in accordance with the other terms and provisions of this Lease.

(b) Tenant shall have the option to extend the term of this Lease for an additional period of five (5) years commencing on August 1, 2005 (the "First Renewal Period") and for a second additional period of five (5) years commencing on August 1, 2010. Tenant may exercise such option by notifying Landlord of its election to extend the term of this Lease in writing at least one year prior to the expiration date of this Lease with respect to the first renewal option and at least one year prior to the expiration date of the First Renewal Period with respect to the second renewal option. Any such extension of the term of this Lease shall be subject to all of the terms and conditions of this Lease except that the rent payable during the renewal period shall be increased or decreased to reflect the fair market rental, as of the date of the renewal of this Lease, for space of similar size, construction, condition, and use in Paducah, Kentucky.

2. Rent.

(a) Tenant agrees to pay to Landlord, without offset or deduction (except as expressly set forth herein), as rent for the Leased Premises a monthly rental of Four Thousand Seven Hundred Forty-Two and 58/100 Dollars (\$4,742.58) payable without demand in advance due on or before the first day of each month, commencing on September 1, 1990 and continuing thereafter until the expiration or termination of this Lease, provided, however, that in the event the term hereof shall commence or end on a day other than the first or last day of a calendar month, the rent for any fractional calendar month shall be prorated by days.

(b) Rent shall be paid to Landlord at Landlord's address set forth in Subparagraph 23(1) of this Lease.

3. Security Deposit.

(a) Landlord hereby acknowledges that Tenant has deposited with Landlord, upon delivery of this Lease, Twenty-Two Thousand Dollars (\$22,000.00) as security for the full and faithful performance by Tenant of its obligations under this Lease. Landlord may apply all or any part of such security deposit to cure any default of Tenant under the terms and provisions of this Lease. In the event of such application, Tenant must deposit with Landlord the amount applied to cure its default immediately upon notice from Landlord of the nature and amount of the application.

(b) If Landlord transfers its interest in the Leased Premises during the term of this Lease, it may either (i) return the deposit to Tenant, minus any deductions made under Subparagraph 3(a) and not replaced by Tenant, or (ii) transfer the deposit, minus any deductions made under Subparagraph 3(a) and not replaced by Tenant, to Landlord's transferee. In the event Landlord transfers all or any portion of the deposit, Landlord shall be relieved of all rights and obligations with regard to the deposit, and all of such rights and obligations will accrue to, and be binding upon, the transferee. Landlord must give Tenant notice of any such transfer, including the name and address of the transferee and the amount of the deposit transferred.

(c) Landlord shall return the deposit to Tenant, minus any amounts deducted pursuant to Subparagraph 3(a) that have not been replaced by Tenant, no later than thirty (30) days after the expiration of the initial term of this Lease or the termination hereof, whichever occurs first. The deposit must be returned as provided in this Subparagraph 3(c) to the address left with Landlord by Tenant for this purpose or, if no such address was left, at Tenant's last known address.

4. Use. Tenant shall have the right to use the Leased Premises for any lawful purpose and in any lawful manner, provided, however, that Tenant shall not commit, or suffer to be committed, any waste on the Leased Premises, nor shall it maintain or commit, or permit the maintenance or commission of, any nuisance on the Leased Premises.

5. Acceptance of Leased Premises. Tenant accepts the Leased Premises, and all buildings and improvements located thereon, as being suitable in their present condition for the purposes for which the Leased Premises are being leased.

6. Utilities. Tenant shall pay all utility charges for the Leased Premises, including, but not limited to, charges, initial connection fees, and deposits for gas, water, sewer, electricity, and telephone services.

7. Taxes and Assessments.

(a) Tenant shall, before interest or penalties are due thereon, pay and discharge all taxes and assessments, general or special, and other governmental charges and impositions imposed upon or assessed against the Leased Premises or any portion thereof ("Impositions") (subject to Tenant's right to contest such Impositions), provided, however, that Tenant shall have no obligation to pay (i) any federal, state, or local income tax of Landlord or any similar tax of Landlord determined on the basis of Landlord's net income; (ii) any estate, inheritance, succession, gift, or similar tax of Landlord's; or (iii) any capital gains tax or real estate transfer tax imposed in connection with the sale of the Leased Premises by Landlord to any person. If any Imposition against the Leased Premises may be paid in installments, Tenant may pay such Imposition in installments as and when such installments become due. Tenant shall, upon Landlord's written request, furnish to Landlord evidence satisfactory to Landlord of the payment of any such Imposition.

(b) If Tenant fails to pay any Imposition before it becomes delinquent or to contest the Imposition in a timely manner, Landlord may, at its election, pay the Imposition and any interest and penalties due thereon. The amount paid by Landlord shall be repayable by Tenant upon Landlord's demand therefor.

(c) Tenant shall have the right to apply to the appropriate taxing authority to obtain a reduction of the assessed valuation of the Leased Premises for any year for the purpose of reducing taxes thereon. Landlord agrees that it will not object to any such application by Tenant and will cooperate with Tenant as necessary in order to obtain such a reduction.

8. Alterations, Additions, and Improvements. Tenant may make such alterations, additions, or improvements to the Leased Premises as Tenant may deem desirable without the prior written consent of Landlord so long as neither the value nor the utility of the Leased Premises is materially diminished thereby. Tenant agrees that (i) all such alterations, additions, and improvements shall be performed in a good and workmanlike manner and in accordance with applicable laws and regulations, (ii) Tenant shall discharge or remove all liens filed against any of the Leased Premises arising out of the performance of the alterations, additions, or improvements (subject to Tenant's right to contest such lien), (iii) Tenant shall procure and pay for all permits and licenses required in connection with any such alterations, additions, or improvements, and (iv) all such alterations, additions, and improvements shall be subject to this Lease and shall, upon the expiration or termination of this Lease, become the property of Landlord.

9. Contests of Impositions and Liens. Tenant shall not be required to pay any Imposition or to discharge any lien referred to in clause (ii) of Paragraph 8 above so long as Tenant shall, in good faith and at its sole cost and expense, contest the validity or amount of such Imposition or lien by appropriate legal proceedings. Tenant shall have the right to contest such Impositions or liens in Landlord's name if required by law. During the pendency of any such contest, Landlord shall cooperate with Tenant to the fullest extent in such contest, and Landlord shall not have the right to pay, remove, or cause to be discharged the Imposition or lien being contested or to make or enter into any settlement, compromise, or other disposition of the contest, to discontinue or withdraw any contest, or to accept any refund, adjustment, or credit of or from any Imposition being contested or as a result of any such contest.

10. Signs. Tenant shall have the right to place or affix signs or advertisements upon the Leased Premises or on any buildings or improvements located thereon, provided, however, that such signs and advertisements shall conform with any laws and regulations applicable to the Leased Premises. Tenant shall remove all signs upon the termination of this Lease and shall repair any damage and close any holes in the Leased Premises caused or revealed by such removal.

11. Maintenance and Repair.

(a) Tenant shall, at Tenant's sole cost and expense, keep and maintain the Leased Premises in good repair and condition, provided, however, that Tenant shall not be required to maintain or make any repairs to any part of the Leased Premises that are made necessary by the negligence or willful misconduct of Landlord. Notwithstanding the foregoing, Tenant's obligations hereunder to maintain the Leased Premises shall not require Tenant to replace any structural portion of the Leased Premises or any major equipment or system used in and necessary for the operation of the Leased Premises for any reason unless Tenant shall, in its sole discretion, elect to make such a replacement.

(b) Nothing in this Lease shall require, or be deemed to require, Landlord to make any alterations, additions, improvements, repairs, or replacements to the Leased Premises or to maintain the Leased Premises in any way (except to the extent any of such work is made necessary by the negligence or willful misconduct of Landlord, in which event Landlord shall promptly perform such work at its sole cost and expense). Tenant hereby expressly waives any right created or provided by any law, rule, regulation, or ordinance now or hereafter in effect to require Landlord to make any alterations, additions, improvements, repairs, or replacements or to maintain the Leased Premises, or to cause the same to be done at Landlord's

expense (except to the extent any of such work is made necessary by the act or negligence of Landlord).

12. Insurance.

(a) Tenant shall maintain, at its sole cost and expense, insurance on the Leased Premises to insure against fire and casualty losses, including flood and earthquake peril, and claims for bodily injury, death, or property damage occurring on, in, or about the Leased Premises. Tenant shall maintain (i) such fire and casualty insurance in an amount not less than the actual replacement value of the Leased Premises (excluding, however, footings and foundations and other parts of the Leased Premises that are not insurable) with a deductible not exceeding \$100,000 and (ii) such general public liability insurance in an amount not less than \$10,000,000 in excess of a self-insurance retention not exceeding \$500,000.

(b) Notwithstanding anything expressly or impliedly to the contrary in this Lease, each of Landlord and Tenant hereby waives any and all rights of recovery, claims, actions, or causes of action against the other party and its directors or partners, officers, or employees for any loss or damage that may occur to the Leased Premises or to any property of such party located within or upon the Leased Premises or for any personal injury occurring on or arising from the Leased Premises if such loss, damage, or injury is covered by, and recoverable under, any fire and extended coverage or public liability insurance policy maintained by the other party. To the extent permitted by the parties' respective insurance policies, each of the parties further waives all rights of subrogation that such party's insurer or insurers may have, if any, against the other party.

(c) Tenant shall be responsible for maintaining, at its sole cost and expense, such insurance, if any, as it deems appropriate to insure Tenant's personal property located on the Leased Premises.

13. Damage or Destruction of the Leased Premises.

(a) If, during the term of this Lease, any buildings or other improvements located on and constituting a part of the Leased Premises are damaged or destroyed by fire or other casualty of any kind, Tenant shall promptly notify Landlord thereof and shall proceed with reasonable diligence to rebuild, repair, or restore the Leased Premises to substantially the same condition as such Leased Premises were in prior to the occurrence of the fire or other casualty, subject, however, to the provisions of Subparagraph 13(b) below. During the period of reconstruction, Tenant shall not be entitled to any abatement or reduction of rent as a result of any such damage or destruction.

(b) Notwithstanding the provisions of Subparagraph 13(a) above, if any portion of the Leased Premises shall be damaged or destroyed by fire or other casualty of any kind and Tenant shall determine, in its good faith judgment, that it is uneconomical to rebuild, repair, or restore the Leased Premises, Tenant may terminate this Lease as to all, or the affected portion, of the Leased Premises, provided, however, that Tenant must notify Landlord, in writing, of such termination within thirty (30) days after the occurrence of the casualty. The termination shall become effective thirty (30) days after Tenant notifies Landlord thereof. In the event of Tenant's termination or partial termination of this Lease pursuant to this Subparagraph 13(b), Tenant shall pay to Landlord \$310,000 in the event of the termination of this entire Lease or an appropriate percentage of such amount in the event of the partial termination of this Lease.

14. Condemnation or Eminent Domain.

(a) If, during the term of this Lease, all of the Leased Premises are condemned or taken for any public or quasi-public use under any governmental law, order, or regulation or by right of eminent domain or sold to the condemning authority under threat of condemnation, this Lease shall automatically terminate and rent shall abate as of the date that title vests in the condemning authority or the Tenant is dispossessed of the Leased Premises by such condemnation or taking, whichever occurs earliest. If less than all of the Leased Premises is condemned or taken as described above and the remaining portion of the Leased Premises continues to be, in Tenant's good faith judgment, tenable and useable by Tenant for the same uses as Tenant was using the Leased Premises immediately prior to the condemnation or taking, this Lease shall remain in full force and effect subject to a reduction of the rent payable hereunder by an appropriate and equitable amount as determined by Tenant and Landlord.

(b) If any portion of the Leased Premises is condemned or taken by eminent domain proceedings, Tenant shall not be entitled to any award made for such condemnation or taking except for any separate award made with respect to Tenant's property located on the Leased Premises or for Tenant's relocation expenses or the interruption of, or damage to, Tenant's business.

15. Indemnification.

(a) Tenant hereby agrees to indemnify and hold harmless Landlord and Landlord's partners, employees, and agents from and against (i) any costs incurred by Landlord of removing or disposing of any asbestos-containing or other hazardous materials (collectively, "Hazardous Materials") existing on the Leased Premises or in any buildings or improvements located thereon as of the date of the commencement of this

Lease caused or required by virtue of Tenant, at any time during the term of this Lease, disturbing or otherwise causing any such existing Hazardous Materials to cease to be dormant, thereby requiring remedial actions of removal or disposal to be undertaken by Landlord, (ii) any and all claims, suits, actions, damages, judgments, and expenses of any nature whatsoever suffered or incurred by Landlord or Landlord's partners, employees, or agents due to personal injuries or death suffered by any person as a result of any deposit, storage, disposal, burial, discharge, spillage, uncontrolled loss, seepage, or filtration of any Hazardous Materials by Tenant during the term of this Lease at, upon, under, or within the Leased Premises, and (iii) any injury to persons or damage to property (except such injuries or damages arising from any Hazardous Materials, in which event Tenant's liability, if any, shall be as set forth in clauses (i) and (ii) above) on the Leased Premises caused by the negligence or misconduct of Tenant or its directors, officers, employees, subtenants, agents, or licensees or any other person entering the Leased Premises under the express or implied invitation of Tenant or arising out of the use or occupancy of the Leased Premises by Tenant in the conduct of its business therein or out of any breach or default by Tenant in the performance of its obligations hereunder.

(b) Landlord hereby agrees to indemnify and hold harmless Tenant and Tenant's directors, officers, employees, and agents from and against (i) any claims, suits, actions, damages, judgments, and liability, including attorneys' fees and expenses, relating to Hazardous Materials that Landlord, by its actions or conduct, places upon, under, or within the Leased Premises or if Landlord disturbs or otherwise causes Hazardous Materials existing as of the date of the commencement of this Lease to cease to be dormant thereby giving rise to a new and separate risk of illness or death and (ii) any injury to persons or damage to property (except such injuries or damages arising from any Hazardous Materials, in which event Landlord's liability, if any, shall be as set forth in clause (i) above) caused by the negligence or misconduct of Landlord or its partners, employees, or agents.

16. Assignment and Subleasing.

(a) Landlord shall have the right to assign its interest under this Lease, provided, however, that prior to making such an assignment Landlord shall have obtained a written agreement from the assignee whereby the assignee agrees to assume and undertake to perform and discharge all of Landlord's liabilities and obligations under this Lease, to recognize Tenant's rights hereunder, and not to disturb Tenant's peaceable and quiet possession of the Leased Premises so long as no event of default as hereafter described in Subparagraph 18(a) has occurred and is continuing. Nothing herein shall prevent, or be deemed to prevent, Landlord from assigning this

Lease or the rents payable hereunder to Lender for the purpose of securing the payment of Landlord's indebtedness under the Mortgage (as defined in Paragraph 21 of this Lease).

(b) Tenant shall have the right, without obtaining the consent of Landlord but with prior written notice to Landlord, to assign its interest in this Lease or to sublet the Leased Premises or any portion thereof, provided, however, that prior to making any assignment of its interest herein Tenant shall have obtained a written agreement from the assignee whereby the assignee agrees to be bound by all of the terms of this Lease. In the event of any assignment or subletting, Tenant shall remain fully liable for the full performance of all of Tenant's obligations hereunder.

17. Surrender of Leased Premises. Tenant agrees that, upon the expiration or termination of this Lease, whether by lapse of time or because of any other conditions or provisions contained herein, Tenant shall peaceably leave and surrender possession of the Leased Premises to Landlord. If Tenant or any of its successors or assigns fail to leave and surrender the Leased Premises upon the expiration or termination hereof, such holding over shall constitute a tenancy from month to month at a monthly rental equal to 150% of the rent paid for the last month of the term of this Lease unless otherwise agreed in writing by Landlord and Tenant.

18. Events of Default and Remedies.

(a) The following events shall constitute events of default by Tenant under this Lease:

(i) The failure of Tenant to pay any rental or other sum payable hereunder to Landlord within ten (10) days after the date such payment becomes due;

(ii) The failure of Tenant to keep and perform any of its obligations or any of the terms or conditions of this Lease (other than the payment of rent or other sums payable hereunder to Landlord) and the continuation of such failure for a period of thirty (30) days after written notice thereof is delivered to Tenant, provided, however, that if such failure cannot reasonably be cured within a thirty-day period, no event of default shall have occurred if Tenant has promptly commenced to cure the failure within such thirty-day period and is proceeding therewith in good faith and with due diligence; or

(iii) The failure or inability, or admission in writing of the inability, of Tenant to pay its debts as such debts become due; the assignment by Tenant for the benefit of its creditors or the petitioning or application by Tenant to any tribunal for the appointment

of a custodian, receiver, or trustee for it or a substantial part of its assets; the commencement by Tenant of any proceeding under any bankruptcy, reorganization, arrangements, readjustment of debt, dissolution, or liquidation law or statute of any jurisdiction, whether now or hereafter in effect; the filing of any such petition or application or commencement of any such proceeding against Tenant in which an order for relief is entered or an adjudication or appointment is made and remains undismissed for a period of sixty (60) days or more; the indication by Tenant, by any act or omission, of its consent to, approval of, or acquiescence in any such petition, application, or proceeding or order for relief or the appointment of a custodian, receiver, or trustee for all or any substantial part of its properties; or the failure of Tenant to discharge or stay any such custodianship, receivership, or trusteeship within sixty (60) days after the appointment thereof.

(b) Upon the occurrence of any event of default listed in Subparagraph 18(a) above, Landlord may pursue any one or more of the following remedies:

(i) Termination of this Lease upon five (5) days written notice to Tenant, in which event Tenant shall surrender the Leased Premises to Landlord. If Tenant fails to surrender the Leased Premises, Landlord and its agents and representatives shall have the right, without further demand or notice to Tenant, to re-enter and take possession of the Leased Premises and to expel or remove Tenant and any other person who may be occupying the Leased Premises or any portion thereof, with or without process of law, without being liable for any trespass or claim for damages therefor and without prejudice to any remedies for arrears of rent or existing breaches of covenants;

(ii) Termination of Tenant's right to possession of the Leased Premises without terminating this Lease and expulsion or removal of Tenant and any other person who may be occupying the Leased Premises or any portion thereof, with or without process of law, without being liable for any trespass or claim for damages therefor and without prejudice to any remedies for any breaches of covenants (including the payment of rents) then existing or thereafter occurring. In the event Landlord exercises its remedies set forth in this Subparagraph 18(b)(ii), Landlord shall, in order to mitigate Landlord's damages caused by Tenant's default hereunder, use its best efforts to relet the Leased Premises and to collect the rent therefor, which rent shall be credited to the satisfaction of Tenant's obligations hereunder after deducting from such rents all costs and expenses incurred

by Landlord in repossessing and reletting the Leased Premises, provided, however, that Landlord's best efforts shall not include an obligation to renovate or remodel the Leased Premises or any portion thereof. If the net rentals received by Landlord exceed the amounts necessary to satisfy all of Tenant's obligations under this Lease, Landlord shall be entitled to such excess. If the net rentals are less than the amounts necessary to satisfy all of Tenant's obligations under this Lease, Tenant shall be liable to Landlord for such deficiency and shall pay such deficiency on the date that rent is due hereunder; or

(iii) Enforcement of the full and specific performance by Tenant of its obligations under this Lease in any manner provided by law or equity or pursuit of such other rights or remedies available to Landlord either at law or in equity.

(c) Notwithstanding anything expressly or impliedly to the contrary in this Lease, if Landlord applies all or any part of the security deposit to cure a default by Tenant as provided in Subparagraph 3(a) of this Lease and Tenant replaces such amount so applied, Tenant shall not be deemed to be in default of this Lease and Landlord shall have no right to pursue any other remedies against Tenant.

(d) Except as otherwise provided in Subparagraph 18(c) above, Landlord's rights and remedies provided in this Lease are cumulative, and the pursuit by Landlord of any remedy hereunder shall not preclude or waive its right to pursue any or all other remedies available to Landlord.

(e) If, on account of any breach or default by Landlord or Tenant of their respective obligations under this Lease, the nondefaulting party employs an attorney to enforce or defend any of its rights or remedies hereunder, the defaulting party shall pay the reasonable attorney's fees and expenses incurred by the nondefaulting party.

(f) No waiver by the parties hereto of any default or breach of any term, condition, or covenant of this Lease shall constitute, or be deemed to constitute, a waiver of any subsequent default or breach of the same or any other term, condition, or covenant contained herein.

19. Covenant of Quiet Enjoyment. Landlord hereby covenants and warrants to Tenant that, so long as no event of default as described in Subparagraph 18(a) above has occurred and is continuing, Tenant may and shall peaceably and quietly have, hold, occupy, use, and enjoy, and have the full, exclusive, and unrestricted use and enjoyment of, all of the Leased Premises during the entire term of this Lease and that such peaceable and quiet enjoyment shall not be disturbed or

interfered with by Landlord or any person or entity claiming by, through, or under Landlord.

20. Landlord's Right of Access. Tenant agrees that it will permit the Landlord and the Landlord's representatives free and full access to the Leased Premises, with no less than forty-eight (48) hours advance notice to Tenant, for the purpose of making (i) inspections of the Leased Premises or (ii) alterations, additions, improvements, repairs, and replacements to the Leased Premises made necessary by the negligence or willful misconduct of the Landlord.

21. Subordination. Tenant acknowledges that the Leased Premises are, or will contemporaneously with the execution hereof become, subject to a mortgage or deed of trust (the "Mortgage") held by MetLife Capital Corporation ("Lender"). Tenant agrees to execute and deliver upon demand such instruments subjecting and subordinating this Lease to the Mortgage as may be required by Landlord or Lender so long as Tenant shall have received from Lender a nondisturbance agreement pursuant to which Lender agrees (i) that it will recognize Tenant's rights under this Lease and will not disturb Tenant's peaceable and quiet possession of the Leased Premises so long as no event of default as described in Subparagraph 18(a) above has occurred and is continuing, (ii) that, in the event of a foreclosure of the Mortgage, this Lease shall continue in full force and effect as a direct lease between the succeeding owner of the Leased Premises and Tenant upon and subject to all of the terms, covenants, and conditions contained herein, and (iii) that Lender will notify Tenant of any failure by Landlord to pay when due any installment of principal or interest on the Mortgage and permit Tenant, if Tenant elects to do so, to make such payment on the Landlord's behalf prior to Lender commencing any foreclosure proceedings against the Leased Premises. Tenant shall not be obligated to make any such payment on Landlord's behalf to Lender, and such right shall not constitute, or be deemed to constitute, a guarantee by Tenant of Landlord's obligations under the Mortgage. In the event Tenant makes any such payment on Landlord's behalf, Tenant shall be entitled, at its election, either to offset such payments from the lease payments due hereunder or to obtain reimbursement from Landlord of the amount so paid together with interest thereon at the highest rate permitted by law computed from the date that such payment was made.

22. Right of First Refusal. Landlord hereby grants to Tenant a right of first refusal with respect to the Leased Premises during the term of this Lease or any renewal period, provided, however, that, as of the date on which such right may be exercised, Tenant is leasing the Leased Premises pursuant to this Lease and is not in default hereunder. Such right of first refusal is subject to the following terms and conditions:

(i) In the event Landlord receives a bona fide offer from a third party (an "Offer") to purchase all or any portion of the Leased Premises, which offer Landlord intends to accept, Landlord shall first offer to sell such Leased Premises or the pertinent portion thereof to Tenant on terms identical to those contained in the Offer. The Offer shall be in writing and signed by the third party making such Offer, and a copy thereof shall be furnished to Tenant.

(ii) Tenant shall have fifteen (15) days after receipt of a copy of the Offer within which to elect to purchase the Leased Premises or the pertinent portion thereof pursuant to the terms of the Offer and to notify Landlord, in writing, of such election. Upon such election and notification, Landlord and Tenant shall immediately commence preparations of a formal contract of sale containing the terms of the Offer and such other terms and provisions as the parties may mutually agree. The closing of the purchase and sale of the Leased Premises or the pertinent portion thereof shall be held within sixty (60) days after Tenant notifies Landlord of its election to exercise its right of first refusal.

(iii) If Tenant does not elect to exercise its right of first refusal within such fifteen-day period, Landlord may, within one hundred twenty (120) days after the expiration of Tenant's right of first refusal with respect to the Offer, sell the Leased Premises to the third party who made such Offer on the same terms and conditions as those contained in the Offer. If such sale has not closed within such 120-day period, the Offer shall be deemed to constitute a new offer and must be offered again to Tenant pursuant to the terms of this Paragraph 22.

23. Miscellaneous.

(a) This Lease is intended and is hereby deemed to be a fully "net" lease, it being the intention of the parties hereto that Landlord shall have and enjoy the rent herein reserved to it without deduction therefrom except as otherwise expressly set forth in this Lease.

(b) Tenant and Landlord agree that the terms and provisions of this Lease are confidential and that neither they nor any of their respective directors or partners, officers, employees, agents, or consultants will divulge or disclose any of the terms or provisions hereof to any person (other than Lender or any interim lender) without the prior written consent of the other party, provided, however, that neither party shall be liable for divulging or disclosing any of the terms or provisions hereof that (i) are necessary to be disclosed in order to enforce the disclosing party's rights or

remedies under this Contract or (ii) are required to be disclosed by applicable federal, state, or local statute, ordinance, or regulation or by order of any court or regulatory agency having proper jurisdiction. In the event either party becomes legally compelled to disclose any of the terms or provisions hereof, such party shall promptly provide the other party notice thereof. Landlord shall also use its best efforts to obtain Lender's written agreement to maintain the confidentiality of the terms and provisions of this Lease.

(c) Landlord and Tenant agree to execute a memorandum of this Lease, in the form attached hereto as Exhibit 1, for recording purposes. Landlord shall record the memorandum and shall pay all costs and fees associated therewith. Nothing herein shall authorize Landlord or Tenant to, and Landlord and Tenant hereby agree that neither party shall, record this Lease without the prior written consent of the other party. Landlord and Tenant further agree that, in the event of any conflict or contradiction in language between this Lease and such memorandum, the terms and provisions of this Lease shall control.

(d) Each of the parties hereto represents and warrants that it has not employed the services of any broker or finder in connection with this Lease and does not owe any broker's or finder's fee or commission in connection herewith. Each of Landlord and Tenant agrees to indemnify and hold harmless the other party from and against any loss, claim, liability, or expense arising from a breach of this representation and warranty and from any commissions or brokerage fees claimed on account of the execution of this Lease due to any action of the indemnifying party.

(e) It is the intent of the parties hereto that the relationship between Landlord and Tenant created by this Lease is solely that of a landlord and tenant, and nothing herein is intended to, or shall be deemed to constitute, the creation of any partnership, joint venture, agency, guaranty, or other relationship between the parties hereto other than a landlord-tenant relationship.

(f) There shall be no merger of the leasehold estate created by this Lease with the fee estate in any of the Leased Premises by reason of the fact that the same person or entity may acquire, hold, or own, directly or indirectly, (i) the leasehold estate created by this Lease or any part hereof or interest herein or any interest of Tenant in this Lease and (ii) the fee estate in any of the Leased Premises or any interest in such fee estate. No such merger shall occur unless and until all persons or entities having any interest in the leasehold estate created by this Lease and the fee estate in the Leased Premises or any part thereof shall join in a written instrument effecting such merger and shall duly record the same.

(g) This Lease constitutes the entire agreement between Landlord and Tenant with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral and written, between Landlord and Tenant with respect to the subject matter hereof.

(h) Neither this Lease nor any provision contained herein may be amended, waived, discharged, or terminated orally but only by an instrument in writing signed by the party against which enforcement of such amendment, waiver, discharge, or termination is sought.

(i) All notices given pursuant to the terms of this Lease shall be in writing and shall be sufficient in all respects if delivered by hand, sent by facsimile to the fax number set forth below and verified by a subsequent mailing thereof by regular mail, or mailed by registered or certified mail, postage prepaid, as follows:

If to Tenant: Western Kentucky Gas Company,
a division of Atmos Energy Corporation
P.O. Box 650205
Dallas, Texas 75265
Attn: Mr. Jerry Knierim
Executive Vice President

Fax No. (214) 991-5235 or
(214) 788-3793

If to Landlord: Gilliland Group Partnership
P.O. Box 750
Amarillo, Texas 79105-0750
Attn: Mr. Bill Gilliland

Fax No. (806) 374-3818

Any notice given in any manner described above shall be deemed effective upon actual receipt by the party to whom such notice is sent. Addresses or fax numbers may be changed on notice to the other party given pursuant to this Subparagraph 23(i).

(j) If any provision in this Lease shall for any reason be held to be invalid or unenforceable in any respect, the validity and enforceability of the remaining provisions of this Lease shall not be affected and this Lease shall be construed as if such invalid or unenforceable provision had never been contained herein.

(k) This Lease shall be binding upon and shall inure to the benefit of and be enforceable by the parties hereto and their respective successors and assigns, and is solely for the benefit of Tenant and Landlord and not for the benefit of any other person or entity not a party hereto.

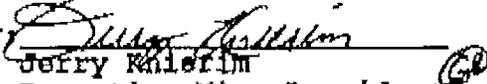
(l) Neither Landlord nor Tenant shall be required to perform any term, condition, or covenant in this Lease (other than the payment of rent) so long as such performance is delayed or prevented by any event of force majeure. The term "force majeure" shall mean any cause not reasonably within the control of the nonperforming party and includes, but is not limited to, acts of God; strikes; lock-outs; wars; riots; orders or decrees of any lawfully constituted federal, state, or local body; fires; storms; floods; wash-outs; explosions; inability to obtain or a delay in obtaining material, supplies, or labor permits; and other similar events and occurrences.

(m) THIS LEASE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF KENTUCKY.

(n) The descriptive headings of the provisions of this Lease are formulated and used for convenience only and shall not be deemed to affect the meaning or construction of any of such provisions.

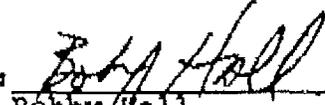
IN WITNESS WHEREOF, the parties hereto have executed this Lease Agreement as of the date first written above.

WESTERN KENTUCKY GAS COMPANY,
a division of
Atmos Energy Corporation

By: 
Jerry Kiefer
Executive Vice President
Atmos Energy Corporation

GILLILAND GROUP PARTNERSHIP

By: 
Bill Gilliland
Partner

By: 
Bobby Hall
Partner

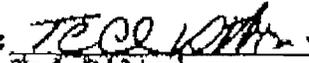
By: 
Ted D'Atri
Partner

EXHIBIT 1
TO
LEASE AGREEMENT

MEMORANDUM OF LEASE

1. Date of Lease: July 30, 1990
2. Name and address of Landlord: Gilliland Group Partnership
P.O. Box 750
Amarillo, Texas 79105-0750
3. Name and address of Tenant: Western Kentucky Gas
Company, a division of
Atmos Energy Corporation
P.O. Box 650205
Dallas, Texas 75265
4. Description of Leased Premises:

A tract of land lying in Paducah, McCracken County, Kentucky, more particularly described as follows:

Beginning at Walker and Abell's Northwest corner, same being the southwest corner of a tract now or formerly owned by John Smith Investment Company and same point lying on the east side of a variable width alley; thence S 56 degrees 37' 56" E along the North boundary of the Walker and Abell a distance of 335.00 feet to the Northeast corner of the tract herein described; thence S 32 degrees 21' 21" W a distance of 391.38 feet to the southeast corner of the herein described tract; thence North 58 degrees 14' 35" W along an Easterly projection of the North right-of-way line of Parker Street a distance of 335.00 feet to the West boundary of the Walker and Abell, same being the Southwest corner of the tract herein described; thence N 32 degrees 21' 38" E a distance of 400.80 feet along the Walker and Abell West boundary, same being the East side of the variable width alley, to the point of beginning.

There is dedicated adjacent to the south boundary of said tract a permanent access easement 50 feet in width which would correspond to an Eastward projection of Parker Street, if extended, and said easement runs the full 335.00 foot width of the above described tract. Said easement is intended to provide a perpetual means of access to the above described tract.

The above described property is shown as Tract C on a plat filed in Plat Section H, Page 581 in the McCracken County Court Clerk's office.

5. Term of Lease: A term of fifteen (15) years, commencing on August 1, 1990 and ending on July 31, 2005.

6. Renewal Option: Tenant has the option to extend the term of the Lease for an additional period of five (5) years commencing on August 1, 2005 and for a second additional period of five (5) years commencing on August 1, 2010. Specific provisions regarding this option are set forth in the Lease.

7. Right of First Refusal: Tenant has a right of first refusal for the purchase of all or any portion of the Leased Premises during the term of the Lease or any renewal period. Specific provisions regarding this right of first refusal are set forth in the Lease.

IN WITNESS WHEREOF, the parties hereto have executed this Memorandum of Lease this 30th day of July, 1990.

TENANT:

LANDLORD:

WESTERN KENTUCKY GAS COMPANY,
a division of
Atmos Energy Corporation

GILLILAND GROUP PARTNERSHIP

By: _____
Jerry Knierim
Executive Vice President
Atmos Energy Corporation

By: _____
Bill Gilliland
Partner

By: _____
Bobby Hall
Partner

By: _____
Ted D'Atri
Partner

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

The foregoing instrument was acknowledged before me this 30th day of July, 1990 by Jerry Knierim, Executive Vice President of Atmos Energy Corporation, a Texas corporation, on behalf of the corporation.

Notary Public in and for
the State of Texas

My commission expires:

Notary Public Printed Name

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

The foregoing instrument was acknowledged before me this 30th day of July, 1990 by Bill Gilliland, Bobby Hall, and Ted D'Atri, partners on behalf of Gilliland Group Partnership, a partnership.

Notary Public in and for
the State of Texas

My commission expires:

Notary Public Printed Name

4742.58 Lse

1707.33 60%

semi

annual

Comm.

beg.

8-1-05

FIRST AMENDMENT TO LEASE AGREEMENT

THIS FIRST AMENDMENT TO LEASE AGREEMENT (the "Amendment") is made and entered into this 15 day of March, 2005, by and between Atmos Energy Corporation, a Texas and Virginia corporation (formerly d/b/a Western Kentucky Gas Company) ("Tenant"), and GILLILAND GROUP PARTNERSHIP, a Texas general partnership ("Landlord").

RECITALS

A. Landlord and Tenant have entered into that certain Lease Agreement (the "Lease") dated July 30, 1990, covering the real property described on Exhibit "A", which is attached hereto and made a part hereof for all purposes, such real property being commonly known as 3034 Parker Street, Paducah, Kentucky.

B. Tenant desires to exercise its first renewal option to extend the term of the Lease for five (5) years commencing on August 1, 2005, and ending on July 31, 2010.

C. Tenant and Landlord desire to evidence their agreement regarding certain amendments to the Lease.

AGREEMENT

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Landlord and Tenant agree as follows:

1. Tenant hereby exercises its option to extend the term of the Lease for an additional period of five (5) years commencing on August 1, 2005, and ending on July 31, 2010 (the "First Renewal Period"). Landlord hereby agrees that the term of the Lease has been extended for an additional period of five (5) years commencing on August 1, 2005, and ending on July 31, 2010.
2. The Lease is amended as follows:
 - (a) The last sentence of Subparagraph 1(b) is deleted in its entirety, and the following sentences are substituted therefor:

The First Renewal Period shall be subject to all of the terms and conditions of this Lease, including the rent payable immediately prior to the commencement of the First Renewal Period. The second renewal period, if exercised, shall be subject to all of the terms and conditions of this Lease, except that the rent payable during the second renewal period shall be increased or decreased to reflect the fair market value, as of the date of the renewal of this Lease, for space of similar size, construction, condition, and use in Paducah, Kentucky.

- (b) The following is added as Subparagraph 1(c):

Tenant shall have the right to terminate this Lease at any time without penalty by giving Landlord at least six (6) months prior written notice. The notice shall specify the effective date of the termination. Tenant shall remain liable for all of Tenant's liabilities and obligations that arise under this Lease prior to the effective date of the termination.

- (c) Subparagraph 23(d) is deleted in its entirety, and the following is substituted therefor:

Each of the parties hereto represents and warrants that it has not employed the services of any broker or finder in connection with this Lease, except The Staubach Company – Great Lakes Real Estate Partners, LLC. Each of the parties hereto also represents and warrants that it does not owe any broker's or finder's fee or commission in connection with this Lease, except that the Landlord shall pay The Staubach Company – Great Lakes Real Estate Partners, LLC a six percent (6%) commission on the amount of base rent that is due and payable during the First Renewal Period, payable semiannually beginning August 1, 2005. The Staubach Company – Great Lakes Real Estate Partners, LLC shall pay its co-broker out of the commission paid. The Landlord's obligation to pay the commission to The Staubach Company – Great Lakes Real Estate Partners, LLC shall terminate in the event this Lease is terminated by the Tenant or otherwise expires or terminates during the First Renewal Period. Each of Landlord and Tenant agrees to indemnify and hold harmless the other party from and against any loss, claim, liability or expense arising from a breach of the representations and warranties contained in this Subparagraph 23(d) and from any commissions or brokerage fees claimed on account of the execution of this Lease due to any action of the indemnifying party.

3. As modified by this Amendment, the Lease shall remain in full force and effect, enforceable in accordance with its terms.
4. This Amendment shall be binding upon and shall inure to the benefit of the Landlord and Tenant, and their respective successors and assigns.
5. This Amendment shall be governed by and construed and enforced in accordance with the laws of the State of Kentucky.

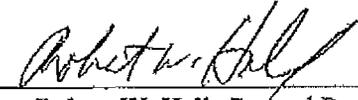
IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first written above.

LANDLORD:

GILLILAND GROUP PARTNERSHIP, a Texas general partnership

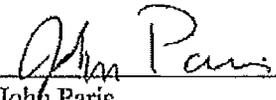
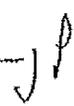
By: Gilliland Group Family Partnership, a Texas general partnership, General Partner

By: 
Bill Gilliland, General Partner

By: 
Robert W. Hall, General Partner

TENANT:

ATMOS ENERGY CORPORATION

By: 
John Paris
President, Kentucky Division 

SECOND AMENDMENT TO LEASE AGREEMENT

THIS SECOND AMENDMENT TO LEASE AGREEMENT (the "Amendment") is made and entered into this ____ day of _____, 2011, by and between ATMOS ENERGY CORPORATION, a Texas and Virginia corporation (formerly d/b/a Western Kentucky Gas Company) ("Tenant") and GILLILAND GROUP PARTNERSHIP, a Texas general partnership ("Landlord").

RECITALS

A. Landlord and Tenant have entered into that certain Lease Agreement (the "Lease") dated July 30, 1990, and that First Amendment To Lease Agreement (the "First Amendment") dated March 15, 2005, covering the real property described on Exhibit "A", which is attached hereto and made a part hereof for all purposes, such real property being commonly known as 3034 Parker Street, Paducah, Kentucky.

B. Tenant desires to extend the term of the Lease for five (5) years commencing on August 1, 2011, and ending on July 31, 2016.

C. Tenant and Landlord desire to evidence their agreement regarding certain amendments to the Lease.

AGREEMENT

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Landlord and Tenant agree as follows:

1. Tenant hereby desires to extend the term of the Lease for an additional period of five (5) years commencing on August 1, 2011, and ending on July 31, 2016. Landlord hereby agrees that the term of the Lease has been extended for an additional period of five (5) years commencing on August 1, 2011, and ending on July 31, 2016.

2. The Lease is amended as follows:

(a) The following is added as Subparagraph 1(c):

Tenant shall have the right to terminate this Lease at any time without penalty by giving Landlord at least six (6) months prior written notice. The notice shall specify the effective date of the termination. Tenant shall remain liable for all of Tenant's liabilities and obligations that arise under this Lease prior to the effective date of the termination.

(b) Subparagraph 2(a) is deleted in its entirety, and the following is substituted therefor:

Tenant agrees to pay to Landlord, without offset of deduction (except as expressly set forth herein), as rent for the Leased Premises a monthly rental of Three Thousand Eight Hundred Fifty and no/100 Dollars (\$3,850.00) payable without demand in advance due on or before the first day of each month, commencing on August 1, 2011 and continuing thereafter until the expiration or termination of this Lease, provided, however, that in the event the term hereof shall commence or end on a day other than the first or last day of a calendar month, the rent for any fractional calendar month shall be prorated by days.

- (c) Subparagraph 23(i) shall be modified to reflect Landlord's address as follows:

If to Landlord: Gilliland Group Partnership
500 S. Taylor, #101, Lobby Box 249
Amarillo, Texas 79101
Attn: Mr. Bill Gilliland
Fax No. (806) 342-9946

3. As modified by this Amendment, the Lease shall remain in full force and effect, enforceable in accordance with its terms.
4. This Amendment shall be binding upon and shall inure to the benefit of the Landlord and Tenant, and their respective successors and assigns.
5. This Amendment shall be governed by and construed and enforced in accordance with the laws of the State of Kentucky.

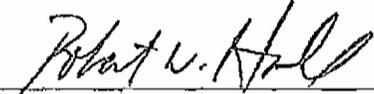
IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first written above.

LANDLORD:

GILLILAND GROUP PARTNERSHIP, a Texas
general partnership

By: Gilliland Group Family Partnership, a Texas
general partnership, General Partner

By: 
Bill Gilliland, General Partner

By: 
Robert W. Hall, General Partner

“EXHIBIT “A”

A tract of land lying in Paducah, McCracken County, Kentucky, more particularly described as follows:

Beginning at Walker and Abell's Northwest corner, same being the southwest corner of a tract now or formerly owned by John Smith Investment Company and same point lying on the east side of a variable width alley; thence S 56 degrees 37' 56" E along the North boundary of the Walker and Abell a distance of 335.00 feet to the Northeast corner of the tract herein described; thence S 32 degrees 21' 21" W a distance of 391.38 feet to the southeast corner of the herein described tract; thence North 58 degrees 14' 35" W along an Easterly projection of the North right-of-way line of Parker Street a distance of 335.00 feet to the West boundary of the Walker and Abell, same being the Southwest corner of the tract herein described; thence N 32 degrees 21' 38" E a distance of 400.80 feet along the Walker and Abell West boundary, same being the East side of the variable width alley, to the point of beginning.

There is a dedicated adjacent to the south boundary of said tract a permanent access easement 50 feet in width which would correspond to an Eastward projection of Parker Street, if extended, and said easement runs the full 335.00 foot width of the above described tract. Said easement is intended to provide a perpetual means of access to the above described tract.

The above described property is shown as Tract C on a plat filed in Plat Section H, Page 581 in the McCracken County Court Clerk's office.

Case No. 2013-00148
Atmos Energy Corporation, Kentucky Division
AG DR Set No. 1
Question No. 1-148
Page 1 of 1

REQUEST:

Referencing page 19 (lines 14 to 17) of Mr. Densman's testimony and related Schedule F.9, page 1 of 1 (FR_16(13)(f) Attachment 1), the "Notes" portion of this schedule referring to leases of buildings in Danville and Paducah states that the Company will construct its own building for occupancy October 2014.

- a. Explain which "building(s)" the Company is referring to, along with the location and purpose of the building.
- b. Explain if the base period or the forecasted test period includes any expenses, capitalized costs, or other costs related to this building to be constructed for occupancy by October 2014, and show amounts by account number and description. Explain why it is reasonable to include these costs in this rate case and provide related supporting documentation.

RESPONSE:

- a) The buildings referred to in the Direct Testimony of Mr. Josh Densman are located at 3344 Parker Street, Paducah, KY and 449 Whirlaway Drive, Danville, KY. These buildings house local operational staff and equipment that facilitate the Company's operations in these areas. The Company is planning to build and own two new offices in the Paducah and Danville locations to replace existing leased properties in these locations.
- b) The Base Period includes lease amounts for the two buildings referenced in subpart (a), which amounts to \$149,400.00 for both buildings, a piece of which is capitalized. In the Test Period, O&M expenses were adjusted down \$28,687.00 to reflect the expiration of these leases (please see FR 16(13)(f) Schedule F-9). Forecasted plant additions include \$2,698,330 related to the investment in the new buildings (see "KY Plant Data workpaper" in the Company's response to Staff DR No. 1-59). It is appropriate to include this investment as part of rate base in this case as the investment is planned to be incurred before the end of the test period.

Respondents: Josh Densman and Greg Waller

Case No. 2013-00148
Atmos Energy Corporation, Kentucky Division
AG DR Set No. 1
Question No. 1-149
Page 1 of 1

REQUEST:

Referencing page 20 (lines 18-23) and page 21 of Mr. Densman's testimony, along with Schedule C.2.3 F related to "other taxes", address the following:

- a. Provide the amount of "other taxes" by account number and a description of each kind of tax for the base period (show actual and forecasted amounts) and provide all related supporting documentation, calculations for these amounts. Explain why each of these other taxes are adjusted.
- b. Provide the actual amount of "other taxes" by account number and description for FY2011 and 2012, and explain why these other taxes should be adjusted for the base period and forecasted test period.

RESPONSE:

- a) Please see Attachment 1. The support for these numbers in the base period are seven (7) months of actuals (August 2012 - February 2013) and the approved FY 2013 budget (March 2013 - July 2013). Please refer to Mr. Josh Densman's Direct Testimony on page 21 for the explanations for the proposed adjustments to the base period numbers.
- b) Please see Attachment 2. The adjustments to the base period and forecasted test periods and not driven by the results of FY 2011 and FY 2012. Please see the response to subpart (a) for the basis of the base period and an explanation of proposed adjustments to the forecasted test period.

ATTACHMENTS:

ATTACHMENT 1 - Atmos Energy Corporation, OAG_1-149_Att1 - Taxes Other Than Income Tax Base.xlsx, 1 Page.

ATTACHMENT 1 - Atmos Energy Corporation, OAG_1-149_Att2 - Taxes Other Than Income Tax FY11 FY12.xlsx, 1 Page.

Respondent: Josh Densman

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Account 4081-Taxes Other than Income Tax by Sub-Account
Base Period: Twelve Months Ended July 31, 2013

Data: X Base Period Forecasted Period
Type of Filing: X Original Updated Revised
Worksheet Reference No(s)

FR 16(13)(c)2.3
Schedule C-2.3 B
Witness: Densman

Line No.	Description	actual	actual	actual	actual	actual	actual	actual	Budgeted	Budgeted	Budgeted	Budgeted	Budgeted	Total
		Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	
Div 009														
1	FICA 4081-01201	\$ 32,709	\$ 14,682	\$ 30,249	\$ 42,501	\$ 11,455	\$ 34,011	\$ 29,496	\$ 24,032	\$ 32,465	\$ 15,391	\$ 21,250	\$ 40,169	328,411
2	FUTA 4081-01211	15	14	9	23	4	2,903	700	366	495	234	324	612	5,700
3	SUTA 4081-01212	24	17	23	85	13	4,919	2,136	544	734	348	481	909	10,233
4	Payroll Tax Projects 4081-01256	0	0	71	254	556	348	276	112	151	72	99	187	2,124
5	Ad Valorem - Accrual 4081-30101	268,326	268,326	268,326	268,326	268,326	267,342	267,342	261,668	261,668	261,668	261,668	261,668	3,184,654
6	Taxes Property and Other 4081-30102	122	-	10,195	-	-	20,354	-	-	-	-	-	-	30,591
7	Public Service Commission Assessment 4081-301	21,876	21,876	21,876	21,876	21,876	21,876	21,876	19,069	19,069	19,069	19,069	16,992	246,397
8	Allocation for taxes other CSC	10,891	10,304	10,478	16,976	21,689	14,223	12,589	13,804	13,804	13,804	13,804	13,804	166,169
9	Allocation from taxes other SS	13,687	12,253	12,842	25,685	28,729	16,435	14,041	17,430	17,430	17,430	17,430	17,430	210,822
10	Allocation from taxes other Gen Office	13,876	2,398	9,347	13,308	6,023	10,393	9,110	8,421	9,925	6,880	7,925	11,299	108,905
11	Dot Transmission User Tax 4081-30108	-	-	-	-	-	-	-	-	52,950	-	-	-	52,950
13	Total	\$361,527	\$329,871	\$ 363,325	\$389,033	\$358,671	\$392,814	\$357,566	\$ 345,446	\$408,691	\$334,896	\$342,049	\$363,069	4,346,957
Div 002														
16	FICA 4081-01201	\$209,001	\$180,693	\$ 187,053	\$371,000	\$494,812	\$191,648	\$205,668	\$ 272,177	\$272,177	\$272,177	\$272,177	\$272,177	3,200,759
17	FUTA 4081-01211	301	121	44	113	213	21,891	2,438	2,457	2,457	2,457	2,457	2,457	37,405
18	SUTA 4081-01212	816	366	309	300	522	53,302	12,025	6,929	6,929	6,929	6,929	6,929	102,283
19	Ad Valorem - Accrual 4081-30101	60,000	60,000	60,000	60,000	60,000	50,000	50,000	43,500	43,500	43,500	43,500	43,500	617,500
20	Benefit Load Projects 4081-01290	(1,859)	5,675	0	0	0	0	0	515	515	515	515	515	6,392
21	Taxes Property and Other 4081-30102	-	-	0	64,210	-	-	136	-	-	-	-	-	64,346
22	Payroll Tax Project 4081-01256	0	0	2,071	3,329	2,548	2,426	2,194	1,154	1,154	1,154	1,154	1,154	18,342
24	Total Tax Other Than Income Tax	\$268,259	\$246,855	\$ 249,476	\$498,953	\$558,095	\$319,267	\$272,461	\$ 326,732	\$326,732	\$326,732	\$326,732	\$326,732	4,047,027
26	Allocation Factor to Kentucky Mid-States (Div 091)	-	-	-	-	-	-	-	12.90%	12.90%	12.90%	12.90%	12.90%	-
27	Allocation Factor to Kentucky Jurisdiction (Div 009)	-	-	-	-	-	-	-	41.35%	41.35%	41.35%	41.35%	41.35%	-
29	Total Allocated Amount	\$ 13,687	\$ 12,253	\$ 12,842	\$ 25,685	\$ 28,729	\$ 16,435	\$ 14,041	\$ 17,430	\$ 17,430	\$ 17,430	\$ 17,430	\$ 17,430	210,822
Div 012														
31	FICA 4081-01201	\$126,182	\$115,824	\$ 119,464	\$238,313	\$324,316	\$136,440	\$147,874	\$ 172,528	\$172,528	\$172,528	\$172,528	\$172,528	2,071,051
33	FUTA 4081-01211	181	79	25	73	140	15,071	1,871	1,646	1,646	1,646	1,646	1,646	25,672
34	SUTA 4081-01212	492	238	198	194	342	36,697	8,871	4,637	4,637	4,637	4,637	4,637	70,219
35	Benefit Load Projects 4081-01290	-	-	-	-	-	-	-	-	-	-	-	-	0
36	Ad Valorem - Accrual 4081-30101	72,000	72,000	72,000	72,000	72,000	72,000	72,000	62,613	62,613	62,613	62,613	62,613	817,065
37	Taxes Property and Other 4081-30102	-	-	-	-	-	-	-	-	-	-	-	-	0
39	Total Tax Other Than Income Tax	\$198,856	\$188,141	\$ 191,690	\$310,579	\$396,797	\$260,208	\$230,616	\$ 241,424	\$241,424	\$241,424	\$241,424	\$241,424	2,984,007
41	Allocation Factor to Kentucky Mid-States (Div 091)	-	-	-	-	-	-	-	10.78%	10.78%	10.78%	10.78%	10.78%	-
42	Allocation Factor to Kentucky Jurisdiction (Div 009)	-	-	-	-	-	-	-	53.04%	53.04%	53.04%	53.04%	53.04%	-
44	Total Allocated Amount	\$ 10,891	\$ 10,304	\$ 10,478	\$ 16,976	\$ 21,689	\$ 14,223	\$ 12,589	\$ 13,804	\$ 13,804	\$ 13,804	\$ 13,804	\$ 13,804	166,169
Div 091														
47	FICA 4081-01201	\$ 13,388	\$ 6,241	\$ 12,628	\$ 17,774	\$ 4,630	\$ 12,539	\$ 11,081	\$ 9,448	\$ 12,763	\$ 6,051	\$ 8,354	\$ 15,791	130,686
48	FUTA 4081-01211	10,737	(10,221)	4	10	1	1,084	264	172	232	110	152	287	2,831
49	SUTA 4081-01212	10	7	10	36	5	1,537	803	196	264	125	173	327	3,793
50	Payroll Tax Projects 4081-01256	0	0	295	4,976	801	12	264	437	591	280	387	731	8,574
51	Ad Valorem - Accrual 4081-30101	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	120,000
52	Benefit Load Projects 4081-01290	-	-	-	-	-	-	-	112	151	72	99	187	621
53	Occupational Licenses	-	-	-	-	-	-	-	-	-	-	-	-	0
55	Total Tax Other Than Income Tax	\$ 34,134	\$ 6,027	\$ 22,937	\$ 32,795	\$ 15,238	\$ 25,472	\$ 22,412	\$ 20,364	\$ 24,001	\$ 16,638	\$ 19,164	\$ 27,323	268,505
75	Allocation Factor to Kentucky Mid-States (Div 091)	-	-	-	-	-	-	-	100.00%	100.00%	100.00%	100.00%	100.00%	-
76	Allocation Factor to Kentucky Jurisdiction (Div 009)	-	-	-	-	-	-	-	41.35%	41.35%	41.35%	41.35%	41.35%	-
78	Total Allocated Amount	\$ 13,876	\$ 2,398	\$ 9,347	\$ 13,308	\$ 6,023	\$ 10,393	\$ 9,110	\$ 8,421	\$ 9,925	\$ 6,880	\$ 7,925	\$ 11,299	108,905

Discription	FY 2011	FY 2012
Div 009		
FICA 4081-01201	365,953	326,156
FUTA 4081-01211	5,937	5,012
SUTA 4081-01212	8,449	7,146
Payroll Tax Projects 4081-01256		
Ad Valorem - Accrual 4081-30101	1,940,223	3,153,912
Taxes Property and Other 4081-30102	2,883	1,771
Public Service Commission Assessment 4081-30112	285,946	245,455
Allocation for taxes other CSC	137,390	148,418
Allocation from taxes other SS	170,119	177,537
Allocation from taxes other Gen Office	11,794	90,734
Dot Transmission User Tax 4081-30108	58,655	52,949
Total	2,987,349	4,209,090
Div 002		
FICA 4081-01201	2,622,307	2,670,557
FUTA 4081-01211	34,223	26,198
SUTA 4081-01212	78,182	72,552
Ad Valorem - Accrual 4081-30101	688,122	711,795
Benefit Load Projects 4081-01290	2,715	5,705
Taxes Property and Other 4081-30102		
Payroll Tax Project 4081-01256		
Total Tax Other Than Income Tax	3,425,549	3,486,807
Allocation Factor to Kentucky Mid-States (Div 091)		
Allocation Factor to Kentucky Jurisdiction (Div 009)		
Total Allocated Amount		
Div 012		
FICA 4081-01201	1,992,753	1,817,802
FUTA 4081-01211	26,249	18,862
SUTA 4081-01212	59,859	51,965
Benefit Load Projects 4081-01290	12	
Ad Valorem - Accrual 4081-30101	435,229	821,400
Taxes Property and Other 4081-30102		
Total Tax Other Than Income Tax	2,514,102	2,710,029
Allocation Factor to Kentucky Mid-States (Div 091)		
Allocation Factor to Kentucky Jurisdiction (Div 009)		
Total Allocated Amount		
Div 091		
FICA 4081-01201	139,400	132,615
FUTA 4081-01211	2,213	2,563
SUTA 4081-01212	3,139	2,899
Payroll Tax Projects 4081-01256		
Ad Valorem - Accrual 4081-30101	(112,329)	120,000
Benefit Load Projects 4081-01290	2,677	2,710
Occupational Licenses		
Total Tax Other Than Income Tax	35,100	260,787

Case No. 2013-00148
Atmos Energy Corporation, Kentucky Division
AG DR Set No. 1
Question No. 1-150
Page 1 of 1

REQUEST:

Explain the difference between the Company's audited financial records (GAAP-based) and any subsidiary financial records maintained on a regulatory basis, and identify all amounts included in the base period and forecasted test period that are on a regulatory or non-GAAP basis (or indicate if all records are on a GAAP basis). For each account or type of revenue, expense, asset and liability on a regulatory or non-GAAP basis, explain the rationale and basis for maintaining records on this basis and identify the difference in the amounts between GAAP and regulatory/non-GAAP amounts. For example, identify differences in depreciation expense, accumulated depreciation, deferred taxes, and net plant due to differences in depreciation rates maintained for GAAP/audited financials versus depreciation rates maintained for regulatory/rate proceeding purposes.

RESPONSE:

All of the financial records in our general ledger are on a GAAP basis. We do not maintain a separate set of books on a regulatory basis.

Respondent: Jason Schneider

Case No. 2013-00148
Atmos Energy Corporation, Kentucky Division
AG DR Set No. 1
Question No. 1-151
Page 1 of 1

REQUEST:

Provide the amount of expenses included in the Purchased Gas Cost Account that are not from third party gas supply vendors for FY 2012, the Base Period (provide actual and forecasted amounts), and the Forecasted Test Period. Show all amounts by subaccount number along with a description of the amounts and explain why such amounts should be included in Purchased Gas Cost Expense in the Base Period and Forecasted Test Period.

RESPONSE:

All expenses recovered in the "Purchased Gas Cost Account" are associated with third party gas supply vendors.

Respondent: Mark Martin

Case No. 2013-00148
Atmos Energy Corporation, Kentucky Division
AG DR Set No. 1
Question No. 1-152
Page 1 of 1

REQUEST:

Reference page 16 (lines 6-9) of Mr. Densman's testimony where he explains that bad debt expense is calculated as .5% of residential, commercial, and public authority revenues from the revenue projection in the testimony of Mr. Martin.

- a. Provide all supporting documentation and calculations of bad debt expense for the base period and fully forecasted test period, including showing the .5% multiplied by the revenue projection in Mr. Martin's testimony.
- b. Explain if Atmos' accrues bad debt expense by specific customer class category of residential, commercial, public authority, etc., or explain Atmos' method for accrual of bad debt expense.
- c. Provide actual bad debt expense by specific customer class and the percentage of this bad debt expense by the related revenues of these same customer classes for FYE September 30, 2011 and 2012.

RESPONSE:

- a) First, we apologize, when reviewing this request we realized the bad debt amounts for the base and forecasted periods included revenue margin associated with the industrial and transportation classes in the calculation. The revised provision for bad debt amounts are \$287,261 (base) and \$262,213 (forecasted) for an adjustment of (\$25,048). Please see Attachment 1.
- b) Bad debt expense is calculated and accrued monthly. To calculate, the total margin is multiplied times the annual bad debt expense percentage. Since Kentucky has the bad debt gas cost recovery mechanism in place, margin is used instead of revenue for the calculation of bad debt expense. Our goal is to keep bad debt no higher than 0.50% of residential, commercial, and public authority revenues during any given year. Please see Attachment 1.
- c) Please see Attachment 1.

ATTACHMENT:

ATTACHMENT 1 - Atmos Energy Corporation, OAG_1-152_Att1 - Bad Debt Expense.xlsx, 6 Pages.

Respondent: Josh Densman

Atmos Energy Corporation - Kentucky
Bad Debt Expense Calculation
 Base vs. Forecasted Test Periods

	Fiscal 2012 August	Fiscal 2012 September	Fiscal 2013 October	Fiscal 2013 November	Fiscal 2013 December	Fiscal 2013 January	Fiscal 2013 February	Budget 2013 March	Budget 2013 April	Budget 2013 May	Budget 2013 June
Operating Revenue											
Residential sales - Gas Rev-Dist Inc 4800-31101	\$ 2,949,563	\$ 2,798,419	\$ 3,835,537	\$ 6,920,516	\$ 9,698,940	\$ 13,817,989	\$ 13,757,430	\$ 10,321,399	\$ 7,857,292	\$ 5,185,178	\$ 3,590,539
Commercial Revenue-Banner - Gas Rev-Dist Inc 4811-31101	\$ 1,403,372	\$ 1,357,128	\$ 1,720,158	\$ 2,572,492	\$ 3,636,786	\$ 5,387,021	\$ 5,456,377	\$ 3,892,481	\$ 2,984,154	\$ 2,270,525	\$ 1,746,094
Other Sales to Public Authority - Gas Rev-Dist Inc 4820-31101	\$ 206,771	\$ 209,850	\$ 333,413	\$ 579,613	\$ 868,672	\$ 1,207,500	\$ 1,230,627	\$ 898,532	\$ 848,396	\$ 418,898	\$ 269,106
Unbilled Residential Revenue - Gas Rev-Dist Inc 4805-31101	\$ 24,015	\$ (8,404)	\$ 872,088	\$ 2,118,411	\$ 1,773,976	\$ 1,743,476	\$ (1,575,941)				
Unbilled Comm Revenue - Gas Rev-Dist Inc 4815-31101	\$ 60,209	\$ 4,266	\$ 479,685	\$ 512,168	\$ 698,148	\$ 757,809	\$ (566,908)				
Unbilled Public Authority Revs - Gas Rev-Dist Inc 4825-31101	\$ -	\$ 3,027	\$ 139,905	\$ 154,529	\$ 189,209	\$ 128,826	\$ (144,583)				
Total Gas Revenue	\$ 4,643,919	\$ 4,364,285	\$ 7,380,783	\$ 12,857,729	\$ 16,865,732	\$ 23,042,621	\$ 18,124,002	\$ 15,112,391	\$ 11,289,842	\$ 7,884,598	\$ 5,605,739
Gas Cost											
PGA for Residential - PGA Recoveries 8051-04775	\$ 714,920	\$ 601,730	\$ 1,262,709	\$ 3,931,232	\$ 5,853,873	\$ 9,243,731	\$ 9,286,721	\$ 10,222,495	\$ 4,208,300	\$ 3,863,191	\$ 1,150,081
PGA for Commercial - PGA Recoveries 8052-04775	\$ 672,275	\$ 637,650	\$ 888,219	\$ 1,613,253	\$ 2,382,683	\$ 3,829,701	\$ 3,920,643	\$ 4,238,988	\$ 2,184,942	\$ 2,062,972	\$ 924,303
PGA for Public Authorities - PGA Recoveries 8054-04775	\$ 123,256	\$ 125,897	\$ 222,164	\$ 436,412	\$ 646,417	\$ 934,728	\$ 962,131	\$ 1,048,898	\$ 588,533	\$ 542,631	\$ 181,974
Unbilled PGA Cost - Unbilled PGA-Res 8058	\$ 75,872	\$ (59,793)	\$ 1,218,709	\$ 2,279,174	\$ 2,011,983	\$ 2,206,254	\$ (1,700,546)	\$ (5,762,668)	\$ (306,109)	\$ (2,512,402)	\$ (77,181)
Total Gas Cost	\$ 1,586,324	\$ 1,305,484	\$ 3,591,901	\$ 8,260,071	\$ 10,894,736	\$ 16,214,414	\$ 12,468,949	\$ 9,747,694	\$ 6,673,665	\$ 3,076,391	\$ 2,179,177
Margin	\$ 3,057,595	\$ 3,058,801	\$ 3,788,882	\$ 4,597,658	\$ 5,970,995	\$ 6,828,207	\$ 5,655,053	\$ 5,364,697	\$ 4,615,177	\$ 3,878,207	\$ 3,428,563
Estimated % of Bad Debt	0.50%	0.50%	0.57%	0.67%	0.57%	0.57%	0.57%	0.50%	0.50%	0.50%	0.50%
Provision Amount	\$ 15,288	\$ 15,284	\$ 21,597	\$ 26,207	\$ 34,035	\$ 38,821	\$ 32,234	\$ 26,823	\$ 23,081	\$ 19,391	\$ 17,133
Customer accounts-Uncollectibl - Cust Uncol Acct-Write Off 9040-09927	\$ 15,288	\$ 63,979	\$ 21,597	\$ 26,207	\$ 34,035	\$ 38,821	\$ 32,234				
Difference	\$ (0)	\$ (48,685)	\$ 0	\$ (0)	\$ (0)	\$ (0)	\$ (0)	\$ (0)			

* \$48,685 decrease to expense due to the annual allowance reallocation in Sep-12.

Atmos Energy Corporation - Kentucky
Bad Debt Expense Calculation
 Base vs. Forecasted Test Periods

	Budget 2013 July	Base Total	Forecasted December	Forecasted January	Forecasted February	Forecasted March	Forecasted April	Forecasted May	Forecasted June	Forecasted July	Forecasted August
Operating Revenue											
Residential sales - Gas Rev-Dist Inc 4800-31101	\$ 3,276,797	\$ 83,789,588	\$ 12,192,276	\$ 15,164,747	\$ 14,856,627	\$ 11,192,693	\$ 8,237,282	\$ 5,116,325	\$ 3,558,660	\$ 3,245,937	\$ 3,243,841
Commercial Revenue-Banner - Gas Rev-Dist Inc 4811-31101	\$ 1,629,290	\$ 34,055,854	\$ 4,581,699	\$ 5,508,901	\$ 5,400,070	\$ 4,243,109	\$ 3,243,405	\$ 2,261,581	\$ 1,748,005	\$ 1,830,887	\$ 1,627,477
Other Sales to Public Authort - Gas Rev-Dist Inc 4820-31101	\$ 242,031	\$ 7,113,407	\$ 1,102,035	\$ 1,345,077	\$ 1,316,621	\$ 971,475	\$ 899,234	\$ 406,837	\$ 261,666	\$ 235,429	\$ 234,107
Unbilled Residential Revenue - Gas Rev-Dist Inc 4805-31101		\$ 4,947,620									
Unbilled Comm Revenue - Gas Rev-Dist Inc 4815-31101		\$ 1,912,377									
Unbilled Public Authority Reve - Gas Rev-Dist Inc 4825-31101		\$ 470,913									
Total Gas Revenue	\$ 5,148,118	\$ 132,269,759	\$ 17,876,010	\$ 22,018,724	\$ 21,573,318	\$ 16,407,277	\$ 12,179,922	\$ 7,784,743	\$ 5,564,338	\$ 5,112,253	\$ 5,105,425
Gas Cost											
PGA for Residential - PGA Recoveries 8051-04775	\$ 860,971	\$ 51,199,754	\$ 6,765,996	\$ 9,258,157	\$ 11,537,425	\$ 11,585,270	\$ 4,767,968	\$ 3,812,166	\$ 1,134,162	\$ 848,691	\$ 789,763
PGA for Commercial - PGA Recoveries 8052-04775	\$ 735,650	\$ 24,111,275	\$ 2,754,036	\$ 3,834,849	\$ 4,870,839	\$ 4,804,091	\$ 2,475,520	\$ 2,055,460	\$ 911,510	\$ 725,157	\$ 742,654
PGA for Public Authorities - PGA Recoveries 8054-04775	\$ 142,190	\$ 5,953,232	\$ 747,164	\$ 935,984	\$ 1,195,310	\$ 1,188,730	\$ 664,537	\$ 535,464	\$ 179,455	\$ 140,162	\$ 136,160
Unbilled PGA Cost - Unbilled PGA-Res 8058	\$ (42,234)	\$ (2,669,981)	\$ 2,325,537	\$ 2,209,220	\$ (2,112,686)	\$ (6,530,918)	\$ (346,819)	\$ (2,479,219)	\$ (76,113)	\$ (41,632)	\$ 83,815
Total Gas Cost	\$ 1,695,576	\$ 78,595,281	\$ 12,562,732	\$ 16,236,210	\$ 15,490,888	\$ 11,047,172	\$ 7,561,206	\$ 3,923,872	\$ 2,149,014	\$ 1,672,379	\$ 1,752,392
Margin	\$ 3,451,542	\$ 53,694,478	\$ 5,283,277	\$ 5,782,515	\$ 6,032,430	\$ 5,360,105	\$ 4,618,715	\$ 3,860,871	\$ 3,415,320	\$ 3,439,874	\$ 3,353,033
Estimated % of Bad Debt	0.50%		0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Provision Amount	\$ 17,258	\$ 287,261	\$ 26,416	\$ 28,913	\$ 30,412	\$ 26,801	\$ 23,094	\$ 19,304	\$ 17,077	\$ 17,199	\$ 16,765
Customer accounts-Uncollectibl - Cust Uncol Accl-Write Off 8040-09927											
Difference											

* 948,685 decrease to expense due to the annual allowance reallocation in Sep-12.

Atmos Energy Corporation - Kentucky
Bad Debt Expense Calculation
Base vs. Forecasted Test Periods

	Forecasted September	Forecasted October	Forecasted November	Forecasted Total
Operating Revenue				
Residential sales - Gas Rev-Dist Inc 4800-31101	\$ 3,256,947	\$ 4,719,342	\$ 7,696,327	\$ 92,489,003
Commercial Revenue-Banner - Gas Rev-Dist Inc 4811-31101	\$ 1,640,793	\$ 2,121,814	\$ 3,127,875	\$ 37,133,818
Other Sales to Public Authority - Gas Rev-Dist Inc 4820-31101	\$ 237,046	\$ 375,552	\$ 652,328	\$ 7,837,400
Unbilled Residential Revenue - Gas Rev-Dist Inc 4805-31101				\$ -
Unbilled Comm Revenue - Gas Rev-Dist Inc 4815-31101				\$ -
Unbilled Public Authority Reve - Gas Rev-Dist Inc 4825-31101				\$ -
Total Gas Revenue	\$ 5,144,786	\$ 7,216,708	\$ 11,476,530	\$ 137,460,029
Gas Cost				
PGA for Residential - PGA Recoveries 8051-04775	\$ 800,052	\$ 1,251,637	\$ 3,472,139	\$ 56,021,426
PGA for Commercial - PGA Recoveries 8052-04775	\$ 947,811	\$ 880,430	\$ 1,424,856	\$ 26,327,213
PGA for Public Authorities - PGA Recoveries 8054-04775	\$ 167,391	\$ 220,216	\$ 385,447	\$ 6,486,020
Unbilled PGA Cost - Unbilled PGA-Res 8058	\$ (79,500)	\$ 1,208,023	\$ 2,013,010	\$ (3,827,283)
Total Gas Cost	\$ 1,735,755	\$ 3,560,306	\$ 7,295,451	\$ 85,017,376
Margin	\$ 3,409,031	\$ 3,656,403	\$ 4,181,079	\$ 52,442,653
Estimated % of Bad Debt	0.50%	0.50%	0.50%	
Provision Amount	\$ 17,045	\$ 18,282	\$ 20,905	\$ 262,213
Customer accounts-Uncollectibl - Cust Uncol Acct-Write Off 9040-09927 Difference				

* \$48,665 decrease to expense due to the annual allowance reallocation in Sep-12.

Atmos Energy Corporation - Kentucky
Revenue & Bad Debt Expense
Fiscal Year End 2011 and 2012

	FY Ended Sep-11	FY Ended Sep-12
Revenue		
Residential	\$ 87,258,355.38	\$ 80,850,140.87
Commercial	35,277,163.99	32,406,587.34
Public Authority	7,548,925.44	6,755,345.06
Unbilled		
Residential Unbilled	139,573.58	(89,973.96)
Commercial Unbilled	101,061.93	(90,838.76)
Public Authority Unbilled	11,652.74	(26,301.00)
 Total Revenue	 <u>\$ 130,336,733.06</u>	 <u>\$ 119,804,959.55</u>
 Bad Debt Expense	 (365,649.24) ¹	 211,801.29 ²

¹ \$607,030 decrease to expense due to annual allowance reallocation.

² \$36,762 net decrease to expense due to allowance reallocation in both Jul-12 and Sep-12. A July reallocation was done due to the sale of Liberty in August.

Fiscal 2011
 Activity
 Type
 KY/Mid States
 Cost Center
 Kentucky Division - 009DIV

	October	November	December	January	February	March	April	May	June	July	August	September	Total
Customer accounts-Uncollectibl - Cust Uncol Acct-Write Off 9040-09927	15,709.00	20,680.00	28,971.00	33,021.00	26,403.00	25,397.00	17,400.00	15,376.00	14,767.00	14,655.00	14,581.00	(592,609.24)	(365,649.24)
Residential Revenue Class	3,460,423.26	5,565,249.08	11,699,236.08	15,978,494.00	14,687,143.32	10,715,201.82	7,568,592.89	4,736,474.49	3,468,703.43	3,308,201.93	3,090,664.74	2,979,970.34	87,258,355.98
Commercial Revenue Class	1,545,837.23	2,045,871.34	4,554,177.28	6,362,088.06	5,785,935.36	4,064,316.34	2,853,827.66	1,870,855.51	1,579,400.43	1,479,674.55	1,515,718.35	1,618,461.88	35,277,168.99
Public Authority Revenue Class	812,700.79	564,984.83	972,297.39	1,438,224.86	1,295,189.14	895,215.85	633,114.21	409,351.92	280,727.88	219,836.65	247,407.02	277,874.90	7,548,925.44
Unbilled Residential Revenue - Gas Rev-Dist Inc 4805-31101	473,480.40	1,736,168.25	3,081,774.50	1,292,960.50	(3,391,797.00)	289,192.00	(2,174,381.75)	(618,205.25)	(331,792.75)	17,576.18	(67,881.18)	32,479.68	139,573.58
Unbilled Comm Revenue - Gas Rev-Dist Inc 4815-31101	169,466.27	522,755.00	1,259,573.00	555,267.00	(1,542,644.00)	119,628.00	(869,162.00)	(197,990.00)	(23,822.00)	16,296.61	52,103.39	39,590.66	101,061.93
Unbilled Public Authority Reve - Gas Rev-Dist Inc 4825-31101	63,229.74	228,842.00	163,070.00	157,101.00	(370,933.00)	29,368.00	(202,942.00)	(41,212.00)	(25,355.00)	(14,012.99)	19,247.99	5,249.00	11,652.74
	6,025,137.69	10,663,870.50	21,730,128.25	25,784,135.42	16,264,893.82	16,113,922.01	7,809,049.01	6,159,274.67	4,947,861.99	5,027,572.93	4,857,260.31	4,953,626.46	130,336,733.06

Fiscal 2012
 Activity
 Type
 XY/Mid States
 Cost Center
 Kentucky Division - 009DIV

	October	November	December	January	February	March	April	May	June	July	August	September	Total
Customer accounts-Uncollectibl - Cust Uncol Acct-Write Off 9040-09927	17,685.00	22,514.00	29,321.00	32,050.00	27,613.00	24,393.00	18,066.00	15,378.00	15,226.00	(69,711.77)	15,288.00	63,979.06	211,801.29
Residential Revenue Class	4,035,775.73	6,969,792.97	11,159,963.46	14,578,661.93	13,234,183.66	10,245,105.19	5,076,225.91	3,748,700.67	3,039,354.06	3,014,405.21	2,949,552.84	2,798,419.24	80,850,140.87
Commercial Revenue Class	1,952,078.42	2,654,542.57	4,250,837.10	5,613,083.69	5,131,183.79	3,924,340.89	2,054,283.41	1,470,184.10	1,351,289.55	1,244,264.75	1,403,371.72	1,357,127.55	32,406,587.34
Public Authority Revenue Class	341,218.65	565,027.43	976,978.08	1,290,879.83	1,166,040.10	878,359.34	446,742.86	283,353.68	206,107.02	184,017.64	206,770.77	209,849.66	6,755,345.06
Unbilled Residential Revenue - Gas Rev-Dist Inc 4805-31101	765,973.10	1,927,205.75	2,338,070.81	(2,153,137.18)	1,056,150.12	(2,641,003.06)	(572,601.81)	(657,453.56)	(129,451.59)	(39,336.64)	24,014.60	(6,404.48)	(69,973.96)
Unbilled Comm Revenue - Gas Rev-Dist Inc 4815-31101	468,265.81	386,672.68	889,763.26	(827,000.29)	394,700.35	(1,139,212.86)	(43,165.35)	(330,398.60)	51,186.56	(6,125.56)	60,209.26	4,265.89	(90,838.76)
Unbilled Public Authority Reve - Gas Rev-Dist Inc 4825-31101	99,070.00	133,051.00	232,260.00	(218,067.00)	96,527.00	(276,305.00)	(2,089.00)	(91,059.00)	(7,976.00)	(2,374.00)	7,634.00	3,027.00	(26,301.00)
	7,662,381.81	12,636,292.40	19,847,872.71	18,284,420.98	21,078,785.02	10,991,284.28	6,959,396.02	4,423,327.29	4,510,509.60	4,394,851.40	4,651,553.19	4,364,284.85	119,804,959.55