

FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT made and entered into this 7th day of July, 2014, by and between the **CITY OF SIMPSONVILLE**, a municipal corporation and political subdivision of the Commonwealth of Kentucky (hereinafter "Simpsonville"), and **ATMOS ENERGY CORPORATION**.

WITNESSETH:

WHEREAS, by Ordinance No. 2014-005 adopted June 3, 2014, Simpsonville provided for the creation and sale of a non-exclusive franchise, for a term of twenty (20) years, to acquire, lay, maintain, operate, enter upon, construct, install, use and repair, in the public right-of-way of Simpsonville, a system or works for the sale, transmission and distribution of natural gas from points either within or without the corporate limits of Simpsonville, to Simpsonville and the inhabitants thereof, and from and through Simpsonville to persons, corporations and municipalities beyond the limits thereof, and for the sale of same for light, heat, power and other purposes; and

WHEREAS, Ordinance No. 2014-005 authorized the advertising for bids on said franchise, and Atmos Energy Corporation submitted a timely bid to acquire said franchise; and

WHEREAS, by Ordinance No. 2014-007 adopted July 1, 2014, Simpsonville accepted the bid of Atmos Energy Corporation to acquire said franchise; and

WHEREAS, Simpsonville and Atmos Energy Corporation have entered into this Franchise Agreement to memorialize the sale by Simpsonville to Atmos Energy Corporation of said franchise subject to the terms and conditions reflected in Ordinance Nos. 2014-005 and 2014-007 (collectively, the "Ordinances").

NOW THEREFORE, for and in consideration of the mutual covenants and agreements contained herein the receipt and sufficiency of which are hereby acknowledged, Simpsonville and Atmos Energy Corporation hereby agree to incorporate the foregoing recitals as if fully set forth herein and further agree as follows:

1. Ordinance No. 2014-005, which is attached hereto as Exhibit "A", is incorporated herein by reference in its entirety and shall apply as if fully set forth herein.

2. The bid of Atmos Energy Corporation for said franchise, which is attached hereto as Exhibit "B", is incorporated herein by reference in its entirety and shall apply as if fully set forth herein.

3. Ordinance No. 2014-007, which is attached hereto as Exhibit "C", is incorporated herein by reference in its entirety and shall apply as if fully set forth herein.

4. Simpsonville has granted unto Atmos Energy Corporation a non-exclusive franchise, for a term of twenty (20) years, to enter upon, lay, acquire, construct, operate, maintain, install, use and repair, in the public right-of-way of Simpsonville, a system or works for the sale, transmission and distribution of natural gas within the corporate boundaries of Simpsonville subject to the provisions of the Ordinances.

5. The franchise memorialized in this Franchise Agreement shall commence ____, 2014, and shall expire as provided in the terms and provisions of Ordinance No. 2014-007.

6. Atmos Energy Corporation does hereby bind itself, its successors and assigns, to faithfully and fully perform each and every condition of said franchise as memorialized in this Agreement, and further to faithfully perform all acts required of it as the purchaser of said franchise.

7. This Franchise Agreement memorializes the agreement between the parties contained and embodied in the Ordinances and shall be binding upon and inure to the benefit of the respective successors in interest to the parties hereto.

IN WITNESS WHEREOF, Simpsonville and Atmos Energy Corporation have executed this Franchise Agreement as their free and voluntary act and deed effective as of the day and year first above written.

[Signatures on following page]

CITY OF SIMPSONVILLE

BY: [Signature]
MAYOR

ATTEST:

[Signature]
CITY CLERK

ATMOS ENERGY CORPORATION

BY: [Signature]

STATE OF KENTUCKY)
)
COUNTY OF Madison)

The foregoing Franchise Agreement was subscribed, sworn to and acknowledged before me by John Kevin Akers, as president, Atmos Energy Corporation, on this the 10 day of July, 2014.

My commission expires: March 29, 2018

[Signature]
NOTARY PUBLIC
KENTUCKY, STATE-AT-LARGE

Exhibit List

- A Ordinance No. _____
- B Bid
- C Ordinance No. _____