

SALES AGREEMENT

THIS AGREEMENT made and entered into this 9th day of September, 1966 by and between COLUMBIA GAS OF KENTUCKY, INC., a Kentucky corporation (hereinafter called Seller), and FRANK PROPERTIES, INC., a Delaware corporation (hereinafter called Buyer).

W I T N E S S E T H:

That in consideration of the mutual covenants herein contained, the parties hereto hereby agree as follows:

Section 1. Gas to be Sold. Seller hereby agrees to sell and deliver and Buyer hereby agrees to purchase Buyer's requirements of natural gas for Buyer's Plant at Turfland, Lexington, Kentucky.

Section 2. Price. Buyer agrees to pay, for all gas purchased by it hereunder each month, the following rate:

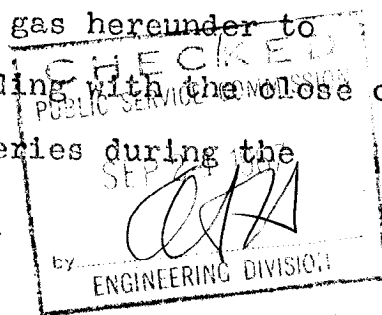
Monthly Demand Charge:

\$3.41 per Mcf of Monthly  
Billing Demand.

Billing Month Commodity Charge:

\$ .40 per Mcf for all gas  
delivered each month.

If service under this contract commences during the period May through October, the Monthly Billing Demand for each month shall be the greatest day's delivery of gas hereunder to Buyer during the period ending with the close of the current billing month. Thereafter the Monthly Billing Demand for each month shall be the greatest day's delivery of gas hereunder to Buyer during the twelve (12) months period ending with the close of the current billing month, exclusive of deliveries during the months of May through October.



Minimum Monthly Bill

The Demand Charge for the month.

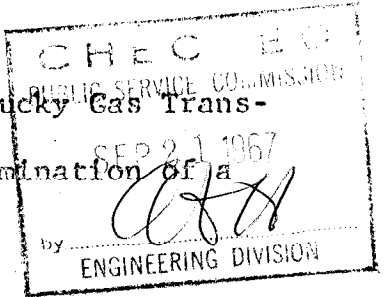
Purchased Gas Adjustment. The rates provided in Section 2 above are based on the following rates paid by Seller to its supplier, Kentucky Gas Transmission Corporation, as of November 1, 1965, which are:

- \$2.41 per month per Mcf of Billing Demand, and
- 28.25¢ per Mcf for all gas purchased.

The rates contained in Section 2 above are subject to increases and decreases by a purchased gas adjustment as hereinafter provided.

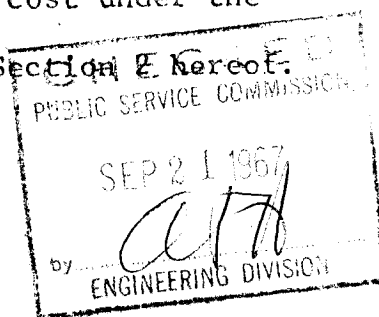
All increases or decreases in either the demand or commodity component of the above rate paid by Seller to its supplier or any successor to its supplier effective on or subsequent to November 1, 1965, shall be reflected to the same extent in the demand and commodity components of the rates contained in Section 2 above, to be effective on or after the change in Kentucky Gas Transmission Corporation's wholesale rates. Seller shall give Buyer written notice of any increase or decrease in rates payable hereunder at least 30 days in advance thereof, when possible.

If Seller receives refunds from Kentucky Gas Transmission Corporation as a result of final determination of a



rate proceeding, then Seller shall make appropriate adjustments in its charges to Buyer for the period to which the refund is applicable, but not for the period prior to the effective date hereof.

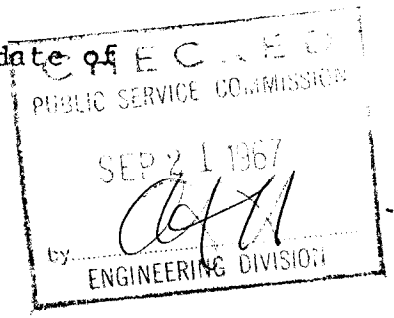
Tax Adjustment. In addition to the Purchased Gas Adjustment referred to above, Buyer shall reimburse Seller in an amount equal to the amount of any sales, transactions, occupation, service, production, severance, gathering, transmission, export or excise tax, assessment, fee or other exaction hereafter levied, assessed or fixed by the United States or the Commonwealth of Kentucky, or any other state or other governmental authority, and any tax, assessment, exaction or fee of a similar nature or equivalent in effect (not including income, excess profits, capital stock, franchise or general property taxes), in addition to or greater than those being levied, assessed or fixed as of January 1, 1966, if any, on, measured by, in respect of, or applicable to the natural gas to be delivered by Seller to Buyer under this Agreement and which Seller may be liable for during any month of the term hereof, either directly or indirectly through any obligation to reimburse others and which has not been included in determining the unit cost under the Purchased Gas Adjustment clause set forth in Section E hereof.



Such reimbursement shall be included as a separate item or items in the bills to be rendered monthly by Seller to Buyer for gas sold under this Agreement. In the event all or any part of such tax liability of Seller is not determined or is not reasonably determinable so as to be included in such monthly bills for gas, then the amount of such reimbursement required in respect of such tax liability not determined or reasonably determinable shall be set forth for all months in any calendar year in a statement to be rendered by Seller to Buyer by April 1 of the following year and Buyer shall pay the amount due pursuant to such statement on or before May 1 of such following year.

Section 3. General Terms and Conditions. This Agreement shall be subject to the General Terms and Conditions hereto annexed as Appendix A and to the rules and regulations of the Public Service Commission of Kentucky, or of Seller filed from time to time with such Commission, and any subsequent revisions thereof and to other lawful orders of regulatory authorities having jurisdiction.

Section 4. Term. This Agreement shall become effective on \_\_\_\_\_, 1966, or upon the date of

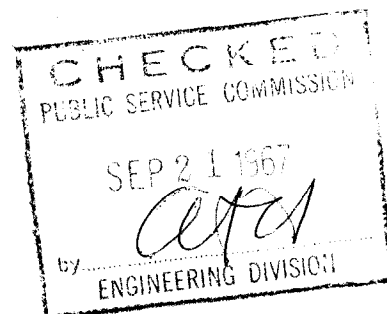


initial delivery of natural gas hereunder, whichever shall first occur, and shall continue in effect for a period of five (5) years and thereafter from year to year, unless and until terminated by written notice given by either party at least ninety (90) days prior to the termination day of each such twelve-month period.

Section 5. Delivery Point. The delivery point shall be at the outlet of Seller's measuring equipment located at Turfland Mall, Harrodsburg Pike and Lane Allen Road, Lexington, Kentucky.

Section 6. Delivery Pressure. The delivery pressure of gas delivered hereunder shall be at regulated pressures mutually agreed to by both parties.

Section 7. Notices. Notices to Seller under this Agreement shall be addressed to it at 1700 MacCorkle Avenue, S. E., Charleston, West Virginia, and notices to Buyer shall be addressed to it at 511 Fifth Ave., N.Y.C., (except 511 Fifth Avenue, New York, New York as otherwise provided herein), until either party shall change its address and give written notice thereof to the other.



Section 8. This Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors or assigns.

The parties hereto have accordingly and duly executed this Agreement.

COLUMBIA GAS OF KENTUCKY, INC.

By *W P Dick*  
W. P. Dick

Title Vice President and General Manager

FRANK PROPERTIES, INC.

By *Isadore Frank*  
Isadore Frank

Title ~~Vice~~ President

CHECKED  
PUBLIC SERVICE COMMISSION  
SEP 21 1967  
by *[Signature]*  
ENGINEERING DIVISION