
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 8-K/A

(Amendment No. 2)

**CURRENT REPORT PURSUANT TO
SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of report (Date of earliest event reported): November 24, 2014

CorEnergy Infrastructure Trust, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Maryland

(State or Other Jurisdiction of Incorporation)

1-33292

(Commission File Number)

20-3431375

(IRS Employer Identification No.)

1100 Walnut, Ste. 3350, Kansas City, MO

(Address of Principal Executive Offices)

64106

(Zip Code)

(816) 875-3705

(Registrant's Telephone Number, Including Area Code)

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Explanatory Note

This Amendment No. 2 on Form 8-K/A to the Current Report on Form 8-K dated November 24, 2014 (the “Original Report”) filed by CorEnergy Infrastructure Trust, Inc. (the “Company”) is being filed solely to add Item 8.01 to the Original Report and to amend Item 9.01 of the Original Report. Item 8.01 of the Original Report is added to file herewith additional risk factors, related to the Company’s recent acquisition of the entities which own and operate an approximately 263 mile interstate natural gas pipeline system in and around St. Louis and extending into central Missouri and certain related personal property (the “Acquisition”), from the Company’s definitive prospectus supplement dated November 18, 2014 and filed with the SEC on November 19, 2014 pursuant to the Company’s registration statement on Form S-3, SEC File No. 333-176944 (the “Prospectus Supplement”). The purpose of this addition is to facilitate the direct incorporation by reference of such supplemental risk factors from this Form 8-K/A into the Company’s other registration statements. Item 9.01 of the Original Report is being amended to file herewith copies of the historical financial statements required by paragraph (a) of Item 9.01, which had been incorporated by reference into the Amendment No. 1 on Form 8-K/A to the Original Report from the Prospectus Supplement, in order to facilitate the direct incorporation by reference of such historical financial statements from this Form 8-K/A into the Company’s other registration statements.

Item 8.01 Other Events.

The Company provided risk factors in the Prospectus Supplement used in connection with the public offering of its common stock to finance the Acquisition. These risk factors supplement the risk factors included in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2013, as amended. The supplemental risk factors are filed as Exhibit 99.2 to this Current Report and are incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(a) Attached hereto as Exhibit 99.3 is the historical financial information of MoGas Pipeline LLC and attached hereto as Exhibit 99.4 is the historical financial information for the property owned by MRV Banks.

(b) The pro forma financial information is incorporated by reference herein from the Company’s definitive prospectus supplement dated November 18, 2014 and filed with the SEC on November 19, 2014.

(d) Exhibits

Exhibit No. Description

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|------|---|
| 2.1 | Limited Liability Company Interests Purchase Agreement, dated November 17, 2014, by and among CorEnergy Infrastructure Trust, Inc. and MoGas Energy, LLC. Incorporated by reference to the Company’s Current Report on Form 8-K dated and filed with the SEC on November 17, 2014, SEC File No. 1-33292. |
| 2.2 | Amendment to Limited Liability Company Interests Purchase Agreement dated November 18, 2014 by and among CorEnergy Infrastructure Trust, Inc. and Mogas Energy, LLC. Incorporated by reference to the Company’s Current Report on Form 8-K dated November 18, 2014 and filed with the SEC on November 20, 2014, SEC File No. 1-33292. |
| 10.1 | First Amendment to Revolving Credit Agreement by and among the Company and Regions Bank, et al; dated November 24, 2014* |
| 23.1 | Consent of RubinBrown LLP with regard to MoGas Pipeline LLC* |
| 23.2 | Consent of RubinBrown LLP with regard to property owned by MRV Banks* |
| 23.3 | Consent of RubinBrown LLP with regard to MoGas Pipeline LLC |
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<u>Exhibit No.</u>	<u>Description</u>
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23.4	Consent of RubinBrown LLP with regard to property owned by MRV Banks
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99.1	Press Release dated November 24, 2014*
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99.2	Supplemental Risk Factors
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99.3	Historical Financial Information of MoGas Pipeline LLC
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99.4	Historical Financial Information of the property owned by MRV Banks
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*Previously filed

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

COREENERGY INFRASTRUCTURE TRUST, INC.

Dated: December 17, 2014

By: /s/ Rebecca M. Sandring
Rebecca M. Sandring
Secretary

Exhibit Index

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99.2	Supplemental Risk Factors
99.3	Historical Financial Information of MoGas Pipeline LLC
99.4	Historical Financial Information of the property owned by MRV Banks

*Previously filed



RubinBrown LLP
Certified Public Accountants
& Business Consultants

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Saint Louis, MO 63105

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W rubinbrown.com
E info@rubinbrown.com

Consent Of Independent Auditors

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (No. 333-176944) and Form S-8 (No. 333-198799) of CorEnergy Infrastructure Trust, Inc. of our report dated March 17, 2014 with respect to the financial statements of MoGas Pipeline LLC, which appears in Amendment No. 2 on Form 8-K/A to the Current Report dated November 24, 2014, of CorEnergy Infrastructure Trust, Inc. as filed with the Securities and Exchange Commission.

RubinBrown LLP

Saint Louis, Missouri
December 17, 2014





RubinBrown LLP
Certified Public Accountants
& Business Consultants

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Saint Louis, MO 63105

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Consent Of Independent Auditors

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (No. 333-176944) and Form S-8 (No. 333-198799) of CorEnergy Infrastructure Trust, Inc. of our report dated November 17, 2014 with respect to the statement of revenues over certain expenses of property owned by MRV Banks (referred to as the "Josephville Road Property"), which appears in Amendment No. 2 on Form 8-K/A to the Current Report dated November 24, 2014, of CorEnergy Infrastructure Trust, Inc. as filed with the Securities and Exchange Commission.

RubinBrown LLP

Saint Louis, Missouri
December 17, 2014



RISK FACTORS

You should carefully consider the risks described below, in the “Risk Factors” section of the accompanying prospectus beginning on page 11 thereof and in the “Risk Factors” section of our Annual Report on Form 10-K for the year ended December 31, 2013, as amended, together with all other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus, before you decide to invest in shares of our common stock.

Risks Related To the MoGas Transaction

MoGas Pipeline’s natural gas transmission operations are subject to regulation by the FERC.

MoGas Pipeline’s business operations are subject to regulation by the FERC, including the types and terms of services MoGas Pipeline may offer to its customers, construction of new facilities, creation, modification or abandonment of services or facilities, recordkeeping and relationships with affiliated companies. Compliance with these requirements can be costly and burdensome and FERC action in any of these areas could adversely affect MoGas Pipeline’s ability to compete for business, construct new facilities, offer new services or recover the full cost of operating its pipelines. This regulatory oversight can result in longer lead times to develop and complete any future project than competitors that are not subject to the FERC’s regulations. For example, the contemplated transactions described herein under the heading “The MoGas Transaction—Subsequent Arrangements” cannot be completed prior to the receipt of regulatory approval from the FERC. We cannot give any assurance regarding the likely future regulations under which MoGas Pipeline will operate its natural gas transmission business or the effect such regulations could have on MoGas Pipeline’s business, financial condition and results of operations.

Rate regulation could limit MoGas Pipeline’s ability to recover the full cost of operating its pipelines, including a reasonable return.

The rates MoGas Pipeline can charge for its natural gas transmission operations are regulated by the FERC pursuant to the Natural Gas Act of 1938 (“NGA”). Under the NGA, MoGas Pipeline may only charge rates that have been determined to be just and reasonable by the FERC and is prohibited from unduly preferring or unreasonably discriminating against any person with respect to its rates or terms and conditions of service. The FERC establishes both the maximum and minimum rates MoGas Pipeline can charge. The basic elements that the FERC considers are the costs of providing service, the volumes of gas being transported or stored, the rate design, the allocation of costs between services, the capital structure and the rate of return a natural gas company is permitted to earn.

MoGas Pipeline may not be able to recover all of its costs through existing or future rates. Proposed rate increases may be challenged by protest and allowed to go into effect subject to refund. Even if a rate increase is permitted by the FERC to become effective, the rate increase may not be adequate. To the extent MoGas Pipeline’s costs increase in an amount greater than its revenues increase, or there is a lag between MoGas Pipeline’s cost increases and its ability to file for and obtain rate increases, MoGas Pipeline’s operating results would be negatively affected.

MoGas Pipeline’s existing rates may be challenged in a proceeding before FERC. In such a proceeding, the FERC may reduce MoGas Pipeline’s rates if the FERC finds the rates are not just and reasonable or are unduly discriminatory. Any successful challenge against MoGas Pipeline’s rates could have an adverse impact on its future revenues associated with providing transmission services. In addition, future changes to laws, regulations and policies may impair MoGas Pipeline’s ability to recover costs, which could adversely impact its financial condition and results of operations.

MoGas Pipeline could be subject to penalties and fines if it fails to comply with FERC regulations.

Should the FERC find that MoGas Pipeline has failed to comply with all applicable FERC-administered statutes, rules, regulations, and orders, or with the terms of MoGas Pipeline’s tariffs on file with the FERC, MoGas Pipeline could be subject to substantial penalties and fines. Under the Energy Policy Act of 2005 (“EPA 2005”), the FERC has civil penalty authority under the NGA and Natural Gas Policy Act of 1978 (“NGPA”) to impose penalties for violations of up to \$1,000,000 per day for each violation, to revoke existing certificate authority and to order disgorgement of profits associated with any violation.

The revenues of MoGas Pipeline's business are generated under contracts that are subject to cancellation on an annual basis.

Substantially all of the revenues of MoGas Pipeline's business are generated under transportation contracts which have an initial term of at least one year and renew automatically on a month-to-month basis, but are subject to cancellation by the customer on 365 days' notice. If MoGas Pipeline is unable to succeed in replacing any contracts cancelled by local distribution companies ("LDCs") or other customers that account for a significant portion of its revenues, or in renegotiating such contracts on terms substantially as favorable as the existing contracts, MoGas Pipeline could suffer a material reduction in its revenues, financial results and cash flows. The maintenance or replacement of existing contracts with MoGas Pipeline's customers at rates sufficient to maintain current or projected revenues and cash flows ultimately depends on a number of factors beyond its control, including competition from other pipelines, the proximity of supplies to the markets, and the price of, and demand for, natural gas. In addition, changes in state regulation of LDCs may cause them to exercise their cancellation rights in order to turn back their capacity when the contracts expire. Recently, two key customer have taken steps to negotiate terms other than those to which they first became subject on November 1 of this year by providing notice of termination to MoGas Pipeline in accordance with the terms of their contracts.

MoGas Pipeline depends on certain key customers for a significant portion of its revenues. The loss of any of these key customers could result in a decline in MoGas Pipeline's business.

MoGas Pipeline relies on certain key customers for a significant portion of its revenues. Laclede Gas, Ameren Energy and Omega Pipeline Company (an affiliate of the Company) accounted for approximately 48%, 24% and 18%, respectively, of MoGas Pipeline's contracted revenues for the year ended December 31, 2013. The loss of all or even a portion of the contracted volumes of these or other customers, as a result of competition, creditworthiness, inability to negotiate extensions or replacements of contracts or otherwise, could have a material adverse effect on MoGas Pipeline's business, financial condition and results of operations, unless it is able to contract for comparable volumes from other customers at favorable rates.

MoGas Pipeline is exposed to the credit risk of its customers and its credit risk management may not be adequate to protect against such risk.

MoGas Pipeline is subject to the risk of loss resulting from nonpayment and/or nonperformance by its customers. MoGas Pipeline's credit procedures and policies may not be adequate to fully eliminate customer credit risk. If MoGas Pipeline fails to adequately assess the creditworthiness of existing or future customers, unanticipated deterioration in their creditworthiness and any resulting increase in nonpayment and/or nonperformance by them and inability to re-market the resulting capacity could have a material adverse effect on MoGas Pipeline's business, financial condition and results of operations. MoGas Pipeline may not be able to effectively re-market such capacity during and after insolvency proceedings involving a customer.

MoGas Pipeline's operations are subject to operational hazards and unforeseen interruptions. If a significant accident or event occurs that results in a business interruption or shutdown for which MoGas Pipeline is not adequately insured, its operations and financial results could be materially adversely affected.

MoGas Pipeline's operations are subject to many hazards inherent in the transmission of natural gas, including:

- aging infrastructure, mechanical or other performance problems;
 - damage to pipelines, facilities and related equipment caused by tornadoes, floods, fires and other natural disasters, explosions and acts of terrorism;
 - inadvertent damage from third parties, including from construction, farm and utility equipment;
 - leaks of natural gas and other hydrocarbons or losses of natural gas as a result of the malfunction of equipment or facilities;
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- operator error;
- environmental hazards, such as natural gas leaks, product and waste spills, pipeline and tank ruptures, and unauthorized discharges of products, wastes and other pollutants into the surface and subsurface environment, resulting in environmental pollution; and
- explosions.

These risks could result in substantial losses due to personal injury and/or loss of life, severe damage to and destruction of property and equipment and pollution or other environmental damage and may result in curtailment or suspension of MoGas Pipeline's related operations or services. A natural disaster or other hazard affecting the areas in which MoGas Pipeline operates could have a material adverse effect on MoGas Pipeline's operations and the financial results of its business.

Pipeline safety integrity programs and repairs may impose significant costs and liabilities on MoGas Pipeline.

The Federal Office of Pipeline Safety within the U.S. Department of Transportation requires pipeline operators to develop integrity management programs to comprehensively evaluate certain areas along their pipelines and to take additional measures to protect pipeline segments located in "high consequence areas" where a leak or rupture could potentially do the most harm. As an operator, MoGas Pipeline is required to:

- perform ongoing assessments of pipeline integrity;
- identify and characterize applicable threats to pipeline segments that could impact a high consequence area;
- improve data collection, integration and analysis;
- repair and remediate the pipeline as necessary; and
- implement preventative and mitigating actions.

MoGas Pipeline is required to maintain pipeline integrity testing programs that are intended to assess pipeline integrity. Any repair, remediation, preventative or mitigating actions could require significant capital and operating expenditures. Should MoGas Pipeline fail to comply with the Federal Office of Pipeline Safety's rules and related regulations and orders, it could be subject to significant penalties and fines, which could have a material adverse effect on MoGas Pipeline's business, results of operations and financial condition.

Certain of MoGas Pipeline's services may be subject to fixed-price "negotiated rate" contracts that are not subject to adjustment, even if its cost to perform such services exceeds the revenues received from such contracts.

Under FERC policy, a regulated service provider and a customer may mutually agree to sign a contract for service at a "negotiated rate" which may be above or below the FERC regulated, cost-based recourse rate for that service. These "negotiated rate" contracts are not generally subject to adjustment for increased costs which could be produced by inflation or other factors relating to the specific facilities being used to perform the services. Any shortfall of revenue as result of these "negotiated rate" contracts could decrease MoGas Pipeline's cash flow.

MoGas Pipeline competes with other pipelines.

The principal elements of competition among pipelines are availability of capacity, rates, terms of service, access to supplies, flexibility and reliability of service. Additionally, FERC's policies promote competition in natural gas markets by increasing the number of natural gas transmission options available to MoGas Pipeline's customer base. Any current or future pipeline system or other form of transmission that delivers natural gas into the areas that MoGas Pipeline serves could offer transmission services that are more desirable to shippers than those MoGas Pipeline provides because of price, location, facilities or other factors. Increased competition could reduce the volumes of product MoGas Pipeline transports or, in instances where MoGas Pipeline does not have long-term contracts with fixed rates, could cause MoGas Pipeline to decrease the transmission rates it can charge its customers. Competition could intensify the negative impact of factors that adversely affect the demand for MoGas Pipeline's services, such as adverse economic conditions, weather, higher fuel costs and taxes or other regulatory actions that increase the cost, or limit the use, of products MoGas Pipeline transports.

The expansion of MoGas Pipeline's existing assets and construction of new assets is subject to regulatory, environmental, political, legal and economic risks, which could adversely affect MoGas Pipeline's results of operations and financial condition.

One of the ways MoGas Pipeline may grow its business is through the expansion of its existing assets and construction of additional energy infrastructure assets. The construction of additions or modifications to MoGas Pipeline's existing pipelines, and the construction of other new energy infrastructure assets, involve numerous regulatory, environmental, political and legal uncertainties beyond MoGas Pipeline's control and will require the expenditure of significant capital that it would be required to raise. If MoGas Pipeline undertakes these projects they may not be completed on schedule, at the budgeted cost or at all. Moreover, MoGas Pipeline's revenues may not increase immediately upon the expenditure of funds on a particular project. For instance, if MoGas Pipeline expands a new pipeline, the construction may occur over an extended period of time, and MoGas Pipeline will not receive any material increases in revenues until the project is completed. Any new pipelines may not be able to attract enough throughput to achieve MoGas Pipeline's expected investment return, which could adversely affect its results of operations and financial condition. The construction of new pipelines may also require MoGas Pipeline to obtain new rights-of-way, and it may become more expensive for it to obtain these new rights-of-way or to renew existing rights-of-way. If the cost of renewing or obtaining new rights-of-way increases, MoGas Pipeline's cash flows could be adversely affected, which also could have a material adverse effect on its results of operation and financial condition.

Compliance, or any failure to comply, with existing or new environmental laws or regulations, or an accidental release of pollutants into the environment, could cause MoGas Pipeline to incur significant costs and liabilities and adversely impact its business.

MoGas Pipeline's operations are subject to extensive federal, regional, state and local laws and regulations relating to protection of the environment. These laws include, for example, the Clean Air Act (CAA), the Clean Water Act, CERCLA, the Resource Conservation and Recovery Act, OPA, OSHA and analogous state laws. These laws and regulations may restrict or impact MoGas Pipeline's business activities in many ways, including requiring the acquisition of permits or other approvals to conduct regulated activities, restricting the manner in which it disposes of wastes, requiring remedial action to remove or mitigate contamination, requiring capital expenditures to comply with pollution control requirements, and imposing substantial liabilities for pollution resulting from its operations. Failure to comply with these laws and regulations may trigger a variety of administrative, civil and criminal enforcement measures, including the assessment of monetary penalties, the imposition of remedial requirements and the issuance of orders enjoining future operations. The resulting costs, some or all of which MoGas Pipeline may not be able to recover through insurance or increased revenues, could have a material adverse effect on its business, results of operations and financial condition.

MoGas Pipeline's assets and operations, as well as its customers' assets and operations, can be affected by weather and other natural phenomena.

MoGas Pipeline's assets and operations and its customers' assets and operations can be adversely affected by floods, earthquakes, landslides, tornadoes and other natural phenomena and weather conditions, including extreme or unseasonable temperatures, making it more difficult for MoGas Pipeline to realize the historic rates of return associated with its assets and operations. A significant disruption in MoGas Pipeline's or its customers' operations, or a significant liability for which MoGas Pipeline is not fully insured, could have a material adverse effect on MoGas Pipeline's business, results of operations, and financial condition.

If third-party pipelines and other facilities interconnected to MoGas Pipeline's pipelines and facilities become unavailable to transport natural gas, MoGas Pipeline's business and revenues could be adversely affected.

MoGas Pipeline depends upon third-party pipelines and other facilities that provide delivery options to and from its pipelines. For example, its pipelines interconnect, directly or indirectly, with virtually every major interstate pipeline in the eastern portion of the U.S. and a significant number of intrastate pipelines. Because MoGas Pipeline does not own these third-party pipelines or facilities, their continuing operation is not within its control. If these pipeline connections were to become unavailable for current or future volumes of natural gas due to repairs, damage, lack of capacity or any other reason, MoGas Pipeline's ability to operate efficiently and continue shipping natural gas to end markets could be restricted, thereby reducing its revenues. Any temporary or permanent interruption at any key pipeline interconnect which causes a material reduction in volumes transported on its pipelines could have a material adverse effect on MoGas Pipeline's business, results of operations and financial condition.

MoGas Pipeline does not own all of the land on which its pipelines are located, which could disrupt MoGas Pipeline's operations.

MoGas Pipeline does not own all of the land on which its pipelines are located, and MoGas Pipeline is therefore subject to the possibility of more onerous terms and/or increased costs to retain necessary land use rights required to conduct its operations. MoGas Pipeline obtains the rights to construct and operate its pipelines on land owned by third parties and governmental agencies for a specific period of time. In certain instances, MoGas Pipeline's rights-of-way may be subordinate to that of government agencies, which could result in costs or interruptions to MoGas Pipeline's service. Restrictions on MoGas Pipeline's ability to use its rights-of-way, through MoGas Pipeline's inability to renew right-of-way contracts or otherwise, could have a material adverse effect on its business, results of operations and financial condition.

The lack of availability of natural gas resources may cause customers to seek alternative energy resources, which could materially affect MoGas Pipeline's revenues, earnings and cash flows.

MoGas Pipeline's natural gas business is dependent on the continued availability of natural gas production and reserves. Prices for natural gas, regulatory limitations on the development of natural gas supplies or a shift in supply sources could adversely affect development of additional reserves and production that are accessible by MoGas Pipeline's facilities. Lack of commercial quantities of natural gas available to these assets could cause customers to seek alternative energy resources, thereby reducing their reliance on MoGas Pipeline's services, which in turn would materially affect its revenues, earnings and cash flows.

MoGas Pipeline is exposed to costs associated with lost and unaccounted for volumes.

A certain amount of natural gas is naturally lost in connection with its transmission across a pipeline system, and under MoGas Pipeline's contractual arrangements with its customers, MoGas Pipeline is entitled to retain a specified volume of natural gas in order to compensate it for such lost and unaccounted for volumes as well as the natural gas used to run MoGas Pipeline's compressor stations, which we refer to as fuel usage. The level of fuel usage and lost and unaccounted for volumes on MoGas Pipeline's transmission system may exceed the natural gas volumes retained from its customers as compensation for fuel usage and lost and unaccounted for volumes pursuant to its contractual agreements. The FERC-approved tariffs of MoGas Pipeline provide for annual filings to adjust the amount of gas retained from customers to eliminate any overages or shortfalls from the prior year. Future exposure to the volatility of natural gas prices as a result of gas imbalances on MoGas Pipeline's systems could have a material adverse effect on its business, financial condition and results of operations.

A terrorist attack, act of cyber-terrorism or armed conflict could harm MoGas Pipeline's business.

Terrorist activities, anti-terrorist efforts and other armed conflicts involving the U.S., whether or not targeted at MoGas Pipeline's assets or the assets of its customers, could adversely affect the U.S. and global economies and could prevent MoGas Pipeline from meeting its financial and other obligations. MoGas Pipeline could experience loss of business, delays or defaults in payments from customers or disruptions of fuel supplies and markets if domestic and global utilities are direct targets or indirect casualties of an act of terror or war. Additionally, MoGas Pipeline relies on financial and operational computer systems to process information critically important for conducting various elements of its business. Any act of cyber-terrorism or other cyber-attack resulting in a failure of MoGas Pipeline's computer systems, or those of its customers, suppliers or others with whom it does business, could materially disrupt MoGas Pipeline's ability to operate its businesses and could result in a financial loss and possibly do harm to MoGas Pipeline's reputation. Accordingly, terrorist activities and the threat of potential terrorist activities (including cyber-terrorism) and any resulting economic downturn could adversely affect MoGas Pipeline's business, financial condition and results of operations.

Reductions in demand for natural gas and low market prices of commodities adversely affect MoGas Pipeline's operations and cash flows.

MoGas Pipeline's regulated business is generally economically stable and not significantly affected in the short term by changing commodity prices. However, MoGas Pipeline's business can be negatively affected in the long term by sustained downturns in the economy or long-term conservation efforts, which could affect long-term demand and market prices for natural gas. These factors are beyond MoGas Pipeline's control and could impair its ability to meet long-term goals.

Most of MoGas Pipeline's revenues are based on regulated tariff rates, which include the recovery of certain fuel costs. However, lower overall economic output would reduce the volume of natural gas transported, resulting in lower earnings and cash flows. Transmission revenues could be affected by long-term economic declines, resulting in the non-renewal of long-term contracts at the time of expiration. Lower demand for natural gas and oil, along with lower prices for natural gas, could result from multiple factors that affect the markets where MoGas Pipeline operates, including:

- weather conditions, such as abnormally mild winter or summer weather, resulting in lower energy usage for heating or cooling purposes, respectively;
 - reduced supply of and demand for energy commodities, including any decrease in the production of natural gas, could negatively affect MoGas Pipeline's transmission businesses due to lower throughput; and
 - reduced capacity and transmission service into, or out of, MoGas Pipeline's markets.
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INDEX TO MOGAS PIPELINE LLC FINANCIAL STATEMENTS

	Page
Independent Auditors' Report	F-2
Audited Financial Statements	
Balance Sheet	F-3
Statements Of Operations And Member's Equity	F-4
Statement Of Cash Flows	F-5
Notes To Financial Statements	F-6
Unaudited Financial Statements	
Balance Sheet	F-13
Statements Of Operations	F-14
Statement Of Cash Flows	F-15
Notes To Financial Statements (Unaudited)	F-16

INDEPENDENT AUDITORS' REPORT

Member
MoGas Pipeline LLC
St. Peters, Missouri

Report On The Financial Statements

We have audited the accompanying financial statements of MoGas Pipeline LLC, (a Limited Liability Corporation), which comprise the balance sheet as of December 31, 2013 and 2012, and the related statements of operations, member's equity and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility For The Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of MoGas Pipeline LLC as of December 31, 2013 and 2012, and the results of its operations and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

/s/ RubinBrown LLP
Saint Louis, Missouri
March 17, 2014

BALANCE SHEET

	December 31,	
	2013	2012
Assets		
Natural Gas Pipeline, At Cost		
Plant in service	\$ 91,232,013	\$ 90,907,555
Less accumulated depreciation	27,003,775	24,307,843
Net Natural Gas Pipeline	64,228,238	66,599,712
Current Assets		
Cash and cash equivalents	2,231,820	1,800,745
Accounts receivable	2,611,423	2,540,460
Prepaid expenses	80,505	82,386
Total Current Assets	4,923,748	4,423,591
Other Assets		
Finance costs—net of accumulated amortization of \$139,992 in 2013 and \$255,731 in 2012	64,094	302,228
Regulatory costs—net of accumulated amortization of \$597,167 in 2013 and \$447,876 in 2012	447,876	597,167
Total Other Assets	511,970	899,395
	\$ 69,663,956	\$ 71,922,698
Member's Equity And Liabilities		
Member's Equity	\$ 38,428,265	\$ 36,067,338
Commitments and Contingencies (Notes 9, 10 and 11)		
Current Liabilities		
Current maturities of long-term debt	3,687,500	28,500,000
Accounts payable and accrued expenses	441,691	355,360
Accrued severance expenses—related party (Note 10)	540,000	—
Accrued litigation liabilities (Note 9)	1,754,000	7,000,000
Total Current Liabilities	6,423,191	35,855,360
Long-Term Debt	24,812,500	—
	\$ 69,663,956	\$ 71,922,698

See the accompanying notes to financial statements.

STATEMENTS OF OPERATIONS AND MEMBER'S EQUITY

	For The Years Ended December 31,			
	2013		2012	
	Amount	%	Amount	%
Statement Of Operations				
Operating Revenues				
Transportation	\$ 13,662,659	100.0	\$ 12,475,598	100.0
Operating Expenses				
Transportation, maintenance and general and administrative	3,997,853	29.3	4,156,997	33.3
Depreciation and amortization	3,370,801	24.7	3,279,246	26.3
Litigation charges (Note 9)	1,936,103	14.2	7,000,000	56.1
Total Operating Expenses	9,304,757	68.2	14,436,243	115.7
Income (Loss) from Operations	4,357,902	31.8	(1,960,645)	(15.7)
Other Income (Expense)				
Interest expense	(650,366)	(4.8)	(1,322,384)	(10.5)
Change in fair value of interest rate swap	—	—	728,923	5.8
Miscellaneous income	58,288	0.4	92,105	0.7
Total Other Income (Expense)	(592,078)	(4.4)	(501,356)	(4.0)
Net Income (Loss)	\$ 3,765,824	27.4	\$ (2,462,001)	(19.7)
Statement Of Member's Equity				
Balance—Beginning Of Year	\$ 36,067,338		\$ 43,409,339	
Equity Contribution	7,182,103		—	
Distributions	(8,587,000)		(4,880,000)	
Net Income (Loss)	3,765,824		(2,462,001)	
Balance—End Of Year	\$ 38,428,265		\$ 36,067,338	

See the accompanying notes to financial statements.

STATEMENT OF CASH FLOWS

	For The Years Ended December 31,	
	2013	2012
Cash Flows From Operating Activities		
Net income (loss)	\$ 3,765,824	\$ (2,462,001)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Interest rate swap fair value adjustment	—	(728,923)
Depreciation and amortization	3,370,801	3,279,246
Changes in assets and liabilities:		
Increase in accounts receivable	(70,963)	(48,472)
Decrease in prepaid expenses	1,881	2,166
Increase (decrease) in accounts payable and accrued expenses	86,331	(41,442)
Increase in accrued severance costs—related party	540,000	—
Increase in accrued litigation liabilities	1,936,103	7,000,000
Decrease in customer deposits	—	(10,000)
Net Cash Provided By Operating Activities	9,629,977	6,990,574
Cash Flows Used In Investing Activities		
Purchase of plant in service	(407,816)	(307,640)
Cash Flows From Financing Activities		
Principal payments on long-term debt	—	(150,000)
Payment of finance costs	(204,086)	(407,959)
Distributions	(8,587,000)	(4,880,000)
Net Cash Used In Financing Activities	(8,791,086)	(5,437,959)
Net Increase In Cash And Cash Equivalents	431,075	1,244,975
Cash And Cash Equivalents—Beginning Of Year	1,800,745	555,770
Cash And Cash Equivalents—End Of Year	\$ 2,231,820	\$ 1,800,745
Supplemental Disclosure Of Cash Flow Information		
Interest paid	\$ 597,191	\$ 1,325,731
Noncash Investing And Financing Activity		
Capital contributed by member paid directly to customers to settle litigation (see Note 9)	\$ 7,182,103	\$ —
Finance costs incurred through increase in accounts payable	—	150,000

See the accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS
December 31, 2013 And 2012

1. Summary Of Accounting Policies

Estimates And Assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basis Of Accounting

The accounting records of MoGas Pipeline LLC (the Company) are maintained in accordance with accounting principles generally accepted in the United States of America and the Uniform System of Accounts prescribed by the Federal Energy Regulatory Commission (FERC or Commission). The Company's natural gas transmission systems are subject to the jurisdiction of FERC in accordance with the Natural Gas Act of 1938, the Natural Gas Policy Act of 1978, and the Energy Policy Act of 2005. In accordance with FERC guidelines, the Company also maintains its accounts in accordance with accounting standards that provides guidance to account for the effects of certain types of regulation. The accounting treatment differs from the accounting required for businesses that do not apply its provisions.

Cash Equivalents

Cash equivalents consist of money market accounts.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from balances outstanding at year end. Based on management's assessment of the credit history with customers having outstanding balances and current relationships with them, it has concluded that realization losses on balances outstanding at year end will be immaterial.

Regulatory Assets And Liabilities

For utility operations subject to federal or state cost-of-service rate regulation, regulatory practices that assign costs to accounting periods may differ from accounting methods generally applied by nonregulated companies. When it is probable that regulators will permit the recovery of current costs through future rates charged to customers, the Company defers these costs as regulatory assets that otherwise would be expensed by nonregulated companies. Regulatory assets will be amortized into expense over the recovery period when authorized by the regulator.

Natural Gas Pipeline

The Company utilizes mass asset accounting for depreciation charges, plant and pipeline additions and retirements. Plant and pipeline are stated at cost. The cost of additions to the transmission plant and pipeline include contracted work, direct materials and labor, allocable overheads, interest on funds used during construction and certain other related costs.

Beginning in 2010, the Company incurred consulting and legal fees resulting from litigation claiming the Company improperly included a purported acquisition premium in determining its initial rates (Note 9). Total cost capitalized amounted to nil and \$185,623 in 2013 and 2012, respectively. In accordance with FERC reporting requirements, the Company has capitalized these costs and included them as plant in service on the balance sheet. Total amounts capitalized at December 31, 2012 amounted to \$1,164,336. The Company began depreciating these costs in 2011.

The cost of maintenance and repairs to plant and the cost of replacing minor items, not affecting substantial betterments, are charged to operating expense.

Depreciation expense for financial reporting purposes is computed using the straight-line method at rates established by regulatory authorities. Depreciation expense amounted to \$2,779,290 and \$2,786,069 for the years ended December 31, 2013 and 2012, respectively.

In December 2006, the Company adopted the provisions of a FERC accounting release that impacts certain costs the Company incurs related to their pipeline integrity programs. Under the release, the Company is required to prospectively expense certain pipeline integrity costs instead of capitalizing them as a part of plant in service. Pipeline integrity costs amounting to approximately \$80,000 and \$172,000 were expensed on the statement of operations in the years ended December 31, 2013 and 2012, respectively. The Company is unable to estimate how much additional expense will be required for future pipeline integrity costs on an annual basis.

Natural Gas Pipeline assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to the estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future undiscounted cash flows, an impairment charge is recognized for the amount by which the carrying amount of the asset exceeds its fair value. There was no indicator of impairment of such assets during the years ended December 31, 2013 and 2012.

Revenue Recognition

The Company generates revenue from natural gas transportation service and recognizes revenues on firm contracted capacity over the contract period regardless of the amount of natural gas that is transported. For interruptible or volumetric-based services, revenue is recorded when physical deliveries of natural gas are made at the delivery point agreed upon by both parties. The Company recognized revenue through 9:00 a.m. on January 1, 2014 and 2013. This is consistent with industry practices.

Accounting For Asset Retirement Obligations

The Company records a liability for retirement and removal costs of long-lived assets used in the business when the timing and/or amount of the settlement of those costs are relatively certain.

The Company has legal obligations associated with its natural gas pipelines and related transmission facilities. The Company's legal obligations associated with its natural gas transmission facilities relate primarily to purging and sealing the pipelines if they are abandoned. The Company also has obligations to remove hazardous materials associated with its natural gas transmission facilities if they are replaced. The Company accrues a liability on those legal obligations when it can estimate the timing and amount of their settlement. These obligations include those where the Company has plans to or otherwise will be legally required to replace, remove or retire the associated assets. Substantially all of the Company's natural gas pipelines can be maintained indefinitely and, as a result, the Company has not accrued a liability associated with purging and sealing them.

Income Taxes

The Company is taxed as a partnership under provisions of the Internal Revenue Code and similar sections of the state income tax laws. Therefore, taxable income or loss is reported to the individual members for inclusion in their respective tax returns.

The Company follows rules for uncertain tax positions that require financial statement recognition of the impact of a tax position if a position is more likely than not of being sustained on audit, based on the technical merits of the position. The rules also provide guidance on measurement, derecognition, classification, interest and penalties, transition, and disclosure requirements for uncertain tax positions. The Company's federal and state tax returns for tax years 2010 and later remain subject to examination by taxing authorities.

Deferred Charges

Finance costs are being amortized on the straight line method over the life of the debt agreement. During 2013, the Company capitalized finance cost of \$204,086 associated with the debt agreement (Note 4) which expires on January 31, 2014. During 2012, the Company capitalized finance cost of \$557,959 associated with the debt agreement (Note 4) which had an original maturity date of July 31, 2013. Amortization expense amounted to \$442,219 and \$343,885 for the years ended December 31, 2013 and 2012, respectively.

Derivatives

The Company recognizes derivative instruments and hedging activities in the balance sheet at fair value. Derivatives that are not designated as hedges are recorded at fair value through current period earnings. Fair value for the Company's derivative financial instruments are based on quoted market prices of comparable contracts or, if none are available, on pricing models or formulas using current assumptions. The Company does not hold or issue derivative instruments for trading purposes.

Fair Value Of Financial Instruments

The carrying amount of the long-term debt approximates fair value as the interest rates fluctuate with current market rates or approximate current rates at which the Companies could borrow funds with similar terms.

Fair Value Measures

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

The hierarchy of valuation techniques is based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's market assumptions. Types of inputs create the following fair value hierarchy:

Level 1 —Quoted unadjusted prices for identical instruments in active markets.

Level 2 —Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets.

Level 3 —Model derived valuations in which one or more significant inputs or significant value drivers are unobservable.

Subsequent Events

Management has evaluated subsequent events through March 17, 2014, the date which the financial statements were available for issue.

2. Operations

MoGas Pipeline LLC, a single member limited liability company, is a wholly owned subsidiary of its parent, Mogas Energy, LLC (Mogas Energy or the Parent).

The Company earns revenue predominantly from the transportation of natural gas through its pipeline in Missouri and Illinois. The Company extends unsecured credit to its customers, which are comprised of municipalities and publicly traded natural gas companies located in eastern Missouri and western Illinois.

The Company received a Certificate of Convenience and Necessity from the FERC in April 2007. The Company filed a compliance tariff with FERC in July 2007 and received final approval as of June 1, 2008 to begin operations as an interstate pipeline.

3. Regulatory Costs

During 2009, certain organization and legal fees, related to a petition before FERC to be regulated as an interstate pipeline had accumulated costs of \$862,246, have been included as regulatory costs on the balance sheet. During 2010, the Company incurred consulting and legal fees related to the petition totaling \$182,797. Management believes it is probable that these costs will be recoverable and have included these costs on the balance sheet at \$447,876 and \$597,167 at December 31, 2013 and 2012, respectively, net of accumulated amortization of \$597,167 and \$447,876 in 2013 and 2012, respectively. Amortization of regulatory costs amounted to \$149,292 for the years ended December 31, 2013 and 2012.

4. Long-Term Debt

At December 31, 2011, the Company had term promissory notes with banks that were secured by real and personal property of the Company. The notes were payable in quarterly principal payments of \$75,000, plus interest at a variable rate of LIBOR plus the "Applicable Margin Ratio" of 1.25%, 1.5% or 2% based on the Company's debt to EBITDA ratio. The notes became due on July 12, 2012. As described in Note 5, there were interest rate swaps associated with the notes that also expired in July 2012.

In July 2012, the Company amended the term promissory notes extending the maturity date to July 2013. In July 2013, the Company amended the term promissory notes extending the maturity date to January 2014. Interest on the notes is based on a variable interest rate of LIBOR plus 2% (2.17% at December 31, 2013). On a quarterly basis, the Company is required to deposit all Group Revenues, as defined in the amendment, into the Controlled Revenue Accounts (the Accounts). Amounts included in these Accounts can be used for operating expenses and permitted capital expenditures. Amounts remaining in excess of operating expenses and permitted capital expenses are to be used to make payment first on unpaid interest and bank fees of the Company and its parent company, then to prepay the outstanding term loans and line of credit of the parent company with the same financial institution. Upon payment of all parent company obligations, the Company must pay a minimum \$75,000 principal payment on a quarterly basis plus amounts remaining in the Accounts in excess of operating expenses, permitted capital expenditures and unpaid interest and bank fees. The term promissory notes contain restrictions on interest rate coverage ratio and leverage ratio on a quarterly basis. The balance on the notes at December 31, 2013 and 2012 amounted to \$28,500,000.

In February 2014, the Company amended the term promissory notes extending the maturity date to February 28, 2017. The amended notes require quarterly principal payments of \$62,500, plus interest at a variable rate of LIBOR plus the "Applicable Margin Ratio" of 2.125% per annum. The amended note agreement required the Company to make a prepayment of \$3,500,000 which was funded through a capital contribution from the Parent company subsequent to year end and applied to the principal balance in February 2014. The note also requires the Company to establish a litigation reserve fund account of \$3,000,000 that is restricted to pay any settlement amounts, damages or other amounts payable to the plaintiffs of the municipalities' litigation (Note 9). As required by the amended note agreement, in February 2014, the Company entered into two contracts to hedge the interest rate risk exposure on a portion of its long-term debt.

The scheduled maturities of long-term debt after consideration of the subsequent refinancing of the Company's term promissory notes are as follows:

Year	Amount
2014	\$ 3,687,500
2015	250,000
2016	250,000
2017	24,312,500
	<u>\$ 28,500,000</u>

5. Interest Rate Swap

In July 2007, the Company entered into two contracts to hedge the interest rate risk exposure on a portion of its long-term debt. Payment under the term credit facility is based on LIBOR plus a spread. The Company entered into an \$8,000,000 and \$12,000,000 notional principal interest rate swap that effectively converted the floating rate LIBOR-based payments to fixed payments at 5.45%. These agreements expired in July 2012.

In August 2007, the Company entered into a contract to hedge the interest rate risk exposure on a portion of its long-term debt. Payment under the term credit facility is based on LIBOR plus a spread. The Company entered into an \$8,500,000 notional principal interest rate swap that effectively converted the floating rate LIBOR-based payments to fixed payments at 5.1%. The agreement expired in July 2012.

No interest rate swaps existed at December 31, 2013 or 2012.

Additional interest expense paid during 2012, as a result of these agreements, amounted to approximately \$748,800.

6. Miscellaneous Income

Miscellaneous income consists of:

	2013	2012
Interest income	\$ 58,044	\$ 71,935
Other miscellaneous income	244	20,170
	<u>\$ 58,288</u>	<u>\$ 92,105</u>

7. Significant Concentration

Three customers accounted for 90% and 86% of the Company's revenue during the years ended December 31, 2013 and 2012, respectively. Accounts receivable from these customers amounted to approximately 40% and 41% of total accounts receivable outstanding at December 31, 2013 and 2012, respectively.

8. Employee Benefit Plans

The Company established a profit sharing and 401(k) plan which covers all employees. Contributions to the plan are at the discretion of the Company's members to be determined annually. Employees can contribute to the plan, up to the maximum amount determined by the Internal Revenue Service. The Company matched \$33,780 and \$40,525 and made a discretionary profit sharing contribution of \$35,000 and \$40,000 in 2013 and 2012, respectively.

9. Contingencies

To provide context for the litigation described below, in October 2007, the Missouri Public Service Commission (MPSC) issued a Revised Report and Order (the Order) indicating that the Company violated their tariffs by granting transportation discounts to a customer without granting the same discount to other shippers on the system.

In 2009, a customer filed a civil action alleging refunds of approximately \$7,500,000 plus interest arising from the Order. The Company entered into a MPSC-approved settlement with the customer in October 2013 and the case has been dismissed with prejudice. The settlement resulted in the Company paying approximately \$3,676,000, which was funded by capital contributions from the Parent company during 2013. At December 31, 2012, the Company had accrued \$3,500,000 related to this case, which was charged to operations during 2012. The difference between the amount accrued and settlement payment of \$176,000 was charged to operations in 2013.

In 2011, another customer asserted claims for rate refunds as a result of the Order. The Company entered into a MPSC-approved settlement with the customer in October 2013 and the case has been dismissed with prejudice. The settlement resulted in the Company paying approximately \$3,506,000, which was funded by capital contributions from the Parent company during 2013. At December 31, 2012, the Company had accrued \$3,500,000 related to this case, which was charged to operations during 2012. The difference between the amount accrued and settlement payment of \$6,000 was charged to operations in 2013.

As a result of the MPSC-approved settlement of the two cases above, the MPSC dismissed with prejudice an action it had filed in 2007 seeking penalties from the Company arising from the Order.

In 2008, an organization purporting to represent certain municipalities along with one municipality customer asserted claims for rate refunds as a result of the Order in the amount of approximately \$800,000. The Company asserted counterclaims for unpaid charges totaling approximately \$1,050,000 plus interest amounting to approximately \$404,000 and \$345,000 at December 31, 2013 and 2012, respectively. These amounts are included in MoGas Pipeline accounts receivable at December 31, 2013 and 2012. This case is in the discovery phase and no trial date has been set. On October 15, 2012, the judge dismissed the organization and permitted three additional municipalities to substitute. Each of the municipality plaintiffs thereafter filed motions to amend their petitions alleging damages in the total amount of approximately \$3,000,000. The Company thereafter re-asserted its counterclaims for unpaid charges. Otherwise this case is in the discovery phase and no trial date has been set. The Company proposed a settlement to the four municipalities in the aggregate for approximately \$1,600,000, of which the outstanding unpaid accounts receivable and interest totaling approximately \$1,500,000 would offset the total amount of the settlement which was rejected by the municipalities. At December 31, 2013, the Company estimated a liability amounting to approximately \$1,754,000 related to these claims which was charged to operations in 2013. It is at least reasonably possible that a change in management's estimate of its probable liability could occur in the near term resulting in a loss in excess of the amount accrued.

The Company has a matter arising from its certification proceeding before the FERC. As part of that proceeding, FERC determined initial rates to be used by the Company. The MPSC alleged that the Company improperly included a purported acquisition premium associated with purchasing certain assets for the purpose of determining those rates. FERC held that the issue did not need to be determined until the Company filed its next rate case, which it was ordered to do within a certain period of time. The MPSC appealed that decision to the United States Court of Appeals for the District of Columbia, which reversed FERC's decision and remanded the matter to FERC. On March 21, 2013, the FERC issued its order reversing the decision and holding the purchase price of the assets could be included in the rate base. FERC affirmed this finding and denied MPSC's petition for rehearing on September 19, 2013. MPSC petitioned the D.C. Circuit for review of FERC's March and September 2013 orders on November 18, 2013. The Company is an intervenor in that proceeding. MPSC filed its Petitioner's brief on February 24, 2014. FERC will file a Respondent's Brief on April 25, 2014. The Company is permitted to file an Intervenor's Brief on May 12, 2014. Management believes it has meritorious defenses and plans to vigorously defend these allegations.

10. Related Party Transactions

During 2013, the Company entered into a termination agreement with its former President, an indirect beneficial owner of the Company. The termination agreement stipulated that the Company pay the former President \$45,000 a month for 12 months beginning January 2014. At December 31, 2013, the Company has included a liability in accrued severance expenses on the balance sheet amounting to \$540,000 related to the agreement.

11. Commitments

Under terms of a consulting agreement, the Company is obligated to make payments of \$20,000 each month to an independent contractor through the initial term of the agreement which ends December 31, 2014. The Company is also obligated to pay the independent contractor an additional fee based on annual EBITDA of the Company, not to exceed 50% of the aggregate of all monthly fees paid. After December 31, 2014, the Company may terminate the agreement with 30 days' notice.

The Parent has outstanding a line of credit and term promissory notes with a financial institution that are secured by all of the assets of the Company, as well as pledge of the Company's equity.

Interest on the Parent's line of credit was payable at a variable rate of LIBOR plus a range from 2.75% to 3.5% (3.665% at December 31, 2013). The line-of-credit agreement expires on January 31, 2014. The Parent had an outstanding balance of \$10,000,000 against the line of credit at December 31, 2013 and 2012. In February 2014, the line of credit agreement was converted into a term loan and additional amounts were borrowed. Upon the effective date of the amended term promissory notes, the outstanding balance of the Parent's debt was \$22,500,000.

Interest on the Parent's notes is based on a variable interest rate of LIBOR plus a range from 2.75% to 3.5% (3.665% at December 31, 2013). The Parent's balance on the term promissory notes was \$8,075,000 at December 31, 2012. No amount was outstanding under the Parent's term notes at December 31, 2013.

FINANCIAL INFORMATION

The following sets forth our unaudited balance sheets as of September 30, 2014 and December 31, 2013, our unaudited statements of operations for the three-month and nine-month periods ended September 30, 2014 and 2013, and our unaudited statements of cash flows for the nine-month periods ended September 30, 2014 and 2013.

MoGas Pipeline LLC Balance Sheet

	(Unaudited)	
	September 30, 2014	December 31, 2013
Natural Gas Pipeline, At Cost		
Plant in service	\$ 91,055,330	\$ 91,232,013
Less accumulated depreciation	29,070,433	27,003,775
Net Natural Gas Pipeline	61,984,897	64,228,238
Current Assets		
Cash and cash equivalents	1,937,000	2,231,820
Restricted cash	3,000,000	—
Accounts receivable	2,666,801	2,611,423
Interest rate swap asset	55,938	—
Prepaid expenses	184,550	80,505
Total Current Assets	7,844,289	4,923,748
Other Assets		
Finance costs—net of accumulated amortization of \$72,917 and \$139,992 at September 30, 2014 and December 31, 2013, respectively	302,083	64,094
Regulatory costs—net of accumulated amortization of \$709,136 and \$597,167 at September 30, 2014 and December 31, 2013, respectively	335,907	447,876
Total Other Assets	637,990	511,970
	\$ 70,467,176	\$ 69,663,956
Member's Equity And Liabilities		
Member's Equity	\$ 42,413,213	\$ 38,428,265
Commitments And Contingencies (Note 4)		
Current Liabilities		
Current maturities of long-term debt	250,000	3,687,500
Accounts payable and accrued expenses	784,630	441,691
Accrued severance expenses—related party	135,000	540,000
Accrued litigation liabilities—Note 4	2,259,333	1,754,000
Total Current Liabilities	3,428,963	6,423,191
Long-Term Debt	24,625,000	24,812,500
	\$ 70,467,176	\$ 69,663,956

The accompanying notes are an integral part of these financial statements.

MoGas Pipeline LLC
Statement Of Operations

	For The Three Months		For The Nine Months	
	Ended September 30,		Ended September 30,	
	2014	2013	2014	2013
	Amount	Amount	Amount	Amount
Operating Revenues				
Transportation	\$ 3,388,752	\$ 3,389,090	\$ 10,316,109	\$ 10,226,056
Operating Expenses				
Transportation, maintenance and general and administrative	1,343,278	717,352	3,120,196	2,484,002
Depreciation and amortization	789,110	803,926	2,358,209	2,574,011
Litigation charges—Note 4	505,333	1,936,103	505,333	1,936,103
Total Operating Expenses	2,637,721	3,457,381	5,983,738	6,994,116
Income (Loss) From Operations	751,031	(68,291)	4,332,371	3,231,940
Other Income (Expense)				
Interest expense	(194,583)	(176,730)	(646,333)	(492,249)
Change in fair value of interest rate swap	113,229	—	55,938	—
Miscellaneous income (expense)	23,196	2,131	61,674	39,195
Total Other Income (Expense)	(58,158)	(174,599)	(528,721)	(453,054)
Net Income (Loss)	\$ 692,873	\$ (242,890)	\$ 3,803,650	\$ 2,778,886

The accompanying notes are an integral part of these financial statements.

MoGas Pipeline LLC
Statement of Cash Flows

	For The Nine Months Ended September 30,	
	2014	2013
Cash Flows From Operating Activities		
Net income	\$ 3,803,650	\$ 2,778,886
Adjustments to reconcile net income to net cash provided by operating activities:		
Interest rate swap fair value adjustment	(55,938)	—
Depreciation and amortization	2,358,209	2,574,011
Changes in assets and liabilities:		
Increase in restricted cash	(3,000,000)	—
Increase in accounts receivable	(55,378)	(22,510)
Increase in prepaid expenses	(104,045)	(95,923)
Increase in accounts payable and accrued expenses	583,573	213,264
Decrease in accrued severance costs—related party	(405,000)	—
Increase in accrued litigation liabilities	505,333	1,936,103
Net Cash Provided By Operating Activities	3,630,404	7,383,831
Cash Flows Used In Investing Activities		
Purchase of plant in service	(106,522)	(8,973)
Cash Flows From Financing Activities		
Principal payments on long-term debt	(125,000)	—
Payment of finance costs	—	(163,324)
Equity contribution	2,966,298	—
Distributions	(6,660,000)	(7,592,000)
Net Cash Used In Financing Activities	(3,818,702)	(7,755,324)
Net Decrease In Cash And Cash Equivalents	(294,820)	(380,466)
Cash And Cash Equivalents—Beginning Of Period	2,231,820	1,800,745
Cash And Cash Equivalents—End Of Period	\$ 1,937,000	\$ 1,420,279
Supplemental Disclosure Of Cash Flow Information		
Interest paid	\$ 697,526	\$ 442,113
Noncash Investing And Financing Activity		
Capital contributed by member paid directly to customers to settle litigation (see Note 4)	\$ —	\$ 7,182,103
Finance costs incurred through increase in accounts payable	—	40,762
Capital contributed by member paid directly to financial institution for paydown of debt	3,500,000	—
Capital contributed by member paid directly to financial institution to pay debt issuance costs	375,000	—

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

1. Nature Of Operations And Basis Of Presentation

Organization

MoGas Pipeline LLC (the Company), a sole member limited liability company, is a wholly owned subsidiary of its Parent, Mogas Energy, LLC (the Parent or Mogas Energy).

The Company earns revenue predominantly from the transportation of natural gas through its pipeline in Missouri and Illinois. The Company extends unsecured credit to its customers, which are comprised of municipalities and publicly traded natural gas companies located in eastern Missouri and western Illinois.

The Company received a Certificate of Convenience and Necessity from the FERC in April 2007. The Company filed a compliance tariff with FERC in July 2007 and received final approval as of June 1, 2008 to begin operations as an interstate pipeline.

Basis Of Presentation

The accompanying financial statements have been prepared by the Company in accordance with the accounting policies stated in the Company's 2013 audited financial statements and should be read in conjunction with the 2013 audited financial statements of the Company.

In the opinion of the Company, all normal recurring adjustments necessary for a fair presentation have been included in the unaudited financial statements. The unaudited financial statements have been prepared in compliance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) accounting principles generally accepted in the United States for interim financial information. Accordingly, the financial statements do not include all the information and footnotes required by accounting principles generally accepted in the United States for complete financial statements, and do include amounts that are based upon management estimates and judgments. Future actual results could differ from such current estimates.

Subsequent Events

Management has evaluated subsequent events through November 17, 2014, the date which the financial information was available for issue.

2. Derivative Instruments

The Company recognizes derivative instruments and hedging activities as either assets or liabilities in the balance sheet at fair value. The Company's derivative instruments do not qualify for hedge accounting under the specific guidelines of ASC 815-20-25, *Derivatives and Hedging, Hedging-General, Recognition*. While management believes these instruments are entered into in order to effectively manage various risks, none of the derivative instruments are designated and accounted for as hedges primarily as a result of the extensive recordkeeping requirements.

In March 2014, the Company entered into two contracts to hedge the interest rate risk exposure on its long-term debt. The Company entered into \$10,000,000 and \$15,000,000 notional principal interest rate swap agreements that effectively converted the floating rate London Interbank Offered Rate (LIBOR) based payments to fixed payments at 3.048%. The agreements expire in February 2017. Additional interest expense paid amounted to \$44,013 for the three months ended September 30, 2014 and \$102,516 for the nine months ended September 30, 2014.

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

The hierarchy of valuation techniques is based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's market assumptions. Types of inputs create the following fair value hierarchy:

Level 1— Quoted unadjusted prices for identical instruments in active markets

Level 2— Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets.

Level 3— Model derived valuations in which one or more significant inputs or significant value drivers are unobservable.

The Company's assets and/or liabilities measured at fair value on a recurring basis include interest rate swap agreements. The agreements have been valued using a LIBOR rate based forward price curve model and therefore are defined as Level 2. No interest rate swaps existed at December 31, 2013.

Changes in fair value are recorded through current period earnings and amounted to a gain of \$113,229 for the three months ended September 30, 2014, and a gain of \$55,938 for the nine months ended September 30, 2014.

3. Long-Term Debt

In February 2014, the Company amended the existing term promissory notes extending the maturity date to February 28, 2017. The amended notes are secured by real and personal property of the Company and require quarterly principal payments of \$62,500, plus interest at a variable rate of LIBOR plus the "Applicable Margin Ratio" of 2.125% per annum. The amended note agreement required the Company to make a prepayment of \$3,500,000 which was funded through a capital contribution from Mogas Energy. The note also requires the Company to establish a litigation reserve fund account of \$3,000,000 that is restricted to pay any settlement amounts, damages or other amounts payable to the plaintiffs of the municipalities' litigation (Note 4) and is classified as restricted cash on the balance sheet as of September 30, 2014.

4. Contingencies

To provide context for the litigation described below, in October 2007, the Missouri Public Service Commission (MPSC) issued a Revised Report and Order (the Order) indicating that the Company violated their tariffs by granting transportation discounts to a customer without granting the same discount to other shippers on the system.

Four municipalities have asserted claims for rate refunds as a result of the Order in the amount of approximately \$3,000,000. The Company asserted counterclaims for unpaid charges totaling approximately \$1,048,000 plus interest amounting to approximately \$462,000 and \$404,000 at September 30, 2014 and December 31, 2013, respectively. These amounts are included in the Company's accounts receivable at September 30, 2014 and December 31, 2013. The Company entered into a settlement with one of the municipalities in October 2014 and the case will be dismissed with prejudice. The settlement resulted in the Company paying \$220,000. The Company's counterclaim for unpaid charges and related interest totaling approximately \$395,000 will be dismissed at a future date. In November 2014, the Company tentatively agreed to a settlement with the remaining three municipalities. The Company is advised that two of the municipalities governing bodies have approved the settlements and that the third will approve it on November 20, 2014. The settlement will require the Company to pay in the aggregate \$530,000 and to dismiss the Company's counterclaims for unpaid charges and related interest total approximately \$1,115,000. The above cash payments, total \$750,000, will be funded from restricted cash on the Company's balance sheet. At September 30, 2014, the Company estimated a liability amounting to approximately \$2,260,000. At December 31, 2013, the Company estimated a liability amounting to approximately \$1,754,000 related to these claims which was charged to operations in the nine months ended September 30, 2013. The difference between the amount accrued at December 31, 2013 and the total amount of the current settlements approved and pending approval resulted in a charge to operations of approximately \$506,000 in the nine months ended September 30, 2014. It is at least reasonably possible that a change in management's estimate of its probable liability could occur in the near term resulting in a loss in excess of the amount accrued.

In 2009, a customer filed a civil action alleging refunds of approximately \$7,500,000 plus interest arising from the Order. The Company entered into a MPSC-approved settlement with the customer in October 2013 and the case has been dismissed with prejudice. The settlement resulted in the Company paying approximately \$3,676,000, which was funded by capital contributions from the Parent company during 2013. The difference between the amount accrued at December 31, 2012 totaling \$3,500,000 and the settlement payment resulted in a charge to operations of \$176,000 in the nine months ended September 30, 2013.

In 2011, another customer asserted claims for rate refunds as a result of the Order. The Company entered into a MPSC-approved settlement with the customer in October 2013 and the case has been dismissed with prejudice. The settlement resulted in the Company paying approximately \$3,506,000, which was funded by capital contributions from the Parent company during 2013. The difference between the amount accrued at December 31, 2012 of \$3,500,000 and the settlement payment resulted in a charge to operations of \$6,000 in the nine months ended September 30, 2013.

As a result of the MPSC-approved settlement of the two cases above, the MPSC dismissed with prejudice an action it had filed in 2007 seeking penalties from the Company arising from the Order.

The Company has a matter arising from its certification proceeding before the FERC. As part of that proceeding, FERC determined initial rates to be used by the Company. The MPSC alleged that the Company improperly included a purported acquisition premium associated with purchasing certain assets for the purpose of determining those rates. FERC held that the issue did not need to be determined until the Company filed its next rate case, which it was ordered to do within a certain period of time. The MPSC appealed that decision to the United States Court of Appeals for the District of Columbia, which vacated FERC's decision and remanded the matter to FERC. On March 21, 2013, the FERC issued an order holding the purchase price of the assets could be included in the rate base. FERC affirmed this finding and denied MPSC's petition for rehearing on September 19, 2013. MPSC petitioned the D.C. Circuit for review of FERC's March and September 2013 orders on November 13, 2013. The Company is an intervenor in that proceeding. Briefing by all parties has been completed. Oral argument is scheduled to occur on December 12, 2014. Management believes the FERC has meritorious defenses and continues to vigorously support and defend the FERC's orders being challenged.

5. Commitments

The Parent has outstanding term promissory notes with a financial institution that are secured by all of the assets of the Company, as well as a pledge of the Company's equity. Interest on the Parent's term promissory notes is payable at a variable rate of LIBOR plus a range from 2.125% to 3.125%. The Parent's balance on the term promissory notes was \$21,375,000 at September 30, 2014.

In June 2014, the Company entered into a lease with United Property Systems, LLC, a related party. The lease commenced on June 12, 2014, and will terminate on May 31, 2015, with the option for automatic yearly renewals indefinitely. Under the terms of the lease, the Company will make monthly rent payments to the related party, as well as an annual payment to cover real estate taxes incurred during the year. Total rental expense recorded under this lease during the three and nine-month period ended September 30, 2014 was \$45,000 and \$54,500, respectively.

6. Recently Issued Accounting Statements

In May 2014, the FASB and International Accounting Board jointly issued new principles based accounting guidance for revenue recognition that will supersede virtually all existing revenue guidance. The core principle to this guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. To achieve the core principle, the guidance establishes the following five steps: 1.) identify the contract(s) with a customer, 2.) identify the performance obligations in the contract, 3.) determine the transaction price, 4.) allocate the transaction price to the performance obligations in the contract, and 5.) recognize revenue when (or as) the entity satisfies a performance obligation. The guidance also details the accounting for costs to obtain or fulfill a contract. Lastly, disclosure requirements have been enhanced to provide sufficient information to enable users of financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. This guidance is effective for annual reporting periods beginning after December 15, 2016, including interim periods within that reporting period. Early application is not permitted. The Company is currently evaluating the impact on the Company's financial position or results of operations and related disclosures.

INDEX TO UNITED PROPERTY SYSTEMS, LLC FINANCIAL STATEMENTS

	Page
Independent Auditors' Report	F-21
Financial Statements	
Statements Of Revenue Over Certain Expenses	F-22
Notes To Statements Of Revenue Over Certain Expenses	F-23

INDEPENDENT AUDITORS' REPORT

Board of Directors
United Property Systems, LLC

Report On The Financial Statements

We have audited the accompanying statements of revenue over certain expenses of property owned by MRV Banks (referred to in these statements as the "Josephville Road Property") for the years ended December 31, 2013 and 2012, and the related notes to the statements of revenue over certain expenses.

Management's Responsibility For The Statements

Management of United Property Systems, LLC is responsible for the preparation and fair presentation of the statements of revenue over certain expenses in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the statements of revenue over certain expenses that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statements of revenue over certain expenses are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statements of revenue over certain expenses. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the statements of revenue over certain expenses, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the statements of revenue over certain expenses in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the statements of revenue over certain expenses.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the statements of revenue over certain expenses referred to above present fairly, in all material respects, the revenues and certain expenses described in Note 2 of the Josephville Road Property for the years ended December 31, 2013 and 2012, in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

The accompanying statements of revenue over certain expenses were prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission, as described in Note 2, and are not intended to be a complete presentation of the Josephville Road Property's revenues and expenses. Our opinion is not modified with respect to this matter.

/s/ RubinBrown LLP
Saint Louis, Missouri
November 17, 2014

STATEMENTS OF REVENUE OVER CERTAIN EXPENSES

	For The Nine Months Ended September 30, 2014 (Unaudited)	For The Years Ended December 31,	
		2013	2012
Revenues			
Lease income	\$ 116,554	\$ 78,000	\$ 78,000
Expenses			
Real estate taxes expense	14,877	19,836	20,421
Revenues In Excess Of Certain Expenses	<u>\$ 101,677</u>	<u>\$ 58,164</u>	<u>\$ 57,579</u>

See the accompanying notes to Statements of Revenue Over Certain Expenses.

NOTES TO STATEMENTS OF REVENUE OVER CERTAIN EXPENSES

For the Nine-Month Period Ended September 30, 2014 (Unaudited) and For the Years Ended December 31, 2013 and 2012

1. Summary Of Significant Accounting Policies

Basis Of Accounting

The accompanying statements of revenue and certain expenses have been prepared using the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America.

Revenue Recognition

Revenue related to leased property is recognized on a straight-line basis over the term of the lease when collectability is reasonably assumed. Rental payments on the leased property are received on a monthly basis and are included as lease income within the accompanying statements of revenue and certain expenses.

Real Estate Tax Expense

Real estate tax expense is accrued on a straight-line basis and is paid on an annual basis.

Subsequent Events

Management has evaluated subsequent events through November 17, 2014, the date which the statements were available for issue.

2. Basis Of Presentation

In June 2014, United Property Systems, LLC purchased a parcel of land from MRV Banks (the "Josephville Road Property"). The Josephville Road Property is commercial property, which consists of office space and a concrete production facility.

The accompanying statements of revenue over certain expenses represent those of the Josephville Road Property and have been prepared for the purpose of complying with Rule 3-14 of Regulation S-X of the Securities and Exchange Commission.

The accompanying statements of the Josephville Road Property's revenue over certain expenses are not representative of the actual operations for the periods presented, as certain revenues and expenses have been excluded that may not be comparable to the revenues and expenses expected in future operations. Excluded items include depreciation not directly comparable to the future operations of the Josephville Road Property.

An audited statement of revenue over certain expenses is being presented for the two most recent fiscal years available, instead of the three most recent years based on the following factors: (i) the Josephville Road Property was acquired from an unaffiliated party and (ii) based on due diligence of the Josephville Road Property by United Property Systems, LLC, management is not aware of any material factors relating to the Josephville Road Property that would cause this financial information not to be indicative of future operating results.

The accompanying unaudited statement of revenue over certain expenses has been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information as contained within the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") and the rules and regulations of the SEC, including Article 3-14 of Regulation S-X. Accordingly, the statement of revenue over certain expenses does not include all of the information and footnotes required by GAAP for audited financial statements. In the opinion of management of United Property Systems, LLC, the statement of revenue over operating expenses for the interim period presented includes all adjustments, which are of a normal and recurring nature, necessary for a fair and consistent presentation of the results for such period. Operating results for the nine months ended September 30, 2014 are not necessarily indicative of the results that may be expected for the year ending December 31, 2014.

3. Lease Agreements

United Property Systems, LLC's lease with MoGas Pipeline LLC commenced on June 12, 2014, and will terminate on May 31, 2015, with the option for automatic yearly renewals indefinitely. Under the terms of the lease, the Company will receive monthly rent payments from MoGas Pipeline LLC, as well as an annual payment to cover real estate taxes incurred during the year. Total rental income including accrued reimbursement with real estate taxes earned under this lease during the nine-month period ended September 30, 2014 was \$57,471.

MRV Banks' lease with Western Ready-Mix, Inc. commenced on January 1, 2011, and terminated on December 31, 2012. Western Ready-Mix, Inc. then leased the property on a month-to-month basis until signing a new lease for the property with United Property Systems, LLC on September 1, 2014. The lease will terminate on August 31, 2015. Under the terms of the lease, the Company will receive monthly rent payments from Western Ready-Mix, LLC, as well as an annual payment to cover real estate taxes incurred during the year. Total rental income earned under this lease during the nine-month period ended September 30, 2014 was \$59,083. Rental income earned during the years ended December 31, 2013 and 2012 amounted to \$78,000.

Future minimum lease payments to be received in 2015 amount to \$125,000.