

Edgar Filing: RGC RESOURCES INC - Form 8-K

As of May 1, 2005, RGC Resources, Inc. (the "Company") entered into a Change in Control Agreement with each of Mr. Howard T. Lyon and Ms. Dale P. Moore that provides certain benefits to each in the event of a "Change in Control." For purposes of each agreement, a "Change in Control" occurs when (i) any person or entity becomes the beneficial owner of at least 50% of the combined voting power of the Company's voting securities; (ii) any person or entity becomes the beneficial owner of at least 50% of the voting securities of the surviving entity following a merger, recapitalization, reorganization, consolidation or sale of assets by the Company; or (iii) the Company is liquidated or sells substantially all of its assets. In the event that his or her employment with the Company is terminated within 24 months of the date of a Change in Control, unless the termination is (a) because of his or her death or disability, (b) for Cause (as defined in the agreement) or (c) by him or her other than for Good Reason (as defined in the agreement), then he or she will receive a severance payment equal to 1.5 times his or her average annual compensation over the prior five tax years. This severance payment will be reduced to the extent necessary to avoid certain federal excise taxes. Also in such event, the Company will continue his or her life insurance, medical, health and accident and disability plans, programs or arrangements until the earlier of 24 months after the date of the Change in Control, his or her death, or his or her full-time employment. The agreement does not require Mr. Lyon or Ms. Moore to seek employment to mitigate any payments or benefits provided thereunder. Mr. Lyon is Vice-President, Treasurer and Controller of the Company. Ms. Moore is Vice President and Secretary of the Company.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

| Exhibit No. | Description of Document |
|-------------|--|
| 10.1 | Change in Control Agreement between RGC Resources, Inc. and Howard T. Lyon dated as of May 1, 2005 |
| 10.2 | Change in Control Agreement between RGC Resources, Inc. and Dale P. Moore dated as of May 1, 2005 |

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.

RGC RESOURCES, INC.

By s/Howard T. Lyon
Howard T. Lyon
Vice-President, Treasurer and Controller
(Principal Financial Officer)

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Date: May 2, 2005