ORDINANCE NO. 7

AN ORDINANCE, GRANTING TO THE GREELEY GAS COMPANY, A COLORADO CORPORATION, DULY AUTHORIZED TO ENGAGE IN BUSINESS IN THE STATE OF KANSAS, ITS TRUSTEES, SUCCESSORS, AND ASSIGNS, A NATURAL GAS FRANCHISE, PRESCRIBING THE TERMS THEREOF AND RELATING THERETO AND REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES INCONSISTENT OR CONFLICTING WITH THE TERMS THEREOF.

BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF BASEHOR, KANSAS:

Section 1. That in consideration of the benefits to be derived by the City of Basehor, Kansas, and its inhabitants, there is hereby granted to the Greeley Gas Company, a Colorado corporation, and duly authorized to engage in business in the State of Kansas, hereinafter sometimes designated as "Company," the right, privilege and authority for a period of twenty (20) years from the effective date of this ordinance, subject to the conditions hereinafter stated, the lawful Rules and Regulations of the State Corporation Commission, and any other regulatory agency having jurisdiction over the Company, and the laws of the State of Kansas, to occupy and use the several streets, alleys, avenues, roads and other public places of said city, for the placing and maintaining of pipe lines and all other equipment necessary to carry on the business of selling and distributing natural gas for all purposes to the City of Basehor, Kansas, and its inhabitants, and through said City and beyond the limits thereof; to obtain said natural gas from any source available and to do all things necessary or proper to carry on said natural gas business in the City of Basehor, Kansas.

Section 2. That all mains, services, pipes and all other equipment necessary to carry on the business of selling and distributing natural gas, which shall be laid or installed under this grant, shall be so located and laid as not to unnecessarily obstruct or interfere with any public or private drains, sewers, water pipes or other public improvements already installed, and with the lawful use of said streets, alleys, avenues, roads and other public places of said City.

Section 3. In consideration of the premises, the Company agrees to pay to the City of Basehor, and the City of Basehor agrees to accept in lieu of occupation taxes, license fees, privilege taxes and all other taxes and fees, One Per Centum of the total of the gross sales of gas sold by the Company in the City of Basehor to domestic and commercial customers during the term of this franchise. Said consideration shall be reported and paid to the City by the Company no less frequently than semi-annually and if paid semi-annually, shall be paid on the last days of June and December of each year.

Section 4. In the event the City intends to construct, change or repair any water mains, sewers, pipes, drains or other public improvements or change the grade of any of its streets, alleys, roads or public grounds where the Company is using the streets, alleys, roads or public grounds for its mains or other pipes, or equipment, then the City shall give notice of such contemplated changes or repairs to the Company and the Company shall raise or lower at its own expense any of its mains, pipes or facilities, or take such other action as may be necessary to permit careful and prudent completion of such construction, changes or repairs. The Company shall furnish the City with a map showing the size and location of its gas distribution system, and, upon written request of the City, Company shall make any changes or additions thereto.

Section 5. That the Company, in the construction, maintenance and operation of its natural gas system shall use all reasonable and proper precaution to avoid damage or injury to persons or property, and the Company shall be liable for all losses, injuries or damages which may result to the City or to its inhabitants, by reason of the sole negligence of the Company, its agents or servants, in the construction or maintenance of its said system and shall at all times hold and save the City harmless from any and all liability of the City arising from claims for damages or injuries to others due to the sole negligence of the Company, its agents or servants, in the construction, maintenance and operation of said system in the streets, alleys, roads and public places of said City.

Section 6. During the continuance of this franchise, the Company shall furnish natural gas to the City and its inhabitants in accordance with the terms of this franchise, and the rates, charges, rules and regulations now on file with the State Corporation Commission of the State of Kansas, or such revision of rates, charges, rules and regulations as may be lawfully established from time to time in accordance with the laws of the State of Kansas.

Section 7. It is recognized that the natural gas to be delivered hereunder is to be supplied from Company's pipe line system transporting natural gas from various sources of supply; and the Company, by its acceptance of this franchise as hereinafter provided, does obligate itself to furnish natural gas in such length of time, limited by the terms hereof, as the said sources of supply and said pipe lines are reasonably capable of supplying.

Section 8. The Company shall have the right to make reasonable rules and regulations for the protection of its property, for the prevention of loss and waste in the conduct and management of its business, and for the sale and distribution of gas, including rules and regulations with reference to extensions or additions to its gas distribution system, as from time to time is deemed necessary.

Section 9. The Company shall have the right to assign this franchise, and the rights and privileges herein granted, to any person, firm or corporation, subject to the approval of the State Corporation Commission of the State of Kansas, or any other body having jurisdiction over such assignment, and any such assignee, by

accepting such assignment, shall be bound by the terms and provisions hereof. All such assignments shall be in writing and authenticated copies thereof shall be filed with the clerk of the City of Basehor.

Section 10. That within ninety (90) days from and after the final passage and approval of this Ordinance, the Company shall file with the City Clerk of the City of Basehor, its unconditioned written acceptance of this Ordinance.

Section 11. That any and all ordinances in conflict with the terms hereof are hereby repealed.

Section 12. That this Ordinance shall take effect and be enforced and shall be and become a binding contract between the parties hereto, their trustees, successors and assigns, sixty (60) days from and after the date of its final passage, approval, publication as required by law and upon acceptance by the Company.

Section 13. This franchise is granted pursuant to the provisions of K.S.A. 12-2001.

PASSED AND APPROVED this ~~27th~~ 2nd day of November, 1965.

Ralph E Bryan
Mayor

ATTEST:

Donald R Hess
City Clerk

(Seal)