

ORDINANCE NO. 909

An Ordinance granting to Montana Dakota Utilities Co., a division of MDU Resources Group, Inc., a Corporation, it s successors and assigns, the franchise and right to construct, maintain and operate within and upon, in and under the streets, alleys and public grounds of the City of Williston, North Dakota, a gas distribution system for transmitting and distributing natural or manufactured gas, or a mixture of both, for public and private use.

WHEREAS, pursuant to law the City has the power to grant a non-exclusive franchise for a term of no more than twenty years; and,

WHEREAS, pursuant to city ordinance the City may grant a franchise, by ordinance; and,

WHEREAS, it is in the public interest that a franchise be granted to Montana Dakota Utilities Co., for construction, operation and maintenance of a gas distribution system.

NOW THEREFORE, BE IT ORDAINED by the Board of City Commissioners of the City of Williston, North Dakota:

Article I. Definitions. As used herein, the following words and terms are defined as follows:

1. “City” means the City of Williston, North Dakota.
2. “Franchise” means all of the rights and obligations extended by City to Grantee herein.
3. “Grantee” means Montana Dakota Utilities, Co.

Article II. Grant of Authority. There is hereby granted by the City to the Grantee, its successors and assigns, subject to the conditions and limitations contained herein, the right and privilege to occupy and use the streets, alleys and public grounds of the City as now, or hereafter constituted, for the purpose of constructing, maintaining and operating, within, upon, in and under the same, a gas distribution system for transmitting and distributing natural and manufactured gas, or a mixture of both, for public and private use.

Article III. Grantee’s Obligations. Grantee shall maintain an efficient distribution system for furnishing natural or manufactured gas, or a mixture of both, for public and private use at such reasonable rates as may be approved by the Public Service Commission of North Dakota and under such orders, rules or regulations as may be issued by a federal or state agency having jurisdiction thereof.

Article IV. Non-Exclusive Grant. This Franchise shall not be exclusive and shall not be construed to prevent the City from granting to any other party the right to use the streets, alleys and public grounds of the City for like purposes.

Article V. Compliance With Laws and Ordinances. Grantee shall at all times during the life of this Franchise comply with all applicable laws and ordinances of the City.

Article VI. Reservation of Rights. City reserves any right it may have, under its police power, or otherwise, to control or regulate the use of the streets, alleys and public grounds by Grantee, and to enact all ordinances necessary and proper in the exercise of that power. City also reserves the right, pursuant to state laws and rules and regulations of the Public Service Commission and the City ordinances as such ordinances may be amended from time to time, to impose, by ordinance, a reasonable franchise tax for revenue purposes applicable to all franchises of like kind.

Article VII. Conditions on Street Occupancy

1. In case of any disturbance of pavement, sidewalk, driveway or other surfacing by the Grantee, the Grantee shall, at its own costs and expense and in a manner approved by the City Engineer, replace and restore all paving, sidewalk, driveway or surface of any street or alley disturbed, in as good condition as before said work was commenced, and shall maintain the restoration in an approved condition during the length of this Agreement.
2. In event that at any time during the period of the Franchise, the City shall lawfully elect to alter, or change the grade of, any street, alley or other public way, the Grantee upon reasonable notice by the City, shall remove, relay and relocate its pipes that may interfere with such alteration or change to the extent reimbursement is not provided under state or federal law..

Article VIII. Insurance and Indemnification. Grantee shall maintain, at all times during the term of the Franchise, liability insurance, insuring Grantee and the City against any and all damages, losses or claims of any nature arising out of Grantee's operations under the Franchise, or a self-insurance or self-retention program with adequate reserves, in minimum amount of \$1,000,000.00. Grantee agrees to protect and save harmless City from any claims for damages or injuries resulting from Grantee's operations under the Franchise, and to defend and indemnify City against all claims, actions, proceedings, costs, damages and liabilities, including attorneys' fees.

Article IX. Assignment. Grantee may assign this Franchise to another party or corporation, subject to all obligations of the Grantee hereunder, with the consent of the City, which may not be unreasonable withheld.

Article X. Acceptance. Within thirty days after Grantee is notified of adoption of this Ordinance, Grantee shall file with the City Auditor its written acceptance of this Franchise, subject to all of its terms and conditions.

Article XI. Term. This Franchise shall continue and remain in full force and effect for a period of twenty (20) years from the date upon which it is accepted by the Grantee. City reserves the right to review this Agreement with the Grantee every five (5) years.

Article XII. Provisions of this Resolution are not severable and if either the City or Grantee initiate legal action to challenge any of the provisions or if there is a judicial finding of invalidity of any of the provisions including the invalidity of the fee or amount of fee assessed, this franchise may be voidable one (1) year thereafter by either the City or the Grantee.

Adopted this 26th day of August _____ 2008.

STATE OF NORTH DAKOTA)
)ss
COUNTY OF WILLIAMS)

We, John Kautzman and E. Ward Koeser, so hereby certify that we are the duly appointed qualified and acting City Auditor and President of the City Commission of the City of Williston, North Dakota, and that the attached is a full, true and correct copy of the Ordinance adopted by the Board of City Commissioners at its meeting on the 26th day of August _____, 2008.

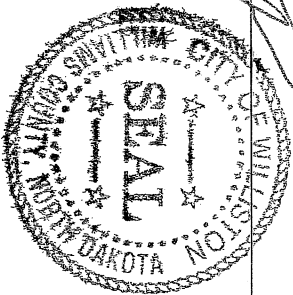
IN WITNESS WHEREOF, I have hereunto set my hand and the seal of the City of Williston, North Dakota on this 26th day of August, 2008.

Attested By:

CITY OF WILLISTON


John Kautzman
City Auditor


E. Ward Koeser, President
Williston City Commission



(SEAL)

EXTRACT OF MINUTES FOR FIRST READING

Pursuant to due notice and call, a _____ City Commission _____ meeting of the City of
Williston _____, _____ Williams _____ County, North Dakota, was
duly held at the regular meeting place on _____ Tuesday _____, the _____ 12th day of
August _____, 20 08, at 7:30 o'clock _____ p.m.

Those present were: _____ Howard Klug, H. James Lawson, Brent Bogar _____
Brad Bekkedahl, F. Ward Koester _____.

Those absent were: _____ None _____

Montana-Dakota Utilities Co., having applied for a gas franchise and proposed
Ordinance No. 909 _____ having been prepared and submitted for consideration
herewith, it was moved by _____ Bekkedahl _____, and seconded by
Bogar _____, that said Ordinance No. 909 _____, the full title of
which Ordinance is:

"AN ORDINANCE GRANTING TO MONTANA-DAKOTA UTILITIES
CO., A DIVISION OF MDU RESOURCES GROUP, INC., A
CORPORATION, ITS SUCCESSORS AND ASSIGNS, THE FRANCHISE
AND RIGHT TO CONSTRUCT, MAINTAIN AND OPERATE, WITHIN
AND UPON, IN AND UNDER THE STREETS, ALLEYS AND PUBLIC
GROUNDS OF THE CITY OF _____ WILLISTON _____,
_____ WILLIAMS _____ COUNTY, NORTH DAKOTA, A GAS
DISTRIBUTION SYSTEM FOR TRANSMITTING AND DISTRIBUTING
NATURAL OR MANUFACTURED GAS, OR A MIXTURE OF BOTH,
FOR PUBLIC AND PRIVATE USE."

be given its first reading.

Thereupon the presiding officer of the meeting put the motion to vote and the
following vote was recorded:

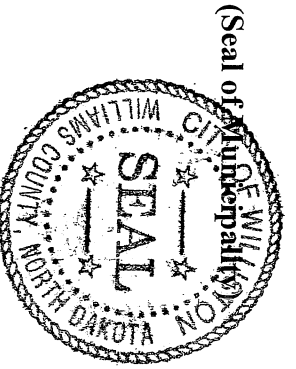
Voting Yes: _____ Klug, Lawson, Bogar, Bekkedahl, Koester _____

Voting No: _____ None _____.

The presiding officer then declared the motion duly passed and the Clerk read the
ordinance for the first time.

_____ E. J. S. _____
Mayor-Chairman

ATTEST: _____
Clerk-Auditor



EXTRACT OF MINUTES FOR SECOND READING AND FINAL PASSAGE

Pursuant to due notice and call, a City Commission meeting of the City of Williston, Williams County, North Dakota, was duly held at the regular meeting place on Tuesday , the 26th day of August , 20 08, at 7:30 o'clock p.m.

Those present were: Brad Bekkedahl, Howard Klug, H. James Lawson
Brent Bogar, E. Ward Koesser

Those absent were: None

Montana-Dakota Utilities Co., having applied for a gas franchise and proposed Ordinance No. 909 having been prepared and submitted for consideration in connection therewith, and said Ordinance having passed its first reading more than twelve days prior hereto, it was moved by Lawson, and seconded by Bogar, that said Ordinance No. 909, the full title of which Ordinance is:

"AN ORDINANCE GRANTING TO MONTANA-DAKOTA UTILITIES CO., A DIVISION OF MDU RESOURCES GROUP, INC., A CORPORATION, ITS SUCCESSORS, AND ASSIGNS, THE FRANCHISE AND RIGHT TO CONSTRUCT, MAINTAIN AND OPERATE, WITHIN AND UPON, IN AND UNDER THE STREETS, ALLEYS, AND PUBLIC GROUNDS OF THE CITY OF Williston, Williams COUNTY, NORTH DAKOTA, A GAS DISTRIBUTION SYSTEM FOR TRANSMITTING AND DISTRIBUTING NATURAL OR MANUFACTURED GAS, OR A MIXTURE OF BOTH, FOR PUBLIC AND PRIVATE USE."

be read the second time and given final passage, being thereby adopted, passed and approved.

Thereupon, the presiding officer of the meeting, the Clerk having read the ordinance for the second time, put the motion to the vote and the following vote was recorded: (For second reading and final passage.)

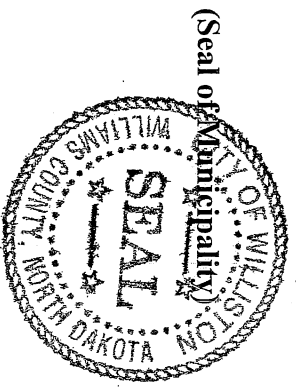
Voting Yes: Bekkedahl, Klug, Lawson, Bogar, Koesser

Voting No: None

The presiding officer then declared the motion duly carried and said Ordinance duly and finally passed. Thereupon, the Clerk was directed to enter the same in the Ordinance Book.

Eden Steen
Mayor-Chairman

ATTEST:
Clerk-Auditor



RECORD OF FRANCHISE PROCEEDINGS
CERTIFIED TO BY CITY AUDITOR

STATE OF NORTH DAKOTA)
) SS
COUNTY OF Williams)

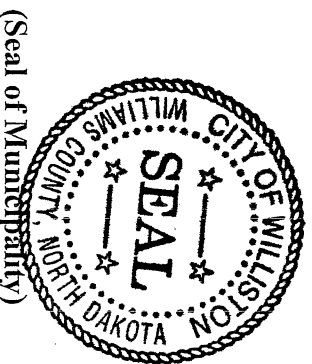
I, the undersigned, City Auditor of the City of Williston,
Williams County, North Dakota.

DO HEREBY CERTIFY, that I compared the attached copies of proceedings and documents pertaining to the gas franchise granted to Montana-Dakota Utilities Co. by said Municipality as evidence by Ordinance No. 909 passed by the governing body of said Municipality on the 26th day of August, 2008, with the originals of which said documents purport to be true and complete transcripts, and that each of the attached copies is a true and exact copy of such original instruments, viz:

1. Application of Montana-Dakota Utilities Co. for a gas franchise.
2. ~~Notice of special meeting and waiver/~~
3. Extract of minutes for first reading.
4. ~~Affidavit of publishing minutes of first meeting/~~
5. Extract of minutes for second reading and final passage.
6. ~~Affidavit of publishing minutes of second reading.~~
7. Gas Franchise Ordinance No. 909.
8. Acceptance of franchise, including Auditor's certification of filing the same.

I HEREBY FURTHER CERTIFY that all of the originals of the above-mentioned documents are on file in my office and that insofar as I have knowledge or am informed, all of the legal requirements of the by-laws of the governing body of said City of Williston and the statutes of the State of North Dakota governing the enactment of such ordinance granting such a franchise have been fully and properly complied with.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said City of Williston, this 29 day of October, 2008.



[Signature]
City Auditor
City of Williston
Williams County,
North Dakota

(Seal of Municipality)

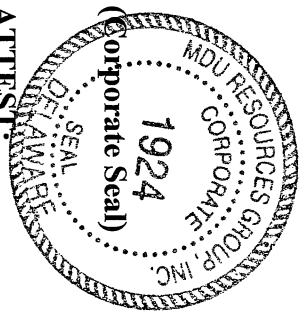
ACCEPTANCE OF FRANCHISE

MONTANA-DAKOTA UTILITIES CO., a Division of MDU Resources Group, Inc., a corporation, hereby accepts the terms and conditions of that certain Ordinance No. 909 enacted by the governing body of the City of Williston, Williams County, North Dakota, the same being an ordinance granting to said Company, its successors and assigns, a franchise to construct, maintain and operate, within and upon, in and under the streets, alleys, and public grounds of the said City, a gas distribution system for transmitting and distributing natural or manufactured gas, or a mixture of both, for public and private use, which ordinance was duly and finally passed, adopted and approved by the governing body of said City on the 26th day of August, 2008.

Dated this 23rd day of October, 2008.

MONTANA-DAKOTA UTILITIES CO.
A Division of MDU Resources Group, Inc.

By *Wally J. Stork* OK
President and Chief Executive Officer

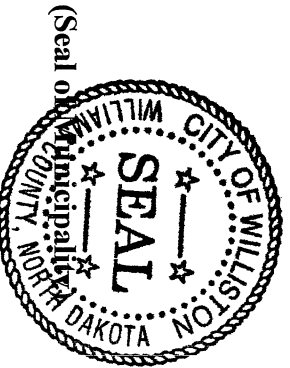


ATTEST:

[Signature]
Asst. Secretary

I, the undersigned, the duly elected, qualified and acting Auditor of the City of Williston, State of North Dakota, do hereby certify that I received the within Acceptance of Franchise on this 29 day of October, 2008, and on said date duly filed the same in my office.

[Signature]
Auditor



(Seal of Municipality)