

ORDINANCE NO. 124

AN ORDINANCE GRANTING TO NORTHWESTERN CORPORATION d/b/a/ NORTHWESTERN ENERGY A NON-EXCLUSIVE FRANCHISE AND FIXING THE TERMS THEREOF UNDER WHICH SAID COMPANY MAY CONSTRUCT, EQUIP, LAY, MAINTAIN AND OPERATE NATURAL GAS DELIVERY FACILITIES IN, UNDER, UPON, OVER AND ACROSS STREETS, AVENUES, ALLEYS, HIGHWAYS, BRIDGES, EASEMENTS AND OTHER PUBLIC PLACES IN THE TOWN OF SHERIDAN, MONTANA, AND MAY DELIVER AND SELL NATURAL GAS.

BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF SHERIDAN, MONTANA:

Section 1. There is hereby granted to NorthWestern Corporation d/b/a NorthWestern Energy, its successors, and assigns ("Franchisee"), the non-exclusive right, privilege, and franchise (collectively the "Franchise") under the terms contained herein to construct, equip, lay, maintain and operate in, under, upon, over and across the streets, avenues, alleys, highways, bridges, easements and other public places in the Town of Sheridan, ("Town"), as now or hereafter constituted, natural gas delivery facilities for the purposes of transporting, conveying, distributing, supplying and selling natural gas services for heat, power and other purposes. Such natural gas services shall be provided at rates fixed and allowed by the Montana Public Service Commission, and Franchisee agrees to make publicly available the schedules of rates thus fixed or allowed as required by the laws of Montana.

Section 2. Franchisee agrees to construct and maintain all natural gas delivery facilities according to current industry standards and in compliance with all applicable codes, rules, regulations, statutes, and orders of local, state, and federal agencies having jurisdiction in such matters.

Section 3. Franchisee shall extend its natural gas delivery facilities to such parts of the Town as the provision of Franchisee's natural gas services shall justify.

Section 4. Franchisee, at all times during the existence of this Franchise, shall use its best efforts to obtain, deliver and supply a continuous, sufficient and adequate quantity of natural gas for use by said Town and Franchisee's customers, provided, however, that Franchisee shall not be liable to said Town or to Franchisee's customers because of the interruption or discontinuance of the supply of natural gas by causes beyond the reasonable control of Franchisee.

Section 5. Franchisee shall not discontinue the delivery of natural gas through its natural gas delivery facilities, or any portion thereof, for an unreasonable length of time for the purpose of making repairs and extensions, but Franchisee shall not be liable to the Town or any of Franchisee's customers for damages caused by such temporary discontinuance or interruption of the delivery of natural gas, provided that such repairs and extensions are made with reasonable efforts.

Section 6. All work done in, under, upon, over, and across the present and future streets, avenues, alleys, highways, bridges, easements, and other public places in the Town by Franchisee for the purposes of carrying out the provisions of this Franchise shall be done and performed in a professional manner. When any street, alley, or other public place in said Town is excavated or damaged by Franchisee by reason of such work, Franchisee shall restore such street, alley, or public place to its former condition as early as practicable.

If at any time a change in the grade or plan of any street, alley, or public place shall be made by order of the proper Town officials, Franchisee shall, without expense to the Town, make such changes in the location of its natural gas delivery facilities as the change of the grade or plan of the street, alley, or public place makes necessary, which said changes shall be made as soon as possible after said Franchisee shall have received notice from the proper Town official having the charge of the same.

Section 7. Franchisee shall hold the Town harmless from all costs and damages which shall or may accrue to said Town by reason of the neglect, default, or misconduct of the Franchisee in connection with the exercise of its rights hereunder.

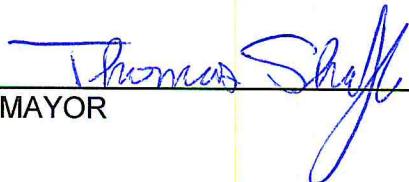
Section 8. Franchisee is hereby given the right and authority to make assignments of this Franchise, and its rights hereunder, provided all assignees agree to be bound to the same extent as the original Franchisee.

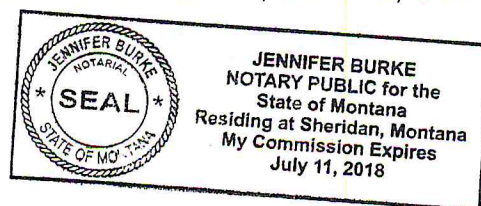
Section 9. Except as provided in this paragraph, failure on the part of Franchisee to comply in any substantial respect with any provision of this Franchise shall be grounds for forfeiture thereof. No forfeiture shall take effect unless either (1) Franchisee agrees to the forfeiture, or (2) a court of competent jurisdiction (with a right of appeal in either party) has ruled that Franchisee failed to comply in a substantial respect with any provision of this Franchise and Franchisee has not cured the failure found by the court within six (6) months after the court's final order. The Town Council, in its discretion, may grant additional time to Franchisee to cure the failure as it deems reasonable.

Section 10. This ordinance shall take effect and be in force from and after thirty (30) days after the final passage and approval hereof, provided Franchisee shall file with the Town Clerk a written acceptance of this ordinance within said thirty (30) day period, but if such acceptance is not so filed, this ordinance shall be void.

Section 11. This Franchise shall be hereby granted for an initial term of ten (10) years from and after the date of the final acceptance of this Ordinance by the Franchisee. Thereafter, this Franchise will automatically renew every ten (10) years for an additional term of ten (10) years, unless cancelled by either party by written notice to the other party, no less than five (5) years prior to the end of the then current term.

Finally passed by the Town Council of the Town of Sheridan, Montana, and approved this 10th day of August 2015


MAYOR

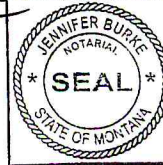


ATTEST:

Gail Leary
TOWN CLERK

I hereby certify that the within and foregoing is a full, true, correct and complete copy of Ordinance No. 124, passed at the regular meeting of the Town Council of the Town of Sheridan, Montana, on the 10th day of August 2015

Gail Leary
TOWN CLERK



JENNIFER BURKE
NOTARY PUBLIC for the
State of Montana
Residing at Sheridan, Montana
My Commission Expires
July 11, 2018

Subscribed and sworn to before me this 1st day of Sept., 2015

Jennifer Burke

Notary Public for the State of Montana

Residing at NA

My Commission expires July, 11, 2018