

APPENDIX B - FRANCHISES

ORDINANCE NO. 526

AN ORDINANCE, GRANTING TO KANSAS GAS SERVICE, INC., ITS SUCCESSORS AND ASSIGNS, A NATURAL GAS FRANCHISE, PRESCRIBING THE TERMS THEREOF AND RELATING THERETO, AND REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES INCONSISTENT WITH OR IN CONFLICT WITH THE TERMS HEREOF.

Section 1. That inconsideration of the benefits to be derived by the City of Arma ("City"), and its inhabitants, there is hereby granted to Kansas Gas Service, Inc. ("Company"), said Company being a corporation operating a system for the transmission and distribution of natural gas in the State of Kansas, the right, privilege, and authority for a period of twenty (20) years from the effective date of this ordinance, to occupy and use the several streets, avenues, alleys, bridges, parks, parkings, and public places of said City, for the placing and maintaining of equipment and property necessary to carry on the business of selling and distributing natural gas for all purposes to the City, 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 business in the City.

Section 2. As further consideration for the granting of this franchise, and in lieu of any city occupation, license or revenue taxes, the Company shall pay to the City during the term of this franchise one and one-half percent (1 ½%) of said gross cash receipts from the sale of natural gas for consumption in the City for all purposes within the corporate limits of the City, such payments to be made monthly for the preceding monthly period. Gross cash receipts shall not include other operating revenues received by the Company, which are not related to the "sale of natural gas". These include, but are not limited to, delayed payment charges, connection fees, disconnection and re-connection fees, collection fees, and return check charges.

Section 3. That all mains, services, and pipe which shall be laid or installed under this grant shall be so located and Laid as not to obstruct or interfere with any water pipes, drains, sewers, or other structures already installed. Company shall obtain at no additional cost to Company, such permits prior to commencing work in the streets, avenues, bridges, parks, parkings, and public places as the City may from time to time require for purposes of record keeping. Except that in the event of an emergency Company shall have the right to commence work without having first obtained such permit(s).

Section 4. Company shall, in doing of the work in connection with its said gas mains, pipes, and services, avoid, so far as may be practicable, interfering with the use of any street, alley, avenue or other public thoroughfare, shall at its own expense and in a manner satisfactory to the duly authorized representatives of the City replace such paving or surface in substantially as good condition as before said work was commenced.

Section 5. It is recognized that the natural gas to be delivered hereunder is to be supplied from a pipeline system transporting natural gas from distant sources of supply; and the Company, by its acceptance of this franchise as hereinafter provided, does obligate itself to furnish natural gas in such quantity and for such length of time, limited by the terms hereof, as the said sources and said pipelines are reasonably capable of supplying.

Section 6. That Company, its successors and assigns, 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 and property, and shall hold and save harmless the City from any and all damage, injury and expense caused by the negligence of said Company, its successors and assigns, or its or their agents or servants.

Section 7. Upon written request of either the City or the Company, the franchise shall be reviewed after 5 years from the effective date of this ordinance and every 5th year thereafter and either the City or the Company may propose amendments to any provision of the franchise by giving ninety days written notice to the other of the amendment(s) desired. The City and the Company shall negotiate in good faith in an effort to agree upon mutually satisfactory amendment(s).

Section 8. After approval of this Ordinance by the State Corporation Commission, Company shall file with the City Clerk of the City its unconditional written acceptance of the Ordinance. Said Ordinance shall become effective and be in force and shall be and become binding contract between the parties hereto, their successors and assigns, from and the expiration of sixty (60) days from final passage, approval, and publication as required by law, and acceptance by said Company.

Section 9. This Ordinance, when accepted as above provided shall constitute the entire agreement between the City and the Company relating to this franchise and the same shall supersede and cancel any prior understandings, agreements, or representations regarding the subject matter hereof, or involved in negotiations pertaining thereto, whether oral or written.

Section 10. This franchise is granted pursuant to the provisions of K.S.A. 12-2001.

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

Section 12. Should the State Corporation Commission take any action with respect to this franchise ordinance, which or may preclude Kansas Gas Service, Inc. from recovering from its customers any cost provided for hereunder, the parties hereto shall renegotiate this ordinance in accordance with the State Corporation commission's ruling.
(02-20-01)

ORDINANCE NO. 538

AN ORDINANCE OF THE CITY OF ARMA, KANSAS GRANTS TO CRAW-KAN TELEPHONE COOPERATIVE, ITS SUCCESSORS, LESSEES AND ASSIGNS, FOR A TERM OF FIFTEEN (15) YEARS, THE NON-EXCLUSIVE RIGHT, AUTHORITY, POWER AND FRANCHISE TO ESTABLISH, CONSTRUCT, ACQUIRE, MAINTAIN AND OPERATE A COMMUNITY ANTENNAE AND CLOSED-CIRCUIT ELECTRONIC SYSTEM WITHIN THE CITY OF ARMA, KANSAS, TO RENDER, FURNISH AND SELL COMMUNITY ANTENNAE AND CLOSED-CIRCUIT ELECTRONIC SERVICES THEREFROM WITHIN THE CITY OF ARMA, AND ENVIRONS THEREOF, AND TO USE AND OCCUPY THE STREETS AND OTHER PUBLIC PLACES OF THE CITY OF ARMA, FOR SUCH COMMUNITY ANTENNAE AND CLOSED-CIRCUIT ELECTRONIC SYSTEM.

Section 1. After a full, open and public hearing, upon prior notice and the opportunity to all interested parties to be heard, and after review of the qualifications of Craw-Kan Telephone Cooperative and after determining that Craw-Kan Telephone Cooperative is legally qualified, adequately financed, and technically competent to provide community television services (hereinafter "Cable Television Services or Systems") to the City of Arma, Kansas, and after determining that the construction agreements of Craw-Kan Telephone Cooperative are adequate and feasible, there is hereby granted to Craw-Kan Telephone Cooperative, a corporation duly authorized to do business in the State of Kansas (hereinafter called the "Grantee"), and to the Grantee's successors, lessees, and assigns, for the full term of fifteen (15) years from the date hereof, the non-exclusive right, authority, power and franchise to establish, construct, acquire, maintain and operate a Cable Television System with the City of Arma, Kansas (hereinafter called the "City") to render, furnish and sell Cable Television Services from such system to the inhabitants of the City and its environs, and to use and occupy the streets and other public places within the corporate limits of the City as the same now exist or may hereafter exist for its Cable Television System, including the right to enter and construct, erect, locate, relocate, repair and rebuild in, on, under, across, over and across the streets, alleys, avenues, parkways, lanes, bridges, easements, rights of way, and other public places of the City, all cables, amplifiers, conduits, and other facilities owned, leased, or otherwise used by the Grantee for the furnishing of Cable Television Services within the City and environs thereof during the continuance of the franchise hereby granted.

Section 2. Any pavements, sidewalks, or curbing taken up or any and all excavations made by the Grantee shall be done under the supervision and direction of the governing body of the City under the permits issued for work by the proper officials of the City and shall be made and done in such manner as to give the least inconvenience to the inhabitants of the City and the public generally, and all such pavements, sidewalks, curbing, and excavations shall be replaced and repaired in as good condition as before, with all convenient speed, by and at the expense of the Grantee, which shall at all times make and keep full and complete plats, maps, and records showing the exact location of its facilities located within the public ways of

the City. The Grantee shall not place fixtures where the same will interfere with any gas, electric or telephone fixtures, water hydrants or mains, and all fixtures placed in any streets shall be placed close to the line of the lot abutting on said alley, and then in such a manner as not to interfere with the usual travel on said streets, alleys and public ways.

Section 3. It is expressly understood and agreed by and between the Grantee and the City that the Grantee shall save the City harmless from all loss sustained by the City on account of any suit, judgment, execution, claim or demand whatsoever, resulting from negligence on the part of the Grantee in the construction, operation or maintenance of its system in the City, and Grantee shall cause to be defended at its own expense all actions that may be commenced against the City by reason of the construction and/or operation of such system. The Grantee shall carry public liability and property damage insurance in the sum of \$500,000 Dollars for each individual, \$1,000,000 for each accident, and \$100,000 Dollar fur property damage, with the City named as an additional insured, said insurance to be carried with an insurance company with a recognized national rating acceptable to the City.

Section 4. The Grantee shall have the authority to promulgate such rules, regulations, terms and conditions of its business, a shall be reasonably necessary to enable the Grantee to exercise its rights and perform its services to each and all of its customers. The Grantee shall have the right and power to fix, charge, collect and receive reasonable rates for Cable Television Services furnished within the corporate limits of the City, subject to Section 10 hereafter.

Section 5. The City reserves the right of reasonable regulation of the erection, construction or installation of any facilities by the Grantee and to reasonably designate where such facilities are to be placed within the public ways and places.

Section 6. The Grantee shall, on the request of any person holding a building moving permit issued by the City temporarily raise or lower its wires or cables to permit the moving of buildings. The expense of such temporary removal, and of raising or lowering of wires or cables, shall be paid by the person requesting the same, and the Grantee shall have the authority to require such payment in advance. The Grantee shall be given not less than forty-eight (48) hours advance notice to arrange for such temporary wire or cable changes.

Section 7. In the event that at any time during the period of this 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 poles, wires, cables, underground conduits, manholes and other fixtures at Grantee's expense.

Section 8. The Grantee shall, at all times during the life of this franchise, be subject to all lawful exercise of the police power by the City, and to such reasonable regulation as the City shall hereafter by resolution or ordinance provide.

Section 9. In consideration for the rights, privileges and franchise hereby granted, and as compensation to the City for the use of its public ways and places

by the Grantee, and in lieu of all occupation and license taxes, the Grantee shall, on or before the 31st day of January and the 31st day of July of each year in which this franchise is effective, pay to the City a sum equal to five percent (5%) of the gross receipts, from the sale of basic community antennae and closed-circuit electronic services within the then existing corporate limits of the City for the preceding six (6) month period ending on the 31st day of December and 30th day of June, respectively. The term "gross receipts" as applied to sales of basic community antennae and closed-circuit electronic services, as used in this section, shall include basic service (excluding there from sales of pay television services of the Grantee, installation and re-connection charges, additional outlet charges, equipment sales and sales of program guides) sold for domestic or residential consumption, and basic service for commercial or industrial consumption; provided, however, there shall not be included basic service sold to educational institutions not operating for profit, churches and charitable institutions, as such users are defined and construed by the Internal Revenue Service under current revenue acts. The City reserves the right to review and/or increase the franchise fee annually.

Section 10. The City reserves the right to regulate rates and charges imposed by Grantee to the extent permitted by any present or future CATV system regulatory law.

Section 11. Grantee shall provide subscriber services on the following basis:

(A) Grantee shall:

(1) Provide a toll-free telephone service, on a seven-day-a-week, 24-hour-a-day basis, capable of forwarding subscriber complaints to Grantee.

(2) Respond to subscriber complaints within 36 hours after the customer calls in, except for acts of God.

(3) In those cases where services are not restored within thirty-six (36) hours, except for acts of God, Grantee shall upon customer request refund or credit an appropriate portion of the monthly charge for tier of service which is unavailable to the subscriber.

(B) Grantee shall cooperate with the City to maintain appropriate subscriber complaint procedures.

Section 12. As an inducement to Grantee to continue to improve its systems and services offered at all times during the franchise period, the City hereby agrees to give Grantee the first opportunity to negotiate a renewal of this franchise agreement with the City after the expiration of the initial franchise period herein stated. Assuming Grantee's operation under this franchise agreement has been satisfactory, and after compliance with applicable rules and regulations of the Federal Communications Commission, the Governing Body shall give favorable consideration to renewal of this franchise agreement by Grantee, if Grantee so requests and provides evidence that it can and will provide facilities and services at least equal to other prospective franchisees offering similar services and facilities.

Section 13. This franchise and the rights, privileges, and authority hereby granted shall take effect and be in force from and after final passage hereof, as provided by law, and shall continue in force and effect for a term of fifteen (15) years.

Section 14. It shall be the policy of the City to amend this franchise, upon application of the Grantee, when necessary to enable the Grantee to take advantage of any developments in the field of transmission of television and radio signals which will afford it an opportunity to more effectively, efficiently or economically serve its customers, and to enable the Grantee to conform to the rules and regulations of the Federal Communications Commission as they may be amended from time to time.

Section 15. Upon termination of service to any subscriber, the Grantee shall promptly remove all its facilities and equipment from the premises of such subscriber.

Section 16. All ordinances and parts of ordinances in conflict herewith are hereby subordinated as of the effective date of this ordinance.

Section 17. All provisions of this ordinance shall be binding upon the Grantee and all successors, lessees and assigns of the Grantee whether expressly stated herein or not, and all the rights, authorities, powers, grants, and privileges secured by this ordinance to the Grantee shall be held to inure to the benefit of the Grantee and all successors, lessees, and assigns of the Grantee.

(11-04-02)