

sion for trade-in allowance received on this 13th day of February, 1973; said bids be referred to the Bismarck Police Department for study and recommendation; that the Board shall then take such other and further action with reference to said bids as shall be deemed necessary and expedient.

Commissioner Heskin seconded the motion for adoption of the foregoing resolution.

Upon roll call the commissioners voted as follows: Ayes; Commissioners Buckingham, Conmy, Heskin, Kunz and President Lahr. Nays; none. The motion carried and said resolution was declared duly passed and adopted.

Appearing before the Board of City Commissioners were Mr. Sid Soma, manager of the Capital Electric Cooperative and Mr. Richard L. Jacobsen, District Manager of Montana-Dakota Utilities Co. relative to area service agreement. Messrs. Jacobsen and Soma indicated that area service agreement had been tentatively agreed as follows:

AREA SERVICE AGREEMENT

The Montana-Dakota Utilities Co., (hereinafter referred to as the Company) and Capital Electric Cooperative, Inc., (hereinafter referred to as the Cooperative), in an earnest and sincere effort to avoid misunderstanding and disagreement over areas to be served by each party and to further avoid unnecessary and costly duplication of facilities, agree to the following general conditions:

1. Since the Company is and has been the principal supplier of electricity to the area encompassing the City of Bismarck, both parties agree that the Company should continue to serve this area and new areas contiguous to the city as further stipulated and identified in this agreement.
2. The Cooperative organized under the laws of the state of North Dakota to supply electricity to consumers in rural areas who are not receiving central station service as identified by law, thereby, both parties agree the Cooperative should continue such service in rural areas and other areas that are stipulated and identified in this agreement.
3. The parties hereto, recognize their obligation to avoid any duplication of facilities in order to provide electric service as efficiently and economically as possible to the public and to the Cooperative's members.
4. It is agreed that the interests of the consumer can best be met by providing that the Company serve those consumers within the area bounded by the heavy dashed black line on the attached map, which shall be made a part of this agreement, as well as any new consumers who come into that area and that the Cooperative will continue to serve its present consumers within the heavy dashed black line and will serve new consumers within the heavy dashed black line only under conditions further stipulated in this agreement. The principal service area of the Cooperative will be that area which lies outside the heavy dashed black line. The agreement shall apply only to area described by the map.
5. In the event there is need for either party to this agreement to serve a prospective consumer located in the area served by the other party, such service shall be supplied only with the written consent of the other party, provided that such individual exception shall not in any way alter the basic intentions of the parties, that each shall serve or offer service to the new consumers within their respective service areas.
6. In the event it becomes necessary or desirable to trade or sell electric facilities owned by either party, the selling price for such facilities shall be an amount equal to three times the gross annual revenue received from the property during the highest revenue year of the past 5 years. Only the existing facilities of value in serving customer by purchasing party shall be sold. Balance of facilities shall be disposed of as enumerated in Section 7.
7. It is mutually agreed that in the event that either party will terminate service to a consumer or consumers which it has served and it is necessary that one party remove its facilities from such an area, the other party will share the removal costs of direct labor, plus 25% and only in an amount equal to one-half the total labor costs for removing such facilities.
8. It is mutually agreed by both parties that each will continue to serve customers it now has within the boundaries of the other party as stipulated and identified in the agreement. Such customer identification shall be from the books and records of each of the parties as of date of signing of this agreement. If an exchange of customers can be agreed upon by both parties and to the satisfaction of the consumer or consumers, such an exchange can be made.

appearance
of Mr. Soma
and Mr.
Jacobsen
to file
area Ser-
vice Agree-
ment for
utility
company

9. This agreement will in no way affect the Company's or Cooperative's needs or plans to construct transmission line facilities for the purpose of providing adequate electric power for the consumers in the area it serves.

10. This agreement is subject to approval, order, and other actions of the Public Service Commission of North Dakota or any other governmental agencies or bodies having jurisdiction over transactions and service herein covered.

11. It is realized that the foregoing instrument will not cover all conditions which may arise, but if followed in good faith by both parties, will serve as a guide to future developments and growth for both organizations, thus it is mutually agreed that this agreement will be reviewed at least once every five years for the purpose of evaluating its operation and to discuss possible modifications which may be desirable to more efficiently carry out the intent of both parties.

12. This agreement shall remain in force from the date hereof until cancelled by either party by giving twelve month's written notice to the other party of such cancellation.

MONTANA-DAKOTA UTILITIES CO.

CAPITAL ELECTRIC COOPERATIVE, INC.

President

President

ATTEST:

ATTEST:

Secretary

Secretary

Date

Date

(S E A L)

(S E A L)

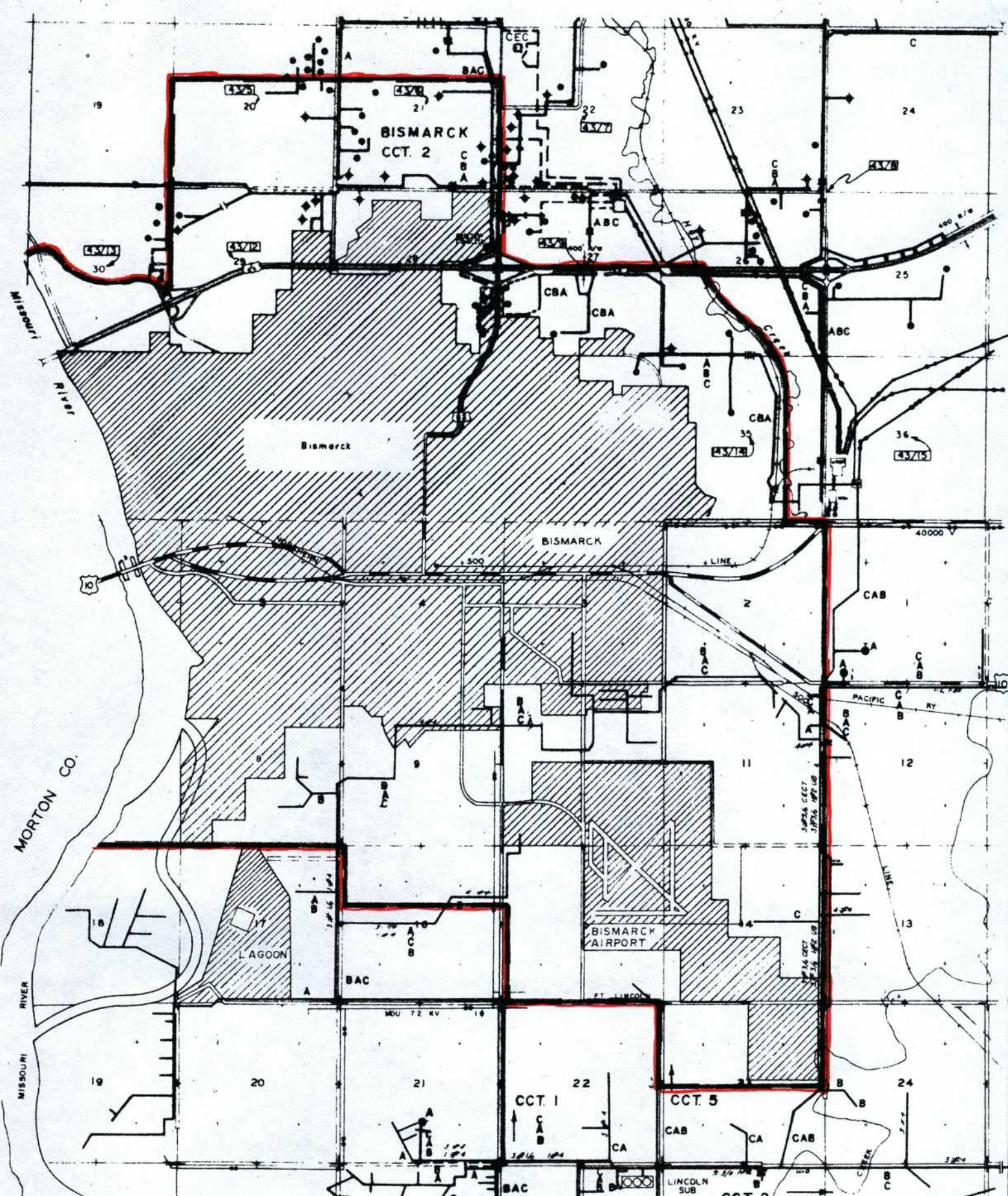
The Board of City Commissioners had before it for consideration the recommendation of the City Engineer requesting authorization to advertise for bids for the construction of a storm sewer through the Sanitary Landfill. The City Engineer explained that it was necessary that the storm sewer be constructed to provide for the natural water course when the coulee bottom was filled. Commissioner Kunz moved that the authorization be given to the City Engineer to advertise for bids for the construction of a storm sewer extension through the Sanitary Landfill of the City of Bismarck. Commissioner Conmy seconded the motion. Upon roll call the commissioners voted as follows: Ayes; Commissioners Buckingham, Conmy, Heskin, Kunz and President Lahr. Nays; none. The motion carried.

Authorize City Engr. to advertise for bids for storm sewer

The Board of City Commissioners had before it for consideration the recommendation of the City Engineer requesting authorization to employ consulting engineering firm, the firm of Toltz, King, Duvall & Anderson and Associates, Inc. of St. Paul to provide for extension of the planning area of the water and sewer utility to provide for the expansion of the utility system in keeping pace with the development of the City of Bismarck. Commissioner Conmy moved that the City Engineer be given the authorization to employ consulting firm. Commissioner Heskin seconded the motion. Upon roll call the commissioners voted as follows: Ayes; Commissioners Buckingham, Conmy, Heskin, Kunz and President Lahr. Nays; none. The motion carried.

Authorize City Engr. to employ consulting engineering firm

The Board of City Commissioners had before it for consideration the offer and



MORTON CO.

MISSOURI RIVER

BISMARCK
CCT. 2

BISMARCK
AIRPORT

LAGOON

CCT. 1

CCT. 5

LINCOLN
SUB

CEC-MDU SERVICE AREA MAP
 CAPITAL ELECTRIC COOP.
 BISMARCK, NORTH DAKOTA
 N. D. 35 - BURLEIGH
 FINLEY ENGINEERING CO. BISMARCK, N. D.

SCALE: 1" = 4000'

The Montana-Dakota Utilities Co., (hereinafter referred to as the Company) and Capital Electric Cooperative, Inc., (hereinafter referred to as the Cooperative), in an earnest and sincere effort to avoid misunderstanding and disagreement over areas to be served by each party and to further avoid unnecessary and costly duplication of facilities, agree to the following general conditions:

1. Since the Company is and has been the principal supplier of electricity to the area encompassing the city of Bismarck, both parties agree that the Company should continue to serve this area and new areas contiguous to the city as further stipulated and identified in this agreement.

2. The Cooperative organized under the laws of the state of North Dakota to supply electricity to consumers in rural areas who are not receiving central station service as identified by law, thereby, both parties agree the Cooperative should continue such service in rural areas and other areas that are stipulated and identified in this agreement.

3. The parties hereto, recognize their obligation to avoid any duplication of facilities in order to provide electric service as efficiently and economically as possible to the public and to the Cooperative's members.

4. It is agreed that the interests of the consumer can best be met by providing that the Company serve those consumers within the area bounded by the heavy dashed black line on the attached map, which shall be made a part of this agreement, as well as any new consumers who come into that area and that the Cooperative will continue to serve its present consumers within the heavy dashed black line and will serve new consumers within the heavy dashed black line only under conditions further stipulated in this agreement. The principal service area of the Cooperative will be that area which lies outside the heavy dashed black line. The agreement shall apply only to area described by the map.

5. In the event there is need for either party to this agreement to serve a prospective consumer located in the area served by the other party, such service shall be supplied only with the written consent of the other party, provided that such individual exception shall not in any way alter the basic intentions of the parties, that each shall serve or offer service to the new consumers within their respective service areas.

6. In the event it becomes necessary or desirable to trade or sell electric facilities owned by either party, the selling price for such facilities shall be an amount equal to three times the gross annual revenue received from the property during the highest revenue year of the past 5 years. Only the existing facilities of value in serving customer by purchasing party shall be sold. Balance of facilities shall be disposed of as enumerated in Section 7.

7. It is mutually agreed that in the event that either party will terminate service to a consumer or consumers which it has served and it is necessary that one party remove its facilities from such an area, the other party will share the removal costs of direct labor, plus 25% and only in an amount equal to one-half the total labor costs for removing such facilities.

8. It is mutually agreed by both parties that each will continue to serve customers it now has within the boundaries of the other party as stipulated and identified in the agreement. Such customer identification shall be from the books and records of each of the parties as of date of signing of this agreement. If an exchange of customers can be agreed upon by both parties and to the satisfaction of the consumer or consumers, such an exchange can be made.

9. This agreement will in no way affect the Company's or Cooperative's needs or plans to construct transmission line facilities for the purpose of providing adequate electric power for the consumers in the area it serves.

10. This agreement is subject to approval, order, and other actions of the Public Service Commission of North Dakota or any other governmental agencies or bodies having jurisdiction over transactions and service herein covered.

11. It is realized that the foregoing instrument will not cover all conditions which may arise, but if followed in good faith by both parties, will serve as a guide to future developments and growth for both organizations, thus it is mutually agreed that this agreement will be reviewed at least once every five years for the purpose of evaluating its operation and to discuss possible modifications which may be desirable to more efficiently carry out the intent of both parties.

12. This agreement shall remain in force from the date hereof until cancelled by either party by giving twelve month's written notice to the other party of such cancellation.

MONTANA-DAKOTA UTILITIES CO.

K. D. M. Besbell
President

ATTEST:

A. H. Hanson
Secretary

July 5, 1973
Date

(SEAL)

CAPITAL ELECTRIC COOPERATIVE, INC.

Wm. R. Manning
President

ATTEST:

E. Bert Hilken
Secretary

June 22, 1973
Date

(SEAL)

The Board of City Commissioners then had before it for consideration a request for approval for Community Homes of Bismarck to construct three handicapped accessible duplexes for developmentally disabled persons. \$284,028 of 1992 HOME and \$146,850 of 1993 HOME funds are requested for these units. Two of the duplexes will be located on South Washington Street south of Reno Drive. The remaining unit will be located on Lot 3, Block 5, Pebble Creek Addition.

Approve
3 handi-
capped
duplexes
to be
built

Commissioner Hinman then moved to approve the construction of three handicapped duplexes. Commissioner Sprynczynatyk seconded that motion. Upon roll call the Commissioners voted as follows. Ayes: Commissioners Sprynczynatyk, Swanson, Hinman, Jensen, and President Sorensen. Naves: None, the motion carried.

The Board of City Commissioners then had before it for consideration City of Bismarck Refunding Improvement Bonds, Series SCG-1993; Sidewalk, Curb and Gutter Warrant of 1993; Water and Sewer Refunding Revenue Bonds of 1993; Refunding Improvement Bonds of 1993, Series A and Improvement Warrants:

Approved
refunding
bonds
for
1993

Commissioner Sprynczynatyk moved the approval of the following resolutions:

- INITIAL RESOLUTION FOR REFUNDING
\$750,000
REFUNDING IMPROVEMENT BONDS, SERIES SCG-1993
- FINANCING RESOLUTION
\$750,000
SIDEWALK, CURB AND GUTTER WARRANT OF 1993
- RESOLUTION AUTHORIZING ISSUANCE OF
\$3,365,000
WATER AND SEWER REFUNDING REVENUE BONDS OF 1993
- INITIAL RESOLUTION FOR REFUNDING
\$4,340,000
REFUNDING IMPROVEMENT BONDS OF 1993, SERIES A
- FINANCING RESOLUTION
- \$96,065
STORM SEWER IMPROVEMENT DISTRICT NO. 317
- \$97,190
STORM SEWER IMPROVEMENT DISTRICT NO. 331
- \$47,975
WATER IMPROVEMENT DISTRICT NO. 273
- \$43,660
WATER IMPROVEMENT DISTRICT NO. 274
- \$1,282,900
STREET IMPROVEMENT DISTRICT NO. 286
- \$162,690
STREET IMPROVEMENT DISTRICT NO. 287
- \$489,920
STREET IMPROVEMENT DISTRICT NO. 288
- \$123,490
STREET IMPROVEMENT DISTRICT NO. 289
- \$140,635
STREET IMPROVEMENT DISTRICT NO. 290
- \$394,500
STREET IMPROVEMENT DISTRICT NO. 291
- \$582,510
STREET IMPROVEMENT DISTRICT NO. 292
- \$878,465
PARKING IMPROVEMENT DISTRICT NO. 35

(Complete copies of the resolutions, as adopted by the Board of City Commissioners are on file in the City Auditor's office and open for public inspections.)

Commissioner Swanson seconded the motion for the adoption of the resolutions as hereinbefore noted. Upon roll call the Commissioners voted as follows. Ayes: Commissioners Sprynczynatyk, Swanson, Hinman, Jensen, and President Sorensen. Naves: None, the motion carried, and the resolutions were declared duly passed and adopted.

The Board of City Commissioners had before it for consideration a request from Capital Electric for renewal of electric service franchise.

Schedule
public
hearing
for
Capital

May 11, 1993

Mr. Ordean Nygren, Manager of Capital Electric submitted the following letter:

The electric service franchise that the City of Bismarck granted to Capital Electric Cooperative, Inc., is up for renewal this summer. After visiting with members of the Bismarck City Commission, it would seem reasonable if consideration of renewal of the service franchise for Capital Electric Cooperative, Inc., could be slightly advanced.

Accordingly, Capital Electric Cooperative, Inc., requests that the Bismarck City Commissioner consider renewal of our 20 year electric service franchise in May 1993.

Commissioner Swanson made a motion to call for a public hearing. Commissioner Hinman seconded that motion. Upon roll call the Commissioners voted as follows. Ayes: Commissioners Sprynczynatyk, Swanson, Hinman, Jensen, and President Sorensen. Nays: None, the motion carried.

Commissioner Hinman introduced the following ordinance, relative to garbage collections franchise.

ORDINANCE NO. 4512

AN ORDINANCE TO AMEND AND RE-ENACT SECTION 10-11-14 OF THE CITY OF BISMARCK CODE OF ORDINANCES (1986 Rev.) BY AMENDING THE SECTION RELATING TO GARBAGE COLLECTION FRANCHISE; APPLICATION REQUIRED.

BE IT ORDAINED BY THE BOARD OF CITY COMMISSIONERS OF BISMARCK, NORTH DAKOTA:

Section 1. Amendment. Section 10-11-14 relating to garbage collection franchise; application required is hereby amended and re-enacted as follows:

10-11-14. Garbage Collection Franchise; Application Required.

1. Before any franchise is granted, the applicant shall file with the city auditor an application containing such information as may be necessary and helpful to act on the application. All applications for a franchise must be accompanied by a non-refundable application of \$500.00 and proof that the applicant has met the following conditions:

a. The applicant shall have collection vehicles which are specifically designed for the sanitary hauling of municipal waste. The collection must pass an initial inspection by a City health inspector.

b. The applicant shall have at least one full-time collection vehicle and shall show proof of access to a complying backup collection vehicle. Applicant may show access by proof of ownership, lease, or other contractual commitment which guarantees availability of the backup collection vehicle within six hours of request.

c. The applicant shall be licensed by the North Dakota State Department of Health and Consolidated Laboratories before operating under any franchise granted by the City.

d. The applicant shall indemnify and save the City and its agents and employees harmless from all and any claims for personal injuries or property damages, and any other claims, costs, including attorney's fees, expenses of investigation and litigation of claims and suits thereon which may arise from its operations under this franchise. For this purpose the company shall carry and at all times maintain on file with the City Auditor, and at all times keep in force, a public liability policy of insurance, insuring the company and the City against any and all liability of not less than \$25,000 property damage, \$250,000 for any one person, personal injury or death, and \$500,000 for any one accident resulting in injury or death. Such policies of insurance or certificate thereof by a company licensed to do business in the State of North Dakota shall be filed with the City Auditor prior to the commencement of such use.

MEETING OF THE BOARD OF CITY COMMISSIONERS

May 25, 1993

The Board of City Commissioners met in regular session on May 25, 1993, at the hour of 5:15 p.m. in the Tom Baker Meeting Room, 221 North Fifth Street, Bismarck, North Dakota. There were present Commissioners Sprynczynatyk, Swanson, Hinman, Jensen, and President Sorensen.

Invocation was presented by a police chaplain of the Bismarck Police Department.

Commissioner Hinman moved the approval of the minutes of the Board of City Commissioners' meetings of May 11, 1993. Commissioner Sprynczynatyk seconded that motion. Upon roll call the Commissioners voted as follows. Ayes: Commissioners Sprynczynatyk, Swanson, Hinman, Jensen, and President Sorensen.

The President of the Board of City Commissioners announced the hour had arrived for the hearing on a resolution granting a franchise to Capital Electric Cooperative, Inc., for electrical services.

Lars Nygren appeared before the Board of City Commissioners on the behalf of Capital Electric Cooperative, Inc. He requested that the Board of City Commissioners approve the franchise agreement that was sent out in the addendum to the City Commission agenda.

Commissioner Swanson moved the approval of the following resolution as amended, granting a franchise to Capital Electric Cooperative, Inc.:

(A complete copy of the resolution, as adopted by the Board of City Commissioners is on file in the City Coordinator's office and open for public inspection.)

Commissioner Jensen seconded the motion for the adoption of the resolution as herein before noted. Upon roll call the Commissioners voted as follows. Ayes: Commissioners Sprynczynatyk, Swanson, Hinman, Jensen, and President Sorensen. Nays: None, the motion carried, and said resolution was declared duly passed and adopted.

Bob Olheiser, chairperson of the Home Rule Charter Implementation Committee, appeared before the City Commission and gave an overview of the proposed budget ordinance. Bob recommended that the City Commission introduce this ordinance.

Commissioner Hinman introduced the following budget ordinance proposed by the Home Rule Charter Implementation Committee and called for a public hearing at the next scheduled meeting of June 8, 1993:

ORDINANCE NO. 4518

AN ORDINANCE TO ENACT SECTION 7-06 OF THE CITY OF BISMARCK CODE OF ORDINANCES (1986 Rev.) RELATING TO TAXATION AND BUDGET.

BE IT ORDAINED BY THE BOARD OF CITY COMMISSIONERS OF BISMARCK, NORTH DAKOTA:

Section 1. Enactment. Section 7-06 relating to taxation and budget is hereby enacted as follows:

CHAPTER 7-06

TAXATION AND BUDGET

7-06-01. Taxation. Determination of Levy.

1. The Board of City Commissioners may adopt a budget without regard to the dedication of mill levies to specific purposes. However, unless approved by a vote of the city electors, property taxes from all sources imposed by the Board of City Commissioners shall not exceed the total of levies authorized by the state constitution and state statutes for cities, less the levy not actually needed to fund the Old Age and Survivors Insurance System pursuant to Subsection 52-09-08(c) of the North Dakota Century Code.

2. If the Board of City Commissioners determines that the revenue which may be raised by levies specified in Article 3

Approved
minutesApproved
resolution
for
franchise
Capital
Electric
as
amendedBudget
ordinance
from
Home
Rule
Charter
Ord
4518

RESOLUTION

A Resolution granting to Capital Electric Cooperative, 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 Bismarck, North Dakota, an electric distribution system for transmitting and distributing electric energy 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 resolution, following public hearing; and

WHEREAS, on the 25th day of May, 1993, a public hearing was held by the Board of City Commissioners; and

WHEREAS, it is in the public interest that a franchise be granted to Capital Electric Cooperative, Inc., for an electric distribution system.

NOW, THEREFORE, BE IT RESOLVED by the Board of City Commissioners of the City of Bismarck, North Dakota:

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

1. "City" means the City of Bismarck, North Dakota.
2. "Franchise" means all of the rights and obligations extended by City to Grantee herein.
3. "Grantee" means Capital Electric Cooperative, Inc.

Article II. Grant of Authority. There is hereby granted by the City to the Grantee, subject to the conditions 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, an electric distribution system for transmitting and distributing electric energy for public and private use.

1. In order to avoid a duplication of facilities between the Grantee and other electrical franchises, the authority granted Capital Electric under this franchise is limited geographically to the areas within the city described in the Area Service Agreement dated July 5, 1973 executed by Capital Electric Cooperative, Inc., and Montana-Dakota Utilities Co., as modified by Amendment dated October 25, 1990, and any future amendments to the Area Service Agreement agreed to by Grantee and Montana-Dakota Utilities. The Grantee shall enjoy all of the privileges and rights described in the Area Service Agreement. If

the Area Service Agreement and Amendments thereto are canceled by either electric supplier during the term of this franchise, all privileges, rights, obligations and restrictions as therein stated shall continue to apply to both Capital Electric Cooperative, Inc., and Montana-Dakota Utilities Co. A copy of the Area Service Agreement and Amendment are attached as Exhibits A and B to this resolution.

Article III. Grantee's Obligations. Grantee shall maintain an efficient distribution system for furnishing electric energy for public and private use at such reasonable rates as may be approved by and under such orders, rules or regulations as may be issued by any federal or state agency having or obtaining 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's Home Rule Charter, as such charter may be amended from time to time, and 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. All transmission and distribution structures, lines and equipment erected by the Grantee within the City shall be so located as to cause minimum interference with the proper use of streets, alleys and other public ways and places, and to cause minimum interference with the rights or reasonable convenience of property owners who adjoin any of the said streets, alleys or other public ways and places. Wherever feasible and practical, new transmission lines, and existing lines whenever they are modernized, upgraded or extensively rehabilitated, shall be placed underground, or they shall be constructed in a manner that causes minimum interference with the landscape or appearance of the city.

2. In case of any disturbance of pavement, sidewalk, driveway or other surfacing, the Grantee shall, at its own cost 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 for a period of six years.

3. In 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 its own expense.

4. The Grantee shall not place poles or other fixtures where the same will interfere with any electric light, water hydrant or water main, or in such a manner as to interfere with the usual travel on said streets, alleys and public ways.

5. The Grantee shall, on the request of any person holding a building moving permit issued by the City, temporarily raise or lower its wires to permit the moving of buildings. The expense of such temporary removal, raising or lowering of wires 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 hours advance notice to arrange for such temporary wire changes.

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, in the minimum amount of \$500,000. A copy of the policy shall be filed with the City at the time of acceptance of the franchise, along with evidence of payment of required premiums and copies of endorsements, and notices of cancellation or non-renewal, during the term of the franchise. Grantee agrees to protect and save harmless the City from any claims for damages or injuries resulting from Grantee's operations under the franchise, and to defend and indemnify the 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 unreasonably withheld.

Article X. Acceptance. Within thirty days after Grantee is notified of adoption of this Resolution, 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 years from the date upon which it is accepted by the Grantee.


Adopted this 25th day of May, 1993.

STATE OF NORTH DAKOTA)
) ss.
COUNTY OF BURLEIGH)

I, Dan Dahlgren, do hereby certify that I am duly appointed and qualified to execute contracts and certify documents on behalf of the City of Bismarck, North Dakota, and that the attached is a full, true and correct copy of the Resolution adopted by the Board of City Commissioners at its meeting of May 25, 1993.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of the City of Bismarck, North Dakota, this 26th day of May, 1993.

(S E A L)



Dan Dahlgren, City Coordinator
Bismarck, North Dakota

R2/CAPIT

ACCEPTANCE OF FRANCHISE

CAPITAL ELECTRIC COOPERATIVE, INC., hereby accepts the terms and conditions of that certain Resolution enacted by the governing body of the City of Bismarck, Burleigh 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 streets, alleys and public grounds of said City, an electric distribution system for transmitting and distributing electric energy for public and private use, which ~~ordinance~~ was duly and finally passed, adopted and approved by the governing body of said City on the 25th day of May, 1993.

Dated this 3rd day of June, 1993.

CAPITAL ELECTRIC COOPERATIVE, INC.

By Quane Lasher
President

ATTEST:

Bernard Falkenstein
Secretary

I, the undersigned, the duly elected, qualified and acting Auditor of the City of Bismarck, State of North Dakota, do hereby certify that I received the within Acceptance of Franchise on this 9th day of June, 1993, and on said date filed the same in my office.

Don L. Odgers
Auditor

(SEAL OF MUNICIPALITY)



CAPITAL
ELECTRIC
COOPERATIVE, INC.

4111 State Street North, P.O. Box 730, Bismarck, North Dakota 58502-0730, Telephone 701-223-1513

June 7, 1993

Orren Vinger, Division Manager
Montana-Dakota Utilities Co.
122 East Broadway
P. O. Box 1457
Bismarck, ND 58502-1457

RE: Amendment to Area Service Agreement

Dear Orren:

Enclosed for your records is a signed Letter Agreement, dated June 3, 1993, amending the Service Area Agreement between Capital Electric Cooperative, Inc. and Montana-Dakota Utilities Co. This signed amendment pertains to the continuing of the service area agreement during the respective terms of either party's franchise with the City of Bismarck.

Sincerely,

Ordean "Lars" Nygren
Manager

OLN\
Enclosure (1)



We Put Value on the Line



CAPITAL ELECTRIC COOPERATIVE, INC.
4111 STATE STREET
P.O. BOX 730
BISMARCK, ND 58502-0730

MONTANA-DAKOTA UTILITIES CO.
DIVISION OF MDU RESOURCES GROUP, INC.
400 NORTH FOURTH STREET
BISMARCK, ND 58501

This Letter of Agreement is intended to amend the 1973 Area Service Agreement between CAPITAL ELECTRIC COOPERATIVE, INC. and MONTANA-DAKOTA UTILITIES CO., approved by the Bismarck City Commission, for the areas to be served by the two entities.

HENCEFORTH, it is agreed that CAPITAL ELECTRIC COOPERATIVE, INC. shall provide electrical service to all consumers in the Country West II Subdivision located in the SW 1/4 of Section 20, Township 139 North, Range 80 West, specifically described as follows:

Beginning at a point in the center of the intersection of Clydesdale Drive and West Century Avenue, thence east along the center line of West Century Avenue a distance of 1,243', thence north along the east property lines of lots 7, 8, 9, 15, 16, 17, 18, and 19, Block 5, continuing north along the same east property lines of lots 1, 2, 3, 4, 5, 6, and 7, Block 10, thence north westerly along the northerly lot lines of lots 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, and 22 of Block 10, thence continuing due west to the west section line of Section 20.

THE above described service area joins that portion of the Country West II Subdivision presently being served by CAPITAL ELECTRIC COOPERATIVE, INC. in accordance with the original agreement.

HENCEFORTH, it is also agreed that MONTANA-DAKOTA UTILITIES CO. shall provide electrical service to all electrical consumers located in the NW 1/4 of Section 21, Township 139 North, Range 80 West, specifically described as follows:

Beginning at a point in the center of the intersection of Arabian Drive and Washington Street, thence north to the common property lines between lots 5, 6, 7, 13, 14, 15, 16, 17, 18, and 19 of Block 5 of French's First Addition, thence easterly along said common property lines to the center of Montreal Street, thence south to the center of the intersection of Montreal Street and Versailles Avenue, thence east to the east property line of lot 11, Block 6 of French's First Addition, thence north and east along the common property line between lot 1, Block 11, North Hills Tenth Addition and lots 1 through 11, Block 6, French's First Addition, thence continuing easterly along the perimeter of lot 1, Block 11, North Hills Tenth Addition to the most easterly point of lot 1, Block 11, North Hills Tenth Addition, thence due east to a point 2,311.54' east of the west section line of Section 21, thence due south to the boundary line of the original agreement.

THE above described service area joins that portion of the North Hills First and Tenth Additions presently being served by MONTANA-DAKOTA UTILITIES CO. in accordance with the original agreement.

ALL other terms of the 1973 Area Service Agreement, except as amended herein, shall remain in full force and affect.

AGREED to this 25th day of October, 1990.

CAPITAL ELECTRIC COOPERATIVE, INC.

BY: Quane Lashul

MONTANA-DAKOTA UTILITIES CO., a
division of MDU RESOURCES GROUP, INC.

BY: Robert Vinger