

NATURAL GAS DISTRIBUTION FRANCHISE ACCEPTANCE AGREEMENT

THIS NATURAL GAS DISTRIBUTION FRANCHISE AGREEMENT is made as of this 23rd day of February, 2017 by and between the City of Murfreesboro, a Tennessee municipal corporation (the "City"), and Atmos Energy Corporation, a Texas and Virginia corporation. ("Franchisee").

Recitals

- A. By virtue of Priv. Acts 1931, Ch. 429, as amended, the General Assembly of the State of Tennessee authorized the City to grant a franchise permitting the use of its property for the distribution of natural gas.
- B. Franchisee was previously granted a franchise by the City by Ordinance 00-O-04 on June 9, 2000, which allowed for the distribution of natural gas, and Franchisee has appropriately performed operated the system under the terms and conditions of the previous franchise for the benefit of the City's citizens.
- C. The City and Franchisee have negotiated the terms and conditions of a proposed ordinance granting Franchisee a new franchise for the distribution of natural gas within the City.
- D. Ordinance No. 16-O-68 was presented to Council on 1/5/17 and 1/12/17 whereupon by majority vote was duly enacted on 1/12/17 and is effective as of 2/23/17 (the "Ordinance").
- E. The City and Franchisee intend to adopt the Ordinance as an agreement between the parties.

Agreement

In consideration of the mutual covenants and agreements contained herein the parties hereto covenant and agree as follows:

1. Agreement.

- 1.1 The City grants Franchisee a franchise for the distribution of natural gas in accordance with the terms and under the conditions set forth in the Ordinance.
- 1.2 Franchisee agrees to accept the terms and conditions of the Ordinance and to distribute natural gas in accordance with the rights and obligations set forth therein.
- 1.3 The parties hereby incorporate the Ordinance as if fully set forth herein.

2. Representations and Warranties.

- 2.1 Franchisee represents and warrants to the City that:
 - a. It is a corporation, duly organized, validly existing and in good standing under the laws of the State of Texas and the Commonwealth of Virginia;
 - b. It is duly qualified to do business and is in good standing in the State of Tennessee;
 - c. It has the full right, corporate power and authority to enter into this Agreement, to accept the rights and perform the obligations hereof;
 - d. The execution of this Agreement by the individual whose signature is set forth at the end of this Agreement, and the delivery of this Agreement by Franchisee, have

been duly authorized by all necessary corporate action on the part of Franchisee;

- c. The execution, delivery and performance of this Agreement by Franchisee will not violate, conflict with, require consent under or result in any breach or default under (i) any of Franchisee's organizational documents (including its certificate of incorporation and by-laws), (ii) any applicable Law or governmental entity except that expressly identified in the Ordinance; (iii) with or without notice or lapse of time or both, the provisions of any material contract or agreement to which Franchisee is a party or to which any of its material assets are bound;
- f. This Agreement has been executed and delivered by Franchisee and constitutes the legal, valid and binding obligation of Franchisee, enforceable against Franchisee in accordance with its terms and conditions;
- g. It is in compliance with all applicable Laws and Franchisee's Contracts relating to this Agreement, its goods and services, and its operation of business;
- h. It has obtained all licenses, authorizations, approvals, consents or permits required by applicable Laws, including the rules and regulations of all authorities having jurisdiction over the manufacture, sale, and distribution of the natural gas, to conduct its business generally, and to perform its obligations under this Agreement; and
- i. It has all of the requisite resources, skill, experience, and qualifications to perform all of the obligations under this Agreement in a professional and workmanlike manner, in accordance with best industry standards for similar services.


2.2 The City warrants and represents to Franchisee that:

- a. It has the authority to grant a gas distribution franchised under its Charter; and
- b. That the Ordinance has been duly enacted and is effective as of the date of this Agreement.


IN WITNESS WHEREOF, the parties hereto having caused this Agreement to be duly executed as of the date first above written.

ATMOS ENERGY CORPORATION

CITY OF MURFREESBORO


By: John Kevin Akers
Its: President, Kentucky/Mid-States Division


By: Shane McFarland
Its: Mayor

Approved as to form:

Craig D. Tindall, City Attorney