

CITY OF ALTAMONT

407 S HUSTON ▪ P.O. BOX 305 ▪ ALTAMONT, KS 67330
PHONE (620) 784-5612 ▪ FAX (620) 784-5882 ▪ WEBSITE: ALTAMONTKS.COM

ALTAMONT CITY COUNCIL

Mayor Richard Hayward
Councilmembers: Ben Cochran, Raymond Coffey,
Cameron Johnston, Lyle Sykes and Kyle Wiford

December 27, 2022

7:00 PM Regular Meeting

CALL TO ORDER

PLEDGE OF ALLEGIANCE & PRAYER

MINUTES - Regular meeting of December 8, 2022

INVOICES - **\$99,072.09**

PUBLIC COMMENT & GUESTS

- A. Brynn Price & Taylor Johnston - Extended Lake Stay
- B. Police Officer Anthony Austin Introduction

ORDINANCES/RESOLUTIONS /PROCLAMATIONS

A.

OLD BUSINESS

A.

NEW BUSINESS

- A. Jonathon Davis - Alcohol at the Park Building - January 13, 2023
- B. Altamont Recreation Commission Appointment - Lacy Atkins
- C. KMGA Gas Pre-pay
 - a. KMGA email Notification
 - b. Prepay Presentation Slides
 - c. KMGA and MMGA Gas Supply Agreement
 - d. KMGA and City Participation Agreement
- D. Labette County Solid Waste Committee Appointment - LeaAnn Myers
 - a. Solid Waste Committee Proxy Voter

TABLED & PENDING BUSINESS

- A. Old Fire Department Building Demolition
- B. War Veteran Memorial
- C. Electric Rate Increase
- D. Sewer Rate Increase

DEPARTMENT REPORTS

- A. City Administrator



EXECUTIVE SESSION MOTION

COMMUNICATIONS:

- City Offices will be closed on Monday, January 2nd in observation of New Year's Day.

ADJOURNMENT



**MINUTES
CITY OF ALTAMONT
December 8, 2022**

REGULAR MEETING	The meeting was called to order at 7:00 PM with Mayor Richard Hayward presiding. Mayor Hayward opened the meeting with the Pledge of Allegiance and prayer. Councilmembers present: Ben Cochran, Raymond Coffey & Cameron Johnston.
MINUTES	Councilmember Coffey moved and Johnston seconded to accept the minutes of the November 29, 2022 meeting. Motion carried.
INVOICES	Councilmember Cochran moved and Coffey seconded to pay the invoices in the amount of \$35,052.16. Motion carried.
KMGA UPDATE	Council was provided with a KMGA Member Update newsletter in their packets.
COUNCIL DATES	Council was given a copy of the 2023 Council Date Calendar in their packets. Councilmember Johnston moved and Cochran seconded to approve the 2023 council dates with the amendment in November reflecting the holiday weekend. Motion carried.
BLUE CROSS BLUE SHIELD	Council was provided with the rates of the current grandfathered plan through Blue Cross Blue Shield for the year 2023 as well as a new level funded plan. All the employees were shown the new level funded plan compared to the current grandfathered plan, employees felt the new plan would be a fine switch at this time. Council saw no issues in switching and LeaAnn Myers was given the blessing to move forward with the switch.
CASEYS CMB	Councilmember Cochran moved and Coffey seconded to approve the CMB license application for Casey's General Store #1333. Motion carried.
CORNER STORE CMB	Councilmember Cochran moved and Johnston seconded to approve the CMB application for The Corner Store LLC. Motion carried.
POOR BOY TREE SERVICE	The City paid Asplundh Tree Experts \$10,427.50 for tree trimming services in January 2017. This City paid Poor Boy Tree Service \$7,163.62 for tree trimming services in January 2018. City Superintendent Brad Myers stated the money spent with Poor Boy Tree Services was money better spent. There has not been any contracted tree trimming service in the City since 2018. The Utility Department has trimmed where they could when they have time, but there are many spots the City is not able to trim because we do not have the equipment for larger cuts. With winter approaching, ice and wind create a situation where tree limbs break and could tear down the City's electric lines causing power outages and creating overtime during the coldest time of the year. In areas where the trees are rubbing the electric lines, it also creates electric line loss. City Administrator LeaAnn Myers reached out to Poor Boys Tree Service in October for pricing. Poor Boy's President Ty Bewley called this week. They have an opening starting next week if the City is ready to get started. Councilmember Coffey moved and Cochran seconded to hire Poor Boy Tree to trim trees around electric lines for \$40,000 and revisit for additional expense if needed. Motion carried.
CITY ADMINISTRATOR	1) Police Officer Opening – Mr. Anthony Austin starts on December 16 th . a. We are still accepting applications for the other full-time police officer position. Information can be found at www.altamontks.com 2) Burn Site – The burn site has been burnt down and open to the public. Keys may be checked out from the City Office. 3) Lead and Copper – We have been receiving quite a few lead and copper letters back from residents. Thank you for your help with this! 4) Solid Waste – Attended the Solid Waste meeting. The board approved to revert the transfer fee back to \$38.76 from the temporary rate of \$40.76. The County Commissioners will review this decision. 5) Building Repairs – Brad contacted TW Construction letting him know his estimate was approved by Council. 6) Health Insurance – Reviewed health insurance options and presented to Altamont City Employees 7) Christmas Parade – Bridget Nash has been preparing for the Altamont Christmas Parade which will be held on Friday, December 9 th at 7PM. 8) Turkey Boxes – Turkey winners were drawn today.

MINUTES
PAGE TWO
December 8, 2022

- COMMUNICATIONS -Council Dates for 2022
 -Tuesday, December 27
 -Christmas Parade - December 9th at 7PM
 -The Santa Mailbox will be available outside the City Office during the parade.
- ADJOURN Councilmember Cochran moved and Coffey seconded to adjourn. Motion carried. 7:18PM

DATE

Heather Beasley, City Clerk

Approved Invoices by Vendor- Summary

City of Altamont

Vendor Invoice	PO	Description	Account Description	Invoice Amt
83 Verizon				
9922513891		Police Cell Phones	Contractual	\$180.40
Subtotal for Vendor 83 - Verizon :				\$180.40
160 ALTAMONT RECREATION COMMISSION				
12-2022		Remainder of 2022 Tax Distribution	Contractual	\$210.00
Subtotal for Vendor 160 - ALTAMONT RECREATION CO				\$210.00
681 HEATSHARE DONATIONS				
12-2022		Donations	Contractual	\$346.10
Subtotal for Vendor 681 - HEATSHARE DONATIONS :				\$346.10
864 Kansas Alcoholic Bev. Control				
2023 CMB		CMB Licenses - Casey's and Corner Store	Contractual	\$50.00
Subtotal for Vendor 864 - Kansas Alcoholic Bev. Control				\$50.00
885 ADVANCE INSURANCE COMPANY				
01012023		employee life insurance	Contractual	\$5.40
01012023		employee life insurance	Contractual	\$10.80
01012023		employee life insurance	Contractual	\$43.20
Subtotal for Vendor 885 - ADVANCE INSURANCE COMP				\$59.40
949 KANSAS MUNICIPAL ENERGY AGENCY				
2022-11		Electricity	Utility Costs	\$32,356.82
Subtotal for Vendor 949 - KANSAS MUNICIPAL ENERGY				\$32,356.82
950 Kansas Municipal Gas Agency				
2022-11		natural gas and transporation	Utility Costs	\$31,478.92
Subtotal for Vendor 950 - Kansas Municipal Gas Agency				\$31,478.92
1057 LABETTE COUNTY PUBLIC				
2273		Fuel	Contractual	\$689.88
2273		Fuel	Contractual	\$689.87
2273		Fuel	Vehicle	\$847.93

Approved Invoices by Vendor- Summary

City of Altamont

Vendor Invoice	PO	Description	Account Description	Invoice Amt
1057	LABETTE COUNTY PUBLIC			
Subtotal for Vendor 1057 - LABETTE COUNTY PUBLIC :				\$2,227.68
1373	LeaAnn Myers			
12152022		Mileage to Solid Waste Meeting	Contractual	\$15.00
Subtotal for Vendor 1373 - LeaAnn Myers :				\$15.00
1660	POSTMASTER			
12-22-2022		Postage	Contractual	\$56.25
12-22-2022		Postage	Contractual	\$25.00
12-22-2022		Postage	Contractual	\$56.25
12-22-2022		Postage	Contractual	\$56.25
12-22-2022		Postage	Contractual	\$56.25
Subtotal for Vendor 1660 - POSTMASTER :				\$250.00
1787	PEGGY YBARRA			
2020 Kpers		Kpers Overpayment from Last Paycheck - 8-15-2022	Reimbursements/ Miscellaneous	\$565.47
Subtotal for Vendor 1787 - PEGGY YBARRA :				\$565.47
2306	MERIDIAN ANALYTICAL LABS, LLC			
MV2201077		Wastewater Analysis	Contractual	\$264.55
Subtotal for Vendor 2306 - MERIDIAN ANALYTICAL LAB				\$264.55
2320	TWIN VALLEY ELECTRIC COOP. INC			
3270		Pole Test Switch	Capital	\$456.40
3271		Electric Upgrade from Wabash to Karner	Contractual	\$27,906.63
Subtotal for Vendor 2320 - TWIN VALLEY ELECTRIC CO				\$28,363.03
9789	Michael Shields			
12/19/2022		Police Jacket zipper replacement reimbursement	Contractual	\$18.00
Subtotal for Vendor 9789 - Michael Shields :				\$18.00
79491	Labette County State Bank Payroll Wthhld			
2022Q3		941 Federal Tax	Contractual	\$3.23

Approved Invoices by Vendor- Summary

City of Altamont

Vendor Invoice	PO	Description	Account Description	Invoice Amt
79491	Labette County State Bank Payroll Wthhld			
Subtotal for Vendor 79491 - Labette County State Bank				\$3.23
79500	Als Fitness Center			
01-2023		gym memberships	Contractual	\$50.00
01-2023		gym memberships	Contractual	\$30.00
01-2023		gym memberships	Contractual	\$30.00
01-2023		gym memberships	Contractual	\$90.00
Subtotal for Vendor 79500 - Als Fitness Center :				\$200.00
79547	Cintas Corporation			
8406027981		First Aid Kit restock	Contractual	\$45.44
8406027981		First Aid Kit restock	Contractual	\$45.44
8406027981		First Aid Kit restock	Contractual	\$45.44
8406027981		First Aid Kit restock	Contractual	\$45.44
Subtotal for Vendor 79547 - Cintas Corporation :				\$181.76
79586	Monty Wertz			
12/4/2022		Park Building Refund	Park Building Deposit Refunds	\$40.00
Subtotal for Vendor 79586 - Monty Wertz :				\$40.00
79653	Dollar General-Regions 410526			
12042022		cleaning supplies	Commodities	\$10.00
12042022		cleaing supplies	Commodities	\$25.95
12042022		drinks, cups, forks, cleaning supplies	Commodities	\$15.30
12042022		drinks, cups, forks - Twin Valley Upgrade	Commodities	\$103.55
Subtotal for Vendor 79653 - Dollar General-Regions 410				\$154.80
79848	Labette Hardware			
11-25-2022		circuit breakers, pressure gauge, flip cover, ladder, flange	Commodities	\$76.17
11-25-2022		circuit breakers, pressure gauge, flip cover, ladder, flange	Commodities	\$200.00
Subtotal for Vendor 79848 - Labette Hardware :				\$276.17

Approved Invoices by Vendor- Summary

City of Altamont

Vendor Invoice	PO	Description	Account Description	Invoice Amt
79853 Buddy Souders				
12-19-2022		Park Deposit Refund	Park Building Deposit Refunds	\$40.00
Subtotal for Vendor 79853 - Buddy Souders :				\$40.00
80074 Labette Health Physician's Group				
11-14-2022		Pre-employment Physical - A. Austin	Contractual	\$71.00
Subtotal for Vendor 80074 - Labette Health Physician's				\$71.00
80115 Jonathan Davis				
12-16-2022		Aflac Overpayment Refund	Benefits	\$13.46
Subtotal for Vendor 80115 - Jonathan Davis :				\$13.46
80168 Conrad Fire, Inc.				
563242		Nomex-Lenzing and Prevent	Grant	\$121.18
Subtotal for Vendor 80168 - Conrad Fire, Inc. :				\$121.18
80339 Jordan Sparks				
12-15-2022		Park Deposit Refund	Park Building Deposit Refunds	\$40.00
Subtotal for Vendor 80339 - Jordan Sparks :				\$40.00
80351 Bridget Nash				
67735		Continuing Education Reimbursement	Contractual	\$108.00
Subtotal for Vendor 80351 - Bridget Nash :				\$108.00
80355 Assured Partners				
60561		Christmas Parade Special Event Insurance	Contractual	\$300.00
60561		Christmas Parade Special Event Insurance	Contractual	\$283.00
Subtotal for Vendor 80355 - Assured Partners :				\$583.00
80424 Altamont Food Pantry				
12-2022		Donations	Contractual	\$226.00
Subtotal for Vendor 80424 - Altamont Food Pantry :				\$226.00

Approved Invoices by Vendor- Summary

City of Altamont

Vendor Invoice	PO	Description	Account Description	Invoice Amt
80464 Brightspeed				
12-2022		phone service	Contractual	\$47.62
12-2022		phone service	Contractual	\$75.00
12-2022		phone service	Contractual	\$44.49
12-2022		phone service	Contractual	\$72.75
12-2022		phone service	Contractual	\$72.75
12-2022		phone service	Contractual	\$72.75
12-2022		phone service	Contractual	\$72.76
Subtotal for Vendor 80464 - Brightspeed :				\$458.12
80484 Thelma Wertz				
12-3-2022		Park Deposit Refund	Park Building Deposit Refunds	\$40.00
Subtotal for Vendor 80484 - Thelma Wertz :				\$40.00
80485 Abigail Callahan				
12/19/2022		Park Deposit Refund	Park Building Deposit Refunds	\$40.00
Subtotal for Vendor 80485 - Abigail Callahan :				\$40.00
80486 USD 503				
L Myers Grandma		Coats for Kids in Memory of Jane Kite	Contractual	\$50.00
Subtotal for Vendor 80486 - USD 503 :				\$50.00
80487 Jenn Bebb				
12-15-2022		Park Deposit Refund	Park Building Deposit Refunds	\$40.00
Subtotal for Vendor 80487 - Jenn Bebb :				\$40.00

Approved Invoices by Vendor- Summary

City of Altamont

Vendor Invoice	PO	Description	Account Description	Invoice Amt
			Grand Total:	\$99,072.09

Approved Invoices - Fund/Dept. Totals

Fund	Fund Total	Fund Name
01 General Fund		
01	General Government	\$939.40
02	Gen Police	\$1,272.54
03	General Court	\$69.49
04	General Fire	\$198.80
05	General Park	\$250.00
		<hr/>
		\$2,730.23
05 Recreation		
00	NonDepartmental	\$210.00
		<hr/>
		\$210.00
50 Water Utility Fund		
00	NonDepartmental	\$250.61
		<hr/>
		\$250.61
51 Electric Utility Fund		
00	NonDepartmental	\$61,930.92
		<hr/>
		\$61,930.92
52 Gas Utility Fund		
00	NonDepartmental	\$31,478.92
		<hr/>
		\$31,478.92
53 Sewer Utility Fund		
00	NonDepartmental	\$1,236.87

Approved Invoices by Vendor- Summary

City of Altamont

Vendor Invoice	PO	Description	Account Description	Invoice Amt
			\$1,236.87	
	54	Sanitation Utility Fund		
	00	NonDepartmental	\$329.44	
			\$329.44	
	61	Heatshare		
	00	NonDepartmental	\$346.10	
			\$346.10	
	65	Al's Fitness Center		
	00	NonDepartmental	\$50.00	
			\$50.00	
	66	Food Pantry		
	00	NonDepartmental	\$226.00	
			\$226.00	
	82	Insurance Reserve Fund		
	00	NonDepartmental	\$283.00	
			\$283.00	
		Grand Total:	\$99,072.09	

AP Check Register (APLT43)

City of Altamont

Check No	Check Date	Vendor No	Vendor Name	Check Amount
Bank No: 1	Account: 006572			
36199	12/27/2022	80485	Abigail Callahan	\$40.00
36200	12/27/2022	885	ADVANCE INSURANCE COMPANY	\$59.40
36201	12/27/2022	79500	Als Fitness Center	\$200.00
36202	12/27/2022	80424	Altamont Food Pantry	\$226.00
36203	12/27/2022	160	ALTAMONT RECREATION COMMISSION	\$210.00
36204	12/27/2022	80355	Assured Partners	\$583.00
36205	12/27/2022	80351	Bridget Nash	\$108.00
36206	12/27/2022	80464	Brightspeed	\$458.12
36207	12/27/2022	79853	Buddy Souders	\$40.00
36208	12/27/2022	79547	Cintas Corporation	\$181.76
36209	12/27/2022	80168	Conrad Fire, Inc.	\$121.18
36210	12/27/2022	79653	Dollar General-Regions 410526	\$154.80
36211	12/27/2022	681	HEATSHARE DONATIONS	\$346.10
36212	12/27/2022	80487	Jenn Bebb	\$40.00
36213	12/27/2022	80115	Jonathan Davis	\$13.46
36214	12/27/2022	80339	Jordan Sparks	\$40.00
36215	12/27/2022	864	Kansas Alcoholic Bev. Control	\$50.00
36216	12/27/2022	949	KANSAS MUNICIPAL ENERGY AGENCY	\$32,356.82
36217	12/27/2022	950	Kansas Municipal Gas Agency	\$31,478.92
36218	12/27/2022	1057	LABETTE COUNTY PUBLIC	\$2,227.68
36219	12/27/2022	79848	Labette Hardware	\$276.17
36220	12/27/2022	80074	Labette Health Physician's Group	\$71.00
36221	12/27/2022	1373	LeaAnn Myers	\$15.00

AP Check Register (APLT43)

City of Altamont

Check No	Check Date	Vendor No	Vendor Name	Check Amount
36222	12/27/2022	2306	MERIDIAN ANALYTICAL LABS, LLC	\$264.55
36223	12/27/2022	9789	Michael Shields	\$18.00
36224	12/27/2022	79586	Monty Wertz	\$40.00
36225	12/27/2022	1787	PEGGY YBARRA	\$565.47
36226	12/27/2022	1660	POSTMASTER	\$250.00
36227	12/27/2022	80484	Thelma Wertz	\$40.00
36228	12/27/2022	2320	TWIN VALLEY ELECTRIC COOP. INC	\$28,363.03
36229	12/27/2022	80486	USD 503	\$50.00
36230	12/27/2022	83	Verizon	\$180.40
Bank Account Totals:				\$99,068.86
Total Of Checks:				\$99,068.86

AP Wire Register (APLT44)

City of Altamont

Wire Nbr.	Wire Date	Vendor No	Vendor Name	Wire Amount
Bank No: 1	Account:	006572		
-1038	12/27/2022	79491	Labette County State Bank Payroll Wthhld	\$3.23
Bank Account Totals:				\$3.23
Total Of Wires:				\$3.23

Bridget Nash
Secretary/Treasurer



PO Box 305
Altamont, KS 67330
Phone: (620) 784-5612
Fax: (620) 784-5882

Altamont Recreation Commission

December 13, 2022

Dear Mayor and Council:

We would like to ask the City Council to appoint Lacy Atkins to the Altamont Recreation Commission, term ending December 31, 2026.

Sincerely,

A handwritten signature in cursive script that reads 'Bridget Nash'. The signature is written in black ink and is positioned above the printed name.

Bridget Nash
Altamont Recreation Commission
Secretary/ Treasurer

From: [Dixie Riedel](#)
To: [Chad Buckley \(cityadmin@lyonsks.org\)](#); [City of Partridge-Debbie Fountain](#); [City of Rozel](#); [cityadmin@altamontks.com](#); [citymanager@concordiaks.org](#); [Cole Herder \(cole.herder@humboldtks.org\)](#); [Danielle Young \(dyoung@chenevks.org\)](#); [Erin Josefiak \(erin.josefiak@gmail.com\)](#); [Ethan Reimer \(ereimer@halsteadks.com\)](#); [Gary Emry](#); [Gus Collins \(gcollins@winfieldks.org\)](#); [Jennifer Pugh \(cityofsylvia@outlook.com\)](#); [Jessica Presler \(jamestown@nckcn.com\)](#); [Joanna Hunter - Howard, City of \(cityofhoward@sktc.net\)](#); [Jodi Wade \(jwade@cityoflacygne.org\)](#); [Kim Everley \(clerk@cityofmclouth.org\)](#); [kim_ryan \(burrton@outlook.com\)](#); [ksroufe@kechiks.gov](#); [LeaAnn Myers \(leaann@altamontks.com\)](#); [Les Holman \(pubworks@burlingameks.com\)](#); [Mindy Iverson \(cityofabbyville@hotmail.com\)](#); [Murray T. McGee](#); [Nathan Law](#); [Patty Atchison \(cityhall@burlingameks.com\)](#); [Raye Vaught - Cassoday, City of \(cassoday@wheatstate.com\)](#); [Rod Willis \(rwillis@osagecity.com\)](#); [Sally Johnson \(cityofuniontown@ckt.net\)](#); [Stephanie Ashby \(cityofwalton@pixius.net\)](#); [Stephanie Graham \(Clerk@eskridgeks.org\)](#); [Taggart Wall \(twall@winfieldks.org\)](#); [Tammy Konrade \(spearcty@ucom.net\)](#); [Tara Pierce \(cityclerk@cityofargonia.com\)](#); [twilson@garnettks.net](#); [Yvonne Hamer \(cityofdenison_yh@yahoo.com\)](#)
Cc: [Paul Mahlberg](#); [Terri Pemberton](#); [Kay Forsen](#)
Subject: Prepay Project Documents
Date: Friday, December 16, 2022 11:01:18 AM
Attachments: [MMGA and KMGAs Gas Supply Agreement - 12.16. 2022 draft \(Exhibit C to City Participation Agreement\).doc](#)
[Prepay Participation Agreement with Cities \(Draft 12.16.22\).docx](#)
[2022 Prepay Presentation \(12.13.22\).pdf](#)

KMGA Members –

As currently contemplated, KMGA will enter into a Natural Gas Supply Agreement with Minnesota Municipal Gas Agency (MMGA), to acquire long-term natural gas supplies from Royal Bank of Canada (RBC) for KMGA members electing to participate in the gas prepay project, as discussed earlier this week. Attached to this email is the current draft of that Natural Gas Supply Agreement. The attached agreement is very similar to the prior agreement from 2019. We have been in negotiations/discussions with MMGA and RBC on the changes and while there may be some additional edits to the agreement before final execution, the final version will be in substantially similar form as the attached draft.

Contemporaneously, KMGA and each City will need to enter into a Participant Agreement in order to facilitate the deal (also attached). Please let us know if you have questions/concerns with the Participant Agreement. This agreement between KMGA and the cities is also similar in form to the prior agreement from 2019.

Schedule

- Dec 16: KMGA will send out draft prepay agreement
- Jan 13: Comments from members on agreement due to KMGA
- Jan 30: KMGA send outs Final draft agreement
- Mar 15: Signed Agreements due to KMGA

Also attached is the presentation from the WebEx held this past Tuesday.

Thank you,
Dixie



The logo for KMGA, featuring a stylized letter 'K' composed of geometric shapes in shades of green and yellow, positioned to the left of a teal horizontal bar.

KMGA

Prepay Gas Supply Project





Prepay Gas Supply Option

“Prepay” – a misnomer

- Cities/KMGA do not prepay for the natural gas
- Cities/KMGA will pay as we go
- Bonds will be issued by 3rd party to prepay for the gas





Prepay Gas Supply Option

- Tax Exempt Bond Issuer
 - Minnesota Municipal Gas Agency (MMGA)
- Gas Supplier
 - Royal Bank of Canada (RBC)
- Commodity Swap Provider
 - RBC uses BP Energy
- Participants
 - Kansas Municipal Gas Agency (KMGA) and participating member cities





Prepay Gas Supply Option

- Gas supply contract between MMGA and KMGA
 - Volume of supply to be purchased are established
 - Volume can be shaped for seasonality
 - Can include both First-of-Month and Fixed Price deals
- KMGA is required to “take and pay” for gas designated volumes
- Member cities and KMGA enter into a “back-to-back” contract that will mirror the MMGA/KMGA contract
- Discounts range from 25 – 40 cents below market index prices





Prepay Gas Supply Option

- Major Provisions:

- 30 year term
- KMGGA commits to “take and pay” for stated gas volumes
 - KMGGA not required to pay for gas not delivered
- Minimum Discount Established (to be determined)
- Initial Gas Price Discount Established (yet to be established)
 - Gas Price Discount is Locked in for Initial Period (5-6 years)
- KMGGA will pay Administration Fee (approx. 3-5 cents/MMBtu) to MMGA





Prepay Gas Supply Option

- Major Provisions:

- After Initial Period, Bonds will be remarketed
 - New Gas Price Discount Established
 - If Minimum Discount is not obtained, KMGA (and Cities) can:
 - Decide to terminate the agreement; or
 - KMGA (and Cities) can elect to stay in prepay program at the new discount rate
- MMGA assistance with remarketing gas for loss of load
 - MMGA shall use “commercially reasonable efforts” to sell such volumes to others
 - KMGA required to pay for gas volumes
 - MMGA will credit KMGA for such sales less any expenses, if any, and remarketing fee





Prepay Gas Supply Option

- Set up as a “Project”
 - KMGGA Member cities can decide to participate or not

- Designed to pass through the benefits and obligations of the MMGA/KMGGA Agreement
 - MMGA/KMGGA Agreement is attached as Exhibit C

- Each City that wishes to participate must execute Agreement
 - Agreements are Identical

- 21 Cities Signed up the first time around





Prepay Gas Supply Option

- Major Provisions:

- Term = MMGA/KMGA Agreement term (i.e. 30 years)
- City commits “take and pay” for stated gas volumes
 - City not required to pay for gas not delivered
- Price = MMGA/KMGA Agreement price (Index less Discount less MMGA Administration Fee)
- KMGA shall provide management services
- City responsible for KMGA Prepay Administration Fee
 - Established by KMGA Budget as approved by KMGA Board of Directors on Annual Basis
 - Shall be equal to the KMGA Management Fee
 - No additional cost if City continues to take gas management services from KMGA





Prepay Gas Supply Option

➤ Schedule

- Dec 16: KMGA will send out draft prepay agreement
- Jan 13: Comments from members on agreement due
- Jan 30: KMGA send outs Final draft agreement
- Mar 15: Signed Agreements due



NATURAL GAS SUPPLY AGREEMENT

BY AND BETWEEN

**MINNESOTA MUNICIPAL GAS AGENCY, D/B/A
MINNESOTA COMMUNITY ENERGY**

AND

KANSAS MUNICIPAL GAS AGENCY

DATED AS OF [_____], 2023

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DRAFT

NATURAL GAS SUPPLY AGREEMENT

PREAMBLE

This Natural Gas Supply Agreement, dated as of _____ 1, 2023 (this “Agreement”), is made and entered into by and between the Kansas Municipal Gas Agency, a joint action agency created under the laws of the State of Kansas (“Gas Purchaser”), and the Minnesota Municipal Gas Agency, d/b/a Minnesota Community Energy, a municipal corporation and political subdivision of the State of Minnesota (“MMGA”). Gas Purchaser and MMGA are sometimes hereinafter referred to in this Agreement collectively as the “Parties” or individually as a “Party”.

RECITALS

WHEREAS, MMGA is a municipal gas agency and a municipal corporation and political subdivision of the State of Minnesota organized under Minnesota Statutes, Chapter 453A, as amended (the “Act”); and

WHEREAS, Gas Purchaser is a joint action agency created by an interlocal cooperation agreement under the laws of the State of Kansas; and

WHEREAS, MMGA has planned and developed a project to acquire long-term Gas supplies from Royal Bank of Canada (the “Gas Supplier”), a Schedule 1 bank under the Bank Act (Canada) authorized to do business in the United States, pursuant to a Prepaid Natural Gas Purchase and Sale Agreement, dated [_____], 2023 (the “Prepaid Gas Agreement”), to meet a portion of the Gas supply requirements of Gas Purchaser, its members, and other public gas distribution systems, public power utilities, and joint action agencies that elect to participate (together, the “Project Participants”) through a gas prepayment project (the “Prepaid Project”); and

WHEREAS, Gas Purchaser has elected to enter into this Agreement, and the other Project Participants have elected to enter into agreements containing substantially the same terms as this Agreement, with MMGA for the purchase of Gas supplies from the Prepaid Project; and

WHEREAS, Gas Purchaser is a joint action agency consisting of public agencies that own and operate natural gas transmission and distribution systems within their respective service areas, or own or operate an electric system that uses natural gas in the generation of electricity; and

WHEREAS, subject to the terms and conditions set forth in this Agreement, Gas Purchaser desires to purchase a portion of its Gas supply requirements from MMGA under this Agreement and MMGA desires to sell to Gas Purchaser such supplies of Gas; and

WHEREAS, as a condition precedent to the effectiveness of the Parties' obligations under this Agreement, MMGA shall have entered into the Prepaid Gas Agreement and shall have issued the Series 2023 Bonds (as hereinafter defined).

NOW, THEREFORE, in consideration of the premises and mutual covenants set forth in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, MMGA and Gas Purchaser agree as follows.

ARTICLE I

DEFINITIONS AND CONSTRUCTION

1.1 **Construction of the Agreement.** The Preamble and the Recitals set forth above are incorporated into this Agreement for all purposes. References to Articles, Sections, and Exhibits throughout this Agreement are references to the corresponding Articles, Sections, and Exhibits of this Agreement unless otherwise specified. All Exhibits are incorporated into this Agreement for all purposes. References to the singular are intended to include the plural and

vice versa. The word “including” and related forms thereof is intended to be interpreted inclusively, whether or not the phrase “but not limited to” follows such word or words.

1.2 Definitions. Unless another definition is expressly stated in this Agreement, the following terms and abbreviations, when used in this Agreement, are intended to and shall have the following meanings:

“Act” is defined in the Recitals.

“Agreement” is defined in the Preamble.

“Alternate Delivery Point” has the meaning specified in Section 3.1.

“Annual Delivery Period” means each one-year period during the Delivery Period, beginning with the Month of November and ending with the Month of October, with the first such period commencing with the Month of [_____].

“Annual Reconciliation Date” means the 15th day of the Month following the end of each Annual Delivery Period.

“Annualized Daily Quantity” or “ADQ” means for any Annual Delivery Period, the sum of the Daily Contract Quantities divided by the number of days in such Annual Delivery Period.

“Available Discount” means, for each Delivery Month of a Reset Period, the amount, expressed in cents per MMBtu (rounded down to the nearest one-half cent), determined by the Calculation Agent pursuant to the Re-Pricing Agreement.

“Board of Directors” means the Board of Directors of MMGA.

“Bond Counsel” has the meaning set forth in the Indenture.

“Bond Resolution” means the Resolution adopted by the Board of Directors on [_____], 2023 authorizing MMGA’s issuance of the Bonds.

“Bonds” means the Series 2023 Bonds, including one or more sub-series, and any Refunding Bonds issued by MMGA under the Indenture.

“Btu” means one British thermal unit, the amount of heat required to raise the temperature of one pound of water one degree Fahrenheit at 60 degrees Fahrenheit, and is the International Btu. The reporting basis for Btu is 14.73 pounds per square inch absolute and 60 degrees Fahrenheit; provided, however, that the definition of Btu as determined by the operator of the relevant Delivery Point shall be deemed conclusive in accordance with Article VI of the Prepaid Gas Agreement; and provided further that in the event of an inconsistency between this definition of “Btu” and the definition of “Btu” in the Prepaid Gas Agreement, the definition in the Prepaid Gas Agreement shall apply.

“Business Day” means (i) with respect to payments and general notices required to be given under this Agreement, any day other than (a) a Saturday or Sunday, (b) a Federal Reserve Bank holiday, (c) any day on which commercial banks located in either New York, New York, or the State of Minnesota are required or authorized by law or other governmental action to close, or (d) any other day excluded pursuant to the Indenture, and (ii) with respect to Gas deliveries and notices with respect thereto, any day.

“Calculation Agent” has the meaning set forth in the Re-Pricing Agreement.

“Central Prevailing Time” or “CPT” means Central Daylight Savings Time when such time is applicable and otherwise means Central Standard Time.

“Cf” means one cubic foot of Gas, defined as the amount of Gas required to fill a cubic foot of space when the Gas is at an absolute pressure of 14.73 pounds per square inch and a temperature of 60 degrees Fahrenheit.

“Code” means the Internal Revenue Code of 1986, as amended, and associated U.S. Department of the Treasury Regulations.

“Commercially Reasonable” or “Commercially Reasonable Efforts” means, with respect to any decision, purchase, sale or other action required to be made, attempted or taken by a Party under this Agreement, such decision or efforts as a reasonably prudent Person would make or undertake, as the case may be, for the protection of its own interest, or in the case of action taken on behalf of another Party, for the protection of the other Party’s interest, under the conditions affecting such decision, purchase, sale or other action. For the avoidance of doubt, the reasonableness of any action taken by a Party under this Agreement shall be determined at the time of such action, taking into full account the facts, circumstances and competitive environment surrounding such action.

“Commodity Swap” has the meaning set forth in the Indenture.

“Commodity Swap Counterparty” has the meaning set forth in the Indenture.

“Contract Price” means the price per MMBtu to be paid by Gas Purchaser for Gas delivered to it in accordance with this Agreement, as set forth in Section 4.1.

“Daily Contract Quantity” or “DCQ” means, for each Month, the quantity of Gas in MMBtu that shall be delivered by MMGA to Gas Purchaser and received by Gas Purchaser from MMGA each Gas Day during such Month. The Daily Contract Quantity for each Month of each year during the Term is set forth in Exhibit B. The term “Daily Contract Quantities” is used when referring to the Daily Contract Quantity of more than one Project Participant. The Daily Contract Quantities of all of the Project Participants for each Month of the Term are set forth in Exhibit C.

“Delivery Month” means each Month in which delivery and receipt of the DCQ are to be made under this Agreement. When used in connection with (i) the Initial Reset Period, the term

“Delivery Month” shall mean the first Month of the Initial Reset Period and each Month thereafter to and including the Month prior to the last Month of such Reset Period, and (ii) any other Reset Period, the term “Delivery Month” shall mean the Month prior to the first Month of such Reset Period and each Month thereafter to and including the Month prior to the last Month of such Reset Period.

“Delivery Period” means the period from and including the first Gas Day of [_____] to and including the last Gas Day of [_____] , unless earlier terminated pursuant to Article V.

“Delivery Points” is defined in Section 3.1.

“Discount” means (i) for each Delivery Month of the Initial Reset Period, [__] cents (\$0.[__]) per MMBtu, and (ii) for each Delivery Month of a Reset Period thereafter, the Available Discount for such Reset Period determined by the Calculation Agent pursuant to the Re-Pricing Agreement. Following the establishment of a new Discount for a Reset Period, the Parties shall prepare a revised Exhibit A to this Agreement showing the amount of the Discount for such Reset Period.

“Event of Insolvency” means with respect to any Person the occurrence and continuance of one or more of the following events: (a) the issuance, under the laws of the state or other jurisdiction having primary regulatory authority over such Person or any successor provision thereto (or any other law under which such Person is at the time organized), of an order for relief, rehabilitation, reorganization, conservation, liquidation or dissolution of such Person that is not dismissed within 30 days; (b) the commencement by such Person of a voluntary case or other proceeding seeking an order for relief, liquidation, rehabilitation, conservation, reorganization or

dissolution with respect to itself or its debts under the laws of the state or other jurisdiction of incorporation or formation of such Person or any bankruptcy, insolvency or other similar law now or hereafter in effect including, without limitation, the appointment of a trustee, receiver, liquidator, custodian or other similar official for itself or any substantial part of its property; (c) the consent of such Person to any relief referred to in the preceding clause (b) in an involuntary case or other proceeding commenced against it; (d) the appointment of a trustee, receiver, liquidator, custodian or other similar official for such Person or any substantial part of its property by a government agency or authority having the jurisdiction to do so; (e) the making by such Person of an assignment for the benefit of creditors; (f) the failure of such Person generally to pay its debts or claims as they become due; (g) the Person shall admit in writing its inability to pay its debts when due; (h) the declaration of a moratorium with respect to the payment of the debts of such Person; or (i) the initiation by such Person of any action to authorize any of the foregoing.

“FERC” means the Federal Energy Regulatory Commission and any successor thereto.

“FERC Gas Tariff” means the interstate pipeline tariff filed by a Transporter pursuant to FERC regulations and approved by FERC, as amended from time to time.

“Firm” means that performance by a Person may be interrupted without liability only to the extent that such performance is prevented by reasons of Force Majeure with respect to such Person asserting Force Majeure.

“Force Majeure” is defined in Section 13.2.

“Gas” means natural gas or any other mixture of hydrocarbon gases, or of hydrocarbons and liquids or liquefiabiles, or of hydrocarbons and non-combustible gases, consisting predominantly of methane.

“Gas Day” means a period of 24 consecutive hours beginning at 9:00 a.m. CPT on a calendar day and ending at 9:00 a.m. CPT on the next calendar day. The date of the Gas Day shall be the date at its beginning. If, through standardization of business practices in the industry or for any other reason, a Transporter, or the FERC with general applicability, changes the definition of Gas Day, such change shall apply to the definition of Gas Day in this Agreement with respect to such Transporter or generally, as applicable.

“Gas Purchaser” is defined in the Preamble.

“Gas Purchaser’s Transporter” means the Transporter receiving Gas on Gas Purchaser’s behalf at the Delivery Point.

“Gas Supplier” means Royal Bank or any permitted assignee of Royal Bank pursuant to the Indenture and the Prepaid Gas Agreement.

“Government Agency” means the United States of America, any state or commonwealth thereof, any local jurisdiction, any political subdivision of any of the foregoing, and any other division of government of any of the foregoing, including but not limited to courts, administrative bodies, departments, commissions, boards, bureaus, agencies, municipalities, or instrumentalities.

“Imbalance Charges” means any fees, penalties, costs or other charges (in cash or in kind) assessed by a Transporter for failure to satisfy the Transporter’s balancing, scheduling and/or nomination requirements based on such Transporter’s FERC Gas Tariff.

“Indenture” means the Trust Indenture, dated as of [_____], 2023, between MMGA and the Trustee, as it may be amended or supplemented from time to time.

“Index Premium” means the applicable index premium(s) specified in Exhibit A.

“Index Price” means the Monthly market index price described in Section 4.2, and any substitute index price determined under Section 4.2.

“Initial Reset Period” means the period from and including [_____], 20[___] to and including [_____], 202[___].

“Mcf” means 1,000 cubic feet of Gas.

“Minimum Discount” means [___] cents per MMBtu for the Initial Reset Period including monthly and projected annual components and prior to payment by Gas Purchaser of the Project Administration Fee, and [___] cents per MMBtu for any subsequent Reset Period, subject to the same terms.

“MMBtu” means 1,000,000 Btu.

“MMGA” is defined in the Preamble.

“Month” means the period beginning at the beginning of the first Gas Day of a calendar month and ending at the beginning of the first Gas Day of the next calendar month. The term “Monthly” shall be construed accordingly.

“Municipal Utility” means any Person that (i) is a governmental person as defined in the implementing regulations under Section 141 of the Code and any successor provision, (ii) owns or consists of members that own either or both a Gas distribution utility or an electric distribution utility (or provides Gas or electricity at wholesale to, or that is sold to entities that provide Gas or electricity at wholesale to, governmental persons that own such utilities), and (iii) agrees in writing to use the Gas purchased by it for a qualifying use as defined in U.S. Treas. Reg. § 1.148-1(e)(2)(iii).

“Person” means any individual, public or private corporation, partnership, limited liability company, state, county, district, authority, municipality, political subdivision,

instrumentality, partnership, association, firm, trust, estate, or any other entity or organization whatsoever.

“Prepaid Gas Agreement” is defined in the Recitals.

“Prepaid Project” is defined in the Recitals.

“Primary Delivery Point” is defined in Section 3.1.

“Prime Rate” means the interest rate published in *The Wall Street Journal* or comparable successor publication under the heading “Money Rates” and the subheading “Prime Rates” or comparable headings for the U.S. that, on the date of this Agreement, is described in *The Wall Street Journal* as “the base rate on corporate loans posted by at least 70% of the 10 largest U.S. banks”.

“Project Administration Fee” is defined in Section 4.3.

“Project Management Committee” means a committee, composed of one representative appointed by each of the Project Participants, which shall meet in person or by conference call from time to time and shall monitor performance of the Prepaid Project and make reports and recommendations to the Board of Directors as it deems appropriate.

“Project Participants” means those municipal distribution systems, public power utilities and joint action agencies identified in Exhibit C, as may be amended from time to time by mutual agreement of the Parties.

“Prolonged Remarketing Quantity” means, for each Delivery Month of the Remaining Term, the aggregate Daily Contract Quantities with respect to which a Remarketing Election has been made.

“Refunding Bonds” means any Bonds issued by MMGA under and in accordance with the Indenture to refund the Series 2023 Bonds or any other Bonds then outstanding under the Indenture.

“Remaining Term” means, as of any date, the period commencing on such date and ending on the last day of the last Delivery Month under the Prepaid Gas Agreement.

“Remarketing Election” means an election by Gas Purchaser pursuant to Section 5.3(b) to have its Daily Contract Quantities remarketed for the Remaining Term following the occurrence of a Remarketing Event.

“Remarketing Election Deadline” means the last date and time by which Gas Purchaser may provide a Remarketing Election Notice, which shall be 4:00 p.m. Central Prevailing Time on the 10th day of the Month (or, if such day is not a Business Day, the next succeeding Business Day) prior to the first Delivery Month of a Reset Period with respect to which a Remarketing Event has occurred.

“Remarketing Election Notice” means written notice of a Remarketing Election provided by Gas Purchaser to MMGA and Gas Supplier pursuant to Section 5.3(b).

“Remarketing Event” means receipt by Gas Purchaser of notice from MMGA that the Available Discount for the next Reset Period is less than the Minimum Discount, as described in Section 5.3(a).

“Re-Pricing Agreement” means the Re-Pricing Agreement, dated as of [_____], 2023, between Royal Bank and MMGA, as amended or supplemented from time to time in accordance with its terms.

“Re-Pricing Date” has the meaning set forth in the Re-Pricing Agreement.

“Reset Period” means each five year period (or such longer or shorter period as may be agreed to by MMGA and Royal Bank pursuant to the Re-Pricing Agreement) commencing on the last day of the Initial Reset Period or the prior Reset Period, as the case may be, and ending on the fifth anniversary (or such later or earlier anniversary, as the case may be) of such last day; *provided* that the final Reset Period shall be the period from the last day of the prior Reset Period to the Final Maturity Date (as defined in the Re-Pricing Agreement).

“Royal Bank” means Royal Bank of Canada, a Schedule 1 bank under the Bank Act (Canada).

“Series 2023 Bonds” means MMGA’s Commodity Supply Revenue Bonds, Series 2023, and any sub-series, issued pursuant to the Indenture in order to finance MMGA’s purchase of Gas from the Gas Supplier under the Prepaid Gas Agreement and costs associated therewith.

“Transaction Documents” has the meaning set forth in the Indenture.

“Transporter” means all Gas gathering or pipeline companies transporting Gas for MMGA or Gas Purchaser upstream or downstream, respectively, of the Delivery Point.

“Trustee” means [_____], as trustee for the Bonds under the Indenture, including any successor or co-trustee thereunder.

ARTICLE II

SERVICE OBLIGATIONS

2.1 Gas Supply Service. MMGA acknowledges and agrees that Gas Purchaser has a need to acquire Gas supplies to provide wholesale service to its municipal member distribution systems or joint action agencies for the ultimate provision of service to retail Gas consumers within their respective areas of service, or to generate electricity for the sale of electricity to retail electricity consumers within their areas of service, on a long-term basis, and that a

significant portion of such Gas supplies must be priced with reference to deregulated market prices in order to enable Gas Purchaser to ensure that it may provide sales service at competitive prices. MMGA understands that Gas Purchaser has asserted that its long-term viability as a joint action agency providing service to Municipal Utilities that are providing an essential public service depends in part upon its ability to receive secure and reliable supplies of Gas on a long-term basis in pre-determined quantities that are priced with reference to deregulated market prices in the form and structure of the Contract Price, and that Gas Purchaser has further asserted that such Contract Price must be at the lowest reasonable level consistent with the maintenance of secure and reliable service. Gas Purchaser has requested MMGA to provide deliveries of Gas to it consistent with these objectives, and Gas Purchaser understands and acknowledges that MMGA has undertaken the Prepaid Project in part to meet Gas Purchaser's request and satisfy Gas Purchaser's asserted objectives and that the Prepaid Project does so. Accordingly, for each Gas Day of each Delivery Month during the Delivery Period, MMGA shall tender for delivery to Gas Purchaser at the Delivery Point on a Firm basis, and Gas Purchaser shall purchase and receive from MMGA at the Delivery Point on a Firm basis, the applicable Daily Contract Quantity of Gas for such Delivery Month set forth in Exhibit B.

2.2 Nature of the Prepaid Project. Gas Purchaser acknowledges and agrees that MMGA will meet its obligation to provide Gas supply service to Gas Purchaser under this Agreement through its purchase of long-term Gas supplies on a prepaid basis from the Gas Supplier under the Prepaid Gas Agreement and that MMGA is financing its purchase of such long-term supplies through the issuance of the Series 2023 Bonds. Gas Purchaser acknowledges and agrees that MMGA will pledge its right, title, and interest under this Agreement and the

revenues to be received under this Agreement (other than the revenues attributable to the Project Administration Fee described in Section 4.3) to secure MMGA's obligations under the Indenture.

ARTICLE III

RECEIPT AND DELIVERY POINTS

3.1 Delivery Points. All Gas delivered under this Agreement shall be delivered and received at the points of delivery specified in Exhibit A (the "Primary Delivery Points") or to any other point of delivery (each an "Alternate Delivery Point") that has been mutually agreed to by MMGA and Gas Purchaser and agreed to by the Gas Supplier pursuant to the Prepaid Gas Agreement (each Primary Delivery Point or Alternate Delivery Point, if specified, being a "Delivery Point"). [MMGA and Gas Purchaser agree that the Delivery Point for deliveries by Gas Purchaser to the City of Winfield, Kansas, a downstream purchaser of gas supplies from Gas Purchaser under a Gas Sales Contract with Gas Purchaser for a daily contract quantity of ___MMBtu, may be changed effective on the first day of a Month following not less than sixty (60) days' notice by gas Purchaser to MMGA to reflect a change in the Transporter.

3.2 Transfer of Title. Title to the Gas shall pass from MMGA to Gas Purchaser at the Delivery Points. MMGA shall have responsibility for and assume all risk with respect to Gas prior to its delivery to Gas Purchaser at the Delivery Points and Gas Purchaser shall own such Gas and shall assume all risk of loss following its transfer at the Delivery Points.

ARTICLE IV

PRICING OF GAS SUPPLY SERVICES

4.1 Charge Per MMBtu Delivered. For each MMBtu of Gas delivered by MMGA to Gas Purchaser at the Delivery Points, Gas Purchaser shall pay MMGA the Contract Price for such Gas, which shall be the applicable Index Price, plus the Index Premium, if any, less the

Discount, in effect for the applicable Delivery Month. Gas Purchaser shall not be required to pay for any Gas that is not tendered for delivery by MMGA.

4.2 Index Price. The Index Price for any Month shall mean the price per MMBtu, stated in U.S. dollars, as published in the first issue for the Month (including corrections thereto in later issues) in which the event occurred that required calculation of the Index Price, of *Inside FERC's Gas Market Report*, a publication of S&P Global Platts, a division of S&P Global, in the section "Monthly Bidweek Spot Gas Prices – Platts Locations (\$/MMBtu)", under the heading "[_____]" and the line "[_____]" (or any successor heading), under the column "Index." If *Inside FERC's Gas Market Report* should cease to publish such first-of-the-month index prices or should cease to be published entirely, the Index Price shall be the price per MMBtu, stated in U.S. dollars, for Gas to be delivered at the Delivery Point during the applicable Month as set forth in an alternative index as determined under Section 6.08 of the Prepaid Gas Agreement. MMGA shall provide Gas Purchaser the opportunity to provide its recommendations and other input to MMGA for MMGA's use in the process under Section 6.08 of the Prepaid Gas Agreement.

4.3 Project Administration Fee. Gas Purchaser shall pay to MMGA, for each Delivery Month during the Term, a fee for the initiation, implementation and administration of the Prepaid Project (the "Project Administration Fee") equal to the product of (i) the Daily Contract Quantity for each Gas Day of the applicable Delivery Month, (ii) the number of days in such Delivery Month, and (iii) four cents (\$0.04). The Project Administration Fee for each Delivery Month shall be included in the invoice provided by MMGA to Gas Purchaser for such Delivery Month pursuant to Section 11.1. If MMGA fails to tender the Daily Contract Quantity for delivery on any Gas Day of the applicable Delivery Month, the Project Administration Fee

for such Delivery Month shall be equal to the product of: (i) the quantity of Gas delivered to Gas Purchaser in MMBtu, and (ii) four cents (\$0.04).

4.4 Index Premium.

(a) The Contract Price payable by Gas Purchaser to MMGA, as set forth in Section 4.1, shall include the applicable Index Premium, if any, for the Delivery Point in effect for the Month of delivery. The Index Premium, if any, for such Delivery Point, which shall be established under the Prepaid Gas Agreement and flowed through from the Gas Supplier to MMGA and from MMGA to Gas Purchaser, is set forth in Exhibit A and shall remain in effect through the date shown in Exhibit A corresponding to such Delivery Point. Thereafter, as to such Delivery Point, the Index Premium, if any, shall be subject to adjustment no more often than seasonally upon mutual agreement of MMGA and the Gas Supplier under the Prepaid Gas Agreement, and such Index Premium, if any, shall be for a minimum period of at least five months. MMGA shall notify Gas Purchaser at least 15 Days before the end of each Index Premium period to enable Gas Purchaser to participate in the process of establishing the new Index Premium, if any, prior to the beginning of the next Index Premium period. That process is described in Section 3.05 of the Prepaid Gas Agreement.

(b) Gas Purchaser may elect to fix the Index Premium for a period no shorter than seasonally. For this purpose, the seasons shall be the months of April through October (the summer season) and November through March (the winter season). Gas Purchaser may request a quote for a fixed Index Premium by submitting a written request to MMGA specifying the period(s) of time for which the Gas Purchaser would like to fix the Index Premium. Upon receipt of such a request, MMGA shall obtain a quote from the Gas Supplier and shall provide Gas Purchaser with a quote or quotes for a fixed Index Premium and the periods of time such

quotes shall remain valid. In the event Gas Purchaser desires to fix the Index Premium at a quoted price, Gas Purchase shall notify MMGA of such election and include the period of time the Index Premium is to be fixed, and upon completion of documentation necessary to evidence the election, the Index Premium shall be adjusted for the applicable period or periods of time to reflect the fixed price in accordance with Section 4.4(c).

(c) Upon adjustment of the Index Premium as to any Delivery Point, MMGA and Gas Purchaser shall execute a revised Exhibit A reflecting the new Index Premium, if any.

(d) Notwithstanding the foregoing provisions of this Section 4.4, the Parties understand and acknowledge that the Index Premium during the Initial Reset Period shall be 0 cents (\$0.00) per MMBtu. In any future Reset Period, if the Index Premium is not 0 cents (\$0.00) per MMBtu, the Available Discount shall be reduced by the Index Premium. If the Available Discount reduced by the Index Premium is less than the Minimum Discount, a Remarketing Event under Section 5.3 shall occur.

4.5 [Existing Municipality Hedges]. The Parties understand and acknowledge that Gas Purchaser has certain fixed price hedges in place with BP Energy Company on the effective date of this Agreement which shall remain in effect for a portion of the term of this Agreement. The volumes, terms and fixed prices of such hedges which Gas Purchaser has in place with BP Energy Company on the effective date of this Agreement are set forth in Exhibit B. MMGA shall deliver to and charge Gas Purchaser, and Gas Purchaser shall receive from MMGA and pay to MMGA, the portion of the Daily Contract Quantity shown in Exhibit B for each period of time there set forth at a Contract Price equal to the applicable fixed price per MMBtu there set forth minus the Discount.]

4.6 Future Fixed Price Hedges. If Gas Purchaser desires to hedge its price risk by converting the Index Price to another price (the "Alternate Price") (or an Alternate Price to a different Alternate Price) for all or a portion of the Daily Contract Quantity, it shall provide written notice to MMGA of at least three (3) Business Days of its request, specifying the quantities and the duration of such request. In the event an Alternate Price is agreed to between MMGA and Gas Purchaser, the Contract Price shall be deemed to be the agreed-upon Alternate Price applicable to those designated quantities for the applicable Delivery Point minus the Discount, provided (a) the Parties mutually agree on commercial terms, which agreement shall not be unreasonably withheld; (b) the Alternate Price becomes effective on the first Gas Day of a Month; (c) MMGA and the Commodity Swap Counterparty and the Gas Supplier and the Commodity Swap Counterparty, as described in the Prepaid Gas Agreement, shall each have executed an appropriate new swap confirmation reflecting such change; and (d) the Parties have amended Exhibit B hereto to reflect the new Alternate Price.

4.7 Remarketing Upon Load Loss.

(a) Temporary Load Loss. In the event Gas Purchaser does not require all or any portion of the Daily Contract Quantity that it is obligated to purchase under this Agreement for any Gas Day due to a change in Gas Purchaser's requirements for Gas, then MMGA shall, upon reasonable notice from Gas Purchaser, use Commercially Reasonable Efforts, to the extent permitted in the Prepaid Gas Agreement, to arrange for the sale of such quantities by the Gas Supplier to another purchaser or purchasers, and shall credit the net remarketing proceeds against the amount owed by Gas Purchaser for the Daily Contract Quantity the amount received by MMGA for such sale less all directly incurred costs or expenses, including but not limited to remarketing administrative charges paid to the Gas Supplier under the Prepaid Gas Agreement, but in no event more than the Contract Price minus, in all cases, the Project Administration Fee and an MMGA remarketing administrative charge of three cents (\$0.03) per MMBtu.

(b) Permanent Load Loss. In the event Gas Purchaser does not require all or any portion of the Daily Contract Quantity that it is obligated to purchase under this Agreement as a result of the permanent reduction of its Gas requirements, such as from the permanent loss of industrial load or legislative or regulatory imposition of requirements upon Gas Purchaser related to "climate change", greenhouse gas emissions, or other environmental concerns, Gas Purchaser may give notice of the permanent reduction of such quantities from its Daily Contract Quantity for the Remaining Term. If MMGA is reasonably satisfied that such loss of requirements for Gas is permanent, which determination shall not be unreasonably withheld, conditioned, or delayed, then MMGA will, not later than six months following the receipt of such notice from Gas Purchaser, reduce the Daily Contract Quantities for the Remaining Term and arrange for the sale of such quantities by the Gas Supplier to another purchaser or

purchasers. As used in this Section 4.7(b), “permanent” means a period of time at least as long as the Remaining Term.

4.8 Annual Refunds. In addition to the Discount applicable to deliveries of the Daily Contract Quantity to Gas Purchaser under this Agreement, MMGA shall provide such annual refund to Gas Purchaser as may be available for distribution by MMGA pursuant to Section 5.15(b) of the Indenture. Such annual refund, if any, shall be paid by MMGA to Gas Purchaser and the other Project Participants as soon as practicable following each Annual Reconciliation Date after the release of funds for such purpose to MMGA under the terms of the Indenture. Gas Purchaser acknowledges and agrees that there is no assurance that any annual refund will be achieved, and that under the structure of the Prepaid Project none is expected during the Initial Reset Period. In determining the amount of such annual refund, if any, to be paid to Gas Purchaser, MMGA may reserve such funds as may be required under the terms of the Transaction Documents or as it deems reasonably necessary and appropriate, including but not limited to amounts required to fund or maintain the Minimum Discount for any future Reset Period, to fund or maintain any rate stabilization or working capital reserve, and/or to reserve or account for unfunded liabilities and expenses, including future sinking fund or other principal amortization of the Bonds. All such refunds, if any, shall be made to Gas Purchaser in an amount reflecting the allocation of such refunds that the Project Management Committee recommends and the Board of Directors determines by calculating the ADQ of Gas Purchaser for the previous Annual Delivery Period and dividing Gas Purchaser’s ADQ by the aggregate total ADQ for such Annual Delivery Period of all of the Project Participants.

ARTICLE V

TERM; REMARKETING ELECTION

5.1 Term. This Agreement shall be effective as of the date first set forth above and shall be implemented as appropriate to effectuate purchases and sales of Gas under this Agreement for deliveries commencing on the first Gas Day of the Delivery Period. Unless earlier terminated in accordance with this Article V, this Agreement shall remain in full force and effect for a term ending on the last Gas Day of the Delivery Period, subject in either case to the winding up arrangements set forth in Section 5.4 (the “Term”).

5.2 Early Termination Upon Termination of Prepaid Gas Agreement. Notwithstanding Section 5.1, Gas Purchaser acknowledges and agrees that, in the event the Prepaid Gas Agreement terminates prior to the end of the Term, (i) this Agreement shall terminate on the date of early termination of the Prepaid Gas Agreement, and (ii) MMGA’s obligation to deliver Gas under this Agreement shall terminate on the same date on which the Gas Supplier’s obligation to deliver Gas to MMGA under the Prepaid Gas Agreement terminates.

5.3 Early Termination following a Remarketing Election.

(a) Remarketing Event. For each Reset Period, MMGA shall provide to Gas Purchaser, at least ten (10) days prior to the applicable Remarketing Election Deadline (without regard to any extension thereof as provided for in Section 5.3(b)), written notice setting forth the duration of such Reset Period and the estimated Available Discount for such Reset Period. In the event the estimated Available Discount for a Reset Period is not at least equal to the Minimum Discount (a “Remarketing Event”), such notice shall also state (i) that a Remarketing Event has occurred, (ii) the applicable Remarketing Election Deadline, and (iii) that Gas Purchaser, and

each other Project Participant, may (A) continue to purchase and receive all or a portion of its Daily Contract Quantity for each Gas Day of each Delivery Month during such Reset Period, reduced by the Index Premium, if any, at a Contract Price that reflects the Available Discount (as finally determined as hereinafter described), or (B) elect that the Daily Contract Quantity be remarketed for the Remaining Term (a “Remarketing Election”) by providing a Remarketing Election Notice prior to the Remarketing Election Deadline. The Parties explicitly recognize and agree that Gas Purchaser may elect a partial reduction in its Daily Contract Quantity to reflect the fact that one or more but not all of Gas Purchaser’s downstream customers may elect to have all or a portion of their daily contract quantities remarketed for the remaining term of their Gas Sales Contracts with Gas Purchaser.

(b) Remarketing Election. If Gas Purchaser elects to have all or part of its Daily Contract Quantity remarketed for the Remaining Term following the occurrence of a Remarketing Event, Gas Purchaser shall provide written notice of such Remarketing Election to MMGA, the Gas Supplier and the Trustee (its “Remarketing Election Notice”) not later than the applicable Remarketing Election Deadline. A Remarketing Election Notice shall be in substantially the form attached hereto as Exhibit G. In the event Gas Purchaser provides a Remarketing Election Notice on or prior to the applicable Remarketing Election Deadline, the Delivery Period shall terminate as to the portion specified under the Remarketing Election Notice as of the end of the last Gas Day of the last Delivery Month of the Reset Period then in effect, and this Agreement shall terminate as of the last day of such Reset Period (subject only to Gas Purchaser’s payment obligations for Gas already delivered and to the winding up arrangements described in Section 5.4). For the avoidance of doubt, remarketing fees of MMGA or the Gas Supplier shall not be charged to Gas Purchaser with respect to any Daily Contract

Quantity subject to a Remarketing Election made by Gas Purchaser under this Section 5.3, and the Project Administration Fee shall not apply to any such Daily Contract Quantity for any period after the Delivery Period terminates.

(c) Extension of Remarketing Election Deadline. If a Remarketing Event has occurred and Gas Purchaser has made a Remarketing Election for only a portion of its Daily Contract Quantity, or one or more of the other Project Participants has made a Remarketing Election, the estimated Available Discount may be required to be recalculated pursuant to the Re-Pricing Agreement. In such case MMGA shall provide such new estimated Available Discount to Gas Purchaser promptly in writing, and the Remarketing Election Deadline shall be extended to the third Business Day following the date of such notice.

(d) Final Determination of Available Discount. The Parties acknowledge and agree that the final Available Discount for any Reset Period following the Initial Reset Period will be determined on the applicable Re-Pricing Date, and that such Available Discount may differ from the estimate of such Available Discount provided to Gas Purchaser and the other Project Participants prior to the applicable Remarketing Election Deadline. Accordingly, the Parties agree that:

(i) the Available Discount for any Reset Period will not be less than the Minimum Discount, unless (A) MMGA has provided notice of such Remarketing Event to Gas Purchaser in accordance with Section 5.3(a) and (B) Gas Purchaser has not provided a Remarketing Election Notice prior to the applicable Remarketing Election Deadline (as the same may be extended pursuant to Section 5.3(c));

(ii) if MMGA has provided notice of a Remarketing Event to Gas Purchaser, the final Available Discount shall not be less than the new estimated Available Discount provided under Section 5.3(c); and

(iii) if Gas Purchaser has not made a Remarketing Election prior to the applicable Remarketing Election Deadline (as it may be extended pursuant to Section 5.3(c)), Gas Purchaser shall be deemed to have elected to continue to purchase and receive its Daily Contract Quantity at a Contract Price that reflects the Available Discount as finally determined on the applicable Re-Pricing Date, and this Agreement shall continue in full force and effect until the end of the Term or any such earlier date on which this Agreement may be terminated pursuant to this Article V.

5.4 Winding Up Arrangements. The termination of this Agreement shall not relieve either Party of any obligation to pay amounts due under this Agreement for Gas delivered during periods prior to the termination date, including any applicable interest associated with late payment, or to effectuate all winding up arrangements, or to take any other actions as may be necessary to effectuate all of the terms of this Agreement. For the avoidance of doubt, except as noted in the immediately preceding sentence, Gas Purchaser shall not be responsible for the payment of more than the Contract Price for Gas deliveries received during periods prior to the termination date as a result of any winding up arrangements.

ARTICLE VI

FAILURE TO PERFORM

6.1 Cost of Replacement Gas. Except in cases of Force Majeure, for each MMBtu that MMGA is obligated to deliver to Gas Purchaser under this Agreement but fails to deliver, MMGA shall pay to Gas Purchaser an amount equal to the difference between the price per

MMBtu which would have been applicable to the undelivered Gas under Article IV and any higher cost per MMBtu which Gas Purchaser actually incurred to obtain an equivalent quantity of replacement Gas, including but not limited to any incremental charges associated with the transportation and storage of such replacement Gas, exercising Commercially Reasonable Efforts to obtain such replacement Gas and alternate transportation at a Commercially Reasonable price. For purposes of this Section 6.1, replacement Gas includes without limitation Gas withdrawn from storage, liquefied natural gas, and peak shaving, and costs associated with obtaining such Gas include without limitation storage withdrawal and injection costs, storage fuel, and liquefaction and vaporization costs for stored liquefied natural gas; provided that, for purposes of the foregoing, the price of any such replacement Gas withdrawn from storage shall be the price applicable to such Gas at the time of withdrawal, which shall be the higher of the daily market price of Gas or the first-of-the-month Index Price.

6.2 Obligation to Take the Daily Quantity. Subject to the operation of Section 4.7 governing load loss, if on any Gas Day MMGA tenders the Daily Contract Quantity for delivery to Gas Purchaser and Gas Purchaser fails to take the Daily Contract Quantity, Gas Purchaser shall remain obligated to pay MMGA the Contract Price for the Daily Contract Quantity plus the Project Administration Fee. If Gas Purchaser's failure to take is due to a loss of load on its system as established by Gas Purchaser in a manner satisfactory to MMGA, the provisions of Section 4.7 shall apply. If not, MMGA shall credit to Gas Purchaser's account any net revenues MMGA may receive from the ultimate sale of any such Gas to other Municipal Utilities, up to the Contract Price, less the Project Administration Fee, less a MMGA remarketing administrative charge of three cents (\$0.03) per MMBtu.

6.3 No Consequential or Special Damages. Neither Party shall be liable for consequential, incidental, special or punitive damages or losses which may be suffered by the other as a result of the failure to deliver or take or pay for the required quantities of Gas under this Agreement.

6.4 Imbalances. The Parties shall use Commercially Reasonable Efforts to avoid the imposition of any Imbalance Charges. If MMGA or Gas Purchaser receives an invoice from a Transporter that includes Imbalance Charges related to the obligations of either Party under this Agreement, the Parties shall determine the validity as well as the cause of such Imbalance Charges. If the Imbalance Charges were incurred as a result of Gas Purchaser's takes of quantities of Gas greater than or less than the Daily Contract Quantity at the Delivery Point, then Gas Purchaser shall pay for such Imbalance Charges or reimburse MMGA for such Imbalance Charges paid by MMGA. If the Imbalance Charges were incurred as a result of MMGA's deliveries of quantities of Gas greater than or less than the Daily Contract Quantities at the Delivery Point, then MMGA shall pay for such Imbalance Charges or reimburse Gas Purchaser for such Imbalance Charges paid by Gas Purchaser.

6.5 In Kind Resolution of Delivery or Receipt Failures. Notwithstanding the provisions of Sections 6.1 and 6.2, the Parties may mutually agree to make up any differences between the Daily Contract Quantity and the quantity delivered or taken on any Gas Day in kind, in which case neither cover damages nor any remarketing fees or costs shall apply, and the Contract Price and Project Administration Fee shall apply to the quantities delivered in kind.

ARTICLE VII

RESPONSIBILITY FOR TRANSPORTATION

MMGA shall make all arrangements for transportation services required to effect the delivery of the Daily Contract Quantity to the Delivery Points. Gas Purchaser shall take all actions and be responsible for making all arrangements required to effect the transportation of the Daily Contract Quantity from the Delivery Points, including but not limited to all nominations, scheduling, balancing, and associated management and administrative functions. MMGA shall bear all costs and expenses of transportation prior to the delivery of the Daily Contract Quantity at the Delivery Points, except as provided in this Agreement. Gas Purchaser shall bear all costs of transportation at and after the Delivery Points.

ARTICLE VIII

DELIVERY REQUIREMENTS

8.1 Specifications. All Gas delivered under this Agreement shall be merchantable and shall, upon delivery, conform to the quality specifications and heating value specified in Gas Purchaser's Transporter's FERC Gas Tariff.

8.2 Pressure. All Gas sold by MMGA to Gas Purchaser under this Agreement shall be delivered to Gas Purchaser at the pressure maintained from time to time in Gas Purchaser's Transporter's facilities at the Delivery Points.

8.3 Measurement. Gas sold under this Agreement shall be measured through Gas Purchaser's Transporter's existing measurement facilities at the Delivery Point in accordance with the provisions of such Transporter's FERC Gas Tariff. The unit of volume for measurement of Gas delivered under this Agreement shall be one Mcf or otherwise as consistent with Transporter's measurement at the Delivery Point. The sales unit of the Gas shall be one

MMBtu, established by converting Mcfs measured at the applicable Delivery Point to MMBtus according to the Btu content determined by Transporter on a dry basis at such Delivery Point under Transporter's FERC Gas Tariff. With respect to any measurement of Gas delivered or received under this Agreement at any Delivery Point, the measurement of such Gas (including the definition of Btu used in making such measurement) by the operator of such Delivery Point shall be conclusive.

ARTICLE IX

TITLE AND RISK OF LOSS

MMGA warrants the title to all Gas sold to Gas Purchaser under this Agreement. Transfer of custody and title to Gas sold under this Agreement shall pass to and vest in Gas Purchaser at the Delivery Points. As between the Parties, MMGA shall be deemed to be in exclusive control and possession of Gas delivered under this Agreement prior to the time of delivery to Gas Purchaser at the Delivery Points, and Gas Purchaser shall be deemed to be in exclusive control and possession of Gas delivered under this Agreement at and after the Delivery Points.

ARTICLE X

ROYALTIES AND TAXES

10.1 Royalties and Other Charges. MMGA shall pay or cause to be paid any royalties or other sums due on the gathering, handling, and transportation of Gas sold under this Agreement prior to its delivery to Gas Purchaser at the Delivery Points.

10.2 Taxes. The price for Gas sold to Gas Purchaser under this Agreement is inclusive of all production, severance, ad valorem, or similar taxes levied on the production or transportation of the Gas prior to its delivery to Gas Purchaser at the Delivery Points, and all

such taxes shall be borne and paid exclusively by MMGA; provided, however, that if Gas Purchaser is required to remit such taxes to the collecting authority, Gas Purchaser shall do so and MMGA shall credit an amount equal to the taxes so paid against payments otherwise due to MMGA under this Agreement. The price for Gas sold to Gas Purchaser under this Agreement does not include any federal, tribal, state, or local sales, use, consumption, utility, storage, greenhouse gas, carbon, license, ad valorem, franchise, or similar taxes imposed by any taxing authority on the sale to, or use by, Gas Purchaser of Gas sold under this Agreement, including without limitation ad valorem taxes on Gas held in storage by Gas Purchaser. Gas Purchaser shall be responsible for the payment of any such taxes and for completing and filing all required forms.

ARTICLE XI

BILLING AND PAYMENT

11.1 Timing. Not later than ten (10) days following the end of each Delivery Month, MMGA shall provide a Monthly billing statement to Gas Purchaser of the amount due for Gas tendered for delivery under this Agreement, less any amounts owed to Gas Purchaser for the cost of replacement gas under Section 6.1. Such billing statement shall be provided to Gas Purchaser by hand delivery, first-class mail, express courier, electronic transmission, or facsimile transmission to the address, e-mail address, or facsimile number set forth for Gas Purchaser in Article XVIII. The due date for payment by Gas Purchaser to MMGA shall be the 20th day of the Month following the Month of delivery. If the 20th day is not a Business Day, payment is due on the immediately preceding Business Day. Gas Purchaser shall make all such payments by wire transfer of immediately available funds to the account set forth for MMGA in Article XVIII.

11.2 Late Payment. In the event Gas Purchaser fails to pay an amount when due under this Agreement, interest thereon shall accrue at a rate of interest per annum equal to the lesser of (i) the Prime Rate plus two percent (2%) or (ii) the maximum rate permitted by law, in either case from the due date until paid. If Gas Purchaser disputes the appropriateness of any charge or calculation in any billing statement, Gas Purchaser, within the time provided for payment, shall notify MMGA of the existence of and basis for such dispute and shall pay all amounts billed by MMGA, including any amounts in dispute. If it is ultimately determined that Gas Purchaser did not owe the disputed amount, by agreement or by a final order of a court of competent jurisdiction which is not subject to appeal or concerning which any right to appeal has been waived or which the Parties have irrevocably agreed not to appeal, MMGA shall pay Gas Purchaser that amount plus interest as calculated in accordance with this Section 11.2.

11.3 Audit Rights. Each Party shall have the right, including on MMGA's part pursuant to a request by the Gas Supplier under the Prepaid Gas Agreement, at its own expense, to examine and audit at any reasonable time the books, records, measurement data, charts, and telemetry data of the other Party to the extent, but only to the extent, necessary to verify the accuracy of any statements or charges made under or pursuant to this Agreement. Any inaccuracy shall be corrected promptly when discovered, with interest applied in accordance with Section 11.2; provided, however, that neither Party shall be required to maintain books, records, measurement data, charts, or telemetry data for a period of more than two calendar years following the end of the calendar year to which they are applicable. Neither Party shall have a right to question or contest any charge or credit if the matter is not called to the attention of the other Party in writing within 24 months of the date of the charge or credit in question.

11.4 Operating Expense of Gas Purchaser. Gas Purchaser's obligation to make the payments it is required to make under this Agreement is a several obligation and not a joint obligation with the obligations of any other Project Participant under its contract with MMGA for the purchase of Gas under the Prepaid Project. Gas Purchaser agrees to make such payments solely from the revenues of its operations as a joint action agency engaged in the sale of gas, at wholesale to its Municipal Utility customers (its "Gas System"), and as a charge against such revenues, as an operating expense of its Gas System, and a cost of purchased Gas; provided, however, that Gas Purchaser, in its discretion, may apply any legally available monies to the payment of amounts due under this Agreement. Gas Purchaser hereby covenants and agrees that it will cause its members to establish, maintain, and collect rates and charges for the Gas services furnished by its members and other customers so as to provide revenues sufficient, together with other available system revenues, to enable Gas Purchaser to pay to MMGA all amounts payable under this Agreement and to pay all other amounts payable from the revenues of its Gas System, and to maintain any required reserves. Gas Purchaser further covenants and agrees that it shall not furnish or supply Gas services free of charge to any person, firm, corporation, association, or other entity, public or private, and that it shall promptly enforce the payment of any and all material accounts owing to Gas Purchaser for the sale of Gas or the provision of transportation or other services to its customers. Gas Purchaser further covenants and agrees that in any future bond issue undertaken by Gas Purchaser, or in connection with any other financing or financial transaction, Gas Purchaser shall not pledge or encumber the revenues of its Gas System through a gross revenue pledge or in any other way which creates a prior or superior obligation to its obligation to make payments under this Agreement. Gas Purchaser further covenants that it shall not take an action to institute an Event of Insolvency with respect to Gas Purchaser.

11.5 Financial Responsibility. When reasonable grounds for insecurity of payments due under this Agreement arise, MMGA may demand, and Gas Purchaser shall provide within five Business Days if demanded, adequate assurance of performance. When reasonable grounds for insecurity of payments due under this Agreement arise, Gas Purchaser may demand, and MMGA shall provide within five (5) Business Days if demanded, adequate assurance of performance. Reasonable grounds include but are not limited to persistent delivery failures, the occurrence of an Event of Insolvency with respect to Gas Purchaser or the downgrading of Gas Purchaser's credit rating, if any, by Standard & Poor's Ratings Service, Moody's Investors Service, Inc., or Fitch Ratings to a level below investment grade, and/or such facts and circumstances as would constitute reasonable grounds for insecurity under the Minnesota Uniform Commercial Code. Adequate assurance shall mean sufficient security in the form and for a term reasonably specified by the requesting Party, including but not limited to a standby irrevocable letter of credit, a prepayment, a deposit to an escrow account, or a performance bond or guaranty by a creditworthy entity. The Parties agrees that in the event MMGA or Gas Purchaser, as the case may be, fails to provide such adequate assurance as demanded, the Party requesting assurances shall have the right to suspend performance under this Agreement on three days written notice and shall not be obligated to restore performance until the first day of the Month after such demand has been satisfied; provided, however, that MMGA shall not be obligated to restore such deliveries notwithstanding the satisfaction of such demand until the completion of the term of deliveries to any replacement sales customer to which MMGA or the Gas Supplier has remarketed the Gas on behalf of MMGA.

11.6 No Set-Off. Except for offsets for amounts owed by MMGA pursuant to Section 6.1, payment by Gas Purchaser for all amounts set forth in a billing statement provided to Gas Purchaser pursuant to Section 11.1 shall be made without set-off or counterclaim of any kind.

ARTICLE XII

LAWS AND REGULATIONS

This Agreement is subject to all valid laws, orders, rules, regulations, or other governmental actions of any duly constituted federal, state, or local governmental authority, to the extent such laws, orders, rules, and regulations are applicable and effective from time to time; provided, however, that no such action by Gas Purchaser's or MMGA's governing body may affect that Party's obligations and rights under this Agreement.

ARTICLE XIII

FORCE MAJEURE

13.1 Suspension of Obligations. Except with regard to a Party's obligation to make payments under this Agreement, neither Party shall be liable to the other for failure to perform an obligation to the extent such failure was caused by Force Majeure, as defined in Section 13.2. In the event of a partial Force Majeure at the Delivery Point, MMGA agrees to curtail deliveries to Gas Purchaser pro rata based upon the respective Daily Contract Quantities of the Project Participants at the Delivery Point.

13.2 Force Majeure Defined. The term "Force Majeure" as employed herein means any cause not reasonably within the control of the Party claiming suspension, as further defined in this Section 13.2. The term "Force Majeure" shall include, but not be limited to, the following: (i) physical events such as acts of God, landslides, lightning, earthquakes, fires, storms or storm warnings, such as hurricanes or tornadoes, which result in evacuation of the

affected area, floods, washouts, explosions, breakage of or accident or necessity of repairs to machinery or equipment or lines of pipe; (ii) weather related events affecting an entire geographic region, such as low temperatures which cause freezing or failure of wells or lines of pipe; (iii) interruption and/or curtailment of transportation and/or storage by Transporters (provided that if the affected Party is using interruptible or secondary Firm transportation, only if primary, in-path, Firm transportation is also curtailed by the same event, or, if the relevant Transporter does not curtail based on path, if primary Firm transportation is also curtailed); (iv) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections, wars or acts of terror; (v) governmental actions, such as necessity for compliance with any court order, law, statute, ordinance, regulation, or policy having the effect of law promulgated by a Government Agency having jurisdiction; and (vi) any invocation of Force Majeure by the Gas Supplier under the Prepaid Gas Agreement. MMGA and Gas Purchaser shall make Commercially Reasonable Efforts to avoid the adverse impacts of a Force Majeure event or occurrence and to resolve the event or occurrence once it has occurred in order to resume performance.

13.3 Force Majeure Exclusions. Neither Party shall be entitled to the benefits of a claim of Force Majeure to the extent performance is affected by any or all of the following circumstances: (i) the Party claiming excuse failed to remedy the condition and to resume the performance of its obligations with reasonable dispatch; (ii) economic hardship, to include, without limitation, MMGA's ability to sell Gas at a higher or more advantageous price, Gas Purchaser's ability to purchase Gas at a lower or more advantageous price, or a Government Agency disallowing, in whole or in part, the pass-through of costs resulting from this Agreement; or (iii) the loss of Gas Purchaser's markets or Gas Purchaser's inability to resell Gas purchased

under this Agreement, except, in either case, for a reason as provided in Section 13.2. Gas Purchaser shall not be entitled to the benefit of the provisions of Force Majeure to the extent performance is adversely affected by any action taken by Gas Purchaser in its governmental capacity. The Party claiming Force Majeure shall not be excused from its responsibility for Imbalance Charges.

13.4 Settlement of Labor Disputes. Notwithstanding anything to the contrary in this Agreement, the Parties agree that the settlement of strikes, lockouts or other industrial disturbances shall be within the sole discretion of the Party experiencing such disturbance.

13.5 Force Majeure Procedure. The Party whose performance is prevented by Force Majeure must provide notice to the other Party as soon as practicable. Initial notice may be given orally; however, written notice with reasonably full particulars of the event or occurrence is required as soon as reasonably possible. Upon providing written notice of Force Majeure to the other Party, the affected Party will be relieved of its obligation, from the onset of Force Majeure, to make or accept delivery of Gas, as applicable, to the extent and for the duration of Force Majeure, and neither Party shall be deemed to have failed in such obligations to the other during such occurrence or event.

ARTICLE XIV

DEFAULT

14.1 Failure by Gas Purchaser to Make Payments Due. Failure by Gas Purchaser to make to MMGA when due any of the payments for which provision is made in this Agreement shall constitute a default on the part of Gas Purchaser.

14.2 Enforcement and Right to Discontinue Service. In the event of any default under Section 14.1, MMGA shall have the right to recover from Gas Purchaser any amount in default.

In the enforcement of any such right of recovery, MMGA may bring any suit, action, or proceeding at law or in equity, including without limitation mandamus, injunction and action for specific performance, as MMGA determines may be necessary or appropriate to enforce any covenant, agreement, or obligation to make any payment for which provision is made in this Agreement, and MMGA in its sole discretion may, upon three days written notice to Gas Purchaser, cease and discontinue providing delivery of all or any portion of the Gas otherwise to be delivered to Gas Purchaser at the Delivery Point under this Agreement. In the event MMGA takes all or any of the actions authorized by this Section 14.2, Gas Purchaser shall remain fully liable for payment of all amounts in default and shall not be relieved of any of its payment obligations under this Agreement for Gas delivered, but shall have no obligation to pay for any Gas MMGA elects not to deliver.

14.3 Reinstatement of Service. If MMGA exercises its right to discontinue providing Gas deliveries to Gas Purchaser under Section 14.2, such Gas deliveries may only be reinstated, at a time to be determined by MMGA, upon (i) payment in full by Gas Purchaser of all amounts then due and payable under this Agreement and (ii) payment in advance by Gas Purchaser at the beginning of each Month of amounts estimated by MMGA to be due to MMGA for the future delivery of Gas under this Agreement for such Month. MMGA may continue to require payment in advance after the reinstatement of service under this Agreement for such period of time as MMGA in its sole discretion may determine is appropriate.

14.4 Other Default by Gas Purchaser. In the event of a failure by Gas Purchaser to establish, maintain, or collect rates or charges, pursuant to contracts with its Municipal Utility customers, adequate to provide revenues sufficient to enable Gas Purchaser to pay all amounts due to MMGA under this Agreement, or in the event of a failure by Gas Purchaser to take, for the

benefit of its municipal gas distribution system members, from MMGA its Gas supplies in accordance with the provisions of this Agreement, or in the event of any default by Gas Purchaser under any other covenant, agreement, or obligation in this Agreement, MMGA (without limiting the provisions of Section 14.6) may bring any suit, action, or proceeding at law or in equity, including without limitation mandamus, injunction, and action for specific performance, as MMGA determines may be necessary or appropriate to enforce any covenant, agreement, or obligation of Gas Purchaser in this Agreement. In addition to the foregoing remedies (and without limiting any other provisions of this Agreement), if Gas Purchaser fails to accept from MMGA, for the benefit of its municipal gas distribution members, any of the Daily Contract Quantity tendered for delivery under this Agreement, MMGA shall have the right to sell such Gas to third parties, with the proceeds of such sales applied as described in Section 6.2.

14.5 Default by MMGA. In the event of a default by MMGA under any covenant, agreement, or obligation in this Agreement, Gas Purchaser (without limiting the provisions of Section 14.6) may bring any suit, action, or proceeding at law or in equity, including without limitation mandamus, injunction, and action for specific performance, as Gas Purchaser determines may be necessary or appropriate to enforce any covenant, agreement, or obligation in this Agreement against MMGA, and Gas Purchaser in its sole discretion may, upon three days written notice to MMGA, cease and discontinue providing receipt of all or any portion of the Gas otherwise to be delivered to Gas Purchaser at the Delivery Points under this Agreement.

14.6 Arbitration and Mediation. Notwithstanding any other provision of this Agreement to the contrary, the Parties may agree to mediate or arbitrate any dispute that arises under this Agreement.

14.7 Third Party Beneficiaries. Except as provided in this Section 14.7, it is specifically agreed that there are no third-party beneficiaries of this Agreement and that this Agreement shall not impart any rights enforceable by any Person not a party to this Agreement. Gas Purchaser acknowledges and agrees that (i) MMGA will pledge and assign to the Trustee its rights, title and interest in this Agreement and the amounts payable by Gas Purchaser under this Agreement (other than amounts payable in respect of the Project Administration Fee under Section 4.3) to secure MMGA's obligations under the Indenture, (ii) the Trustee, the Funding Provider and the Commodity Swap Counterparty shall each be a third party beneficiary of this Agreement with the right to enforce Gas Purchaser's obligations under this Agreement, and (iii) the Trustee or any receiver appointed under the Indenture shall have the right to perform all obligations of MMGA under this Agreement.

ARTICLE XV

PROJECT MANAGEMENT AND ADMINISTRATION

MMGA covenants and agrees that it will use all Commercially Reasonable Efforts to acquire, manage and administer the Prepaid Project for the benefit of all of the Project Participants. The Project Management Committee will meet from time to time and may make such reports and recommendations to MMGA concerning the administration, management and operation of the Prepaid Project as the Project Management Committee deems appropriate. MMGA agrees with and covenants to Gas Purchaser that MMGA will vigorously enforce and defend its rights under the Transaction Documents. Gas Purchaser acknowledges and agrees that MMGA may from time to time enter into amendments of and supplements to the Indenture and any or all of the other Transaction Documents (in accordance with their respective terms) and that MMGA will not be required to obtain the consent or approval of Gas Purchaser in

connection with any such supplement or amendment, as long as such amendments and supplements do not negatively affect the terms of this Agreement.

ARTICLE XVI

WAIVERS

No waiver by either MMGA or Gas Purchaser of any default of the other under this Agreement shall operate as a waiver of any future default, whether of like or different character or nature.

ARTICLE XVII

SUCCESSION AND ASSIGNMENT

The terms and provisions of this Agreement shall extend to and be binding upon the Parties and their respective successors, assigns, and legal representatives; provided, however, that, except for the assignment by MMGA to the Trustee as described in Section 14.7, neither Party may assign this Agreement or its rights and interests, in whole or in part, under this Agreement without the prior written consent of the other Party and the delivery of such additional consents and satisfaction of such other requirements as are set forth in the Indenture. Whenever an assignment or a transfer of a Party's interest in this Agreement is requested to be made with the written consent of the other Party, the assigning or transferring Party's assignee or transferee shall expressly agree to assume, in writing, the duties and obligations of the assigning or transferring Party under this Agreement. Upon the agreement of a Party to any such assignment or transfer, the assigning or transferring Party shall furnish or cause to be furnished to the other Party a true and correct copy of such assignment or transfer and assumption of duties and obligations.

ARTICLE XVIII

NOTICES AND PAYMENTS

Except as is otherwise specifically provided in this Agreement, any notice, request, demand, or statement provided for in this Agreement must be given in writing and delivered in person, by United States mail, or by express courier to the respective Parties at the addresses shown below or at such other addresses as may hereafter be furnished to the other Party in writing, and all payments due from Gas Purchaser under this Agreement shall be made by wire transfer to the account for payments set forth below:

DRAFT

MMGA:

Minnesota Municipal Gas Agency
3131 Fernbrook Lane North, Suite 200
Plymouth, MN 55447-5337
Attn: Jack Kegel, CEO
Telephone: 612-80209740
Cell: 612-802-9740
Email: jkegel@mmga.online

Payments:

[TRUSTEE]
ABA #: [_____]]
A/C #: [_____]]
Re: MMGA 2023 Revenue Fund
Attn: [_____]]
Telephone: [_____]]
Email: [_____]]

Trustee:

[_____]]
[_____]]
[_____]]
[_____]]
Attn: [_____]]
Telephone: [_____]]
Facsimile: [_____]]
Email: [_____]]

Gas Purchaser:

Kansas Municipal Gas Agency
6300 W. 95th Street
Overland, Park, Kansas 66212
Attn: Paul Mahlberg | General Manager
Telephone: 913.660.0234
Facsimile: 913.667.0804
Email: mahlberg@kmea.com

Any notice initially delivered orally as may be permitted under this Agreement shall be confirmed in writing, and any notice initially delivered by facsimile transmission, email or other

electronic means shall be followed by a hard copy sent by first-class mail or express courier within two days after transmission of the facsimile transmission, email or other electronic means.

ARTICLE XIX

CHOICE OF LAW

This Agreement is entered into by MMGA pursuant to the authority contained in the Act. This Agreement shall be interpreted and construed in accordance with the Act and other applicable laws of the State of Minnesota, excluding conflicts of law principles which would refer to the laws of another jurisdiction; provided, however, that the authority of Gas Purchaser to enter into this Agreement and perform its obligations under it shall be interpreted in accordance with the laws of the State of Kansas.

ARTICLE XX

MODIFICATIONS

No modifications of the terms and provisions of this Agreement shall be or become effective except pursuant to and upon the due and mutual execution of an appropriate supplemental written amendment by the Parties.

ARTICLE XXI

COMPUTATIONS

All computations related to prices and indices performed under this Agreement shall be rounded to four decimal places (\$0.0000).

ARTICLE XXII

REPRESENTATIONS AND WARRANTIES

22.1 Representations and Warranties of MMGA. MMGA hereby makes the following representations and warranties to Gas Purchaser:

(a) MMGA is a joint action agency of the State of Minnesota duly organized and validly existing under the Act and has the power and authority to own its properties, to carry on its business as now being conducted, and to enter into and to perform its obligations under this Agreement.

(b) The execution, delivery, and performance by MMGA of this Agreement have been duly authorized by all necessary corporate action of MMGA and do not and will not require, subsequent to the execution of this Agreement by MMGA, any consent or approval of the Board of Directors or any officers of MMGA.

(c) This Agreement is the legal, valid, and binding obligation of MMGA, enforceable in accordance with its terms, except as such enforceability may be subject to (i) the exercise of judicial discretion in accordance with general principles of equity and (ii) bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights heretofore or hereafter enacted, to the extent constitutionally applicable.

(d) As of the date of this Agreement, there is no pending or, to MMGA's knowledge, threatened action or proceeding affecting MMGA which purports to affect the legality, validity, or enforceability of this Agreement.

(e) MMGA shall deliver to Gas Purchaser as a condition precedent to Gas Purchaser's execution of this Agreement an opinion letter of counsel to MMGA, in substantially the form set forth in Exhibit E.

22.2 Representations and Warranties of Gas Purchaser. Gas Purchaser hereby makes the following representations and warranties to MMGA:

(a) Gas Purchaser is a joint action agency created by an interlocal cooperation agreement under the laws of the State of Kansas, and has the power and authority to enter into and perform its obligations under this Agreement.

(b) The execution, delivery, and performance by Gas Purchaser of this Agreement have been duly authorized by the governing body of Gas Purchaser and do not and will not require, subsequent to the execution of this Agreement by Gas Purchaser, any consent or approval of the governing body or any officers of Gas Purchaser.

(c) This Agreement is the legal, valid, and binding obligation of Gas Purchaser, enforceable in accordance with its terms, except as such enforceability may be subject to (i) the exercise of judicial discretion in accordance with general principles of equity and (ii) bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights heretofore or hereafter enacted, to the extent constitutionally applicable.

(d) As of the date of this Agreement, there is no pending or, to Gas Purchaser's knowledge, threatened action or proceeding affecting Gas Purchaser which purports to affect the legality, validity, or enforceability of this Agreement.

(e) Gas Purchaser shall deliver to MMGA as a condition precedent to MMGA's execution of this Agreement an opinion letter of counsel to Gas Purchaser in substantially the form set forth in Exhibit F.

(f) Gas Purchaser shall deliver to MMGA as a condition precedent to MMGA's execution of this Agreement the Closing Certificate in substantially the form set forth in Exhibit H.

ARTICLE XXIII

CERTAIN OBLIGATIONS WITH RESPECT TO THE BONDS

23.1 Tax-Exempt Status of Bonds. The Bonds will be issued with the intention that the interest thereon will be excludable from the gross income of the holders thereof under Section 103 of the Code. Accordingly, Gas Purchaser agrees for the benefit of the owners of the Bonds that it will act in accordance with written instructions that MMGA may reasonably require from time to time in connection with the tax-exempt status of the Bonds, and in addition that it will not at any time take any action, or fail to take any action, if such action or failure to take action would adversely affect the exclusion from the gross income of the holders thereof of interest on the Bonds under the Code. Without limiting the foregoing, Gas Purchaser further agrees to resell or otherwise use Gas purchased under this Agreement (i) for a “qualifying use” as defined in U.S. Treas. Reg. § 1.148-1(e)(2)(iii), (ii) in a manner that will not result in any private business use of that Gas within the meaning of Section 141 of the Code, and (iii) in a manner that is consistent with the terms of the Federal Tax Certificate set forth in Exhibit D, and that it will not use Gas purchased under this Agreement in any other manner without the prior written consent of MMGA. Gas Purchaser agrees that it will execute such additional documents and certificates as Bond Counsel may reasonably request evidencing Gas Purchaser’s compliance with this Section 23.1, with the Code, and with Treasury Regulations thereunder. Gas Purchaser further agrees that it will provide all documents and records reasonably requested by MMGA for response to any inquiry or audit relating to the tax-exempt status of the bonds.

23.2 Continuing Disclosure. Gas Purchaser shall provide a copy of its audited financial statements to MMGA each fiscal year promptly following the conclusion of Gas Purchaser’s annual audit. In addition, Gas Purchaser hereby covenants and agrees that it will

provide to MMGA annual operating and financial information relating to its Gas distribution system as required by Rule 15(c)2-12 of the United States Securities Exchange Commission (the “Rule”) to the extent the Rule is applicable to the Bonds. Failure by Gas Purchaser to comply with this undertaking shall not be a default under this Agreement, but any such failure shall entitle MMGA and the owner or owners of any of the Bonds to take such actions and to initiate such proceedings as may be necessary and appropriate to cause Gas Purchaser to comply with its undertaking as set forth in this Section 23.2, including without limitation the remedies of mandamus and specific performance.

ARTICLE XXIV

EXCHANGES

24.1 General Rule. Gas Purchaser may effectuate an exchange of Delivery Points for Gas purchased under this Agreement on a daily or Monthly basis under Section 24.2 or Section 24.3; provided, however, that any failure by a third party to perform its obligations under any such exchange arrangement shall not relieve Gas Purchaser of its obligations under this Agreement.

24.2 Description of Exchange Agreement. Gas Purchaser may enter into an exchange agreement with a third party under which Gas Purchaser implements redelivery of the Gas delivered at the Delivery Point (“Point A”) to a delivery point on another pipeline connected with Gas Purchaser’s system (“Point B”). Under such an exchange agreement, Gas Purchaser would deliver Gas at Point A to the exchange counterparty and receive delivery of an equivalent value of Gas at Point B from the exchange counterparty. The equivalent value of Gas at Point B may be taken by Gas Purchaser on the same Gas Day that Gas is delivered at Point A or at any time after such Gas Day within the same or the next succeeding Month. The transaction

described in this Section 24.2 is not itself a “disqualifying use” under federal tax law in effect on the date of this Agreement.

24.3 Exchange Transactions Through a Third Party. In addition to an exchange agreement under Section 24.2, Gas Purchaser may effectuate an exchange of deliveries of Gas at Point A (as described in Section 24.2) for deliveries at Point B (as described in Section 24.2) by entering into an agreement to provide the exchange through a third party. Under such an agreement, Gas Purchaser would arrange for the delivery of Gas to one party (“Party 1”) at Point A, and the receipt of Gas from another party (“Party 2”) at Point B, either directly or through a commodity exchange such as the Intercontinental Exchange (“ICE”), and bring the arrangements with Party 1 and Party 2 to a third party for the third party to enter into. Gas Purchaser would then enter into an exchange agreement with the third party, as described in Section 24.2 above. The transaction described in this Section 24.3 is not itself a “disqualifying use” under federal tax law in effect on the date of this Agreement.

ARTICLE XXV

MISCELLANEOUS

25.1 Entirety of Agreement. This Agreement constitutes the entire agreement between MMGA and Gas Purchaser with respect to the sale, delivery, purchase and receipt of the Daily Contract Quantity under the Prepaid Project, and supersedes any and all prior negotiations, understandings, or agreements, whether oral or in writing.

25.2 Headings. The headings used throughout this Agreement are inserted for reference purposes only and shall not be construed or considered in interpreting the terms and provisions of any Section or Article or the Agreement as a whole.

25.3 Severability. If any Article, Section, term, or provision of this Agreement becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable, or void, this Agreement shall continue in full force and effect without said Article, Section, term, or provision; provided, however, that if such severability materially changes the economic benefits of this Agreement to either Party, the Parties agree to negotiate promptly an equitable adjustment in the provisions of the Agreement in good faith so as to place the Parties in as close to the same position as is possible under the circumstances as they were prior to such declaration by the court or other action or event.

25.4 Limited Liability. MMGA and Gas Purchaser acknowledge and agree that Gas Purchaser's obligations under this Agreement are limited as expressly described in this Agreement and that MMGA has no recourse to any other source of payment from Gas Purchaser except as set forth in Section 11.4 of this Agreement. MMGA and Gas Purchaser acknowledge and agree that Gas Purchaser has no recourse to any source of payment from MMGA under this Agreement except the Trust Estate as defined in the Indenture, and only to the extent such funds are available to be applied for such purpose in accordance with the Indenture.

25.5 Counterparts. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument, and each of which shall be deemed to be an original instrument as against a Party that has signed it.

[The remainder of this page is left blank intentionally.]

[Signature page to follow]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date hereinabove first written.

MINNESOTA MUNICIPAL GAS AGENCY

By: _____

Attested By: _____

Printed Name: _____

Printed Name: _____

Its: _____

Title: _____

KANSAS MUNICIPAL GAS AGENCY

By: _____

Attested By: _____

Printed Name: Paul Mahlberg

Printed Name: _____

Its: General Manager Title: _____

**[SIGNATURE PAGE OF THE NATURAL GAS SUPPLY AGREEMENT
DATED AS OF [_____] , 2023]**

EXHIBIT A

PRIMARY DELIVERY POINTS AND INDEX PREMIUMS

DRAFT

EXHIBIT B

DAILY CONTRACT QUANTITIES (MMBtu)

<u>Delivery Month</u>	<u>Daily Contract Quantity (MMBtu/Day)</u>

DRAFT

EXHIBIT C

**PROJECT PARTICIPANTS
AND THEIR DAILY CONTRACT QUANTITIES (MMBtu per Day)**

Delivery Month	Daily Contract Quantity (MMBtu/Day)		
	[Name of Participant]	[Name of Participant]	[Name of Participant]

DRAFT

EXHIBIT D

FORM OF FEDERAL TAX CERTIFICATE

This Federal Tax Certificate is executed in connection with the Natural Gas Supply Agreement dated as of [_____], 2023 (the "Supply Agreement"), by and between Minnesota Municipal Gas Agency ("MMGA") and the Kansas Municipal Gas Agency ("Gas Purchaser"). Capitalized terms used and not otherwise defined herein shall have the meanings given to them in the Supply Agreement or in the Indenture.

WHEREAS Gas Purchaser acknowledges that MMGA is issuing the Bonds to fund the prepayment price under the Prepaid Gas Agreement; and

WHEREAS the Bonds are intended to qualify for tax exemption under Section 103 of the Internal Revenue Code of 1986, as amended; and

WHEREAS Gas Purchaser's use of Gas acquired pursuant to the Supply Agreement and certain funds and accounts of Gas Purchaser will affect the Bonds' qualification for such tax exemption.

NOW, THEREFORE, GAS PURCHASER HEREBY CERTIFIES AS FOLLOWS:

1. Gas Purchaser is a joint action agency created by an interlocal cooperation agreement under the laws of the State of Kansas.
2. Gas Purchaser will resell all of the Gas acquired pursuant to the Supply Agreement to its municipal wholesale customers, which are Municipal Utilities that will resell the Gas to their respective customers within their Gas service areas, with retail sales in all cases being made pursuant to regularly established and generally applicable tariffs or under authorized requirements contracts. For purposes of the foregoing sentence, the term "service area" means (x) the area throughout which municipal customers provided Gas transmission or distribution service at all times during the 5-year period ending on December 31, 2021, and from then until the date of issuance of the Bonds (the "Closing Date"), and (y) any area recognized as the service area of municipal wholesale customers under state or federal law.
3. The annual average amount during the testing period of Gas purchased (other than for resale) by municipal wholesale customers of Gas Purchaser for resale within the service areas of such municipal customers is [_____] MMBtu. The maximum annual amount of Gas in any year being acquired pursuant to the Supply Agreement is [_____] MMBtu. The annual average amount of Gas which Gas Purchaser holds in storage as of the Closing Date is [_____] MMBtu. The annual average amount of Gas which Gas Purchaser otherwise has a right to acquire as of the Closing Date is [_____] MMBtu. The sum of (a) the maximum amount of Gas in any year being acquired pursuant to the Supply Agreement, (b) the annual average amount of Gas which Gas Purchaser holds in storage, and (c) the amount of Gas which Gas Purchaser otherwise has a right to acquire in the year described in the foregoing clause (a) is [_____] MMBtu. Accordingly, the amount of Gas to be acquired under the Supply Agreement by Gas Purchaser, supplemented by the amount of Gas otherwise available to Gas

Purchaser as of the Closing Date, during any year does not exceed the sum of (i) [____]% of the annual average amount during the testing period of Gas purchased by municipal wholesale customers of Gas Purchaser for resale to customers of such municipal wholesale customers within such customers' service areas; and (ii) the amount of Gas to be used to transport the prepaid Gas to Gas Purchaser during such year. For purposes of this paragraph 3, the term "testing period" means the 5 calendar years ending December 31, 2021, and the term "service area" means (x) the area throughout which Gas Purchaser's municipal wholesale customers provided Gas transmission or distribution service at all times during the testing period, (y) any area within a county contiguous to the area described in (x) in which retail customers of Gas Purchaser's municipal wholesale customers are located if such area is not also served by another utility providing Gas services, and (z) any area recognized as the service area of Gas Purchaser's municipal wholesale customers under state or federal law.

4. Gas Purchaser expects to pay for Gas acquired pursuant to the Supply Agreement solely from funds derived from contracts for purchase with certain municipal wholesale customers that operate Gas distribution systems. Gas Purchaser expects to use current Gas revenues from its customers to pay for current Gas acquisitions. There are no funds or accounts of Gas Purchaser or any person who is a Related Person to Gas Purchaser in which monies are invested and which are reasonably expected to be used to pay for Gas acquired more than one year after it is acquired. No portion of the proceeds of the Bonds will be used directly or indirectly to replace funds of Gas Purchaser or any persons who are Related Persons to Gas Purchaser that are or were intended to be used for the purpose for which the Bonds were issued.

[____], 2023

By: _____
[Authorized Representative]

EXHIBIT E

FORM OF OPINION OF COUNSEL TO ISSUER

[CLOSING DATE]

[Gas Purchaser]
[Address]

Re: Natural Gas Supply Agreement by and between Minnesota Municipal Gas Agency and the Kansas Municipal Gas Agency, dated as of [____], 2023

Ladies and Gentlemen:

We are Counsel to Minnesota Municipal Gas Agency (“MMGA”) and in that capacity we have acted as counsel to MMGA in conjunction with the above-captioned Natural Gas Supply Agreement (the “Agreement”) between MMGA and the Kansas Municipal Gas Agency (“Gas Purchaser”).

This opinion is being delivered pursuant to the Agreement. Unless otherwise specified herein, all terms used but not defined in this opinion shall have the same meanings as are ascribed to them in the Agreement.

In rendering this opinion, we have examined a copy of the Agreement and such records and other documents as we have deemed necessary and relevant for the purposes of this opinion. In our examination, we have assumed the genuineness of all signatures (other than those of officers or representatives of MMGA), the authenticity of all documents submitted to us as originals, and the conformity of all original documents submitted to us as certified or photostatic copies.

As to factual matters, we have relied solely upon the documents described above, the representations and warranties of MMGA contained in the Agreement, the certificate of incorporation of MMGA, and various certificates and other documents furnished to us by MMGA’s officers and its Board of Directors. In basing the opinions set forth in this letter on “our knowledge”, the words “our knowledge” signify that, in the course of our representation, no facts have come to our attention that would give us actual knowledge or actual notice that any such opinions or other matters are not accurate. Except as otherwise stated in this opinion, we have undertaken no investigation or verification of such matters.

Based on the foregoing, and subject to the qualifications set forth herein, we are of the following opinion:

(1) MMGA is a municipal gas agency and a political subdivision of the State of Minnesota organized and validly existing under Minnesota Statutes, Chapter 453A, as amended, and has the power and authority to own its properties, to carry on its business as now being conducted, and to enter into and to perform its obligations under the Agreement.

(2) The execution, delivery, and performance by MMGA of the Agreement have been duly authorized by all necessary action by the governing body of MMGA and do not and will not require, subsequent to the execution of the Agreement by MMGA, any consent or approval of the Board of Directors or any officers of MMGA.

(3) The Agreement is the legal, valid, and binding obligation of MMGA, enforceable in accordance with its terms, except as such enforceability may be subject to (i) the exercise of judicial discretion in accordance with general principles of equity and (ii) bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights heretofore or hereafter enacted, to the extent constitutionally applicable.

(4) As of the date of this opinion, there is no pending or, to our knowledge, threatened action or proceeding at law or in equity or by any court, government agency, public board or body affecting or questioning the existence of MMGA or the titles of its officers to their respective offices or affecting or questioning the legality, validity, or enforceability of the Agreement, nor to our knowledge is there any basis therefor.

(5) The execution and delivery of the Agreement and compliance by MMGA with the provisions thereof will not conflict with or constitute on the part of MMGA a material breach of or default under any agreement or instrument to which MMGA is a party, or violate any existing law, administrative regulation, court order or consent decree to which MMGA is subject.

The scope of this opinion is limited to those issues and parties specifically considered herein and no further or more expansive opinion is implied or should be inferred from any opinion expressed herein. On such basis, any variation or difference in the facts upon which this opinion is based might affect our conclusions in an adverse manner and make them inaccurate.

The foregoing opinion is rendered solely for the use and benefit of Gas Purchaser in connection with the Agreement and may not be relied upon other than in connection with the transactions contemplated by the Agreement, or by any other person or entity for any purpose whatsoever, nor may it be quoted in whole or in part or otherwise referred to in any document or delivered to any other person or entity without the prior written consent of the undersigned. The information set forth herein is as of the date hereof. We assume no obligation to advise you of changes in fact or law which may hereafter come to our attention.

Sincerely,

EXHIBIT F

**FORM OF OPINION OF COUNSEL
TO GAS PURCHASER**

[CLOSING DATE]

Minnesota Municipal Gas Agency
Plymouth, Minnesota

Royal Bank of Canada
Toronto, Canada

RBC Capital Markets, Inc.
New York, New York

BP Energy Company
Houston, Texas

[TRUSTEE]
[_____]

Re: Natural Gas Supply Agreement between the Kansas Municipal Gas Agency and Minnesota Municipal Gas Agency, dated as of [_____] , 2023

Ladies and Gentlemen:

We are Counsel to the Kansas Municipal Gas Agency (“Gas Purchaser”). Gas Purchaser is a Project Participant in the Prepaid Project undertaken by the Minnesota Municipal Gas Agency (“MMGA”). We are furnishing this opinion to you in connection with the Natural Gas Supply Agreement between MMGA and Gas Purchaser dated as of [_____] , 2023 (the “Supply Agreement”).

Unless otherwise specified herein, all terms used but not defined in this opinion shall have the same meaning as is ascribed to them in the Supply Agreement.

In connection with this opinion, we have examined originals or copies, certified or otherwise identified to our satisfaction, of the following:

(a) The Constitution and laws of the State of Kansas (the “State”) including, as applicable, acts, ordinances, certificates, articles, charters, bylaws, and agreements pursuant to which Gas Purchaser was created and by which it is governed;

(b) Resolution No. [__], duly adopted by Gas Purchaser on [_____] (the “Resolution”) and certified as true and correct by certificate and seal, authorizing Gas Purchaser to execute and deliver the Supply Agreement;

(c) A copy of the Supply Agreement executed by Gas Purchaser; and

(d) All outstanding instruments related to bonds, notes, or other indebtedness of or relating to Gas Purchaser and Gas Purchaser's operation as a joint action gas supply agency.

We have also examined and relied upon originals or copies, certified or otherwise authenticated to our satisfaction, of such records, documents, certificates, and other instruments, and made such investigations of law, as in our judgment we have deemed necessary or appropriate to enable us to render the opinions expressed below.

Based upon the foregoing, we are of the opinion that:

1. Gas Purchaser is a joint action agency created by an interlocal cooperation agreement under the laws of the State of Kansas, and has the power and authority to deliver gas to Municipal Utility customers desiring such gas supply service from Gas Purchaser for resale to retail customers within their service areas, to own its properties, to carry on its business as now being conducted, to execute, deliver, and perform its obligations under the Supply Agreement.

2. The execution, delivery, and performance by Gas Purchaser of the Supply Agreement have been duly authorized by the governing body of Gas Purchaser and do not and will not require, subsequent to the execution of the Supply Agreement by Gas Purchaser, any consent or approval of the governing body or any officers of Gas Purchaser.

3. The Supply Agreement is the legal, valid, and binding obligation of Gas Purchaser, enforceable in accordance with its terms, except as such enforceability may be subject to (i) the exercise of judicial discretion in accordance with general principles of equity and (ii) bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights heretofore or hereafter enacted, to the extent constitutionally applicable.

4. No approval, consent or authorization of any governmental or public agency, authority, commission or person, or, to our knowledge, of any holder of any outstanding bonds or other indebtedness of Gas Purchaser, is required with respect to the execution, delivery and performance by Gas Purchaser of the Supply Agreement or Gas Purchaser's participation in the transactions contemplated thereby other than those approvals, consents and/or authorizations that have already been obtained.

5. The authorization, execution and delivery of the Supply Agreement and compliance with the provisions thereof (a) will not conflict with or constitute a breach of, or default under, (i) any instrument relating to the organization, existence or operation of Gas Purchaser, (ii) any ruling, regulation, ordinance, judgment, order or decree to which Gas Purchaser (or any of its officers in their respective capacities as such) is subject or (iii) any provision of the laws of the State relating to Gas Purchaser and its affairs, and (b) to our knowledge will not result in, or require the creation or imposition of, any lien on any of the properties or revenues of Gas Purchaser pursuant to any of the foregoing.

6. Gas Purchaser is not in material breach of or default under any applicable constitutional provision or any law or administrative regulation of the State or the United States or any applicable judgment or decree or, to our knowledge, any loan or other agreement,

resolution, indenture, bond, note, resolution, agreement or other instrument to which Gas Purchaser is a party or to which Gas Purchaser or any of its property or assets is otherwise subject, and to our knowledge no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a material default or event of default under any such instrument.

7. Payments to be made by Gas Purchaser under the Supply Agreement will be derived from payments made under contract between Gas Purchaser and its customers that choose to participate in a project related to the Supply Agreement. The payments by the customers shall constitute operating expenses of their respective utility systems payable solely from the revenues and other available funds of the respective customers' utility system as a cost of purchased gas.

8. As of the date of this opinion, to our knowledge after due inquiry, there is no pending or threatened action or proceeding at law or in equity or by any court, government agency, public board or body affecting or questioning the existence of Gas Purchaser or the titles of its officers to their respective offices or affecting or questioning the legality, validity, or enforceability of this Supply Agreement nor to our knowledge is there any basis therefor.

This opinion is rendered solely for the use and benefit of the addressees hereof in connection with the Supply Agreement and may not be relied upon other than in connection with the transactions contemplated by the Supply Agreement, or by any other person or entity for any purpose whatsoever, nor may this opinion be quoted in whole or in part or otherwise referred to in any document or delivered to any other person or entity, without the prior written consent of the undersigned.

Very truly yours,

EXHIBIT G

FORM OF REMARKETING ELECTION NOTICE

[MMGA]
[3131 Fernbrook Lane North, Suite 200
Plymouth, MN 55447-5337]

[Gas Supplier]
[Address]

[Trustee]
[Address]

To the Addressees:

The undersigned, a duly authorized representative of the Kansas Municipal Gas Agency (the “Gas Purchaser”), is providing this notice (the “Gas Remarketing Election Notice”) pursuant to the Natural Gas Supply Agreement, dated as of [_____], 2023 (the “Supply Agreement”), between Minnesota Municipal Gas Agency and the Gas Purchaser. Capitalized terms used herein shall have the meanings set forth in the Supply Agreement.

Pursuant to Section 5.3(b) of the Supply Agreement, the Gas Purchaser has elected to have [_____]MMBtu of its DCQ for each Gas Day of each Delivery Month of the Remaining Term remarketed beginning with the month of [_____] 20[___], and thereafter the Supply Agreement shall terminate in accordance with Section 5.3(c) thereof.

Given this [___] day of [_____], 20[___].

[GAS PURCHASER]

By: _____
Name:
Title:

EXHIBIT H

FORM OF CLOSING CERTIFICATE

[Closing Date]

Re: Minnesota Municipal Gas Agency Commodity Supply Revenue Bonds, Series 2023.

The undersigned [TITLE] of the Kansas Municipal Gas Agency (the “Gas Purchaser”), pursuant to the Bond Purchase Agreement, dated [____], 2023 (the “Bond Purchase Agreement”), by and between RBC Capital Markets, LLC and Minnesota Municipal Gas Agency, with respect to the issuance and sale of the captioned bonds (the “Bonds”), hereby certifies as follows (capitalized terms used herein and not defined shall have the meanings given to such terms in the Bond Purchase Agreement):

(i) by all necessary official action of the Gas Purchaser, the Gas Purchaser has duly authorized or approved (a) the execution and delivery of, and the performance by the Gas Purchaser of the obligations on its part contained in the Supply Agreement, and (b) the consummation by it of all other transactions contemplated by the Official Statement and the Bond Purchase Agreement and any and all such other agreements and documents as may be required to be executed, delivered and/or received by the Gas Purchaser in order to carry out, give effect to, and consummate the transactions contemplated in the Bond Purchase Agreement and in the Official Statement;

(ii) the Gas Purchaser is not in breach of or default in any material respect under any applicable constitutional provision, law or administrative regulation of the State or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Gas Purchaser is a party or to which the Gas Purchaser is or any of their property or assets are otherwise subject, and no event has occurred and is continuing which constitutes or with the passage of time or the giving of notice, or both, would constitute a default or event of default in any material respect by the Gas Purchaser under any of the foregoing; and the execution and delivery of the Supply Agreement and compliance with the provisions on the Gas Purchaser’s part contained therein, will not conflict with or constitute a breach of or default in any material respect under any constitutional provision, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Gas Purchaser is a party or to which the Gas Purchaser or to which any of its property or assets are otherwise subject;

(iii) no litigation or proceeding or tax challenge against it is pending or, to its knowledge, threatened in any court or administrative body nor is there a basis for litigation which would (a) contest the right of the members or officials of the Gas Purchaser to hold and exercise their respective positions, (b) contest the due organization and valid existence of the Gas Purchaser, (c) contest the validity, due authorization and execution of the Supply Agreement or (d) attempt to limit, enjoin or otherwise restrict or prevent the Gas Purchaser from undertaking the transactions contemplated by the Official Statement and the Supply Agreement;

(iv) all authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect the due performance by the Gas Purchaser of its obligations under the Supply Agreement have been duly obtained;

(v) as of the date thereof, and at all times up to and including the date hereof, the information set forth in Appendix C to the Official Statement relating to the Gas Purchaser did not and does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(vi) to the knowledge of the Gas Purchaser, no event affecting the Gas Purchaser has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purpose for which it is to be used or which is necessary to disclose therein in order to make the statements and information therein, in light of the circumstances under which made, not misleading in any respect as of the time of Closing; and

(vii) the Gas Purchaser will not knowingly take or omit to take any action which action or omission will adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Bonds.

IN WITNESS WHEREOF the undersigned has executed this certificate all as of the [___] day of [_____], 2023.

KANSAS MUNICIPAL GAS AGENCY

By _____
Name:
Title:

DRY

**NATURAL GAS PREPAY
PARTICIPATION AGREEMENT**

This Agreement entered into this ____ day of _____, by and between the Kansas Municipal Gas Agency ("KMGA") and the City of [insert City], Kansas (the "City):

WHEREAS, pursuant to an interlocal cooperation agreement, certain Kansas municipalities have joined together under the provisions of K.S.A. 12-2901 *et seq.*, to organize and create KMGA; and

WHEREAS, the City owns and operates a municipal natural gas, electric or other municipal utility system that uses natural gas and is a member of KMGA pursuant to the provisions of the interlocal cooperation agreement and the KMGA Bylaws; and

WHEREAS, KMGA intends to contract with the Minnesota Municipal Gas Agency, a public nonprofit corporation or public instrumentality ("MMGA"), or its successor or assigns, under a project to acquire long-term supplies of Natural Gas from a gas supplier, pursuant to a Natural Gas Supply Agreement (the "Gas Supply Agreement"), to meet a portion of the Natural Gas supply requirements of KMGA's members that elect to participate (collectively, the "Project Participants") through a gas prepayment project offered by MMGA (the "Project"); and

WHEREAS, KMGA will act on behalf of the Project Participants to acquire Gas and provide other management services related to the Project; and

WHEREAS, the City desires to participate in the Project and receive the economic benefits set forth in this Agreement; and

WHEREAS, K.S.A. 12-825j authorizes the City to enter into contracts with any person, firm, corporation or other municipality for the acquisition of Natural Gas upon such terms as may be deemed necessary and reasonable by the governing body of the City; provided such contracts shall not exceed a period of forty years and shall not be payable by the levy of any tax; and

WHEREAS, this Agreement is intended to enable KMGA to pass through the benefits and obligations of KMGA under the Gas Supply Agreement to the City.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties agree as follows:

DEFINITIONS

"**Agreement**" shall mean this Natural Gas Prepay Participation Agreement by and between KMGA and the City.

"**City**" shall mean the City of [insert City], Kansas.

"**Commercially Reasonable**" or "**Commercially Reasonable Efforts**" shall have the meaning set forth in the Gas Supply Agreement.

“**Contract Price**” shall have the meaning set forth in the Gas Supply Agreement.

“**Delivery Period**” means the period as defined in *Article 1* of the Gas Supply Agreement commencing in 20____ and ending in 20____, unless earlier terminated pursuant to *Article 5* of the Gas Supply Agreement.

“**Delivery Points**” shall mean the respective Primary Delivery Points or the Alternate Delivery Points as defined in *Exhibit A*.

“**Gas**” or “**Natural Gas**” shall mean any mixture of hydrocarbons or of hydrocarbons and noncombustible gases, in a gaseous state consisting essentially of methane, which meets the quality requirements of the pipeline industry standard.

“**Gas Acquisition Management Project Participation Agreement**” shall mean the contract between KMGGA and a member city, under KMGGA’s Gas Acquisition Management Project, which is separate and apart from this KMGGA Gas Prepay Project.

“**Gas Day**” means a period of 24 consecutive hours beginning at 9:00 a.m. CPT on a calendar day and ending at 9:00 a.m. CPT on the next calendar day or such other period as determined under the Gas Supply Agreement. The date of the Gas Day shall be the date at its beginning.

“**Gas Supply Agreement**” shall mean the agreement between KMGGA and MMGA for the long-term supply of Gas to be delivered to the Project Participants, which is substantially in the form set forth in *Exhibit C* attached hereto; provided, however, the parties agree the fully executed Gas Supply Agreement will be added as *Exhibit C* to this Agreement after execution.

"**KMGGA**" shall mean the Kansas Municipal Gas Agency.

“**KMGGA Prepay Administrative Fee**” shall have the meaning as defined in *Section 5.2* of this Agreement.

“**MMGA**” means the governmental or quasi-governmental entity that has the authority to issue municipal revenue bonds with the interest thereon being exempt from federal taxation pursuant to 26 U.S.C. §103.

"**Participation Agreements**" shall mean this and other Agreements entered into by and between KMGGA and Project Participants.

“**Parties**” or “**Party**” shall mean collectively or individually, the City and KMGGA.

"**Project**" shall mean the KMGGA Gas Prepay project.

"**Project Gas**" shall mean Gas supplies to the Project Participants pursuant to this Agreement.

"**Project Participants**" shall mean the cities participating in the Project.

"**System**" shall mean the Natural Gas and/or Electric utility systems of the City.

ARTICLE I

Gas Purchases and KMGA Services

- 1.1 During the Delivery Period, the City shall purchase the volumes of Gas as specified on *Exhibit B* from the Project that are made available to KMGA pursuant to the terms and conditions of the Gas Supply Agreement.
- 1.2 The Contract Price of Gas shall be established as set forth in the Gas Supply Agreement.
- 1.3 In the event the City's failure to take Project Gas is due to load loss on its system, upon reasonable notice, KMGA shall first seek to transfer such gas volumes to other Project Participants. If no other Project Participants agree to such transfer, then KMGA may request that MMGA use Commercially Reasonable Efforts to sell, or arrange for sale, such quantities pursuant to the provisions of the Gas Supply Agreement. The City shall be obligated to pay the Contract Price for such quantities, and any amounts received from the sale, less all directly incurred costs or expenses including the project administration fee and a remarketing administrative charge, will be credited to the City pursuant to the Gas Supply Agreement.
- 1.4 The Project Gas will be delivered, and title will pass to the City, at the Delivery Points.
- 1.5 KMGA shall provide the City with services relating to the purchase and sale of Gas, nomination of gas supplies and any and all other operational transactions associated with the delivery of Project Gas to the City.

ARTICLE II

Term

- 2.1 This Agreement shall be effective from the date first herein written above and continue in full force and effect for a term ending on the later of (a) termination of the Gas Supply Agreement attached hereto as *Exhibit C*, or (b) the end of the Delivery Period and final billings; provided, however, the term will not exceed the limitations provided in K.S.A. 12-825j.
- 2.2 The Parties recognize that KMGA's right of early termination as provided for in *Section 5.3* of the Gas Supply Agreement allows for partial termination by KMGA whereby each Project Participant has the option to terminate their share of gas volumes under the Gas Supply Agreement.

ARTICLE III

Relationship to Other Contracts

- 3.1 Except for the identity of the Project Participants and the volumes of Gas set forth on *Exhibit B*, (and, as applicable, other information specific to each individual Project Participant), this Agreement is and shall remain identical to the Participation Agreements of the other Project Participants.

ARTICLE IV

Gas Supply Agreement

4.1 KMGA will enter into the Gas Supply Agreement on behalf of the City and all the other Project Participants. The terms and provisions of the Gas Supply Agreement are incorporated herein by reference and are attached hereto as *Exhibit C*. It is the intent of KMGA and the City that the benefits and obligations accruing to KMGA in the Gas Supply Agreement will flow through to the City pursuant to this Agreement. Accordingly, in the event of a conflict between the terms of this Agreement and the Gas Supply Agreement, the Parties to this Agreement shall look to the terms of the Gas Supply Agreement to attempt to resolve such conflict.

ARTICLE V

Cost Responsibility

5.1 It is the Parties' intention that the City will be responsible for its allocable share of the (a) Project Gas tendered for delivery, (b) any other costs, taxes, penalties or charges incurred by KMGA under the Gas Supply Agreement, (c) KMGA Prepay Administrative Fee and other reasonable costs associated with its operation of the Project. City's obligation to pay for its allocable share of such costs shall be effective upon the start of the Delivery Period and continue until all amounts due hereunder are paid in full notwithstanding the occurrence of any event or the taking of any action permitted by this Agreement.

5.2 The KMGA Prepay Administrative Fee shall be (i) an amount established by KMGA Board of Directors from time to time based on KMGA's budget, plus (ii) where applicable, City's portion of KMGA's costs incurred that are related to the Project but were not included in KMGA's budget. City shall have the right to review and have input on the KMGA budget via the KMGA Board of Directors. The KMGA Prepay Administrative Fee shall not exceed the management fee assessed by KMGA on gas supplied to cities under the Gas Acquisition Management Project Participation Agreement.

ARTICLE VI

Billing and Payments

6.1 KMGA will bill the City for actual volumes of gas tendered for delivery in MMBtu, adjusted for fuel losses and taxes imposed on KMGA, for each calendar month on or before the 20th day of the following month.

6.2 KMGA will bill the City in advance the estimated cost for projected gas supply to be delivered in the second month following the current calendar month as referenced in *Section 6.1* of this Agreement. KMGA will provide a true-up on subsequent invoices of the estimated costs to the actual costs and volumes when that information is available.

6.3 The City will pay invoices within thirty (30) days from the date such bills are sent by KMGA. The City agrees to pay all invoices without deduction and may contest any invoice as provided in *Section 6.4* of this Agreement. Interest on any unpaid amount shall accrue from the date due until the date upon which payment is made at the lesser of two percent (2%) per month or the highest rate allowed by law. KMGA shall have the right to suspend delivery of all or part of the gas supply to the City if (a) KMGA has not received

payment of an invoice by the tenth (10th) day after invoice due date, or (b) if the City breaches any other term or condition of this Agreement. Suspension of delivery of gas shall be in addition to any and all other remedies available at law or in equity.

6.4 In the event the City desires to dispute all or any part of the amount billed by KMGGA it shall nevertheless pay the full amount of the invoice when due and give notification in writing within ninety (90) days from the date of the statements stating the specific grounds for the dispute and the amount in dispute. The City will not be entitled to any adjustment on account of any disputed invoice amounts which are not brought to the attention of KMGGA by the City within the time and in the manner herein specified.

6.5 All amounts payable by the City under this Agreement shall be due whether or not future Gas deliveries are suspended, interrupted, interfered with, reduced, curtailed or terminated in whole or in part, and such payments shall not be subject to any reduction, whether by offset, counterclaim, recoupment or otherwise, and shall not be conditioned upon the performance or nonperformance of KMGGA or any other person under this Agreement or any other agreement for any cause whatsoever.

ARTICLE VII

Documentation Regarding the Project

7.1 KMGGA will make reasonable efforts to obtain any specific information on the Project requested by the City.

7.2 The City agrees to deliver such certificates as required under the Gas Supply Agreement upon request by KMGGA.

ARTICLE VIII

Liability and Indemnification

8.1 The City expressly agrees, to the fullest extent permitted by law, to indemnify, hold harmless and defend KMGGA against any and all claims, liability, costs or expenses (including without limitation attorneys' fees and expenses) for loss, damage or injury to persons or property in any manner directly or indirectly connected with or growing out of the Gas Supply Agreement, the Project, and/or the transportation of Gas from the Delivery Point, unless such loss, damage or injury is the result of bad faith, gross negligence, or reckless or willful misconduct of KMGGA or its employees acting within the course and scope of their employment; provided, however, the indemnification by the Project Participants shall be limited to each Project Participant's allocable share.

8.2 To the fullest extent permitted by law, neither Party shall be liable to the other for punitive, indirect, exemplary, consequential, or incidental damages arising in connection with this Agreement.

8.3 Nothing herein shall be construed as a waiver by either Party of the sovereign tort immunity granted to the Parties under the laws of the State.

ARTICLE IX

Default and Remedies

9.1 An occurrence of any of the following events or conditions shall constitute an "Event of Default":

(a) Failure of the City to make any payment when due under this Agreement (a "Payment Default"); or

(b) Assignment of this Agreement by City other than as permitted pursuant to *Article Twelve* or any other action or omission by City that would cause KMGGA to be in breach of any provision of the Gas Supply Agreement; or

(c) The failure of a Party to perform or abide by any other material obligation under this Agreement within 60 days of receipt of written notice of non-performance; provided, however, that if such default cannot be cured within such 60-day period, no Event of Default shall occur for so long as the non-performing Party is diligently pursuing a cure, and such non-performance is curable; or

(d) The commencement, with respect to a Party, by such Party or by another person or entity of a bankruptcy, reorganization, moratorium, liquidation or similar insolvency proceeding or other relief under any bankruptcy or insolvency law affecting creditors' rights or a petition is presented or instituted for its winding-up or liquidation.

9.2 If a Party fails to perform or breaches any of its material obligations under this Agreement, then the non-defaulting Party shall be entitled to exercise all remedies available to it at law or in equity (except as limited by *Section 9.3* of this Agreement). The Parties acknowledge and agree that monetary damages may not be an adequate remedy at law for the failure of a Party to perform certain material obligations under this Agreement, and under such circumstances, the non-defaulting Party shall have the right to specific performance by the defaulting Party of such obligations under this Agreement.

9.3 In response to any Event of Default by KMGGA, City shall not have the right to terminate this Agreement.

9.4 Notwithstanding any provision to the contrary contained in this Agreement, the Parties acknowledge and agree that KMGGA shall not be liable for monetary damages to City arising from or in connection with any reports, notices, certificates, documents, information or data of any kind or nature (whether or not prepared by or on behalf of KMGGA) provided to City pursuant to or in connection with this Agreement.

ARTICLE X

Dispute Resolution

10.1 If a dispute arises between the Parties, then the aggrieved Party may provide written notice thereof to the other Party, including a detailed description of the subject matter of the dispute.

10.2 Representatives of the Parties shall in good faith attempt to resolve such dispute by informal negotiations within ten (10) Business Days from the date of receipt of a dispute notice under *Section 10.1* of this Agreement.

10.3 If the dispute is not resolved within ten (10) Business Days following receipt of the dispute notice or such later date as the Parties may mutually agree, then each Party shall promptly designate its most senior executive responsible for the subject matter of the dispute who shall have authority to resolve the dispute. The senior executives shall obtain such information as may be necessary to inform themselves of the substance and particulars of the dispute and shall meet within twenty (20) Business Days, at a time and place mutually acceptable to the senior executives.

10.4 If the senior executives are unable to resolve the dispute within twenty (20) Business Days of their first meeting or such later date as the senior executives may mutually agree, then either party may bring any suit, action, or proceeding at law or in equity, including without limitation mandamus, injunction, and action for specific performance, as such party determines may be necessary or appropriate to enforce any covenant, agreement, or obligation in this Agreement against the other party.

10.5 Notwithstanding any other provision of this Agreement to the contrary, the Parties may agree to mediate or arbitrate any dispute that arises under this Agreement.

ARTICLE XI

Covenants, Representations and Warranties

11.1 **KMGA's Representations.** KMGA hereby makes the following representations, warranties and covenants to City as of the Effective Date and through the end of the Term:

(a) KMGA is a governmental entity duly organized pursuant to an interlocal cooperation agreement, validly existing and in good standing under the laws of the State, and has the legal power to enter into this Agreement and carry out the transactions contemplated hereby and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this Agreement.

(b) The execution, delivery and performance by KMGA of this Agreement have been duly authorized by all necessary action.

(c) This Agreement constitutes the legal, valid and binding obligation of KMGA, enforceable in accordance with its terms.

(d) There is no pending, or to the knowledge of KMGA, threatened action or proceeding affecting KMGA which purports to affect the legality, validity or enforceability of this Agreement as in effect on the date hereof. Notwithstanding the foregoing, KMGA's sole continuing covenant with respect to this **Section 11.1(d)** shall be to take all necessary and reasonable actions to defend the enforceability and validity of this Agreement and aggressively defend any lawsuit involving or related to this Agreement.

11.2 **City's Representations.** City hereby makes the following representations, warranties and covenants to KMGA as of the Effective Date and through the end of the Term:

(a) City is a municipal corporation of the State, and has the legal power to enter into this Agreement and carry out the transactions contemplated hereby and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this Agreement.

(b) The execution, delivery and performance by City of this Agreement have been duly authorized by all necessary action.

(c) This Agreement constitutes the legal, valid and binding obligation of City, enforceable in accordance with its terms.

(d) There is no pending, or to the knowledge of City, threatened action or proceeding affecting City before any governmental authority which purports to affect the legality, validity or enforceability of this Agreement as in effect on the date hereof. Notwithstanding the foregoing, City's sole continuing covenant with respect to this **Section 11.2(d)** shall be to take all necessary and reasonable actions to defend the enforceability and validity of this Agreement and aggressively defend any lawsuit involving or related to this Agreement.

(e) City is and shall remain throughout the term of this Agreement a member of KMGGA.

(f) City will establish, maintain and collect such rates, fees and charges for the distribution of Gas from its System so as to provide revenues at least sufficient to enable City to make all payments required to be made by it under this Agreement and any other agreements with respect to its System.

(g) The obligations of City to make payments under this Agreement shall be limited to the obligation to make payments from revenues of its System and available System reserves. All payments made by City pursuant to this Agreement shall constitute operation and maintenance expenses of its System. The City shall not be obligated to levy any taxes for the purpose of paying any amount due under this Agreement. The City shall not issue any evidence of indebtedness with a lien on its System revenues that is prior to the payment of operating and maintenance expenses.

(h) The City shall provide such financial information and operating data as KMGGA is required to obtain from City under the Gas Supply Agreement or any rules or regulations applicable to KMGGA related to the Project.

(i) The City agrees to resell or otherwise use Gas purchased under this Agreement (i) for a "qualifying use" as defined in U.S. Treas. Reg. § 1.148-1(e)(2)(iii), and (ii) in a manner that will not result in any private business use of that Gas within the meaning of Section 141 of the Code. The City agrees to execute upon request such certificates with respect to the gas purchases as required by KMGGA or MMGA.

ARTICLE XII

Miscellaneous

12.1 *Amendments and Waivers.*

(a) Except as expressly provided herein, this Agreement may not be amended, supplemented or otherwise modified, other than pursuant to an instrument or instruments in writing executed by the Parties.

(b) No waiver by either Party of any one or more defaults by the other Party in the performance of any of the provisions of this Agreement shall be construed as a waiver of any other default or defaults whether of a like kind or different nature. Any delay, less than any applicable statutory period of limitations, in asserting or enforcing any rights under this Agreement shall not be deemed a waiver of such rights. Failure of either Party to enforce any provisions hereof shall not be construed to waive such provision,

or to affect the validity of this Agreement or any part thereof, or the right of the Party thereafter to enforce each and every provision thereof.

12.2 **Assignment.** This Agreement shall be binding upon and inure to the benefit of the successors, assigns and legal representatives of the parties hereto. Neither party may assign its rights nor delegate its obligations under this Agreement without the prior written consent of the other party.

12.3 **Notices.** Unless otherwise expressly provided for in this Agreement, all communications and notices to a Party in connection with this Agreement shall be in writing, and any such notice shall become effective (a) upon personal delivery thereof, including by overnight mail or next Business Day or courier service, (b) in the case of notice by United States mail, certified or registered, postage prepaid, return receipt requested, upon receipt thereof, or (c) in the case of email, upon transmission thereof, provided that in addition to such transmission a confirmation copy of the notice is also provided by either of the methods set forth in clause (a) or (b) above. All notices provided by the means described in clauses (a), (b), or (c) above shall be addressed as follows, or to such other address as any Party may designate by written notice to the other Parties.

To KMGa: Kansas Municipal Gas Agency
6300 West 95th Street
Overland Park, KS 66212-1431
Attention: General Manager
E-mail: mahlberg@kmea.com
Phone: 913-660-0234

To the City: _____

12.4 **Confidentiality.** The parties agree that they and each of their agents, employees, contractors and other parties acquiring information about the Project or the Project Gas prices, quantity or quality shall hold such information in confidence, except to the extent such information must be disclosed to a third party as required by law or to effect delivery of Gas. The Parties recognize that any confidentiality restrictions hereunder must be consistent with applicable Kansas laws on open records and open meetings.

12.5 **Books and Records.** Each party shall have the right at all reasonable times to examine the books and records of the other party to the extent necessary to verify the accuracy of any statement, charge, computation or demand made under or pursuant to this Agreement.

12.6 **Governing Law.** This Agreement shall be governed exclusively by and construed in accordance with the applicable laws of the State of Kansas.

12.7 **Jury Trial.** EACH OF THE PARTIES WAIVES TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS UNDER THIS AGREEMENT OR UNDER ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION WITH THIS AGREEMENT AND AGREES THAT

ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.

12.8 **Integration.** This Agreement contains the entire Agreement between the parties hereto, and no waiver, modification or other changes shall be effective unless in writing and executed by the parties.

12.9 **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument.

12.10 **Severability.** Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable Law; but if any provision of this Agreement shall be prohibited by or deemed invalid under any applicable Law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

DRAFT

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first written above.

KANSAS MUNICIPAL GAS AGENCY

By: _____
[Insert Name] | General Manager

THE CITY OF _____, KANSAS

By: _____
[Insert Name] | Mayor

(SEAL)

Attest:

By: _____
City Clerk

EXHIBIT A

DELIVERY POINTS

City of [Insert City], Kansas: City Gate

DRAFT

EXHIBIT B

GAS VOLUMES

CITY, Kansas	
Delivery Month	Daily Volume (MMBtu)
Apr	
May	
Jun	
Jul	
Aug	
Sep	
Oct	
Nov	
Dec	
Jan	
Feb	
Mar	

EXHIBIT C

GAS SUPPLY AGREEMENT

DRAFT

NATURAL GAS SUPPLY AGREEMENT

BY AND BETWEEN

MINNESOTA MUNICIPAL GAS AGENCY

AND

KANSAS MUNICIPAL GAS AGENCY

DATED AS OF [_____], 20__

Labette County Solid Waste Committee Update City Council December 27, 2022

The Labette County Commissioners have asked the Labette County Solid Waste Committee to come to an agreement with GFL regarding the rates for the Parsons Transfer Station. City Administrator LeaAnn Myers attended the solid waste meeting on December 15, 2022.

GFL expressed their desire to continue running the Parsons Transfer Station for the remainder of their contract, through 2030. GFL stated with the increased price of hauling they needed some help to offset the raising cost.

The original contract was set up in 2020 at \$38.00 per ton and then a 3% increase every two years. According to the current contract, the rate is set to increase as follows: 2022 - \$38.76, 2024 - \$39.54, 2026 - \$40.33 and 2028 - \$41.14.

Earlier in 2022, the Labette County Solid Waste Committee granted a temporary 6 month rate increase to \$40.76 per ton to offset inflation and hauling cost. At the December 15 meeting, the Committee approved to continue the temporary rate of \$40.76 through March 1, 2023, while they wait to get more information from GFL to make decisions regarding prices. GFL requested a starting number of \$46.00 per ton for 12 months. The Solid Waste Committee is holding a work session on January 11, 2023, to discuss pricing and budgets.

Altamont City Council Action Needed

- Recommendation to appoint LeaAnn Myers to the Labette County Solid Waste Committee
- Recommendation to appoint a proxy voter to the Labette County Solid Waste Committee



City Administrator Report City Council December 27, 2022

1. **Police Department**

- a. Officer Anthony Austin started on December 16th. We would like to welcome Anthony to the Altamont Police Department.
- b. Offered a conditional offer to another applicant to fill the fourth police opening, pending pre-employment physical and drug test.
- c. Hired Officer Jodie Whitson as a part time officer. She has worked for the City in the past. We are happy to have her back.
- d. Part-time Officer Josh Fields Daniels will be leaving employment with the City of Altamont, as he has accepted a full-time position with another agency.
- e. Police Chief Michael Shields has worked diligently and covered many extra shifts to make sure shifts have been covered during staffing shortages.
- f. Police Chief Shields took part in Shop with a Cop in Parsons.

2. **New Employee(s)** - Processed new employment paperwork and enrollments in employee benefits
3. **Solid Waste** - Attended the Solid Waste meeting. There will be a work session in January for the Cities to discuss what kind of increase they could handle to help offset hauling cost.
4. **Electric Upgrade** - Council approved up to \$53,151.19 for Twin Valley to do the electric upgrade. Thanks to the prep work the Altamont Utility Department completed before starting the project, the bill from Twin Valley came in at \$27,906.63.
5. **Building Repairs** - TW Construction was delayed on starting on utility building but plans to start sometime after Christmas.
6. **Health Insurance** - Reviewed and signed new Blue Cross Blue Shield of Kansas contract for the City employees
7. **Christmas Parade** - Bridget Nash did an excellent job with the Altamont Christmas Parade. There was a great turnout for parade entries and the public attending the Parade.



8. **KMU Training** - The City Office attended the KMU Legislative update.
 - a. Rob Gartner presented employee training on Flammable & Combustible and Error Prevention
9. **Poor Boys Tree Service** - Started trimming trees on December 12.
10. **Utility Rates** - LeaAnn is reviewing electric and gas utility rates. We are looking at rate increases to help with raising utility expenses and inflation.
11. **Lead and Copper** - We have received quite a few lead and copper letters back from the residents. If you have not turned one in, please get those back to the City Office. Thank you for your help with this!

EXECUTIVE SESSION MOTIONS

I move the city council recess into executive session to discuss an individual employee's performance pursuant to the **non-elected personnel** matter exception, K.S.A. 75-4319 (b) (1) to include: (people to participate besides governing body.) The open meeting will resume in the city council room at ____PM.

I move the city council recess into executive session to discuss **Attorney – Client privilege** matter exception, K.S.A. 75-4319(b)(2) to include: (people to participate besides governing body.) The open meeting will resume in the city council room at ____PM.

I move the city council recess into executive session to preliminary discuss **employer-employee negotiations** matter exception, K.S.A. 75-4319(b) (3) to include: (people to participate besides governing body.) The open meeting will resume in the city council room at ____PM.

I move the city council recess into executive session to preliminary discuss **property acquisition** matter exception, K.S.A. 75-4319(b)(6) to include: (people to participate besides governing body.) The open meeting will resume in the city council room at ____PM.

I move the city council recess into executive session to discuss data relating to **financial affairs or trade secrets** of corporations, partnerships, trusts, and individual proprietorships pursuant to the non-elected personnel matter exception, K.S.A. 75-4319(b)(4) to include: (people to participate besides governing body.) The open meeting will resume in the city council room at ____PM.

K.S.A. 75-4319. Closed or executive meetings; conditions; authorized subjects for discussion; binding action prohibited; certain documents identified in meetings not subject to disclosure. (a) Upon formal motion made, seconded and carried, all bodies and agencies subject to the open meetings act may recess, but not adjourn, open meetings for closed or executive meetings. Any motion to recess for a closed or executive meeting shall include a statement of (1) the justification for closing the meeting, (2) the subjects to be discussed during the closed or executive meeting and (3) the time and place at which the open meeting shall resume. Such motion, including the required statement, shall be recorded in the minutes of the meeting and shall be maintained as a part of the permanent records of the body or agency. Discussion during the closed or executive meeting shall be limited to those subjects stated in the motion.

(b) No subjects shall be discussed at any closed or executive meeting, except the following:

(1) Personnel matters of nonelected personnel;

(2) consultation with an attorney for the body or agency which would be deemed privileged in the attorney-client relationship;

(3) matters relating to employer-employee negotiations whether or not in consultation with the representative or representatives of the body or agency;

(4) confidential data relating to financial affairs or trade secrets of corporations, partnerships, trusts, and individual proprietorships;

(5) matters relating to actions adversely or favorably affecting a person as a student, patient or resident of a public institution, except that any such person shall have the right to a public hearing if requested by the person;

(6) preliminary discussions relating to the acquisition of real property;