

**Mancelona Township
Antrim County, Michigan**

ORDINANCE NO. 15

A **FRANCHISE**, granting to **GREAT LAKES ENERGY COOPERATIVE**, its successors and assigns, the right, power and authority to lay, maintain and operate electric lines, poles and services on, along, across and under the highways, streets, alleys, bridges and other public places, and to do a local electric public utility business in the Township of Mancelona, Antrim County, Michigan for a period of thirty years.

The Township of Mancelona ORDAINS:

Section 1. Grant of Electric Franchise and Consent to Laying of Pipes, Etc. Subject to all the terms and conditions mentioned in this Franchise, consent, permission, right and authority is hereby given to Great Lakes Energy Cooperative, a corporation organized under the laws of the State of Michigan (the "Company"), and to its successors and assigns to lay, maintain, operate and use electric lines, poles, cables, conduits, appliances, buildings and other necessary works, in the highways, streets, alleys and other public places in the Township of Mancelona, Antrim County, Michigan, (the "Township") and a non-exclusive franchise is hereby granted to the Company, its successors and assigns, to transact local business in the Township for the purposes of producing, storing, transmitting, selling and distributing electricity into and through the Township and all other matters incidental thereto.

Section 2. Use of Streets and Other Public Places. The Company, its successors and assigns, shall not unnecessarily obstruct the passage of any of the highways, streets, alleys, or other public places within the Township and shall within a reasonable time after making an opening or excavations, repair the same and leave it in as good condition as before the opening or excavation was made. The Company, its successors and assigns shall use due care in exercising the privileges herein contained and shall be liable to the Township and to every owner of property abutting the Company's electrical lines or other facilities, for all damages and costs arising from the default, carelessness, or negligence of the Company or its officers, agents and servants.

No road, street, alley, or highway shall be opened for the laying of electrical lines except upon application to the Antrim County Road Commission or the Township or other authority having jurisdiction in the premises (whichever is applicable), stating the nature of the proposed work and the route. Upon receipt of such application by the Antrim County Road Commission, it shall be the duty of the Antrim County Road Commission to issue a permit to the Company to do the work proposed.

Section 3. Force Majeure. The Company shall not be under any liability for failure to furnish electric service as herein provided, or for any breach of the Company's obligations hereunder, if such failure or breach is caused by acts of God, labor troubles, riot, or any other causes or contingencies not reasonably within the control of the Company.

Section 4. Indemnity. As part of the consideration for the granting of this Franchise, the Company (indemnitor) shall, at its sole cost and expense, fully indemnify and hold the Township (indemnitee), its officers, boards, commissions, agents and employees, harmless against any and all claims, demands, lawsuits, actions, liability and judgments for damages arising out of the granting or operation of this Franchise, including but not limited to liability for damages to any former holder of a public utility franchise whose franchise may have been revoked and superseded by this Franchise. In further consideration for the granting of this Franchise, the Company shall pay actual attorney's fees, costs and expenses which may be incurred by the Township in defense of or in response to any claim, demand, lawsuit, action or administrative proceeding arising out of the granting of this Franchise or the revocation of prior franchises, whether or not judgment is entered against the Township.

Section 5. Effective Date; Term of Franchise; Acceptance by the Company. This Franchise shall take effect the day following the date of publication thereof, which publication shall be made within thirty (30) days after the date of its adoption, and shall continue in effect for a period of thirty (30) years thereafter; provided, however, that when this Franchise shall become effective the Township Clerk shall deliver to the Company a certified copy of the Franchise accompanied by written evidence of publication thereof as required by law, and the Company shall, within sixty (60) days after receipt of the above documents, file with the Township Clerk its written acceptance of the conditions and provisions hereof.

Section 6. Franchise Not Exclusive. The rights, power and authority granted by this Franchise are not exclusive, and nothing contained herein shall prevent the Township from granting other non-exclusive electric franchises.


Section 7. Franchise Revocable. This Franchise shall be revocable upon sixty (60) days notice during its term at the will of the Township.

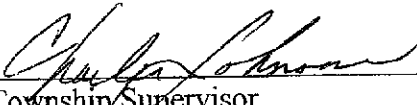
Section 8. Effect and Interpretation of Franchise. All other franchises, ordinances and resolutions, and parts thereof, which conflict with any of the terms of this Franchise are hereby rescinded, to the extent of such conflict. The catch line headings which precede each section of this Franchise are for convenience in reference only and shall not be taken into consideration in the construction or interpretation of any of the provisions of this Franchise.

Section 9. Successors and Assigns. The words "Great Lakes Energy Cooperative" and the "Company," wherever used herein, are intended and shall be held and construed to mean and include both Great Lakes Energy Cooperative and its successors and assigns, whether so expressed or not.

Ayes: All
Nays: None
Date Passed: FEB 18, 2002

Attested, by Order of the Township of
Mancelona, Antrim County, Michigan



Township Clerk
Maurice C. McGleish


Township Supervisor
Charles Johnson

CERTIFICATION

The undersigned, being the duly qualified and acting Clerk of Mancelona Township, Antrim County, Michigan, hereby certifies that (1) the foregoing is a true and complete copy of a resolution duly adopted by the Township Board at a regular meeting held on Feb 18, 2002, at which meeting a quorum was present and remained throughout, (2) the original thereof is on file in the records in my office, (3) the meeting was conducted, and public notice thereof was given, pursuant to and in full compliance with the Open Meetings Act (Act No. 267, Public Acts of Michigan, 1976, as amended) and, (4) minutes of such meeting were kept and will be or have been made available as required thereby.

Dated: February 18, 2002


Mancelona Township Clerk
Maurice C. McGleish

ACCEPTANCE

This Franchise is hereby accepted by the Company on _____, 2002 pursuant to the terms and conditions set forth in the foregoing Franchise.

GREAT LAKES ENERGY COOPERATIVE

By: _____
Its: _____

ORDINANCE CERTIFICATION

At a regular meeting of the Mancelona Township Board, Antrim County held in the Mancelona Middle School Media Center located at 112 St. John's Ave., Mancelona, Michigan on February 18, 2002, at 7:00 p.m.

PRESENT: Charles Johnson, Rae Ann Thompson, Maurice McGleish, Dan Bean, and Cathy Sue Robinson.

ABSENT: None.


It was moved by Rae Ann Thompson, supported by Maurice McGleish that the following Ordinance be adopted:

(See attached MANCELONA TOWNSHIP ORDINANCE)

Yes: ALL


No: NONE

ORDINANCE DECLARED ADOPTED Mancelona Township

BY: 
Charles Johnson, Supervisor

I, the undersigned, the Clerk of the Township of Mancelona, Antrim County, Michigan, do hereby certify that the foregoing is a true and complete copy of certain proceedings taken by the Mancelona Township Board of said County at a regular meeting held on February 18, 2002, relative to adoption of the ordinance therein set forth; that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be made available as required by said Act; this ordinance was published in the Antrim County News on Wednesday, March 6, 2002 and was filed with the County Clerk on March 12, 2002.

Dated: March 12, 2002


Maurice McGleish, Clerk

GREAT LAKES ENERGY GAS SERVICES, L.L.C.

TOWNSHIP OF MANCELONA

COUNTY OF ANTRIM, STATE OF MICHIGAN

ORDINANCE NUMBER 15

Adopted: July 17, 2000

Effective: July 27, 2000

GREAT LAKES ENERGY GAS SERVICES, L.L.C.

FRANCHISE ORDINANCE

An Ordinance, granting to Great Lakes Energy Gas Services, L.L.C., its successors and assigns, the revokable and non-exclusive right, power and authority to lay, maintain, and operate gas mains, pipes, and services on, along, across and under the highways, streets, alleys, and bridges, and a revokable, nonexclusive public utility franchise to serve the Township of Mancelona.

TOWNSHIP OF MANCELONA

Antrim County, Michigan

ORDAINS:

SECTION I

TITLE

This Ordinance shall be known as the Great Lakes Energy Gas Services, L.L.C. Franchise Ordinance.

SECTION II

GRANT OF GAS FRANCHISE

AND CONSENT TO LAYING OF PIPES, ETC.

Subject to all the terms and conditions mentioned in this ordinance, consent is hereby given to Great Lakes Energy Gas Services, L.L.C. (hereinafter referred to as "the Company"), a limited liability company organized under the laws of the State of Michigan, and to its successors and assigns, to lay, maintain, operate, and use gas pipes, mains, conductors, service pipes, and other necessary equipment in the highways, streets, and alleys in the Township of Mancelona, Antrim County, Michigan, and a franchise is hereby to Company, its successors and assigns, to transact local business in said Township of Mancelona for the purposes of conveying gas into and through and supplying and selling gas in said Township of Mancelona and all other matters incidental thereto. This franchise is not exclusive and does not limit the Township of Mancelona from granting such a franchise to third parties.

SECTION III

GAS SERVICE AND EXTENSION OF SYSTEM

If the provisions and conditions herein contained are accepted by the Company, as in Section 7 hereof provided, then the Company shall furnish gas to applicants residing herein in accordance with applicable laws, rules and regulations; and provided further that such initial installation and any extensions shall be subject to the Main Extension provisions, the Area Expansion Program provisions (if and where applicable), and other applicable provisions now or from time to time hereafter contained in the Company's Rules and Regulations for Gas Service as filed with the Michigan Public Service Commission or successor agency having similar jurisdiction.

SECTION IV

USE OF STREETS

The Company, its successors and assigns, shall not unnecessarily obstruct the passage of any of the highways, streets, or alleys within said Township of Mancelona and shall within a reasonable time after making an opening or excavation, repair the same and leave it in as good condition as before the opening or excavation was made. Said repair or restoration shall be completed without unnecessary delay and shall not unnecessarily interfere with road travel. The Company, its successors and assigns, shall use due care in exercising the privileges herein contained and shall be liable to said Township of Mancelona for all damages and costs which may be recovered against the Township of Mancelona arising from the default, carelessness, or negligence of the Company or its officers, agents, and servants. Further, the Company, its successors and assigns, shall indemnify and hold the Township of Mancelona harmless from any and all liability to any person or property damaged by its operations within the Township from any cause whatsoever, including, but not limited to, all expenses, attorney fees, costs, liabilities, judgments, and executions in any manner growing out of, pertaining to, or connected therewith.

No road, street, alley, or highway shall be opened for the laying of trunk lines or lateral mains except upon application to the Township of Mancelona, the Antrim County Road Commission or other authority having jurisdiction in the premises, stating the nature of the work and the route. Upon receipt of such application, it shall be the duty of the Highway Commissioners or the Township Board, or such other authority as may have jurisdiction, to issue a permit to the Company to do the work proposed provided said application and proposed work complies

with all applicable current and future Township or other governmental ordinances, codes, and regulations.

SECTION V

STANDARDS AND CONDITIONS OF SERVICE; RULES, REGULATIONS AND RATES

The Company is now under the jurisdiction of the Michigan Public Service Commission to the extent provided by statute; and the rates to be charged for gas, and the standards and conditions of service and operation hereunder, shall be the same as set forth in the Company's schedule of rules, regulations, and rates as applicable in the several cities, villages, and townships in which the Company is now rendering gas service, or as shall hereafter be validly prescribed for the Township of Mancelona Under the orders, rules, and regulations of the Michigan Public Service Commission or other authority having jurisdiction in the premises.

SECTION VI

SUCCESSORS AND ASSIGNS

The words "Great Lakes Energy Gas Services, L.L.C." and "the Company", wherever used herein, are intended and shall be held and construed to mean and include both Great Lakes Energy Gas Services, L.L.C. and its successors and assigns, whether so expressed or not.

SECTION VII

EFFECTIVE DATE: TERM OF FRANCHISE; ACCEPTANCE BY COMPANY

This Ordinance shall take effect the day following the date of publication thereof, which publication shall be made within thirty (30) days after the date of its adoption, and shall continue in effect for a period of fifteen (15) years thereafter, subject to

revocation at the will of the Township of Mancelona at any time during said fifteen (15) year period; provided, however, that when this Ordinance shall become effective the Township Clerk shall deliver to the company a copy of the Ordinance accompanied by written evidence of publication and recording thereof as required by law, and the Company shall, sixty (60) days after receipt of the above-documents, file with the Township Clerk its written acceptance of the conditions and provisions hereof. If such acceptance is not received within said sixty (60) day period, this Ordinance shall immediately cease and be of no effect.

SECTION VIII

EFFECT AND INTERPRETATION OF ORDINANCE

The Company shall adhere to all applicable current and future Township Ordinances; including, but not limited to, zoning, building codes, and police regulations. The catch line headings which precede each Section of this Ordinance are for convenience in reference only and shall not be taken into consideration in the construction or interpretation of any of the provisions of this Ordinance.

Dated: 07-17-00


MARGARET CHAPMAN, Clerk
Township of Mancelona

MANCELONA TOWNSHIP

ORDINANCE CERTIFICATION

At a regular meeting of the Township Board, Township of Mancelona, Antrim County, Michigan, held in the Mancelona Township Hall, located at 202 W. State St., Mancelona, Antrim County, Michigan, on July 17, 2000, at 7:00 p.m.:

PRESENT: Charles Johnson, Yousef Jabara, Gerald Patrick, Margaret Chapman, and C. Sue Robinson

ABSENT: none

Ordinance No. 15, the Great Lakes Energy Gas Services, L.L.C. Franchise Ordinance, was considered by the Board and upon motion made and seconded, the Township Board duly adopted said Ordinance upon the following vote:

YES: Charles Johnson, Yousef Jabara, Gerald Patrick, Margaret Chapman, and C. Sue Robinson

NO: none

I, Margaret Chapman, as Mancelona Township Clerk, hereby certify that said Ordinance was adopted by the Mancelona Township Board at said meeting as set forth above; that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act; that a copy of said Ordinance was published in the Antrim County News on July 26, 2000, and that a true and complete copy of said Ordinance can be inspected or obtained at the office of the Mancelona Township Clerk in the Mancelona Township Hall.


MARGARET CHAPMAN, Clerk
Mancelona Township