

Ordinance #20

TO THE BOIS BLANC TOWNSHIP BOARD, MACKINAC
COUNTY, MICHIGAN

Presque Isle Electric & Gas Co-op hereby accepts the ELECTRIC franchise granted to it by your Board on the 11th day of March 1998, which is entitled as follows:

AN ORDINANCE granting unto Presque Isle Electric & Gas Co-op, its successors and assigns, the irrevocable right, power and franchise for a period of thirty (30) years from and after the adoption and approval hereof, to acquire, construct, operate and maintain in the Township of Bois Blanc, Mackinac County, the necessary facilities for the production, transmission, distribution and sale of electric energy for public and private use, and to use and occupy the highways, streets, alleys, and other public places of the Township to set poles, string wires, lay pipes or conduits, and to transact a local electric business.

The undersigned does also hereby request that the question of confirming said franchise be submitted to the electors of said Township, at the next general election or special election as provided by law. Costs of formal publication in an area newspaper will be paid by the Co-op as will a reasonable sum for those election costs associated with the franchise confirmation.

Presque Isle Electric & Gas Co-op

By: Allan H. Bruder, pres.
Allan H. Bruder, President

Dated Mar 20-98

Received by: Clara J. Schlund
Bois Blanch Township Clerk

Date: 4-8-98

County of Cheboygan, ss
State of Michigan

Ann Wilkinson, being duly sworn, says: I am the Business Manager of THE CHEBOYGAN DAILY TRIBUNE, a newspaper printed and circulated in said county. The annexed is a printed copy of a notice which was published in said paper on the following dates to wit:

March 20 A.D. 1998

_____ A.D. 19 _____

_____ A.D. 19 _____

Carol Lee Cebula

Subscribed and sworn to before me this 24th

day of March A.D. 1998

Carol Lee Cebula

Notary Public, Cheboygan County, Michigan

My Commission expires: CAROLEE CEBULA
Notary Public, Precinct 1516 Co., MI
Acting In Cheboygan County, MI
My Comm. Expires June 13, 1999

PRESQUE ISLE ELECTRIC & GAS CO-OP

ORDINANCE NO. 20

AN ORDINANCE, granting unto Presque Isle Electric & Gas Co-op, its successors and assigns, the irrevocable right, power and franchise for a period of thirty (30) years from and after the adoption and approval hereof, to acquire, construct, operate and maintain in the Township of Bois Blanc, Mackinac County, the necessary facilities for the production, transmission, distribution and sale of electric energy for public and private use and to use and occupy the highways, streets, alleys and other public places of the Township to set poles, string wires, lay pipes or conduits, and to transact a local electric business.

THE TOWNSHIP OF BOIS BLANC ORDAINS:

Section 1. Grant of Gas Franchise. Subject to all the terms and conditions mentioned in this ordinance, consent is hereby given to Presque Isle Electric & Gas Co-op, a corporation organized under the laws of the State of Michigan (the "Grantee"), and to its successors and assigns, to acquire, construct, operate and maintain in the Township of Bois Blanc, Mackinac County, the necessary facilities for the production, transmission, distribution and sale of electric energy for public and private use, and to use and occupy the highways, streets, alleys and other public places of the Township to set poles, string wires, lay pipes or conduits, and to transact a local electric business, and a non-exclusive franchise is hereby granted to the Grantee, its successors and assigns, to transact local business in said Township of Bois Blanc for the purposes of production, transmission, distribution and sale of electric energy for public and private use within said Township of Bois Blanc and all other matters incidental thereto.

Section 2. Electrical Service and Extension of System. If the provisions and conditions herein contained are accepted by the Grantee, as in Section 12 hereinafter provided, then the Grantee shall furnish electricity to applicants residing therein in accordance with applicable laws, rules and regulations; and provided further that such installation and any extensions shall be subject to applicable provisions now or from time to time hereafter contained in the Grantee's Rules and Regulations for Electric Service as filed with the Township of Bois Blanc or the Michigan Public Service Commission.

The Grantee shall file a copy of its Rates, Rules and Regulations from time to time in effect with the Township Clerk of the Township of Bois Blanc or the Michigan Public Service Commission, as appropriate, in accordance with its practice.

The Grantee shall maintain proper and adequate extension of plant and service and maintenance thereof at the highest practical standard of efficiency, and shall maintain continuous and uninterrupted service to the public in accordance with the terms of the franchise throughout the entire period thereof except as provided for in Section 6.

Section 3. Use of Streets and Other Public Places. The Grantee, its successors and assigns, shall not unnecessarily obstruct the passage of any of the highways, streets, alleys or other public places within said Township of Bois Blanc 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. The Grantee, its successors and assigns, shall use due care in exercising the privileges herein contained and shall be liable to said Township of Bois Blanc for all damages and costs which may be recovered against Township of Bois Blanc arising from the default, carelessness, or negligence of the Grantee or its officers, agents and servants.

No road, street, alley or highway shall be used except upon application to the Township of Bois Blanc or other authority having jurisdiction in the premises stating the nature of the proposed work and the route. Plans showing such work and routes shall be provided to the Township. Work upon and within Grantee's own easements which are separate and distinct from township streets, alleys or highways shall not require approval by the Township Board.

Grantee will not unnecessarily or unreasonably interfere with the proper use of public ways and with the rights and reasonable convenience of property owners who own property which adjoins any of said public ways.

Grantee shall, at its expense, replace and restore such public way to a condition reasonably comparable to the condition of the public way existing immediately prior to such disturbance and in accordance with any standards established by the Township or by law.

All work, whether within or without public ways, shall be performed in such a manner as not to unreasonably endanger or interfere with the safety of persons or property of the township.

Notice for Interruption for Repairs. Whenever it is necessary to shut off or interrupt service for the purpose of making repairs, adjustments or installations, the Grantee shall do so at such time as will cause the least amount of inconvenience to its customers, and unless such interruption is unforeseen and immediately necessary, it shall give reasonable notice thereof to its customers.

All of Grantee's property, structures and equipment shall be so placed on either side of the highways as not to interfere with the use thereof for highway purposes.

Section 4. Insurance and Indemnification. Grantee shall have in full force and effect, at its own cost and expense, during the term of the franchise, Comprehensive General Liability Insurance for bodily injuries, including bodily death to any one person. The Grantee agrees to indemnify, save and hold harmless, and defend the Township of Bois Blanc, its

officers, boards and employees, from and against any liability for damages and for any liability or claims resulting from including but not limited to carelessness, negligence of the Grantee or its officers, agents and servants, property damage, or bodily injury, including accidental death, which arise out of the Grantee's construction, operation or maintenance of its electrical poles, wires, pipes or conduits and other necessary equipment, including, but not limited to, reasonable attorney's fees and costs. The parties agree to review insurance limits upon the Township's request.

The Township shall notify the Grantee's representative in the Township within seven (7) days after the presentation of any claim or demand, either by suit or otherwise, made against the Township on account of any negligence as aforesaid on the part of the Grantee.

Section 5. Standards and Conditions of Service: Rules, Regulations, and Rates. The Company shall be entitled to charge the inhabitants of said Township of Bois Blanc for electricity furnished therein, the rate as approved by the Michigan Public Service Commission, to which Commission or its successors authority and jurisdiction to fix and regulate electric rates and rules regulating such service in said Township of Bois Blanc, are hereby granted. Such rates and rules shall be subject to review and change at any time upon petition therefor being made by either said Township of Bois Blanc acting by its Township Board, or by said Company.

Section 6. Acts of God. The Grantee shall not be under any liability for failure to furnish gas service as herein provided, or for any breach of the Grantee's obligations hereunder, if such failure or breach is caused in any parts by acts of God, labor troubles, strikes, shortages of supply, accidents, breakage of repair of wires, machinery or equipment, failure of suppliers to deliver, shortages of materials or labor, governmental laws, rulings or regulations, or any other causes or contingencies not within the control of the Grantee.

Section 7. Notice of Violation of Terms of Franchise Agreement. In the event that the Township of Bois Blanc believes that the Grantee has not complied with the terms of the franchise, it shall notify Grantee of the exact nature of the alleged noncompliance. Grantee shall have 15 days from the date of the notice to respond to the Township of Bois Blanc to cure such default or in the event that, by the nature of the default, such default cannot be cured within the 15 day period, to initiate reasonable steps to remedy such default and notify the Township of Bois Blanc of the steps being taken and the projected date that they will be completed.

Section 8. Conduct of Grantee. The Grantee shall, at all times during the life of this franchise, be subject to all lawful exercise of the police power by the Township, and to such reasonable regulation as the Township shall hereafter by resolution or ordinance provide. All construction shall be in conformance with all applicable codes.

Section 9. Township Rights in Franchise. The right is hereby reserved to the Township to adopt, in addition to the provisions herein contained and existing applicable ordinances, such additional regulations as it shall find necessary in the exercise of the police power, provided that such regulations, by ordinance or otherwise, shall be reasonable, and not in conflict with the rights herein granted, and shall not be in conflict with the laws of the State of Michigan.

Section 10. Supervision and Inspection. The Township shall have the right to supervise all construction or installation work performed subject to the provisions of this ordinance and to make such inspections as it shall find necessary to insure compliance with governing laws, rules and ordinances.

Section 11. Unencumbered Title. The Grantee shall not file any documents which affect title to land of any of its customers or the Township without approval by the Township Board.

Section 12. Effective Date: Term: Acceptance by the Grantee. This ordinance shall take effect ten (10) days following the date of publication thereof, which publication shall be made within thirty (30) days after the date of its adoption, and shall continue effect for a period of thirty (30) years thereafter, provided, however, that when this ordinance shall become effective the Township Clerk shall deliver to the Grantee a certified copy of the ordinance accompanied by written evidence of publication and recording thereof as required by law, and the Grantee shall, sixty (60) days after receipt of the above documents, file with the Township Clerk its written acceptance of the conditions and provisions hereof.

The Township Board's granting of this franchise shall be submitted to the Township or village electors, as applicable, at the next regular election or special election for the purpose of confirming the grant of such franchise, the costs of same being borne by grantee.

Section 13. Effect and Interpretation of Ordinance. All ordinances and resolutions, and parts thereof, which conflict with any of the terms of this ordinance are hereby rescinded. In the case of conflict between this ordinance and any such ordinances or resolution, this ordinance shall control. 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.

Section 14. Successors and Assigns. The words "Presque Isle Electric & Gas Co-op" and "the Grantee", wherever used herein, are intended and shall be held and construed to mean and include both Presque Isle Electric & Gas Co-op and its successors and assigns, whether so expressed or not.

Grantee's right, title or interest in the franchise shall not be sold, transferred, assigned or otherwise encumbered, other than to an entity controlling, controlled by or under common control with Grantee, without the prior consent of the Township of Bois Blanc, such consent not to be unreasonably withheld.

AYES:

NAYS:

Date passed:

CLERK'S CERTIFICATE

_____, Clerk for the Township of Bois Blanc, does hereby certify that the foregoing Ordinance was adopted at a regular meeting of the Township Board of the Township of Bois Blanc on the ____ day of _____, 1997, and the same was cause to be published in the Cheboygan Daily Tribune on the _____ day of _____, 1997; and, also, the fact that complete copies of the Code as hereby amended are available at the office of the Clerk for inspection by and distribution to the public at all times.

Township Clerk