

**TOWNSHIP OF LITTLEFIELD
EMMET COUNTY, MICHIGAN
FRANCHISE GRANTED TO
GREAT LAKES ENERGY GAS SERVICES, L.L.C.**

Ordinance No. 130

An Ordinance, granting Great Lakes Energy Gas Services, L.L.C., its successors and assigns, the rights, power and authority to lay, maintain, and operate gas mains, pipes, and services on, along, across and under the highways, streets, alleys, bridges, and other public places, and to do a local gas business in Section 3 of the Township of Littlefield, Emmet County, Michigan, for a period of thirty years.

Section 1. Grant Term. Subject to all the terms and conditions of this Ordinance, consent is hereby given to Reed City Energy, L.L.C., d/b/a Great Lakes Energy Gas Services, a Michigan limited liability company (the "Company"), and to its successors and assigns, to lay, maintain, and operate gas mains, pipes, and services on, along, across and under the highways, streets, alleys bridges and other public places in Section 3 of the Township of Littlefield, Emmet County, Michigan (the "Township"), and to do a local gas business in Section 3 of the Township of Littlefield, Emmet County, Michigan for a period of thirty (30) years.

Section 2. Consideration. In consideration of the rights, powers, and authority hereby granted, the Company shall faithfully perform all things required by the terms hereof.

Section 3. Conditions. No highway, street, alley, bridge, or other public place used by said Company shall be obstructed longer than reasonably necessary during the work of construction or repair, nor will any water transmission system, well, public or private sewer system be interfered with or damaged during such work or repair without the same being restored to the same order and condition as when the work was commenced. All of the Company's pipes and mains shall be so placed in the highways and other public places as not to unnecessarily interfere with the use thereof

for highway and other public purposes. Construction work done under this grant shall be commenced only after notification to the Township of Littlefield or its designated representative, and after obtaining any necessary permission from any other authority having jurisdiction over the affected highway, street, alley, bridge or other public place.

Section 4. Hold Harmless. The Company shall at all times keep and save the Township free and harmless from all loss, costs, and expenses to which it may be subject by reason of the negligent construction and maintenance of the structures and equipment hereby authorized. In case any action is commenced against the Township arising out of the negligence of the Company, the Company shall, upon notice, defend the Township and save it free and harmless from all loss, costs, and damage arising out of such negligent construction and maintenance, including any reasonable attorneys' fees.

Section 5. Extensions. Said Company shall construct and extend its gas distribution system within Section 3 of said Township, and shall furnish gas to applicants residing therein in accordance with applicable laws, rules, and regulations.

Section 6. Franchise Not Exclusive. The rights, powers, and authority herein granted are not exclusive.

Section 7. Revocation. The franchise granted by this Ordinance is subject to revocation at the will of the Township at any time.

Section 8. Assignment of Franchise. The Company shall not assign this franchise to any other person, firm or corporation without the prior written approval of the Township board. The Township shall not unreasonably withhold its consent to an assignment if the assignee is financially able to carry out the Company's obligations under this franchise. The assignment of this franchise to a successor, subsidiary, division or affiliated corporation of the Company or its parent

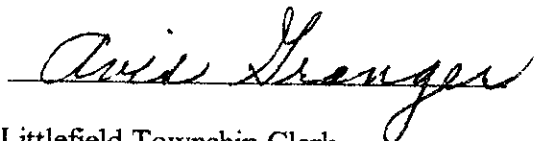
corporation shall not be considered an assignment requiring the consent of the Township board.

Section 9. Township Jurisdiction and Regulation. The Company's property and actions in the Township pursuant to this Ordinance shall be and remain subject to all ordinances, rules, and regulations of the Township now in effect, or which might subsequently be adopted, to protect the health, safety, and general welfare of the general public.

Section 10. Effective Date. The Ordinance shall become effective on the day following its publication.

I certify the foregoing Franchise Ordinance was duly enacted by the Township Board of Littlefield Township, Emmet County, Michigan, on AUGUST 7, 2001 by roll call vote as follows:

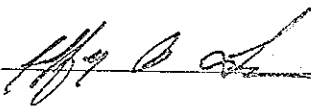
	<u>YEA</u>	<u>NAY</u>
Damien Henning	<u>X</u>	_____
Avis Granger	<u>X</u>	_____
Elizabeth Eggers	<u>X</u>	_____
Dean Morford	<u>X</u>	_____
Cathryn Derrohn	<u>X</u>	_____



Littlefield Township Clerk

On behalf of Great Lakes Energy Gas Services L.L.C., I accept the provisions of the foregoing Franchise.

REED CITY ENERGY, L.L.C. d/b/a
GREAT LAKES ENERGY GAS SERVICES

By: 
Its: CEO

LAN01\80202.1