THE VILLAGE OF NEWBERRY LUCE COUNTY FRANCHISE GRANTED TO SEMCO ENERGY GAS COMPANY

Ordinance No. G (Utility Franchise Supplement)

An Ordinance, granted to SEMCO ENERGY GAS COMPANY, its successors ans assigns, the 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, bridges, waterways, and other public places, and to do a local gas business in the Village of Newberry, Luce County, Michigan, for a period of thirty years.

THE VILLAGE OF NEWBERRY ORDAINS:

Section G:1. GRANT OF FRANCHISE.

The Village of Newberry, Luce County, Michigan, hereby grants to SEMCO ENERGY GAS COMPANY, a Michigan corporation, its successors and assigns, hereinafter called the "Grantee," the non-exclusive right, power and authority to construct, operated and maintain in the public streets, highways, alleys and other public places in the Village of Newberry, Luce County, Michigan, all needful and proper gas pipes, mains, conductors, service pipes and other apparatus and facilities requisite for the manufacture, transmission and distribution of gas for all purposes to the Village of Newberry, and the inhabitants thereof, and for conducting gas elsewhere to supply neighboring cities, villages and other territories supplied with gas by said Grantee, cor a period of thirty years.

Section G:2 CONSIDERATION.

In consideration of the rights, power and authority hereby granted, said Grantee shall faithfully perform all things required by the terms thereof.

Section G:3 INFRASTRUCTURE USE.

Use of highways, streets, alleys, bridges or other public place shall be permitted, but first giving reasonable notice to the Village of Newberry, (Village Board), and Water and Light Board of what work will be performed. The Village and Board may reasonably direct the time, method and manner fore conducting only work. Grantee shall be responsible for permits, notices, and (including traffic and rail) and for providing all safety, traffic services, other services necessary to perform the work. The Franchise shall make, as soon as practical, temporary and final remediation to the site where by work is done. Temporary and final remediation shall be as directed by the Village and/or Board (as applicable) at the expense of the Grantee.

Section G:4 HOLD HARMLESS.

Said Grantee shall at all times keep and save the Village free and harmless from all loss, costs and expense 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 Village on account of the permission herein given, said Grantee shall, upon notice defend the Village and save it free and harmless from all loss, cost and damage arising out of such negligent construction and maintenance.

Section G:5 FRANCHISE NOT EXCLUSIVE.

The rights, power and authority herein granted, are not exclusive. Either manufactured or natural gas may be furnished hereunder.

Section G:6 RATES.

Said Grantee shall be entitled to charge the inhabitants of said Village for gas furnished therein, the rates as approved by the Michigan Public Service Commission, to which Commission or its successors authority and jurisdiction to fix and regulate gas rates and rules

regulating such service in said Village, are hereby granted for the term of this franchise. Such rates and rules shall be subject to review and change at any time upon petition therefore being made by either said Village, acting by it Village Council, or by said Grantee.

Section G:7 REVOCATION.

The franchise granted by this ordinance is subject to revocation upon sixty (60) days written notice by the party desiring such revocation.

Section G:8 MICHIGAN PUBLIC SERVICE COMMISSION, JURISDICTION.

Said Grantee shall, as to all other conditions and elements of service not herein fixed, be and remain subject to the reasonable rules and regulations of the Michigan Public Service Commission or its successors, applicable to gas service in said Village.

Section G:9 ASSIGNMENT OF FRANCHISE.

Grantee shall not assign this Franchise to any other person, firm or corporation without the prior written approval of the Village Council. The Village shall not unreasonably withhold its consent to an assignment if the Assignee is financially able to carry out the Grantee's obligations under this Franchise. The assignment of this Franchise to a subsidiary, division, or a ffiliated c orporation of Grantee or its parent c orporation shall not be considered an assignment requiring the consent of the Village Board.

Section G:10 REPEALER.

This ordinance, when accepted and published as herein provided, shall repeal and supersede the provisions of a Utility Ordinance adopted by the Village Council on May 14, 1973, and amendments, if any, to such Ordinance whereby a Franchise was granted to the Michigan Power Company.

Section G:11 EFFECTIVE DATE.

This ordinance shall take effect upon the day after the date of publication thereof; provided, however, it shall cease and be of no effect after thirty days from its Publication unless within said period the Grantee shall accept the same in writing filed with the Village Clerk. Upon acceptance and publication hereof, the ordinance shall constitute a contract between said Village and said Grantee.

Section G:12 PUBLICATION.

The clerk shall cause a copy of this Ordinance to be published in the Newberry News and further shall make copies of this Ordinance available for public inspection at the Village Offices located in the NEWBERRY WATER & LIGHT BUILDING.

EFFECTIVE

Signed this 10th day of November, 2003.

Robert Cameron, President

Janice Galor, Village Clerk

-----End of Publication-----

Publish one time and furnish 2 Affidavits of Publication to the Village Office

These are Standard Contract Conditions that apply to all Engineering, Consultant, Equipment or Construction Contracts entered into by the Village of Newberry, a Municipal Corporation. These Conditions shall be included in any contract prepared by any Consultant or Engineer engaged by these entities.

STANDARD CONTRACT CONDITIONS

The Village of Newberry (later referred to as the Village), a municipal corporation has adopted these standard contract revisions for all construction, consultant, equipment and engineering contracts with either or both entities. Any provisions to the contrary contained in any standard form contract are hereby modified by the adoption of these amendments.

- 1. Arbitration/Jurisdiction/ADR/Venue: It is agreed by the parties that any reference to ar bitration, Alternative Dispute Resolution, or any similar method for dispute resolution is hereby deleted. In its place, it is agreed that jurisdiction, in the event of any dispute, is in the State of Michigan and venue specifically is agreed upon as Luce County, Michigan. It is further agreed that in the event of any dispute requiring court action for resolution, the only court having jurisdiction in this matter, shall be the Luce County District or Circuit Court depending upon the amount in controversy.
- Change Orders: In addition to any other provisions made for change orders in the
 contract documents, all change orders must be in writing and must have the prior written
 approval of the owner. The owner will designate persons authorized to sign change
 orders. No verbal change orders will be recognized by the Village.
- 3. Payments/Waivers/Sworn Statements: The contractor and any approved subcontractor shall provide a sworn statement listing all parties supplying labor and material together with waiver of lien rights on forms satisfactory to the owner. Sworn statements and waivers will be presented for each draw and upon completion of the project. No funds shall be disbursed until satisfactory Sworn Statement and Waivers are presented. It shall be the duty of the Project Engineer to obtain these documents. All payment requests submitted to the Village shall include copies of Sworn Statements and Waivers.
- Liability: No Limitation or Waiver of Liability shall apply to any claim the Village may have against any party.
- Insurance: Any insurance policy to be issued by terms of this agreement shall be issued with the Village of Newberry as a named insured.

	or prepared by				(Engineer or Vendor)												
						(purpose of contract) and dated											
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