STATE OF ILLINOIS
COUNTY OF COOK
COUNTY OF WILL

CLERK'S CERTIFICATE

I, Patrick E. Rea, the elected and qualified Village Clerk of the Village of Tinley Park, Cook and Will Counties, Illinois, do hereby certify that the attached hereto is a true and correct copy of that Ordinance now on file in my office, entitled:

Ordinance 2016-O-021
NATURAL GAS FRANCHISE ORDINANCE
AN ORDINANCE AUTHORIZING AND GRANTING A FRANCHISE
TO NORTHERN ILLINOIS GAS COMPANY
(d/b/a NICOR GAS COMPANY) ITS SUCCESSORS AND ASSIGNS,
TO CONSTRUCT, OPERATE AND MAINTAIN A
NATURAL GAS DISTRIBUTING SYSTEM
IN AND THROUGH THE VILLAGE OF TINLEY PARK, ILLINOIS

which Ordinance passed by the Board of Trustees of the Village of Tinley Park, at a regular meeting held on the 19th day of April, 2016, at which meeting a quorum was present, and approved by the President of the Village of Tinley Park on the 19th day of April, 2016.

I FURTHER CERTIFY that the vote on the question of the passage of the said Ordinance by the Board of Trustees of the Village of Tinley Park was taken by the Ayes and Nays and recorded in the Journal of Proceedings of the Board of Trustees of the Village of Tinley Park, and that the result of said vote was as follows, to-wit:

AYES: Grady, Pannitto, Vandenberg, Younker, Grady
NAYS: None
ABSENT: Maher

I DO FURTHER CERTIFY that the original Ordinance, of which the attached is a true copy, is entrusted to my care for safekeeping, and that I am the lawful keeper of the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Village of Tinley Park, this 19th day of April, 2016.

[Signature]

VILLAGE CLERK
Ordinance 2016-O-021

NATURAL GAS FRANCHISE ORDINANCE

AN ORDINANCE AUTHORIZING AND GRANTING A FRANCHISE
TO NORTHERN ILLINOIS GAS COMPANY
(d/b/a NICOR GAS COMPANY) ITS SUCCESSORS AND ASSIGNS,
TO CONSTRUCT, OPERATE AND MAINTAIN A NATURAL GAS DISTRIBUTING SYSTEM
IN AND THROUGH THE VILLAGE OF TINLEY PARK, ILLINOIS

WHEREAS, Northern Illinois Gas Company (d/b/a Nicor Gas Company), an Illinois
corporation ("NICOR GAS") and the Village of Tinley Park, Illinois ("Municipality") entered into
franchise agreement effective February 2, 1981 that generally authorized NICOR GAS to
construct, operate, and maintain a gas distribution system within the Municipality, and NICOR
GAS provided the Municipality a letter dated September 19, 2008 that specifies the
compensation to be paid to the Municipality by NICOR GAS in connection with such franchise
agreement (such franchise agreement and letter are referred to collectively herein as the
"Previous Agreement"); and

WHEREAS, NICOR GAS, along with its successors and permitted assigns (collectively,
"Grantee"), and the Municipality desire to have this Ordinance adopted and to have it represent
a new agreement between the Grantee and the Municipality to supersede the Previous
Agreement ("Franchise"); and

WHEREAS, the Municipality has determined that it is in the best interests of the
Municipality and its residents to adopt this Ordinance establishing a new Franchise with the
Grantee;

WHEREAS, the Grantee has approved this Ordinance and authorized execution by its
duly authorized representatives of the Consent Agreement provided pursuant to Section 15 of
this Ordinance; and

NOW, THEREFORE, BE IT ORDAINED BY THE PRESIDENT AND BOARD OF
TRUSTEES OF THE VILLAGE OF TINLEY PARK, COOK AND WILL COUNTIES, ILLINOIS,
AS FOLLOWS:

SECTION 1. DEFINITIONS.

The following terms have the meaning ascribed to them in this Section:

Annual Meeting. The meeting provided under Subsection 13.A. of this Ordinance.

Assignee. The entity that accepts an assignment under this Ordinance from the
Grantee with the authorization of the Municipality, as provided in Subsection 13.B of this
Ordinance.

Corporate Authorities. The corporate authorities of the Municipality.

Effective Date. The effective date of this Ordinance, being April 19, 2016.
Emergency. An event involving the Gas System that (i) poses an imminent threat to the public health or safety within the Municipality or (ii) is likely to result in a prolonged and unplanned interruption of gas service to a significant number of customers within the Municipality.

Gas. Natural gas or manufactured gas, or a mixture of gases, that is distributed to the Grantee's customers in the Municipality through the Gas System.

Gas System. The Grantee's system of pipes, tubes, mains, conductors, and other devices, apparatus, appliances, and equipment for the production, distribution, and sale of gas for fuel, heating, power, processing, and other purposes within and outside the corporate limits of the Municipality.

Gas System Work. Any construction, operation, maintenance, repair, removal or replacement of the Gas System conducted by the Grantee within the Public Right-of-Way or conducted by the Grantee immediately adjacent to the Public Right-of-Way if such activity physically disturbs the Public Right-of-Way.

ICC. The Illinois Commerce Commission.

Public Right-of-Way. The Municipality's streets, alleys, sidewalks, parkways, easements, and other property of the Municipality used as right-of-way.

Requirements of Law. Any and all reasonable regulations which may now or hereafter be prescribed by general ordinance of the Municipality with respect to the use of the Public Right-of-Way or the conduct of Gas System Work.

Term. The term of the Franchise under Section 3 of this Ordinance.

SECTION 2. GRANT OF FRANCHISE

The Municipality grants the right, permission and authority to the Grantee to construct, operate, maintain, repair, remove, and replace its Gas System within the corporate limits of the Municipality, subject to the conditions and regulations of this Ordinance. The right, permission and authority granted by the Municipality to the Grantee by this Franchise may not be exclusive to the Grantee, provided that any other such rights or authority granted by the Municipality may not interfere with the right, permission and authority granted to the Grantee pursuant to this Ordinance.

SECTION 3. TERM

The Franchise authorized and granted pursuant to this Ordinance shall be for a term of 25 years, commencing on the Effective Date, and expiring on April 19, 2041 ("Term").

SECTION 4. USE OF PUBLIC RIGHT-OF-WAY

The Grantee shall be authorized to use the Public Right-of-Way for the Gas System and Gas System Work subject to the provisions of this Ordinance, including without limitation the following provisions:
A. **General Coordination, Location And Repair.** Those portions of the Gas System in the Public Right-of-Way shall be installed and maintained under the general supervision of the Director of Public Works of the Municipality, or other duly authorized agent of the Municipality. The portions of the Gas System within the Public Right-of-Way shall be located as not to injure any drains, sewers, catch basins, water pipes, pavements or other like public improvements. If any drain, sewer, catch basin, water pipe, pavement or other like public improvement is injured by the location of the portions of the Gas System within the Public Right-of-Way, the Grantee shall forthwith repair the damage to the satisfaction of the Municipality and in default thereof the Municipality may repair such damage and charge the cost thereof to, and collect the same from, the Grantee.

B. **Compliance with Requirements of Law.** The Grantee shall be subject to the specific standards provided in this Ordinance for work in the Public Right-of-Way and with all other Requirements of Law.

C. **Conduct of Gas System Work; Restoration.** The Grantee will conduct Gas System Work in accordance with the Requirements of Law. The Grantee will undertake to minimize the disturbance or obstruction of the Public Right-of-Way caused by Gas System Work, including, without limitation, having Gas System Work, once started, undertaken and completed without unreasonable delay. The Grantee will promptly restore Public Right-of-Way, as well as any fences, roads, pavements and other improvements in the Public Right-of-Way, disturbed by Gas System Work as nearly as reasonably practicable to its condition immediately before the Gas System Work.

D. **Emergencies.** In the case of an Emergency, the Grantee will notify the Municipality by the most practical, timely, and available means under the circumstances of the Emergency and the conditions that are affecting the Gas System and its customers. Notwithstanding Section 10, the notice will be no more than 24 hours after the Grantee learns of the Emergency, except if notice within 24 hours is not practicable under the circumstances of the Emergency, in which case the Grantee will provide the notice required under this Subsection as soon as is practicable under the circumstances. Each Party will provide the other Party with an Emergency contacts list, including 24-hour contact information for at least two representatives. The Grantee will keep the Municipality apprised of the status of the Emergency to the extent reasonably practicable and will advise the Municipality when the Emergency has been resolved.

E. **Coordination Regarding Capital Improvements; System Information.** The Grantee and the Municipality believe that it is in their mutual interests to be informed of their respective capital improvement programs, so that whenever practicable those programs can be undertaken to minimize the cost of construction and public inconvenience. To that end, the following provisions apply:

1. **Meeting.** At Annual Meetings (see Subsection 13.A of this Ordinance), representatives of the Grantee and the Municipality will be prepared to discuss significant known Gas System Work and Municipal projects that could impact the Gas System and that will or may be undertaken within the Municipality.

2. **Capital Improvement Plans and General System Information.** The Grantee will establish and maintain an information medium ("Information Sharing System"), at no cost to the Municipality, that will provide the Municipality access, on reasonable terms, to information identifying (a) anticipated Gas System Work, (b) Grantee’s planned capital
improvement plans and major maintenance work related to the Gas System within the Municipality, (c) maps or other documents showing the locations of gas distribution mains in or under Public Right-of-Way within the Municipality; and (d) the status of ongoing Gas System Work and capital improvement plans and major maintenance work related to the Gas System within the Municipality (collectively, "General System Information"). The Grantee reserves the right to modify or replace the Information Sharing System from time to time at its discretion. Absent gross negligence or intentional misconduct by the Grantee, the Grantee shall have no monetary liability to the Municipality due to defects in the design or performance of the Information Sharing System or errors or omissions in the information disclosed through the Information Sharing System; provided, however, that this sentence does not change the Grantee’s obligation under Paragraph 1 of this Subsection and Subsection 13.A of this Ordinance with respect to General System Information. As part of the Annual Meeting, the Parties may discuss the performance of the Information Sharing System and any adjustments and refinements to the Information Sharing System and, if requested by the Municipality, the Grantee will provide information regarding any updates or other operational changes or improvements to the Information Sharing System.

SECTION 5. CONSIDERATION FOR USE OF PUBLIC RIGHT-OF-WAY.

A. Payments: Provision of Gas. The Grantee shall make the Renewal Payment provided in Paragraph 1 of this Subsection and, commencing with calendar year 2016, either (but never both) (i) make the Annual Payments as provided and calculated in Paragraph 2 of this Subsection, or (ii) provide for Unbilled Gas as provided and calculated in Paragraph 3 of this Subsection. The Municipality shall notify the Grantee in writing within ninety (90) days after the Effective Date whether it has chosen to receive Annual Payments or Unbilled Gas. In the event the Municipality has not notified the Grantee in writing within sixty days after the Effective Date, the Municipality shall be deemed to have chosen to receive Annual Payments as provided and calculated in Paragraph 2 of this Subsection. Upon written notice to Grantee given on or before June 30 of the calendar year preceding the date of change, the Municipality may change the method of compensation from Annual Payments to Unbilled Gas, or vice versa, effective as of January 1 of any or all of the third, sixth, ninth, twelfth, fifteenth, eighteenth, twenty-first, or twenty-fourth calendar year following the Effective Date. In the event the Municipality has not so notified the Grantee of a change in the method of compensation by the applicable June 30, the method of compensation then in effect shall continue and may not be changed by the Municipality during the ensuing three calendar year period.

1. Renewal Payment. Within one hundred twenty (120) days after the Effective Date, the Grantee will pay the Municipality, solely as consideration for renewal of the franchise granted under the Previous Agreement, a one-time franchise renewal payment ("Renewal Payment") of $44,344, being equal to 75 percent of the value of (a) the "Therm Allocation" (as calculated under Paragraph 4 of this Subsection) as of the Effective Date multiplied by (b) the "Gas Cost per Therm" (as calculated under Paragraph 2 of this Subsection).

2. Annual Payment. In January of each year except 2016 and in April of 2016, the Grantee will pay the Municipality an annual payment ("Annual Payment") if the Municipality has chosen or has been deemed to have chosen to receive Annual Payments rather than Unbilled Gas for such calendar year. The amount of each Annual Payment will be calculated by the Grantee by multiplying (a) the "Therm Allocation" (as calculated under Paragraph 4 of this Subsection) times (b) the applicable Gas Cost per Therm. As used herein, the term "Gas Cost per Therm" means, with respect to a calendar year, the sum of (i) the
average per therm gas cost for the preceding three calendar years, based on the Grantee's prudently incurred purchased gas cost and (ii) the per therm rate for general gas service under the Grantee's rate structure in effect as of the last day of the preceding calendar year.

3. **Unbilled Gas.** If the Municipality has chosen to receive Unbilled Gas, the Grantee shall supply, during each billing year (start and finish of each year shall begin and end with regular meter reading date nearest to January 1) that the Municipality's choice to receive Unbilled Gas remains in effect, without charge to the Municipality, an amount of gas ("Unbilled Gas") not to exceed the Therm Allocation (as calculated under Paragraph 4 of this Subsection), to be used in buildings which may be occupied from time to time by the Municipality solely for municipal purposes, or such part of these buildings as may from time to time be occupied for ongoing municipal purposes, and not for purposes of revenue.

4. **Therm Allocation.** For purposes of determining the Annual Payment or the amount of Unbilled Gas under Paragraphs 2 and 3, respectively, of this Subsection, the Therm Allocation will be based on the following formula: 3.6 therms per person up to 10,000 of population; 2.4 therms per person for the next 10,000 of population; 1.2 therm per person for the next 80,000 of population; 1.45 therms per person for the next 20,000 of population; and 1.8 therms per person for the population over 120,000. For purposes of the Therm Allocation, the population of the Municipality as of the Effective Date shall be deemed to be the same as the population of the Municipality at the 2010 decennial census, which was 56,703. This population number will be adjusted by the Grantee based on each decennial census count. Between decennial census counts, the Therm Allocation may be increased prospectively on the basis of changes in population of the Municipality as shown by revised or special census. Upon the submission of a written request by the Municipality accompanied by the official State notification of census change, the Therm Allocation will be adjusted by the Grantee.

B. **Limitations on Gas Use.** None of Unbilled Gas to be supplied to the Municipality under Paragraph A3 of this Section, shall be resold by the Municipality for any purpose whatsoever. In the event the Municipality uses less than the amount of Unbilled Gas calculated and authorized under Paragraph A3 of this Section, there shall be no payment due to the Municipality from the Grantee for gas not used during that billing year, nor shall any such unused therms be carried over for the following billing year's use.

C. **Offset.** If the Municipality has chosen or has been deemed to have chosen to receive Annual Payments, the Grantee shall have the right to reduce the Annual Payment for a calendar year by the amount of any fees that the Municipality has been paid by the Grantee during the preceding calendar year for permits, street or parkway openings, or inspections related to the Gas System or Gas System Works. If the Municipality has chosen to receive Unbilled Gas, the Grantee shall have the right to reduce the Therm Allocation for a billing year by an amount of therms equal to (a) the amount of any fees that the Municipality has been paid by the Grantee during the preceding billing year divided by (b) the Gas Cost per Therm determined for the calendar year that begins with the January 1 nearest to the end of such billing year.

**SECTION 6. ACCOUNTS AND RECORDS.**

Within 90 days following a written request by the Municipality made no more frequently than once during each calendar year of the Term, the Grantee will provide the Municipality with a written statement showing the gross operating revenue generated during the immediately preceding calendar year by the Grantee from the distribution of gas to customers identified in
the Grantee's billing records as located within the corporate limits of the Municipality, which statement will, if requested as part of the Municipality's request, show the distribution of such gross operating revenue among the following categories of users: Residential, Commercial, and Industrial, or by such other categories as may be agreed to by the Grantee and the Municipality.

SECTION 7. SUBSTITUTION OF MORE FAVORABLE PROVISIONS.

A. Amended Ordinance. If during the Term of this Franchise, the Municipality learns of a Grantee franchise ("Grantee Franchise") from any other municipality in Illinois ("Other Franchisor") adopted or otherwise provided by the Other Franchisor after the Effective Date and containing "More Favorable Provisions" (as defined in Subsection C of this Section), then the Municipality may adopt, no sooner than 30 days from the date of providing the notice to the Grantee required pursuant to Subsection B of this Section, an ordinance amending this Ordinance solely to substitute for the provisions of Section 5 of this Ordinance replacement provisions that are substantially identical to the More Favorable Provisions ("Amended Ordinance"). If the Municipality adopts an Amended Ordinance in conformity with this Section 7, the Grantee will accept the Amended Ordinance and execute a Consent Agreement consistent with Section 15 of this Ordinance.

B. Notice. At least 30 days before adopting an Amended Ordinance pursuant to this Section 7, the Municipality shall provide the Grantee with written notice that explicitly (i) states that the Municipality intends to invoke its right under this Section 7 to adopt an Amended Ordinance; (ii) identifies the Other Franchisor; (iii) states the date, time, and place of the meeting at which adoption of the Amended Ordinance will be considered; and (iv) includes the Amended Ordinance.

C. More Favorable Provisions. "More Favorable Provisions" means the provisions in a Grantee Franchise (i) establishing the compensation to be paid by the Grantee to the Other Franchisor, including, without limitation, the formulas and procedures utilized to determine the form and amount of such compensation ("Compensation Formulas and Procedures"); and (ii) that the Municipality has reasonably concluded are more advantageous to or protective of the public interest of the Other Franchisor than the existing provisions of Section 5 of this Ordinance are to the Municipality. "More Favorable Provisions" shall not include provisions providing consideration to the Other Franchisor for franchise renewal (it being understood that the exercise by the Municipality of its right under this Section 7 shall not be deemed a franchise renewal). Replacement provisions in a proposed Amended Ordinance shall not be deemed to be substantially identical to More Favorable Provisions if those replacement provisions do not utilize the Compensation Formulas and Procedures as applied to the Municipality to determine the form and amount of compensation to be paid by the Grantee to the Municipality. The Municipality shall not have the right to invoke this Section solely to effect a change in the form of compensation (between payments or unbilled gas) if that form of compensation had been available to the Municipality to select under Section 5 of this Ordinance, and neither the procedures for changing the form of compensation in Section 5 of this Ordinance nor those in the Compensation Formulas and Procedures would then have permitted the Municipality to make a change in the form of compensation.

D. No Notification Required. Nothing in this Section shall require the Grantee to notify the Municipality of new franchises that the Grantee obtains with other municipalities in Illinois or new provisions within any existing franchise agreements.
SECTION 8. INDEMNIFICATION.

A. **Grantee.** The Grantee must, and will, fully indemnify the Municipality (but not any other third party) against and from any and all claims, liabilities, actions, damages, judgments, and costs, including without limitation injury or death to any person and damage to any property or Public Right-of-Way and including without limitation attorneys' fees (collectively, "Claims") that the Municipality may incur or suffer, or that may be obtained against the Municipality, as a result of or related to the Grantee’s failure to perform any of its obligations under this Ordinance, or the Grantee’s negligent, unlawful, or intentional wrongful acts or omissions that relate to (i) the use or occupation by Grantee of the Public Right-of-Way under this Ordinance, or (ii) the construction, operation, maintenance, or repair of the Gas System located within the Public Right-of-Way. The Municipality must give the Grantee written notice within 30 calendar days after the Municipality has received written notice of a Claim. The Municipality may tender to the Grantee the defense of a Claim, in which case the Grantee must defend the Municipality against that Claim, or the Municipality may defend itself against that Claim at the Grantee’s expense. The Grantee shall not be required to indemnify, defend, or hold harmless the Municipality for any Claims to the extent the Municipality, its officers, agents, or employees are liable under the laws of the State of Illinois (including for conduct that constitutes gross negligence, malicious or intentional wrongful acts, or the willful misconduct of the Municipality; its officers, agents, or employees while acting on behalf of the Municipality).

B. **Municipality.**

1. The Municipality must, and will, fully indemnify the Grantee (but not any other third party) against any and all Claims arising as a result of damages to the Grantee’s Gas System caused by the conduct of the Municipality, its officers, employees, or agents for which the Municipality is liable under the laws of the State of Illinois (including for conduct that constitutes gross negligence, malicious or intentional wrongful acts, or the willful misconduct of the Municipality, its officers, agents, or employees while acting on behalf of the Municipality). The Municipality shall not be required to indemnify, defend, or hold harmless the Grantee for any damages to the extent the Grantee, its officers, agents, or employees are liable under the laws of the State of Illinois (including for conduct that constitutes gross negligence, malicious or intentional wrongful acts, or the willful misconduct of the Grantee, its officers, agents, or employees while acting on behalf of the Grantee).

2. The Grantee recognizes the Municipality’s right to exercise its police powers over the Public Right-of-Way in case of fire, disaster, or other emergency as reasonably determined by the Municipality. Notwithstanding Paragraph 1 of this Subsection, the Municipality shall not be liable to the Grantee for any damages to the Grantee’s Gas System when the damage results from the exercise by the Municipality of its police powers in order to protect the public in case of fire, disaster or other emergency. When practicable, as reasonably determined by the Municipality, the Municipality shall consult with the Grantee prior to the exercise by the Municipality of these police powers, where the exercise may affect the Grantee’s Gas System, and to permit the Grantee to take necessary action to protect the public and the Gas System.

SECTION 9. INSURANCE.
If the Grantee’s total stockholder equity as determined in accordance with generally accepted accounting principles ("Stockholder Equity") as of the end of its most recently completed fiscal year is less than fifty million dollars ($50,000,000), the Grantee shall be obligated under this Ordinance to maintain during its current fiscal year, at its sole cost and expense, insurance against the liabilities assumed under this Ordinance consisting of the following coverages at the following minimum limits:

A. **Comprehensive General Liability.** Comprehensive general liability insurance with coverage written on an “occurrence” or “claims made” basis and with limits no less than: (1) General Aggregate: $2,000,000; (2) Bodily Injury: $2,000,000 per person, $2,000,000 per occurrence; and (3) Property Damage: $2,000,000 per occurrence. Coverage must include: Premises Operations, Independent Contractors, Personal Injury (with Employment Exclusion deleted), Broad Form Property Damage Endorsement, Blanket Contractual Liability, and bodily injury and property damage. Exclusions “X,” “C,” and “U” must be deleted. Railroad exclusions must be deleted if any portion of the Gas System Work is within 50 feet of any railroad track. Every employee of the Grantee engaged in Gas System Work within the Municipality must be included as an insured.

B. **Comprehensive Motor Vehicle Liability.** Comprehensive motor vehicle liability insurance with a combined single limit of liability for bodily injury and property damage of not less than $2,000,000 for vehicles owned, non-owned, or rented. The coverage required by this subsection shall include bodily injury and property damage for all motor vehicles engaged in Gas System Work within the Municipality that are operated by any employee, subcontractor, or agent of the Grantee.

C. **Workers’ Compensation.** Workers’ compensation coverage in accordance with applicable law.

D. **General Standards for All Insurance.** If obligated under this Section to maintain the foregoing insurance coverages, (i) the Grantee may satisfy that obligation, in whole or in part, through insurance provided by a captive insurance company affiliated with the Grantee to the extent permitted under applicable law if such captive insurance company and the Grantee are both controlled by a company with Stockholder Equity as of the end of its most recently completed fiscal year of at least fifty million dollars ($50,000,000), or through commercial insurance; (ii) all commercial insurance policies obtained by the Grantee to satisfy such obligation must be written by companies customarily used by public utilities for those purposes, including, if permitted by this Subsection, policies issued by a captive insurance company affiliated with the Grantee; (iii) the Grantee must provide the Municipality, upon request, with reasonable evidence of insurance and with certificates of insurance for commercial coverage designating the Municipality and its officers, boards, commissions, elected officials, agents, and employees as additional insured and demonstrating that the Grantee is maintaining the insurance required in this Section; and (iv) each policy shall provide that no change, modification, or cancellation of any insurance coverage required by this Section shall be effective until the expiration of 30 calendar days after written notice to the Municipality of any such change, modification, or cancellation and providing that there is no limitation of liability of the insurance if the Grantee fails to notify the Municipality of a policy cancellation.

**SECTION 10. CURE.**

In addition to every other right or remedy provided to the Municipality under this Ordinance, if the Grantee fails to comply in a material respect with any of its material obligations
under this Ordinance (for reason other than force majeure), then the Municipality may give written notice to the Grantee specifying that failure. The Grantee will have 30 calendar days after the date of its receipt of that written notice to take all necessary steps to cure such material non-compliance, unless the cure cannot reasonably be achieved within 30 calendar days but the Grantee promptly commences the cure and diligently pursues the cure to completion.

SECTION 11. FORCE MAJEURE.

Neither the Grantee nor the Municipality will be held in violation or breach of this Ordinance when a violation or breach occurred or was caused by (a) riot, war, earthquake, flood, terrorism, or other catastrophic act beyond the respective Party’s reasonable control or (b) governmental, administrative, or judicial order or regulation other than, in the case of the Municipality, an order or regulation issued by the Municipality not in the exercise of its police powers in order to protect the public in the case of fire, disaster or other emergency.

SECTION 12. NOTICE.

With respect to an Emergency, Grantee shall provide notice to the Municipality in accordance with Subsection 4.D. of this Ordinance. Any other notice that (a) requires a response or action from the Municipality or the Grantee within a specific time frame or (b) would trigger a timeline that would affect one or both of the parties’ rights under this Ordinance must be made in writing and must be sufficiently given and served on the other party by hand delivery, first class mail, registered or certified, return receipt requested, postage prepaid, or by reputable overnight courier service and addressed as follows:

Village of Tinley Park
16250 S. Oak Park Avenue
Tinley Park, IL 60477
Attn: Village Manager

If to Grantee:

Northern Illinois Gas Company d/b/a Nicor Gas Company
1844 Ferry Road
Naperville, Illinois 60563
Attention: President

with a copy to:

Northern Illinois Gas Company d/b/a Nicor Gas Company
1844 Ferry Road
Naperville, Illinois 60563
Attention: Community Relations and Economic Development Department
For other notices regarding the general business between the parties, e-mail messages and facsimiles will be acceptable when addressed to the persons of record specified above.

SECTION 13. GENERAL PROVISIONS.

A. Communications and Annual Meeting.

1. General Communications. The Grantee and the Municipality believe that it is in their mutual interests to maintain consistent and reliable means of communications regarding all matters under this Franchise. Nothing in this Section precludes the parties in any way from conducting meetings and communications not specifically provided in this Section on any other dates and times during the Term as necessary, required, or otherwise desired.

2. Annual Meeting. Except as the Grantee and the Municipality may otherwise agree, upon 45 days prior written notice from the Municipality to the Grantee given no more frequently than once during each calendar year of the Term, the representatives of the Grantee and the Municipality will meet at the offices of the Municipality or another mutually acceptable location ("Annual Meeting").

3. Annual Meeting Matters. At the Annual Meetings the Parties will review, as necessary, any matters related to this Ordinance and the Franchise as generally identified by the Municipality in its written notice provided pursuant to Paragraph 2 of this Subsection related to (i) the Gas System and Gas System Work; (ii) issues that have arisen since the prior Annual Meeting regarding the Grantee's activities conducted under the authority granted by this Ordinance, (iii) efforts and initiatives by the Grantee or the Municipality, or both, to promote energy efficiency and cost savings related to the use of gas supplied by the Grantee; and (iv) identification of anticipated future capital improvement programs by the Municipality and the Grantee in an effort to coordinate those programs whenever practical in an effort to minimize costs for both the Municipality and the Grantee and to reduce public inconvenience (collectively, "Annual Meeting Matters"). The Grantee's and the Municipality's representatives at Annual Meetings shall include individuals with the knowledge, experience and authority required to address competently and to seek to resolve the Annual Meeting Matters identified from discussion at the Annual Meeting.

4. Good Faith Efforts to Resolve Annual Meeting Matters. The Municipality and the Grantee will constructively discuss the Annual Meeting Matters at the Annual Meetings. The goal of these discussions is to ensure that the Grantee and the Municipality have sufficient information to address and, if possible, resolve the Annual Meeting Matters and the Parties will share information reasonably necessary for those purposes; provided, however that neither the Grantee nor the Municipality will be required to respond to undue burdensome information requests or to provide confidential or privileged information to the other party. The parties will work in good faith to resolve Annual Meeting Matters on mutually acceptable terms and to do so within a reasonable period of time. To the extent that resolution of an Annual Meeting Matter is not otherwise provided by the terms of this Franchise, the parties may memorialize their understandings related to resolution of Annual Meeting Matters through memoranda of understanding, supplemental agreements, or other arrangements mutually agreed to.

B. Assignments of Rights by Grantee. All provisions of this Ordinance that are obligatory upon, or which inure to the benefit of, NICOR GAS shall also be obligatory upon and shall inure to the benefit of any and all successors and permitted assigns of NICOR GAS, and the word "Grantee" wherever appearing in this Ordinance shall include and be taken to mean
not only NICOR GAS, but also each and all of such successors and permitted assigns. The
Grantee may not assign any right it has under this Ordinance without the prior express written
authorization of the Municipality by ordinance or resolution of the Corporate Authorities. The
Municipality will not withhold that authorization if (a) the Assignee is technically and financially
capable of operating and maintaining the Gas System in the reasonable judgment of the
Municipality and (b) the Assignee assumes all of the obligations of the Grantee under this
Ordinance except as they may be amended in writing and approved by the Municipality.

C. Entire Agreement; Interpretation. This Ordinance embodies the entire
understanding and agreement of the Municipality and the Grantee with respect to the subject
matter of this Ordinance and the Franchise. This Ordinance supersedes, cancels, repeals, and
shall be in lieu of the Previous Agreement.

D. Governing Law; Venue. This Ordinance has been approved executed in the
State of Illinois and will be governed in all respects, including validity, interpretation, and effect,
and construed in accordance with, the laws of the State of Illinois. Any court action against the
Municipality may be filed only in Cook County, Illinois, in which the Municipality's principal office
is located.

E. Amendments. Except as otherwise provided pursuant to Section 7 of this
Ordinance, no provision of this Ordinance may be amended or otherwise modified, in whole or
in part, to be contractually binding on Grantee, except by an instrument in writing duly approved
and executed by the Municipality and accepted by the Grantee by execution of a Consent
Agreement consistent with Section 15 of this Ordinance.

F. No Third-Party Beneficiaries. Nothing in this Ordinance is intended to confer
third-party beneficiary status on any person, individual, corporation, or member of the public to
enforce the terms of this Ordinance.

G. No Waiver of Rights. Nothing in this Ordinance may be construed as a waiver
of any rights, substantive or procedural, the Grantee or the Municipality may have under federal
or State of Illinois law unless such waiver is expressly stated in this Ordinance.

SECTION 14. MUNICIPALITY AUTHORITY RESERVATION.

The Municipality reserves, subject to the limitations of applicable federal and State of
Illinois laws, (i) its powers necessary or convenient for the conduct of the Municipality's
municipal affairs and for the public health, safety and general welfare; and (ii) its right to own
and operate a gas utility in competition with the Grantee. Notwithstanding the foregoing, the
Municipality will not take any such action that would have the effect of depriving Grantee of the
rights, permissions and authorities granted to Grantee under this Ordinance.

SECTION 15. CONSENT AGREEMENT.

Within one hundred twenty (120) days after the Effective Date, the Grantee will file with
the Municipality a written agreement to accept and comply with the terms of this Ordinance as
attached to this Ordinance as Exhibit A ("Consent Agreement"), duly executed by authorized
representatives of the Grantee. The Grantee's failure to provide the Consent Agreement within
ninety days after the Effective Date shall be deemed a rejection of this Ordinance by the
Grantee, and the rights and privileges herein granted shall absolutely cease and terminate,
unless, within ninety days after the Effective Date, the time period for the Grantee to file the
Consent Agreement is extended by the Municipality by ordinance duly passed for that purpose and the Grantee has agreed in writing to such extension.

SECTION 16. REPEAL OF ORDINANCE NUMBER 81-O-004

That Ordinance Number 81-O-004 adopted February 2, 1981 is hereby repealed and shall have no further force and effect.

PASSED BY THE BOARD OF TRUSTEES OF THE VILLAGE OF TINLEY PARK, ILLINOIS, THIS 19th DAY OF April, 2016.

[Signature]
Village Clerk

APPROVED BY THE PRESIDENT OF THE VILLAGE OF TINLEY PARK, ILLINOIS, THIS 19th DAY OF APRIL, 2016.

[Signature]
President

(Seal)

ATTEST:

[Signature]
I, PATRICK E. REA, Village Clerk of the Village of Tinley Park, Illinois, do hereby certify that the foregoing is a true and correct copy of an Ordinance duly passed by the Board of Trustees of said Village on the 19th day of APRIL, 2016, and duly approved by the President of said Village on the 19th day of APRIL, 2016, the original of which Ordinance is now on file in my office.

I do further certify that I am the legal custodian of all papers, contracts, documents and records of said Village.

WITNESS my hand and the official seal of said Village this 19th day of APRIL, 2016.

[Signature]

Village Clerk
Tinley Park, Illinois

(SEAL)
CONSENT AGREEMENT

Pursuant to Section 15 of that certain Natural Gas Franchise Ordinance duly passed by the Board of Trustees of the Village of Tinley Park (the "Municipality") on April 19, 2016 and duly approved by the President of the Municipality on April 19, 2016 (the "Ordinance"), a copy of which is attached hereto, Northern Illinois Gas Company d/b/a Nicor Gas Company, an Illinois corporation hereby accepts and agrees to comply with the Ordinance.

NORTHERN ILLINOIS GAS COMPANY
d/b/a NICOR GAS COMPANY

By: [Signature]

Patrick E. Whiteside
Vice President
Date: April 27, 2016