

## ELECTRIC AND FIBER FRANCHISE ORDINANCE

No. 2021-01

AN ORDINANCE GRANTING THE RIGHT, POWER, AND AUTHORITY TO MARKET AND SUPPLY ELECTRICITY, ELECTRICAL SERVICES, AND BROADBAND INTERNET SERVICE TO CUSTOMERS WITHIN THE TOWNSHIP THROUGH AND OVER EXISTING AND FUTURE ELECTRICAL TRANSMISSION LINES, FIBER CABLES AND RELATED EQUIPMENT OWNED AND OPERATED BY AN AUTHORIZED PUBLIC UTILITY AND LOCATED WITHIN THE BOUNDARY LIMITS OF Sonilae TOWNSHIP, Sonilae COUNTY, MICHIGAN FOR A PERIOD OF YEARS; TO CHARGE FOR SUCH ELECTRICITY AND ELECTRICAL AND BROADBAND INTERNET SERVICES; AND TO HOLD THE TOWNSHIP HARMLESS FROM ALL CLAIMS ARISING FROM THE GRANTING OF SAID FRANCHISE AND THE OPERATIONS OF THE FRANCHISE THEREUNDER.

THE TOWNSHIP OF Sonilae ORDAINS:

### Section 1: Grant

(A) The Township of Sonilae ("GRANTOR") hereby grants to Thumb Electric Cooperative, a Michigan Domestic Non-Profit Corporation, its successors and assigns ("GRANTEE") the right, power, and authority to use the streets, alleys, avenues, ways and other public places of GRANTOR as now constituted and as it may be hereafter extended, for the purpose of building, equipping, maintaining, extending, owning and operating a plant and system for the manufacture, transmission, distribution, and sale of electricity for lighting, heating, and power purposes as well as for such other purposes as electric energy may be used, in and to said Grantor and to the public generally, and to transmit electric energy over transmission and distribution lines to connections and systems in other localities, with poles, wires, conduits, substations and apparatus necessary and convenient for such plant and system upon, across, over, and under each and any of said streets, alleys, avenues, ways and other public places and grounds.

(B) GRANTOR further grants to GRANTEE, its successors and assigns, the right, power, and authority to use the streets, alleys, avenues, ways and other public places of GRANTOR as now constituted and as it may be hereafter extended, for the purpose of building, equipping, maintaining, extending, owning and operating a fiber network system for the generation, transmission, distribution, and sale of broadband internet service as well as for such other purposes as fiber may be used, in and to said Grantor and to the public generally, and to provide broadband fiber service to connections and systems in other localities, with all equipment and apparatus necessary and convenient for such system upon, across, over, and under each and any of said streets, alleys, avenues, ways and other public places and grounds.

(C) This Franchise Agreement and the grant contained herein recognizes that GRANTEE previously and currently operates facilities and provides electric service within certain areas of Sonilae Township and that nothing in this Franchise Agreement shall impair or adversely affect in any manner the existing and continuing right of GRANTEE to conduct and expand its

operations within those areas of the Township where GRANTEE operates.

(D) The GRANTOR further grants to the GRANTEE the right, power, and authority to construct and maintain equipment related to both electrical and broadband services in the following circumstances where such construction is necessary to connect the GRANTEE's customers to facilities owned and operated by an authorized public utility under a franchise with GRANTOR and located within the boundary limits of the Township.

## **Section 2: Term**

This franchise shall be for the term of thirty (30) years.

## **Section 3: Consideration**

In consideration of the rights, powers, and authority granted, the GRANTEE shall faithfully perform all obligations required by this franchise.

## **Section 4: Conditions**

GRANTEE shall have the right to make and enforce reasonable rules and regulations for the sale, delivery, and metering of its electric energy and broadband service and the conduct of its business and may reserve in such rules and regulations the right to disconnect service to customers where GRANTEE's equipment are found to have been tampered with, or who have failed to pay for any services, and to enter upon the premises of its customers at all reasonable times for the purpose of inspecting or repairing equipment, for reading meters, or for removing wires, meters, switches, appliances, or other equipment. This is provided that such rules and regulations shall not be in conflict with law or the rules and regulations from time to time made by any applicable regularly constituted regulatory authority.

GRANTEE covenants and agrees in consideration hereof, that it will maintain service in and to GRANTOR under the rules and regulations specifically imposed by any applicable regularly constituted regulatory authority. However, in accepting this Franchise Agreement, GRANTEE does not guarantee continuous service at all times and shall be relieved temporarily from its obligation to furnish such services continuously in case of any disability caused by an act of God or by the elements, or strikes, or lock-outs, or by any temporary breakdown or failure of machinery, transmission or distribution lines, appliances or apparatus, or by other causes beyond the control of GRANTEE; but it does agree in such cases to exercise due diligence in repair of such machinery, transmission or distribution lines, appliances and apparatus, and to resume operation of same without unnecessary delay.

As an electric power marketer and supplier of electricity and electrical services, GRANTEE will not impair, obstruct or attempt to control any street, alley, bridge, highway, waterway or other public place.

## **Section 5: Hold Harmless**

GRANTEE covenants and agrees that it will indemnify and hold GRANTOR free and clear of any claims for damages or otherwise caused by the negligence of the GRANTEE in the construction, operation, or maintenance of its property within the Township. It is understood and agreed that, in the event of claims being presented or prosecuted against GRANTOR, the GRANTEE shall have the right to defend against the same and to settle and discharge same in such manner as it may see fit. To this end, GRANTOR agrees to notify the GRANTEE of such claims and to furnish to it such information and assistance as may be necessary in defense thereof.

**Section 6: Franchise Not Exclusive**

The rights, power, and authority granted by this franchise are not exclusive.

**Section 7: Rates**

The GRANTEE shall be entitled to charge the citizens of Sambae Township for electricity furnished therein and for broadband internet service at the rate approved by GRANTEE.

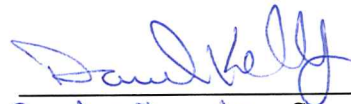
**Section 8: Jurisdiction**

The GRANTEE shall be and remain subject to all ordinances, rules and regulations of GRANTOR now in effect or which might subsequently be adopted for the regulation of land uses or for the protection of the health, safety, and general welfare of the public; provided, however, that nothing shall be construed as a waiver by the GRANTEE of any of its existing or future rights under state or federal law or a limitation upon the existing or future powers of the GRANTOR pursuant to its charter or state or federal law.

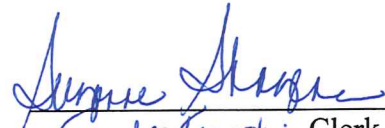
**Section 9: Effective Date**

This ordinance shall take effect on March 11, 2021. Upon acceptance and publication, this ordinance shall constitute a contract between the GRANTOR and the GRANTEE.

Dated: 3-11-, 2021

  
Sambae Township, Supervisor

Dated: 3-11-, 2021

  
Sambae Township Clerk