

**MINUTES OF BRITT, IOWA, CITY COUNCIL PROCEEDINGS
RELATING TO THE ADOPTION OF
FRANCHISE ORDINANCE NO. 473**

AUGUST 4, 2014

The City Council of the City of BRITT, HANCOCK County, Iowa, met in regular session on the above date pursuant to the rules of said Council, the Mayor presiding and the Clerk recording:

Present: Mayor Hillenga and the following Council Members:

Curtis Gast, Dwight Leerar

Chad Luecht, Jay Ryerson, Michael Ostercamp

Absent: None

Council Member Gast offered Ordinance No. 473, of which the following is a copy.

ORDINANCE NO. 473

An Ordinance granting to ITC MIDWEST LLC, a wholly owned subsidiary of ITC HOLDINGS CORP. , its successors and assigns (the "Company"), the right and franchise to acquire, construct, erect, maintain and operate in the City of BRITT, HANCOCK County, Iowa, a transmission system for electric power and the right to erect and maintain the necessary poles, lines, wires, conduits and other appliances for the transmission of electric current along, under and upon the streets, avenues, alleys and public places in the City of BRITT, HANCOCK County, Iowa; granting the right to erect and maintain upon the streets, avenues, alleys and public places, transmission lines through the City of BRITT, HANCOCK County, Iowa, for the period of twenty-five (25) years; and granting the right of eminent domain.

BE IT ORDAINED BY THE City Council of the City of BRITT, HANCOCK County, Iowa:

Section 1. Grant.

There is hereby granted to the Company the right and franchise to acquire, construct, erect, maintain and operate in the City of BRITT, HANCOCK County, Iowa, a transmission system for electric power and the right to erect and maintain the necessary poles, lines, wires, conduits and other appliances or equipment and substations for the transmission of electric current (collectively, the "Facilities") along, under and upon the streets, avenues, alleys and public places in the City of BRITT, HANCOCK County, Iowa; also the right to erect and maintain upon the streets, avenues, alleys and public places, transmission lines through the City of BRITT, HANCOCK County, Iowa, for the period of twenty-five (25) years; also the right of eminent domain as provided in Section 364.2 of the Code of Iowa.

Section 2. Indemnification.

The Facilities shall be placed and maintained so as not to unnecessarily interfere with the travel on the streets, alleys, and public places in the City nor unnecessarily interfere with the proper use of the same, including ordinary drainage, or with the sewers, underground pipe and other property of the City, and the Company shall hold the City free and harmless from all damages arising from the negligent acts or omissions of the Company in the erection or maintenance of the transmission system.

Section 3. Relocation.

Except as provided herein below, the Company shall, at its cost and expense, locate and relocate its Facilities in, on, over or under any public street or alley in the City of BRITT in such a manner as the City may at any time reasonably require for the purposes of facilitating the construction, reconstruction, maintenance or repair of the street or alley or any public improvement of, in or about any such street or alley or reasonably promoting the efficient operation of any such improvement. If the City orders or requests the Company to relocate its Facilities for the primary benefit of a commercial or private project, or as the result of the initial request of a commercial or private developer or other non-public entity, and such relocation is necessary to prevent interference and not merely for the convenience of the City or other non-public entity, the Company shall receive payment for the cost of such relocation as a precondition to relocating its Facilities. The City shall consider reasonable alternatives in designing its public works projects so as not arbitrarily to cause the Company unreasonable additional expense in exercising its authority under this section. The City shall also provide a reasonable alternate location for the Company's Facilities. The City shall give the Company reasonable advance written notice to vacate a public right-of-way. Vacating a public right-of-way shall not deprive the Company of its right to operate and maintain existing Facilities until the reasonable cost of relocating the same are paid to the Company.

Section 4. Modern System.

The system authorized by this Ordinance shall be modern and up-to-date and shall be kept in a modern and up-to-date condition.

Section 5. Pruning.

To promote public safety in proximity to its Facilities and to maintain electric reliability, the Company is authorized and empowered to prune or remove at Company expense any trees or shrubs or parts thereto extending into any street, alley, right-of-way or public grounds. The pruning shall be completed in accordance with the then-current nationally accepted safety and utility industry standards, as revised and updated from time to time.

Section 6. Continuous Service.

Service to be rendered by the Company under this franchise shall be continuous unless prevented from doing so by fire, Acts of God, unavoidable accidents or casualties, or reasonable interruptions necessary to properly service the Company's equipment, and in such event service shall be resumed as quickly as is reasonably possible.

Section 7. Non-exclusivity.

The franchise granted by this Ordinance shall not be exclusive.

Section 8. Undergrounding.

The City may request estimates for the undergrounding of replacement lines, upgrades or new lines, including lines to be adjusted for road moves or for other specific projects. When requested, the Company will provide to the City two estimates: 1) An estimate for the cost of the project with overhead construction and 2) An estimate for the cost of the project with underground construction. The City will have no more than 60 days from the estimate date to determine if it wants the line built overhead or placed underground. If the City chooses underground construction for the project, the City will be responsible for the incremental cost of undergrounding, defined as the differential between the estimate for underground construction and the estimate for overhead construction. Upon receipt of the City's payment for the incremental cost of undergrounding, the Company will install the underground facilities. The Company reserves the right to bill City for the amount that the incremental cost associated with installation exceeds its estimate. The City reserves the right to a refund of overpayment if the incremental costs are less than the amount billed in the estimate. If the City wishes to have a line not scheduled for replacement or upgrade placed underground, the City shall contact the Company to make such a request. The City shall cover all costs related to this work. If undergrounding of transmission lines requires entities interconnecting with the Company to make adjustments to their electrical systems, the City bears the responsibility of communication with those entities and, if it chooses, the cost of converting their facilities from overhead to underground. The Company reserves the right to review all of the City's communications with the affected entities.

Section 9. Severability.

If any section, provision, or part of this Ordinance shall be adjudged to be invalid or unconstitutional, such adjudication shall not affect the validity of the Ordinance as a whole or any section, provision, or part thereof not adjudged invalid or unconstitutional.

Section 10. Term of Agreement.

The term of the franchise granted by this Ordinance and the rights granted thereunder shall continue for the period of twenty-five (25) years from and after its acceptance by the Company, as herein provided. The anniversary date shall be the date this franchise is filed with the City Clerk or otherwise becomes effective by operation of law.

Section 11. Publication Expenses.

The expense of the publication of this Ordinance shall be paid by the Company.

Section 12. Repeal of Conflicting Ordinances.

All ordinances, or parts of ordinances, insofar as they are in direct conflict herewith, are hereby repealed.

Section 13. Acceptance.

The franchise granted by this Ordinance shall be conditioned upon acceptance by the Company in writing. The acceptance shall be filed with the City Clerk within ninety (90) days from the passage of this Ordinance.

Section 14. Future Developments.

The City agrees it will not permit any real estate developments or land uses in the City that would cause the Company's Facilities to violate the setback or safety requirements of the National Electric Safety Code or any law, regulation or ordinance of the State of Iowa, HANCOCK County or the City.

Section 15. Closing.

This Ordinance sets forth and constitutes the entire agreement between the Company and the City of BRITT with respect to the rights contained herein, and may not be superseded, modified or otherwise amended without the approval and acceptance of the Company. Upon acceptance by the Company, this Ordinance shall supersede, abrogate and repeal any prior electric system ordinance between the Company and the City as of the date this Ordinance is accepted by the Company. Notwithstanding the foregoing, in no event shall the City enact any ordinance or place any limitations, either operationally or through the assessment of fees, that create additional burdens upon the Company, or that delay utility operations.

It was moved by Council Member Gast and seconded by Council Member Leerar that said ordinance be placed upon its first reading.

UPON ROLL CALL, Council Members voted upon said motion as follows:

Ayes: Gast, Leerar, Luecht, Ryerson, Ostercamp

Nays: None

Five Members of the Council being present and having voted "YES," Mayor declared said motion carried, and said Ordinance No. 473 was placed upon its first reading and was read the first time.

Thereupon, at the September 8, 2014 meeting of the Britt City Council it was moved by Council Member Leerar, and seconded by Council Member Ryerson that the laws and rules providing that ordinances shall be fully and distinctly read on three different days be suspended and dispensed with, and that Ordinance No. 473 be placed on its last reading.

UPON ROLL CALL, Council Members voted upon said motion as follows:

Ayes: Gast, Leerar, Luecht and Ryerson

Nays: None

Absent: Ostercamp

Four Members of the Council being present and having voted "YES," Mayor Hillenga declared the motion carried, and Ordinance No. 473 was then placed upon its last reading and was read the last time.

Thereupon, it was moved by Council Member Luecht, and seconded by Council Member Gast that Ordinance No. 473 be placed upon its final passage and passed.

UPON ROLL CALL, Council Members voted upon said motion as follows:

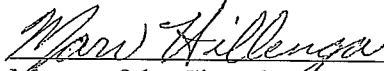
Ayes: Gast, Leerar, Luecht, Ryerson

Absent: Ostercamp

Nays: None

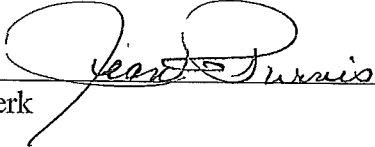
Four Members of the Council being present and having voted "YES," Mayor Hillenga declared the motion carried, and the Ordinance passed and adopted.

There being no further business before the meeting, on motion duly made, seconded and carried, the Council adjourned.



Mayor of the City of BRITT, HANCOCK County, Iowa

Attest:
City Clerk



City Clerk

(SEAL)