



Nicor Gas
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Naperville, IL 60563-9600

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Aurora, IL 60507-0190

Phone 630 993-8676
Internet www.nicor.com

September 6, 2001

President and Board of Trustees
Village of Indian Head Park
Indian Head Park, Illinois

President and Board of Trustees:

The undersigned, Northern Illinois Gas Company (d/b/a Nicor Gas Company) (the "Company"), for and in consideration of the adoption by the authorities of the Village of Indian Head Park, Illinois (the "Municipality"), of an ordinance granting it the right to construct, operate and maintain a gas distribution system in the Municipality for a term of 50 years from November 04, 1959, hereby agrees for itself, its successors and assigns, that so long as said ordinance shall remain in full force and effect, it will during each billing year (start and finish of each year shall begin and end with regular meter reading date nearest to January 1) throughout the remainder of the life of said ordinance, supply without charge to the Municipality, an amount of gas not to exceed 11,055 therms, to be used in buildings which may be occupied from time to time by the Municipality solely for municipal purposes, or such part thereof as may from time to time be so occupied, and not for purposes of revenue.

The amount of said gas being so supplied without charge is based upon a population of 3,685 in the Municipality. The amount of free gas to be supplied will be increased by the Company based on each decennial census count. Between decennial census counts, the amount of gas supplied may be increased 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 amount of natural gas to be supplied without charge will be adjusted by the Company. Changes in the amount of gas supplied shall be made on the basis of 3 therms per person up to 10,000 of population; 2 therms per person for the next 10,000 of population; 1 therm per person for the next 80,000 of population; 1.2 therms per person for the next 20,000 of population; and 1.5 therms per person for the population over 120,000.

None of said gas to be supplied without charge to the Municipality, shall be resold for any purpose whatsoever, and in the event the Municipality uses less than the above-mentioned number of therms of gas in any billing year, there shall be no payment due to the Municipality from the Company, or its successors and assigns, for gas not used during that billing year, nor shall any such unused therms be carried over for the following year's use. In the event the Company's policy in regard to the practice of supplying gas without charge to municipalities in its present service area is changed at any time in the future, or in the event that the Company in the future provides any other gas utility

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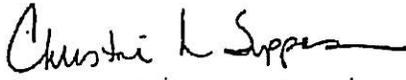
service benefit as a matter of general policy to all municipalities in such service area, it will inform the Municipality of any such change and, upon acceptance by the Municipality, will grant the Municipality the benefits of such change or benefits under the same conditions applicable to other municipalities.

The Company, for itself, its successors and assigns, reserves the option, however, to reduce the total amount of gas supplied during any one billing year without charge as aforesaid by the amount of any fees which the Municipality may charge the Company for street or parkway openings or inspections of any kind. Such reduction will be arrived at by the use of the Company's applicable rate for such calculation.

This agreement shall supersede, replace and be in lieu of the provisions as to the supply of gas without charge to the Municipality contained in a letter of the Company addressed to the President and Board of Trustees dated March 22, 1991.

Very truly yours,

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

By: 
Christine L. Suppes
Vice President Marketing and Sales

-- GAS ORDINANCE --

AN ORDINANCE AUTHORIZING NORTHERN ILLINOIS GAS COMPANY, ITS SUCCESSORS AND ASSIGNS, TO CONSTRUCT, OPERATE AND MAINTAIN A GAS DISTRIBUTING SYSTEM IN AND THROUGH THE VILLAGE OF INDIAN HEAD PARK, ILLINOIS.

BE IT ORDAINED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF INDIAN HEAD PARK, ILLINOIS:

SECTION 1. That the right, permission and authority be and the same are hereby granted to NORTHERN ILLINOIS GAS COMPANY, an Illinois corporation, its successors and assigns, (hereinafter referred to as the "Grantee"), to construct, operate and maintain in and through the VILLAGE OF INDIAN HEAD PARK, (hereinafter referred to as the "Municipality"), in the State of Illinois, for a term of Fifty (50) years, a system for the production, distribution and sale of gas for fuel, heating, processing and other purposes within and outside the corporate limits of the Municipality, and to construct, lay, maintain and operate such gas pipes, mains, conductors and other devices, apparatus and equipment as may be necessary or convenient for such system in, under, along and across each and all of the streets, alleys, avenues and other public places in the Municipality, subject to the conditions and regulations hereinafter set forth.

SECTION 2. All pipes, mains, conductors and other appliances, including connections with service pipes, hereafter laid in streets, alleys, avenues or other public places, shall be laid under the supervision of the Committee on Streets and Alleys of the

Municipality, or such other duly authorized agent of the Municipality as the Board of Trustees may from time to time designate. All pipes, mains, conductors and other appliances shall be so located as not to injure unnecessarily any drains, sewers, catch basins, water pipes, pavements or other like public improvements, but should any drain, sewer, catch basin, water pipe, pavement or other like public improvement be injured by such location, the Grantee shall forthwith repair the damage caused by such injury to the satisfaction of the Committee on Streets and Alleys, or such other duly authorized agent, and in default thereof the Municipality may repair such damage and charge the cost thereof to, and collect the same from, the Grantee. The Grantee shall be subject to all reasonable regulations which may now or hereafter be prescribed by general ordinance of the Municipality with respect to the use of the public streets, alleys, avenues and other public places of the Municipality.

SECTION 3. The Grantee shall indemnify, become responsible for and forever save harmless the Municipality from any and all judgments, damages, decrees, costs and expenses, including attorneys' fees, which the Municipality may legally suffer or incur, or which may be legally obtained against the Municipality, for or by reason of the use and occupation of any street, alley, avenue or other public place in the Municipality by the Grantee pursuant to the terms of this ordinance or legally resulting from the exercise by the Grantee of any of the privileges herein granted, and as additional security therefor the Grantee shall, during the life of this ordinance, keep on file with the Village Clerk of the Municipality a good and sufficient bond in the penal sum of Five Thousand Dollars (\$5,000),

conditioned to protect and indemnify the Municipality as in this section provided, and said bond shall be subject to the approval of the Board of Trustees of the Municipality, and the Municipality shall have the right from time to time, whenever in the opinion of said Board of Trustees the same may be necessary, to require the Grantee to renew or provide additional or other security on said bond.

SECTION 4. After the passage of this ordinance, and within thirty (30) days after passage, this ordinance, if accepted, shall be accepted by the Grantee by its filing with the Village Clerk of the Municipality an unconditional written acceptance hereof, to be duly executed according to law, and a failure of the Grantee to so accept this ordinance within said period of time shall be deemed a rejection hereof by the Grantee, and the rights and privileges herein granted shall after the expiration of said period of thirty (30) days, if not so accepted, absolutely cease and determine, unless said period of time shall be extended by the Municipality by ordinance duly passed for that purpose and before the expiration of said period of thirty (30) days.

SECTION 5. All provisions of this ordinance which are obligatory upon, or which inure to the benefit of, said Northern Illinois Gas Company shall also be obligatory upon and shall inure to the benefit of any and all successors and assigns of said Company, and the word "Grantee" wherever appearing in this ordinance shall include and be taken to mean not only said Northern Illinois Gas Company, but also each and all of such successors and assigns.

SECTION 6. This ordinance, if accepted by the Grantee as hereinabove provided, shall be in full force and effect on and after Nov 4, 1959, and from and after the effective date shall supersede, cancel, repeal and be in lieu of any and all other existing or prior grants of right, permission and authority by said Municipality to said Grantee or any predecessor companies or assignors of the Grantee to construct, operate and maintain any system for the production, distribution and sale of gas for fuel, heating, processing and other purposes within and outside the corporate limits of this Municipality, and this ordinance shall likewise cancel all of the obligations under said existing or prior grants.

PASSED BY THE BOARD OF TRUSTEES OF THE VILLAGE OF INDIAN HEAD PARK, ILLINOIS, THIS 4 DAY OF November, A.D. 1959.

Merritt E. Luther
Village Clerk

APPROVED BY THE PRESIDENT OF THE VILLAGE OF INDIAN HEAD PARK, ILLINOIS, THIS 4 DAY OF November, A.D. 1959.

Charles P. Bohan
President

(Seal)

ATTEST:

Merritt E. Luther
Village Clerk

STATE OF ILLINOIS)
COUNTY OF COOK) SS.
VILLAGE OF INDIAN HEAD PARK)

I, Mervin E. Schuster, Village Clerk
of the Village of Indian Head 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 4 day of November, A.D. 1959, and duly
approved by the President of said Village on the 4 day of
November, A.D. 1959, 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 4 day of November, A.D. 1959.

Mervin E. Schuster
VILLAGE CLERK
6389 Blackhawk Tr
ADDRESS

(SEAL)

ACCEPTANCE OF GAS ORDINANCE

TO THE PRESIDENT AND BOARD OF TRUSTEES
OF THE VILLAGE OF INDIAN HEAD PARK
INDIAN HEAD PARK , ILLINOIS

Gentlemen:

The undersigned, NORTHERN ILLINOIS GAS COMPANY, for
itself, its successors and assigns, hereby accepts the Ordinance
entitled:

"An Ordinance authorizing Northern Illinois
Gas Company, its successors and assigns, to
construct, operate and maintain a gas
distributing system in and through the
Village of Indian Head Park , Illinois";

duly passed by the Board of Trustees of the Village of
Indian Head Park , on the 4th day of November
A.D. 1959 , and duly approved by the President of said Village
on the 4th day of November , A.D. 1959 .

IN TESTIMONY WHEREOF, the undersigned has caused these
presents to be signed by its Vice President, and its Corporate
Seal to be hereunto affixed, attested by its Secretary, this
12th day of November , A.D. 1959 .

NORTHERN ILLINOIS GAS COMPANY

By /s/ Charles F. Hennesa
VICE PRESIDENT

ATTEST:

/s/ George W. Ryerson

SECRETARY

STATE OF ILLINOIS)
COUNTY OF COOK) SS.
VILLAGE OF INDIAN HEAD PARK)

I, Merritt E. Whitmer, Village Clerk
of the Village of Indian Head Park, Illinois, do hereby
certify that the attached and foregoing is a true and correct
copy of an Acceptance of an Ordinance duly passed by the Board
of Trustees of said Village on the 4th day of November,
A.D. 1959, and duly approved by the President of said Village
on the 4th day of November, A.D. 1959, and that said
acceptance was duly filed in my office on the 19th day
of November, A.D. 1959.

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

WITNESS my hand and the official seal of said Village
this 19th day of November, A.D. 1959.

/s/ Merritt E. Whitmer

Village Clerk

6389 Blackhawk Trail

Address

(Seal)

O.K. as to form
1/21/60 RCB