

CITY OF NIEDERWALD, TEXAS

ORDINANCE NO. 031708

AN ORDINANCE GRANTING TO CENTERPOINT ENERGY RESOURCES CORP., d/b/a CENTERPOINT ENERGY TEXAS GAS OPERATIONS, ITS SUCCESSORS AND ASSIGNS, THE RIGHT TO CONSTRUCT, LAY, OPERATE, EXTEND, REMOVE, REPLACE, REPAIR AND MAINTAIN A GAS TRANSPORTATION AND DISTRIBUTION SYSTEM IN THE CITY OF NIEDERWALD, TEXAS; PROVIDING FOR A TITLE; PROVIDING FOR DEFINITIONS; PROVIDING FOR A GRANT OF AUTHORITY; PROVIDING FOR COMPLIANCE WITH APPLICABLE LAWS AND ORDINANCES; PROVIDING FOR A TERM; PROVIDING THAT THE FRANCHISE IS NON-EXCLUSIVE; PROVIDING FOR WRITTEN NOTICE; PROVIDING FOR REQUIREMENTS FOR CONSTRUCTION IN THE RIGHTS-OF-WAY; PROVIDING FOR LEGAL OBLIGATIONS; PROVIDING FOR LIABILITY INSURANCE REQUIREMENTS; PROVIDING FOR CUSTOMER SERVICE STANDARDS; PROVIDING FOR PERFORMANCE STANDARDS; PROVIDING FOR THE ASSIGNMENT OR TRANSFER OF FRANCHISE; PROVIDING FOR RENEWAL; PROVIDING FOR REVOCATION; PROVIDING FOR A FORCE MAJEURE CLAUSE; PROVIDING FOR FRANCHISE FEE PAYMENTS; PROVIDING FOR A CONSENT AND APPROVALS CLAUSE; PROVIDING FOR THE RESERVATION OF REGULATORY POWERS AND LEGAL RIGHTS; PROVIDING FOR A DECLARATION THAT THE REGULATIONS AND ACTIVITIES HEREIN ARE GOVERNMENTAL; PROVIDING FOR ACCEPTANCE; PROVIDING FOR A REPEALER CLAUSE; PROVIDING FOR A SEVERABILITY CLAUSE; PROVIDING FOR NOTICE OF THE MEETING AT WHICH THIS ORDINANCE WAS APPROVED BY THE CITY COUNCIL.

WHEREAS, the City of Niederwald ("City") is a municipal corporation organized under the laws of the State of Texas and, pursuant to the Texas Constitution and state law, possesses the power to protect and promote the public health, safety, and welfare, to regulate the use of the public rights-of-way and to issue and revoke licenses; and

WHEREAS, the City owns or is the proprietor over public streets, rights-of-way, alleys, and other public property and acts as trustee and guardian for the benefit of its citizens; and

WHEREAS, pursuant to the laws of the State of Texas, including but not limited to the Gas Utility Regulatory Act, Texas Utilities Code, §103.002, the Texas Legislature has recognized and established that an incorporated municipality may make a reasonable, lawful charge for the use of public rights-of-way within the municipality; and

WHEREAS, the City Council has determined that the availability of gas transportation and distribution services in the City will promote the public health, safety, and general welfare of the residents of the City and would serve the public interest; and

WHEREAS, CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Texas Gas Operations ("CenterPoint"), a Delaware corporation, is now and has been engaged in the gas utility business in the State of Texas and, in furtherance thereof, will construct, maintain and operate a gas utility transportation and distribution system in the City pursuant to such rights as may have been granted it by and under the laws of the State of Texas, and subject to the reasonable exercise of the police powers granted by and under the said laws to the City; and

WHEREAS, the City Council finds that the public interest will be served by the granting of a non-exclusive franchise to CenterPoint, its Successors and Assigns to erect, install, construct, reconstruct, maintain, operate, dismantle, test, repair, replace, retain, and use a gas transportation and distribution system in, upon, along, across, above, over, under or in any manner connected with the rights-of-way, streets, lanes, avenues, sidewalks, alleys, bridges, and highways, and other public places in the City of Niederwald, Texas, as the same now or in the future may exist, for the purpose of gas transportation and distribution services servicing the inhabitants of said City, and other purposes, for a period of fifteen (15) years, and regulating same.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF NIEDERWALD, TEXAS:

SECTION I

TITLE

This Ordinance shall be known and cited as the "CenterPoint Franchise Ordinance". Within this document it shall also be referred to as "this Franchise" or "the Franchise" or "this Ordinance".

SECTION II

DEFINITIONS

For purposes of this Franchise, the following terms, phrases, words, and their derivations shall have the meaning given herein. When not inconsistent with the context, words used in the present tense include the future tense, words in the plural number include the singular number, and words in the singular number include the plural number. The words "shall" and "will" are mandatory and "may" is permissive. Words not defined shall be given their common and ordinary meaning.

(1) "City" means the City of Niederwald, Hays, Caldwell and Travis Counties, Texas, a duly incorporated municipality, and any area annexed thereto from time

to time. For purposes of this Franchise, any annexation shall become effective within sixty (60) days of the City's written notification to Grantee of the annexation.

(2) "City Council" means the governing body of the City of Niederwald, Texas.

(3) "Force Majeure" means a strike, acts of God, acts of public enemies, orders of any kind of a government of the United States of America or of the State or any of their departments, agencies, political subdivisions, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, tornadoes, volcanic activity, storms, floods, washouts, droughts, civil disturbances, explosions, labor unrest, partial or entire failure of utilities or any other cause or event not reasonably within the control of the disabled party.

(4) "Gas" means natural, artificial, and/or mixed methane-based gas.

(5) "Grantee" means CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Texas Gas Operations, or "CenterPoint", its agents, lawful successors, transferees, or assignees.

(6) "Gross Receipts" shall mean all amounts received by Grantee from the sale of gas to its customers within the corporate limits of Grantor.

(7) "Person" means any corporation, partnership, proprietorship, cooperative, utility, or organization authorized to do business in the State or any natural person.

(8) "Public Rights-of-Way" means the area on, below, or above a public roadway, highway, Street, public sidewalk, alley, waterway, or utility easement or other public way in which the City has an interest.

(9) "Railroad Commission" or "RRC" means the Railroad Commission of Texas or current gas regulatory agency of the State of Texas, or any successor agency.

(10) "State" means the State of Texas.

(11) "Street" means the surface of and the space above and below any street, road, highway, freeway, lane, path, way, alley, sidewalk, boulevard, parkway, or drive.

SECTION III

GRANT OF AUTHORITY

For the purposes of constructing, operating and maintaining a gas transportation and distribution system ("System") in the City, Grantee may erect, install, construct, repair, replace, relocate, reconstruct and retain in, on, over, under, upon, across and along the

streets and other public places, including over Public Rights-of-Way and through easements, within the City and areas hereafter annexed to or acquired by and placed within the corporate boundaries of City, a system of pipes, pipelines, gas mains, laterals, conduits, feeders, regulators, meters, fixtures, connections, and attachments and other desirable instrumentalities and appurtenances necessary or proper for the purpose of transporting, distributing, supplying and selling gas for heating, lighting, power, and for any other lawful purpose for which gas may be now or hereafter be used, in and to said City and its inhabitants or any other person or persons within or without the corporate limits of the City.

SECTION IV

COMPLIANCE WITH APPLICABLE LAWS AND ORDINANCES

A. This Franchise is granted pursuant to the terms and conditions contained herein. Such terms and conditions shall be subordinate to all applicable provisions of state and federal laws, rules and regulations.

B. Grantee's rights are subject to the police powers of the City to adopt and enforce ordinances of general applicability necessary to the health, safety and welfare of the public that are not otherwise inconsistent with the terms and conditions of this Franchise. Grantee shall comply with all such applicable laws and ordinances enacted by the City.

SECTION V

FRANCHISE TERM

This Franchise shall commence upon the effective date of this ordinance and shall expire fifteen (15) years thereafter unless renewed, revoked, or terminated sooner as herein provided.

SECTION VI

FRANCHISE NON-EXCLUSIVE

The Franchise granted herein is non-exclusive. The City specifically reserves the right to grant, at any time, one or more additional franchises for a gas transportation and distribution system in accordance with state and federal law.

SECTION VII

WRITTEN NOTICE

All notices or demands required to be given under this Franchise shall be deemed to be given when delivered in writing personally to the persons designated below or upon the

date actually received as evidenced by registered or certified mail receipt addressed as follows:

If to the City: Mayor

City of Niederwald

13851 Camino Real

Niederwald, Texas 78640-4807

If to Grantee: District Manager

CenterPoint Energy

290 South Castell

New Braunfels, TX 78130

Such addresses may be changed by either party upon written notice to the other party given as provided in this Section.

SECTION VIII

CONSTRUCTION IN RIGHT-OF-WAY

A. Right-of-Way Construction Permits

Grantee shall be subject to applicable City ordinances governing rights-of-way construction permits for conducting land-disturbing activities in the public rights-of-way; provided, however, Grantee shall not be subject to the payment of any fees in connection with such permits. Except as provided in the preceding sentence, such permits shall be issued only in compliance with applicable City ordinances.

B. Interference with Public Rights-Of-Way

Grantee may not locate or maintain its Facilities so as to unreasonably interfere with the use of City property or Public Rights-of-Way by City or by other persons authorized to use or be present in or upon City property or Public Rights-of-Way. In the event of unreasonable interference to City property or Public Rights-of-Way, such Facilities shall be moved by Grantee, temporarily or permanently, as determined by the Mayor or the Mayor's designee upon reasonable notice; provided, however, Grantee shall be reimbursed for such relocation of facilities except when such relocation is done to accommodate a City project or use.

C. Compliance With Other Law

All work undertaken in connection with the construction, reconstruction, maintenance, operation or repair of the Grantee's System shall be subject to and governed by all applicable state and federal laws, rules and regulations including those of any state or federal agency having jurisdiction.

SECTION IX

LEGAL OBLIGATIONS

A. The Grantee shall, at its sole cost and expense, indemnify, defend and hold harmless the City, its officers, boards, commissions, council, elected officials, agents, and employees against and from any and all claims, demands, causes of actions, suits, proceedings, damages, liabilities and judgments of every kind arising out of or due to the Grantee's construction, maintenance, or operation of its gas transportation and distribution System in the City, including but not limited to damages for injury or death or damages to property, real or personal, and against all liabilities to others and against all loss, cost and expense, resulting or arising out of any of the same. Grantee shall not be required to hold harmless and indemnify the City to the extent said damages, losses, costs and expenses are attributable to the negligence of the City, its officers, boards, commissions, council, elected officials, agents, or employees.

B. The Grantee shall, at the sole risk and expense of the Grantee, upon demand of the City, appear in and defend any and all suits, actions, or other legal proceedings, whether judicial, quasi-judicial, administrative, or otherwise brought or instituted or had by third persons or duly constituted authorities, against or affecting the City, its officers, boards, commissions, council, elected officials, agents, or employees, arising out of or due to the Grantee's construction, maintenance or operation of Grantee's gas System in the City.

C. The Grantee shall pay and satisfy and shall cause to be paid and satisfied any final and non-appealable judgment, decree, order, directive, or demand, rendered, made or issued against the Grantee, the City, its officers, boards, commissions, council, elected officials, agents, or employees arising out of or due to the Grantee's construction, maintenance or operation of Grantee's System in the City.

D. In order for the City to assert its rights to be indemnified, defended and held harmless, the City must:

(1) Promptly notify Grantee in writing of any claim or legal proceeding which gives rise to such right;

(2) Afford Grantee the opportunity to fully participate in and control any litigation, compromise, settlement, resolution or disposition of such claim or proceeding; and

(3) Fully cooperate in the defense of such claim and make available to Grantee all such information under its control relating thereto.

E. The City shall not and does not by reason of the granting of this Franchise assume any liability of the Grantee for injury to persons, damage to property, attorney fees or penalties.

F. This provision is not intended to create a cause of action or liability for the benefit of third parties, but is solely for the benefit of the Grantee and the City.

SECTION X

LIABILITY INSURANCE

A. Grantee shall secure and maintain the following liability insurance policies.

1. General liability insurance with limits not less than:

- A. Two Million and No/100 Dollars (\$2,000,000.00) primary; and
- B. Worker's compensation for Grantee's employees within statutory limits.

2. The liability insurance policies required by this Section shall be maintained by Grantee throughout the term during which Grantee is otherwise operating within public rights-of-way, or is engaged in the removal of its facilities.

B. Such liability insurance shall be kept in full force and effect by the Grantee during the existence of this franchise and thereafter for a period of not less than twelve (12) months.

C. An insurer has no right of recovery against the City, and no recourse against the City for a Grantee's non-payment of premiums or assessments.

D. Insurance policies and certificates must be issued from an insurance company licensed to do business in the State of Texas. Insurance policies and certificates issued by insurance companies not licensed to do business in the State of Texas are not acceptable.

E. Grantee may self-insure the required coverage described in Section X.A above.

SECTION XI

CUSTOMER SERVICE STANDARDS

A. Grantee shall at all times comply with the customer service standards of the Grantee's Board of Directors and any local, state or federal agency having jurisdiction, including without limitation those related to notifications to customers, office hours and availability, installations, outages, service calls, billing, refunds, and credits as they may be amended from time to time.

B. Grantee shall not be required to run or extend any gas mains or service lines comprising a part of its distribution system a distance exceeding one hundred (100) feet of pipe, not to exceed a diameter of two (2) inches, in order to bring gas service to the property of each additional customer.

SECTION XII

PERFORMANCE STANDARDS

A. The Grantee shall construct, operate, and maintain its system according to the specifications of Grantee's Board of Directors and any local, state or federal agency having jurisdiction.

B. The Grantee shall at all times employ a reasonable standard of care to prevent failures or accidents which are likely to cause damages, injuries or nuisances to the public.

C. No more than once every twelve (12) months and upon request by the City with ten (10) days written notice to Grantee, Grantee shall appear at a City Council meeting to give a review of its operation, maintenance, and performance during the preceding twelve (12) months. Topics which may be addressed include fees, services, application of new technologies, system technical performance, customer complaints, and others. Nothing in this subsection shall be construed as re-opening Franchise negotiations.

SECTION XIII

TRANSFER OR ASSIGNMENT OF FRANCHISE

The rights granted herein shall not be transferred or assigned in whole or in part, by the Grantee without ninety (90) days advance written notice to the City. Notwithstanding the foregoing, no notice shall be required for any transfer or assignment of the Franchise to any entity controlling, controlled by or under the same common control as the Grantee. Any transferee, other than one controlling, controlled by, or under the same common control as Grantee, must show financial responsibility as determined by City.

SECTION XIV

FRANCHISE RENEWAL

This Franchise may be renewed in accordance with applicable local, state and federal law.

SECTION XV

CITY'S RIGHT TO REVOKE

A. In addition to all other rights which City has pursuant to law or equity, and consistent with applicable law, the City reserves the right to revoke, terminate or cancel this Franchise and all rights and privileges pertaining thereto in the event that:

(1) Grantee violates any material provision of this Franchise; or

(2) Grantee defaults in the performance of any material provision of this Franchise; or

(3) Grantee practices any fraud upon the City; or

(4) Grantee becomes insolvent, unable, or unwilling to pay its debts, or its adjudged bankrupt or a receiver is appointed to it.

B. Grantee may appeal any revocation to a court or regulatory agency of competent jurisdiction.

SECTION XVI

REVOCATION PROCEDURES

A. The City shall notify the Grantee of its intention to revoke, terminate, or cancel this Franchise. The written notice shall describe in reasonable detail the specific material violation or default so as to afford Grantee an opportunity to remedy the violation or default.

B. Grantee shall have thirty (30) days subsequent to receipt of the notice in which to correct the violation or default before the City may formally revoke, terminate or cancel this Franchise. Grantee may, within thirty (30) days of receipt of the notice, notify the City that there is a dispute as to whether a material violation or default has, in fact, occurred. Such notice by Grantee to the City shall stay the thirty (30) day period described above.

C. Upon receipt of the Grantee of a dispute as to whether a material violation or default has, in fact, occurred pursuant to paragraph (B) above, the City Council shall hear Grantee's dispute and shall determine whether a default or material violation by Grantee has occurred. In the event the City Council shall determine that a default or material violation has occurred, the City Council shall supplement the decision with written findings of fact.

D. If after hearing the dispute, Grantee has been found to be in default or in material violation of the Franchise, Grantee shall then have thirty (30) days (or such longer period of time as may be reasonably necessary, as determined in the sole discretion of the City Council) from such a determination to remedy the violation or default. At any time after that thirty (30) day period the City may by formal action at a public hearing affording reasonable notice and opportunity for Grantee to be heard, revoke, terminate, or cancel this Franchise if Grantee fails to cure such violation or default.

E. Any such final decision of the City Council may be appealed to any court or regulatory agency of competent jurisdiction.

F. No termination of this Franchise shall operate as a waiver or release of Grantee from any liability which arises or arose out of any act or failure to act by Grantee prior to termination.

SECTION XVII

FORCE MAJEURE

If by reason of a Force Majeure event, any party is unable in whole or in part to carry out its obligations hereunder, that party shall not be deemed to be in violation or default during the continuance of such inability.

SECTION XVIII

FRANCHISE FEE PAYMENT

- A.** Subject to applicable law, in consideration for the rights and privileges herein granted, the administration of this Franchise by the City, and other costs and obligations undertaken by the City herein, the Grantee shall pay to the City a Franchise fee as follows: Four percent (4%) of the gross receipts of Grantee collected by the Grantee from the sale of Gas to any and all customers within the City's limits; plus seven cents (\$0.07) per Mcf for gas transported by Grantee for its Transport Customers. "Transport Customer" means any person or entity for whom Grantee transports gas through the distribution system of Grantee within the corporate limits of Grantor for consumption within the corporate limits of Grantor. Any area annexed by the City shall, for purposes of this Franchise and the payment of Franchise fees hereunder, be considered to be within the corporate limits of the City effective on the sixtieth (60th) day after the City's written notification to Grantee of the annexation, at which time Franchise fees payable to the City on gross receipts collected by the Grantee from customers within the annexed area shall begin to accrue. The Franchise fee shall be due in quarterly payments remitted to the City on or before the fifteenth (15th) day of the second

month immediately following the quarter for which payment is due. The first such payment shall be due on the fifteenth (15th) day of the second month following the initial calendar quarter, or portion thereof, ending after the effective date of this Franchise. A calendar quarter is defined for purposes of this Franchise as a three (3) month period consisting of the following months: First Quarter - January, February and March; Second Quarter - April, May and June; Third Quarter - July, August and September; Fourth Quarter - October, November and December. The City Secretary shall deliver to Grantee a receipt for such amount.

- B.** Upon request, the Grantee shall file with the Mayor within forty-five (45) days after the expiration of each calendar year, or portion thereof during which this Franchise is in effect, a statement showing in reasonable detail the gross receipts collected during the preceding calendar year. An interest charge shall be assessed on a franchise fee payment not paid on or before the due date equal to the rate which gas utilities pay on customer deposits as set by the Public Utility Commission of Texas from time to time pursuant to Section 183.003 of the Texas Utilities Code, as hereinafter amended, and Grantee's payment for the interest due as provided herein shall accompany the late Franchise fee payment.
- C.** The City shall have the right to inspect and audit, at the Grantee's business office during normal business hours, the books and financial records of the Grantee compiled in the ordinary course of business necessary to verify Franchise fee payments. Should the inspection or audit show that the Grantee underpaid the City on any quarterly Franchise payment by a percentage of ten percent (10%) or more, the Grantee shall reimburse the City for the costs of the audit, not to exceed \$3,000.00 per audit.
- D.** No acceptance of any Franchise fee shall be construed as an accord and satisfaction that the amount paid is in fact the correct amount, nor shall such acceptance of any payment be construed as a release of any claim that City may have for further additional sums payable under this Ordinance. All amounts paid shall be subject to audit and recomputation by City or Grantee.
- E.** The consideration hereinabove set forth shall be paid and received in lieu of any license, charge, fee, street or alley rental or other character of charge for the use and occupancy of the streets, alleys and public places within Grantor, but shall not in anywise increase or diminish Grantee's obligation to pay the Grantor ad valorem taxes or sales taxes or anywise interfere with collection thereof.
- F.** Any special taxes (not including ad valorem taxes or sales taxes), rentals or other charges accruing after the effective date of this Franchise, under the terms of any preexisting Ordinance or imposed upon Grantee by subsequent action of the Grantor shall, when paid to the Grantor, be applied as a credit to the amount owed to the Grantor under the terms of this Franchise agreement.

- G.** All Franchise fee payments shall be deemed final and correct unless questioned by City or Grantee within four (4) years of the date of payment.

SECTION XIX

CONSENT AND/OR APPROVAL

Where in this document consent and/or approval of the City is required, such consent and/or approval shall be timely delivered and not unreasonably withheld.

SECTION XX

RESERVATION OF REGULATORY POWERS

AND LEGAL RIGHTS

- A.** The City by the granting of this Franchise does not render or to any extent lose, waive, impair or lessen the lawful powers and rights, now or hereafter vested in the City under the Constitution and statutes of the State of Texas and under the Ordinances of the City to regulate the use of the streets by the Grantee. The City, consistent with the Texas Gas Utility Regulatory Act and any other applicable law and regulation, shall also retain any regulatory authority regarding the services provided by the Grantee and the rates and fees charged by the Grantee to its customers situated within the corporate limits of the City.
- B.** The Grantee by accepting this Franchise does not surrender or to any extent lose, waive, impair or lessen the lawful powers and rights now or hereafter vested in the Grantee under the Constitution and the statutes of the State of Texas and/or the United States of America.
- C.** Rate schedules are set forth in Exhibit "A" attached to this Ordinance and shall be filed with the City to be effective with bills rendered on and after the effective date of this Ordinance.

SECTION XXI

GOVERNMENTAL FUNCTION

All of the lawful regulations and activities required by this Franchise are hereby declared to be governmental and for the health, safety and welfare of the general public.

SECTION XXII

ACCEPTANCE

The Grantee shall, within thirty (30) days from the date this Franchise takes effect, file with the City Secretary of the City a written, sworn statement signed in its name and behalf in substantially the following form:

To the Honorable Mayor of Niederwald:

CenterPoint Energy Resources Corp., d/b/a CenterPoint energy Texas Gas Operations, for itself, successors, and assigns, hereby accepts the attached Franchise and agrees to be bound by all of its terms and provisions.

SECTION XXIII

REPEALER

All ordinances or parts of ordinances in force when the provisions of this Ordinance become effective which are inconsistent or in conflict with the terms and provisions contained in this Ordinance are hereby repealed only to the extent of any such conflict.

SECTION XXIV

SEVERABILITY

It is hereby declared to be the intention of the City Council that the phrases, clauses, sentences, paragraphs and sections of this Ordinance be severable, and if any phrase, clause, sentence, paragraph or section of this Ordinance shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs or sections of this Ordinance, and the remainder of this Ordinance shall be enforced as written.

SECTION XXV

ATTORNEY'S FEES

In the event any claim arises out of this Franchise, the prevailing party shall be entitled to reasonable and necessary attorney's fees incurred in the adjudication of such claim in accordance with the provisions of Section 271.159 of the Texas Local Government Code.

SECTION XXVI

PROPER NOTICE AND MEETING

It is hereby officially found and determined that the meeting at which this Ordinance was passed was open to the public as required and that public notice of the time, place and purpose of said meeting was given as required by the Open Meetings Act, Chapter 551 of the Texas Government Code.

PASSED AND APPROVED this 17th day of March, 2008,
by the City Council of the City of Niederwald, Texas.

CITY OF NIEDERWALD

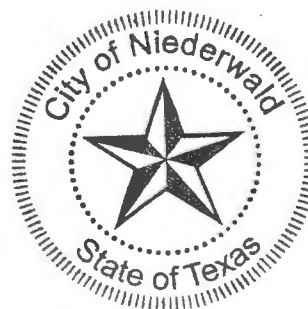
BY: Michelle Mendoza

HON. MICHELLE MENDOZA, MAYOR

ATTEST:

BY: Angie Schulze

ANGIE SCHULZE, CITY SECRETARY



APPROVED AS TO FORM:

Cary L. Bovey

CARY L. BOVEY, CITY ATTORNEY



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Richard A. Zapalac
Regional Vice President - Texas

April 7, 2008

Honorable Michelle Mendoza
Mayor of Niederwald
City Hall
13851 Camino Real
Niederwald, TX 78640-4807

RE: Franchise Acceptance

Dear Mayor Mendoza:

CenterPoint Energy Resources Corp., DBA CenterPoint Energy Texas Gas Operations, its successors and assigns, hereby accepts the attached Franchise Ordinance and agrees to be bound by all of its terms and provisions.

CENTERPOINT ENERGY RESOURCES CORP.,
DBA CENTERPOINT ENERGY TEXAS GAS
OPERATIONS

By: _____

Richard A. Zapalac

Regional Vice President - Texas

13851 Camino Real
Niederwald, Texas 78640-4807



Tel. 512-398-6338
FAX: 512-376-9966

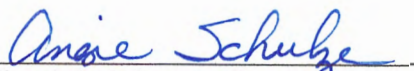
STATE OF TEXAS}

CITY OF NIEDERWALD}

I hereby certify, in the performance of the functions of my office, that the attached instrument is a full, true and correct copy of Ordinance No. 031708 as the same appears of record in my office and that said document is an official record from the public office of the City Administrator/Secretary of the City of Niederwald, Texas, and is kept in said office.

I further certify that I am the City Administrator/Secretary of the City of Niederwald, Texas, that I have legal custody of said record, and that I am a lawful possessor and keeper and have legal custody of the records in said office.

In witness whereof I have hereunto set my hand and affixed the official seal of said office this 15th day of April, 2008.



City Administrator/Secretary
City of Niederwald, Texas

