

Amended and Restated
Water System Master Operating Agreement
for the
Marion, Howell, Ocala and Genoa
Sewer and Water Authority

Dated as of November 16, 2016

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I	
DEFINITIONS	
Section 1.1	Definitions.....2
Section 1.2	Rules of Construction4
ARTICLE II	
TERMINATION OF PRIOR AGREEMENTS	
Section 2.1	Identification of Prior Agreements4
Section 2.2	Termination of Prior Agreements by the Townships and the Authority5
Section 2.3	Termination of Peavy Road Agreements.....5
Section 2.4	Agreement for Water Distribution Lines in Howell Township6
ARTICLE III	
THE SYSTEM	
Section 3.1	Approval of System6
Section 3.2	Ownership of the System7
	3.2.1. Common Elements.....7
	3.2.2. Local Distribution Elements7
Section 3.3	Maintenance, Repair and Replacement of Common Elements and Local Distribution Elements.7
Section 3.4	Easements for the Operation of the System.....8
Section 3.5	Transfer and Assignment Documents for Existing Easements.....8
Section 3.6	Transfer and Assignment Documents for Existing Real Estate and Related Assets8
Section 3.7	Insurance9
ARTICLE IV	
IMPROVEMENTS TO AND SUBSTANTIAL ADDITIONAL USAGE OF THE SYSTEM	
Section 4.1	Process for Determining and Approving Improvements to and Substantial Additional Usage of the System.....9
	4.1.1. Types of Improvements9
	4.1.2. Substantial Additional Usage of the System.....9
Section 4.2	Approval of Improvements to or Substantial Additional Usage of the System.....10
	4.2.1. Impact Determination10
	4.2.2. Dispute Resolutions11
	4.2.3. Construction Plan Review.....12
Section 4.3	Financing of Improvements to the System12
	4.3.1. Financing of Authority Improvements.....12
	4.3.2. Financing of Petitioned Improvements13
	4.3.3. Financing of Secondary Improvements13
Section 4.4	Design Requirements for Improvements to the System13
Section 4.5	Construction of Improvements to the System.....13
Section 4.6	Individual Connections14
Section 4.7	Ownership of Improvements to the System14
	4.7.1. Authority Improvements.....14
	4.7.2. Petitioned Improvements14

ARTICLE V

OPERATION OF THE SYSTEM

- Section 5.1 Operation of the System.....15
- Section 5.2 Costs and Expenses.....15
- Section 5.3 Ordinances for Use of the System15
- Section 5.4 Independent Auditor16
- Section 5.5 Books and Records16
- Section 5.6 Authority Funds and Accounts for Operation, Maintenance, Debt Service,
and Capital Improvements16
- Section 5.7 Investment Policy.....17
- Section 5.8 Staff.....18
- Section 5.9 Consulting Engineer.....18
- Section 5.10 Emergency Connection Contracts.....18
- Section 5.11 Competitive Bidding.....18

ARTICLE VI

RATES AND FEES FOR THE SYSTEM

- Section 6.1 Rates, Fees, and Charges19
 - 6.1.1 Rates and Fees for Operation and Maintenance19
 - 6.1.2 Connection Fees.....19
- Section 6.2 Imposition of Additional Charges by Townships20
- Section 6.3 Additional Charges that may be Imposed by the Authority20
- Section 6.4 Ownership, Maintenance and Reading of Meters.....21
- Section 6.5 Billing and Collections21
- Section 6.6 Delinquent Water Invoices Being Added to Property Taxes.....21

ARTICLE VII

CAPACITY

- Section 7.1 Allocation of Capacity22
 - 7.1.1 Methodology to Determine Use of Allocated Share
by Townships22
- Section 7.2 Future Capacity.....23
- Section 7.3 Sale of Allocated Shares of Capacity.....23

ARTICLE VIII

FINANCING POWERS OF THE AUTHORITY

- Section 8.1 Issuance of Bonds24

ARTICLE IX

CHANGES IN TERRITORY

- Section 9.1 Change in Territory.....24

ARTICLE X

TERMINATION

- Section 10.1 Termination.....24

ARTICLE XI

MISCELLANEOUS

- Section 11.1 Bylaws.....25
- Section 11.2 Review of Master Operating Agreement25
- Section 11.3 Miscellaneous25

SCHEDULES

<u>Name of Schedule</u>	<u>Number</u>
Description of the System.....	1.0(a)
Amended and Restated Articles of Incorporation.....	1.0(b)
Prior Agreements that have been Terminated.....	2.1
Resolutions of each Township Approving the Termination of the Prior Agreements	2.2(a)
Agreement Terminating Prior Agreements.....	2.2(b)
Agreement Terminating the Agreement Regarding Water System Improvements and Reimbursement of Costs (Peavy Road Agreement)	2.3
Termination of Lease and License Agreement for Use of Distribution Lines in Howell Township.....	2.4
Resolutions of each Township Approving the System and the Original MOA.....	3.1
Form of Utility Easement.....	3.4
Form of Assignment of Easement for the benefit of the Authority	3.5
Description of Water Rate Ordinances Adopted by the Townships	5.3
Investment Policy.....	5.7
Amended and Restated Utility Services Agreement.....	5.8
Emergency Connection Agreements with the City of Howell and the City of Brighton	5.10
Resolution of MHOG Board on June 15, 2016 Regarding Connection Fees	6.1.2
Billing Agreement between the Authority and Howell Township	6.4
Resolution of MHOG Board on June 15, 2016 approving the First Amendment to MOA, and Resolution of MHOG Board on November 16, 2016 approving the Amended and Restated MOA	11.3(d)

AMENDED AND RESTATED WATER SYSTEM MASTER OPERATING AGREEMENT

THIS AMENDED AND RESTATED WATER SYSTEM MASTER OPERATING AGREEMENT (the “Agreement” or “Amended and Restated Agreement”) is dated as of November 16, 2016, and is adopted by the Board of Commissioners (the “Board”) of the MARION, HOWELL, OCEOLA AND GENOA SEWER AND WATER AUTHORITY (the “Authority”).

WHEREAS, Marion Township, Howell Township, Oceola Township and Genoa Charter Township (all of which are located in Livingston County) (the “Townships”) have organized the Authority pursuant to the provisions of Act 233, Michigan Public Acts of 1955, as amended (“Act 233”) for the purpose, among other things, of acquiring, owning, managing and operating a water supply system; and

WHEREAS, the Townships have concluded that the operation of a water supply system is needed to promote and improve the health and welfare of the residents of the Townships, and that such water supply system can most economically and efficiently be operated and maintained by the Authority pursuant to the provisions of Act 233; and

WHEREAS, the Authority is currently operating the series of lines, mains, pipes, valves, storage tanks, storage facilities, wells, water production and treatment facilities, and related appurtenances for its water system, as further described in Schedule 1.0(a), and as such elements may be modified or expanded in the future in accordance with the terms of this Agreement (collectively, the “System”); and

WHEREAS, this Agreement governs the operation of the System; and

WHEREAS, the Board of the Authority previously entered into the Water System Master Operating Agreement dated February 1, 2011 (the “Original MOA”) for the Authority, and the Original MOA was amended by the First Amendment thereto, dated June 15, 2016; and

WHEREAS, the Township Boards of each of the Townships previously (i) have approved by resolution the adoption of the Original MOA by the Board of the Authority, (ii) have agreed that the Original MOA may be modified, amended and supplemented from time to time in the future by the Board of the Authority, provided that no modifications can be made to the Original MOA that would alter the rights or responsibilities of the Townships set forth in the Amended and Restated Articles of Incorporation of the Authority (a copy of which is attached as Scheduled 1.0(b)) without a corresponding change to the Amended and Restated Articles of Incorporation of the Authority, and (iii) have terminated the Prior Agreements (as defined in this Agreement) between the Authority and each Township; and

WHEREAS, the Board of the Authority desires to make additional changes to the Original MOA by adopting this Amended and Restated Agreement;

NOW, THEREFORE, in consideration of the premises and in order to provide for the operation and maintenance of the System and for other related matters, the Authority and the Townships agree as follows:

ARTICLE I
DEFINITIONS

Section 1.1 **Definitions.** Capitalized terms used throughout this Agreement shall have the meanings assigned to such terms in the Sections identified below:

<u>Definition</u>	<u>Section</u>
Act 233	Introductory Paragraphs
Agreement	Introductory Paragraphs
Amended and Restated Agreement	Introductory Paragraphs
Allocated Share	Section 7.1
Utility Director	Section 5.8
Utility Engineer	Section 5.8
Authority Improvement	Section 4.1.1
Authority	Introductory Paragraphs
Board	Introductory Paragraphs
Bond Authorizing Ordinance	Section 5.6
Common Elements	Section 3.2.1
Connection Manual	Section 4.2.3
Consulting Engineer	Section 5.9
Consumption Charge	Section 6.1
Future Allocated Share	Section 7.2
Local Distribution Elements	Section 3.2.2
MHOG Water Design Standards	Section 4.4
Original MOA	Introductory Paragraphs
Petitioned Improvement	Section 4.1.1
Prior Agreements	Section 2.1
Readiness to Serve Charge	Section 6.1

Secondary Improvement	Section 4.2.1
Substantial Additional Usage	Section 4.1.2
System	Introductory Paragraphs
Townships	Introductory Paragraphs
Users	Section 5.1
Users of the System	Section 5.1

Section 1.2 Rules of Construction. The following provisions shall be applied where appropriate in this Agreement: (a) all definitions set forth herein shall be deemed applicable whether the words defined are used in the singular or the plural; (b) wherever used in this Agreement, any pronoun or pronouns shall be deemed to include both the singular and plural and to cover all genders; (c) “herein”, “hereby”, “hereunder”, “hereof” and other equivalent words shall refer to this Agreement in its entirety and not solely to the particular portion of this Agreement in which any such word is used; (d) any references to a particular Section, Article, Exhibit or Schedule means a Section or Article of, or an Exhibit or Schedule to, this Agreement unless another agreement is specified; and (e) the Exhibits and Schedules attached hereto are incorporated herein by reference and shall be considered part of this Agreement.

**ARTICLE II
TERMINATION OF PRIOR AGREEMENTS**

Section 2.1 Identification of Prior Agreements. The Townships and the Authority have previously entered into the following agreements, which are collectively referred to as the “Prior Agreements”:

- Common Elements Agreement dated November 1, 1996 among the Authority, Genoa Township, Howell Township, Marion Township and Oceola Township;
- First Expansion to the Joint Water Treatment Plant dated December 1, 1999 among the Authority, Genoa Township, Howell Township, Marion Township and Oceola Township;
- Operation and Maintenance Service Contract for Howell Township previously entered into between the Authority and Howell Township;
- Operation and Maintenance Service Contract for Genoa Township previously entered into between the Authority and Genoa Township;
- Operation and Maintenance Service Contract for Marion Township previously entered into between the Authority and Marion Township; and
- Operation and Maintenance Service Contract for Oceola Township previously entered into between the Authority and Oceola Township.

Section 2.2 Termination of Prior Agreements by the Townships and the Authority. In connection with the adoption of the Original MOA, the Townships previously adopted the resolutions attached as Schedule 2.2(a) which authorize the termination of the Prior Agreements, and the Prior Agreements have been terminated pursuant to the Agreement Terminating Prior Agreements, a copy of which is attached as Schedule 2.2(b).

Section 2.3 Termination of Peavy Road Agreement. At the time of the adoption of the Original MOA, an agreement was in place between the Authority and Marion Township with respect to improvements near Peavy Road. In May of 2015 the agreement was terminated by the Authority and Marion Township. Copies of the original agreement and the agreement terminating the original agreement are attached as Schedule 2.3.

Section 2.4 Agreement for Water Distribution Lines in Howell Township. At the time of the adoption of the Original MOA, the Authority and Howell Township entered into a Lease and License Agreement for Water Distribution Lines. In connection with the adoption of the Amended and Restated Agreement, the Authority and Howell Township have terminated the Lease and License Agreement for Water Distribution Lines. Copies of the original Lease and License Agreement and the agreement terminating such agreement are attached as Schedule 2.4.

**ARTICLE III
THE SYSTEM**

Section 3.1 Approval of System. Pursuant to the Resolutions attached as Schedule 3.1, the Townships have approved the execution of the original MOA by the Authority and have approved and agreed to the operation and maintenance of the System under and pursuant to Act 233 and approved the designation of “MHOG Water System” as the name of the System. Pursuant to the Resolutions attached as Schedule 3.1, the Townships, by way of compliance with Section 29, Article VII, Michigan Constitution of 1963, have consented and agreed to the establishment and location of the System within their corporate boundaries in accordance with the terms of this Agreement and have agreed to allow the Authority to be the exclusive provider of municipal water service to the properties in each Township that are served by the System, as the System may be modified from time to time as provided for in this Agreement. Furthermore, the Townships have agreed that they will assist the Authority in obtaining all easements, licenses, rights-of-way and/or title to property necessary for the operation of the System.

Section 3.2 Ownership of the System. The System and the System's Assets, including all local distribution lines used to distribute water to customers of the System, shall be owned as follows:

3.2.1. Common Elements. "Common Elements" shall be defined as elements of the System for which two or more Townships obtain a benefit of improved water production, storage, pressure, or transmission as a result of the element, and such Common Elements are further identified on the map attached as Schedule 1.0(a). All transmissions lines, booster stations, and water towers of the System shall be classified as Common Elements. All Common Elements of the System shall be owned by the Authority.

3.2.2. Local Distribution Elements. "Local Distribution Elements" shall be defined as elements of the System that are not common elements and that specifically benefit one of the Townships, and such elements can be serviced by the System's existing Common Elements without impacting the distribution of water to the other Townships, and further such elements do not serve as transmission lines for the Authority's System as a whole, and such Local Distribution Elements are further identified on the map attached as Schedule 1.0(a). The Local Distribution Elements of the System shall be owned by the Authority.

Section 3.3 Maintenance, Repair and Replacement of Common Elements and Local Distribution Elements. The Authority shall be responsible for the maintenance, repair and replacement of Common Elements and Local Distribution Elements, and the costs of such maintenance, repair and replacement shall be paid by the Authority.

Section 3.4 Easements for the Operation of the System. Each Township will use its best efforts to obtain easements for the benefit of the Authority that may be necessary for the current operation of the System within the municipal boundaries of such Township. Furthermore, in connection with any expansion of the System, each Township will use its best efforts to obtain easements for the benefit of the Authority that may be necessary for the expansion of the System within the municipal boundaries of such Township, including but not limited to obtaining from the property owners of the applicable property the necessary utility easements for such expansion, the standard form of which is attached as Schedule 3.4.

Section 3.5 Transfer and Assignment Documents for Existing Easements. To the extent that easements have previously been granted to a Township for the location or operation of the System within the municipal boundaries of such Township, then the respective Township agrees to execute an Assignment of Easement for the benefit of the Authority in substantially the form attached as Schedule 3.5.

Section 3.6 Transfer and Assignment Documents for Existing Real Estate and Related Assets. To the extent that any parcels of the real estate and related assets that constitute the System are owned by a Township, then to the extent practicable the Township shall convey such real estate and related assets to the Authority with a quit claim deed and bill of sale the form of which shall be acceptable to the Township and the Authority. Notwithstanding the foregoing, if a Township has issued bonds or other indebtedness to finance such real estate and related assets, and the terms of such bonds or other indebtedness require the Township to retain title to such real estate or assets until the bonds are paid, then in such event the Township may retain title to such real estate or assets until the bonds are paid. Following the payment of such bonds, the real estate and assets shall be conveyed to the Authority as described above.

Section 3.7 Insurance. The Authority shall obtain property and liability insurance for the System and the assets of the System with coverage amounts and deductibles that are customarily obtained by municipalities for similar water systems.

ARTICLE IV

IMPROVEMENTS TO AND SUBSTANTIAL ADDITIONAL USAGE OF THE SYSTEM

Section 4.1 Process for Determining and Approving Improvements to and Substantial Additional Usage of the System.

4.1.1. Types of Improvements. The System will require improvements for the purpose of improving production, transmission, storage, pressure, and localized distribution. Improvements can be initiated by the Board of the Authority or by a petitioner. The Board of the Authority shall not authorize improvements for projects that require Township site plan approval without the written approval of the Township in which the improvement will be constructed. Improvements shall be classified either as an Authority initiated improvement (an “Authority Improvement”) or a petitioner initiated improvement (a “Petitioned Improvement”).

4.1.2. Substantial Additional Usage of the System. To the extent that a new user, or a group of contiguous new users, would have a usage equal to or in excess of 100 REUs, then the such new use shall constitute a “Substantial Additional Usage”. Furthermore, to the extent that an existing user changes its use in such a manner that the user will be using 100 or more REUs, then such change in use shall constitute a Substantial Additional Usage.

Section 4.2 Approval of Improvements to or Substantial Additional Usage of the

System. Improvements to and Substantial Additional Usage of the System shall be subject to prior review and approval by the Board of the Authority following the procedures described below.

4.2.1. Impact Determination. Upon development of preliminary plans for an Authority Improvement, a Petitioned Improvement or notification by an existing user to a Township of a Substantial Additional Usage at an existing facility, then the plans shall be reviewed by the Authority for determination of the impact to the System. The plans will be reviewed to determine if the improvement or usage will negatively impact the Authority's distribution system or plant. The Authority will complete its review within 60 days of the plans being submitted, unless the plans are exceedingly complex, in which case the Authority may request an extension of the 60 day deadline. The impact determination may require upsizing or other improvements beyond the extent of the proposed improvement or usage to ensure there is no detrimental impact to the distribution system or plant. The cost of performing the impact determination for a Petitioned Improvement or proposed Substantial Additional Usage of the System shall be paid by the party requesting the proposed improvement or usage. Proposed improvements or proposed Substantial Additional Usages will have three possible impact determinations:

- a. **No Impact**. If an improvement or usage is determined to be serviceable within the framework of the existing System, the Authority shall provide written documentation of the findings of the impact determination authorizing the improvement to proceed to construction plan development or authorizing the usage.

b. Impact Requiring Secondary Improvements. If a proposed improvement or usage is determined by the Authority to require additional improvements to the System (a “Secondary Improvement”) as a result of the proposed improvement or usage, a description of such Secondary Improvements shall be provided in writing by the Authority to the petitioner. For improvements or usage requiring upsizing, the Authority shall agree to pay the upsizing cost for the improvement or usage, if the Authority requires the upsizing to be completed. The Authority will only pay for upsizing of new pipes, and will not pay to upsize existing distribution or transmission lines. For improvements or usage that require additional Secondary Improvements other than upsizing, the party requesting the improvement or usage shall be responsible for developing a plan to implement those improvements, including development of a plan acceptable to the Authority to pay for or finance the respective Secondary Improvements.

c. Unacceptable Improvement. If an improvement or usage is proposed which is determined by the Authority to have a materially adverse affect on the existing System, and for which no agreement can be reached with the party requesting the improvement or usage to provide a means for Secondary Improvements, the Authority shall reject the proposed improvement to the System or proposed Substantial Additional Usage of the System as being unacceptable.

4.2.2. Dispute Resolutions. In the event that a petitioner disagrees with the Authority’s impact classification of a Petitioned Improvement or Substantial Additional Usage, the petitioner may request that the Authority appoint a third party engineer to review the Petitioned Improvement or Substantial Additional Usage and provide an independent opinion regarding the impact classification of the Petitioned Improvement or

Substantial Additional Usage. The costs of such third party engineer shall be paid by the petitioner in advance. The opinion provided by the third party engineer to the Authority shall be advisory in nature and the Authority shall have the final authority for determining the impact classification of a Petitioned Improvement or Substantial Additional Usage. Any such request for a third party engineer review must be made by the petitioner within 30 days of the Authority's release of the impact classification. The third party engineer's opinion shall be completed within 60 days of the request by the petitioner, unless the plans are exceedingly complex in which case the third party engineer may request an extension of the 60 day deadline.

4.2.3. Construction Plan Review. Following the impact determination, all construction plans shall be reviewed by the Authority for conformance to the MHOG Water Design Standards. The process for construction plan review, permitting, and inspection is outlined in the Connection Manual for Systems Operated by the MHOG Utility Department, as amended from time to time (the "Connection Manual"). As outlined in the Connection Manual, the Authority shall submit all Part 399 Permit Applications to the State of Michigan for approval, and the cost of performing the construction plan review shall be paid by the petitioner of the improvement.

Section 4.3 Financing of Improvements to the System. The Authority shall not be obligated to proceed with a proposed improvement unless there is an agreement for financing of the improvement that is acceptable to the Board of the Authority. Approved methods of financing are as follows.

4.3.1. Financing of Authority Improvements. All Authority Improvements shall be paid by the Authority with Authority tap fees funds, with funds on hand by the

Authority, or financed by the Authority issuing revenue bonds, special assessment bonds, or bonds of the Authority secured by the full faith and credit contractual pledges from the Townships, or cash contributions from the Townships

4.3.2. Financing of Petitioned Improvements. All Petitioned Improvements shall be paid by the respective Township or by the respective developer requesting the improvement, including, but not limited to Township tap fee funds, available funds on hand, proceeds of Township-issued bonds, notes, or other debt obligations.

4.3.3. Financing of Secondary Improvements. All Secondary Improvements shall be paid by the petitioner requesting the improvement or Substantial Additional Usage, except that any upsizing of such Secondary Improvement may be paid by the Authority with one of the methods of financing set forth in Section 4.3.1.

Section 4.4 Design Requirements for Improvements to the System. All improvements shall comply with the then current version of the MHOG Water Design Standards as approved from time to time by the Board of the Authority (the “MHOG Water Design Standards”). In the event that improvements are proposed that do not comply with the then current version of the MHOG Water Design Standards, the Board of the Authority, after considering the recommendations of the Utility Engineer, may provide a written waiver to the MHOG Water Design Standards. Such waiver shall become part of the MHOG Water Design Standards through a written amendment.

Section 4.5 Construction of Improvements to the System. Authority Improvements shall be constructed under the direction of the Authority. The process for construction plan review, permitting, inspection, and acceptance is outlined in the Connection Manual.

Section 4.6 Individual Connections. From time to time, individual properties without water service may seek connection to existing water mains in the System. These connections shall be performed in general conformance with the Connection Manual, and the fees and costs for such connections are described in Article VI. Connection of an individual property with a service lead shall not require a plan review or an impact determination unless such connection amounts to a Substantial Additional Usage as defined in Section 4.1.2. Provided that the property proposed to be connected to the System can be served by the System, as determined by the Authority in its sole discretion, and provided that the Township in which the property is located approves the connection of such property to the System, the Authority shall construct a service lead from the water main to the edge of easement, right-of-way, or property line of the affected parcel, and the connection from the terminus of the service lead to the building shall be the responsibility of the property owner. If a connection fee is paid to MHOG in accordance with Section 6.1.2, the connection fee shall cover the cost of the service lead. If a connection fee is not paid to MHOG, the cost of the service lead shall be paid by the property owner or by the Township in which the property is located, as directed by the Township in which the property is located.

Section 4.7 Ownership of Improvements to the System.

4.7.1. Authority Improvements. Authority Improvements shall be owned by the Authority.

4.7.2. Petitioned Improvements. Any improvements constructed by a petitioner must be conveyed to the Authority following the completion of the construction of any improvement, and approval by the Utility Engineer of the improvement, except if a Township has issued bonds or other indebtedness to finance

such Petitioned Improvements, and the terms of such bonds or other indebtedness require the Township to retain title to such Petitioned Improvements until the bonds are paid, then in such event the Township may retain title to such Petitioned Improvements until the bonds are paid, after which time such improvements shall be conveyed to the Authority.

ARTICLE V OPERATION OF THE SYSTEM

Section 5.1 Operation of the System. The Authority hereby agrees to operate, maintain, and administer the System as provided herein and under Act 233. The Authority intends that the customers receiving water from the System, the parties receiving automatic fire suppression system service from the System and the other parties benefitting from the System (the “Users of the System” or the “Users”) shall be responsible for paying all the costs of the operation, maintenance, and administration of the System through the Authority. The Townships acknowledge that the Authority may contract with third parties to provide for the operation, maintenance and administration of the System.

Section 5.2 Costs and Expenses. The parties agree that the Users of the System shall pay for the Authority’s annual operating and maintenance costs. The Users of the System shall also pay the other rates, fees and charges set forth in Section 6.1, and any other sections, of this Agreement.

Section 5.3 Ordinances for Use of the System. Each Township has previously adopted a water use ordinance that governs the use of the System by the Users of the System that are located in the respective Township, as described on Schedule 5.3. Additionally, to the extent

that the Authority requests that the Townships adopt modifications to such water rate ordinances in the future, each Township Board shall be requested to approve the modifications by the Board of the Authority.

Section 5.4 Independent Auditor. The Authority agrees to hire an independent CPA for the purpose of conducting an annual audit of the financial records of the Authority and reviewing the Authority's rates, charges and reserve funds. The Authority will consider recommendations provided by the CPA regarding rates, charges and reserve funds.

Section 5.5 Books and Records. The Authority will cause to be maintained books and records of the System in accordance with the provisions of Act 2, Michigan Public Acts of 1968, as amended.

Section 5.6 Authority Funds and Accounts for Operation, Maintenance, Debt Service, and Capital Improvements. The Authority has previously adopted Ordinance No. 2012-1 authorizing the issuance of certain revenue bonds (the "Bond Authorizing Ordinance"). Pursuant to the Bond Authorizing Ordinance, the Authority has established the following funds: (i) the Operating Fund (which is identified on the Authority's financial reports as the "Operating Savings Fund"), (ii) the Bond Payment Fund, and (iii) the Debt Service Reserve Fund (which is identified on the Authority's financial reports as a separate fund in the Bond Payment Fund). All revenues from the System are credited to the Operating Fund and the Bond Authorizing Ordinance sets forth certain requirements with respect to the deposit and use of such funds. In addition to the funds established by the Bond Authorizing Ordinance, the Authority shall maintain the following accounts and funds which can be used as specified below, and the Authority may create other accounts and funds from time to time. The Board of the Authority is

expressly authorized to borrow and lend between funds, and the repayment terms and interest rates on such borrowings shall be determined by the Authority Board.

a. Operating Checking Account – Periodic transfers shall be made from the Operating Savings Fund to the Operating Checking Account to pay for operation and maintenance expenses approved monthly by the Board of the Authority. Subject to compliance with the requirements of the Bond Authorizing Ordinance, transfers from the Operating Savings Fund can also be made to each of the following reserve funds as approved by the Board of the Authority.

b. Capital Replacement Reserve Fund – The Capital Replacement Reserve Fund is a dedicated reserve account for replacement of failed physical or mechanical parts needed for operation of the System. The Capital Replacement Reserve Fund receives annual transfers from the Operating Fund, as a budgeted line item, based on an asset management study of anticipated useful life of the System’s equipment.

c. Capital Improvement Fund – The Capital Improvement Fund is a dedicated reserve account for new improvements or upgrades to the System.

d. Expansion Fund – The Expansion Fund is maintained to fund construction projects related to the expansion of the System. Transfers of funds to the Expansion Fund can be made from any of the reserve funds, or from proceeds of bond issues, or from township contributions.

Section 5.7 Investment Policy. The Board of the Authority has previously adopted an investment policy for the funds of the Authority, and a copy of such investment policy is attached as Schedule 5.7.

Section 5.8 Staff. The staff of the Authority, including but not limited to the Utility Director (the “Utility Director”) and the Utility Engineer (the “Utility Engineer”), is provided through an existing contract among the Authority, Genoa Charter Township and the Genoa-Oceola Sewer and Water Authority identified as the “Amended and Restated Utility Services Agreement” dated February 19, 2016, a copy of which is attached as Schedule 5.8.

Section 5.9 Consulting Engineer. MHOG may contract with one or more consulting engineering firms (each a “Consulting Engineer”). Each Consulting Engineer shall perform such duties and responsibilities as are directed from time to time by the Board of the Authority, the Utility Director, or the Utility Engineer. Each Consulting Engineer must have one or more of the following capabilities to serve as a Consulting Engineer:

- Ability to maintain and utilize a water model which accurately describes the System for the purpose of modeling improvements, performing impact determinations, and fire flow conditions.
- Ability to maintain, utilize, and update the current GIS database of the System’s Common Elements and Local Distribution Elements.
- Maintain an experienced Professional Engineering staff familiar with water system distribution and water plant design in the State of Michigan.

Section 5.10 Emergency Connection Contracts. The System maintains emergency connections with the City of Howell and the City of Brighton water systems. The use, location, and authority over these connections is set forth in the City of Howell and City of Brighton MHOG Emergency Connection Agreements attached as Schedule 5.10.

Section 5.11 Competitive Bidding. It is the preference of the Authority to require competitive bidding for contracts involving expenditures of Authority funds. This preference for

competitive bidding shall not apply to professionals retained by the Authority, including but not limited to engineering firms, accounting firms and law firms, however any member of the Board of the Authority may, at any regular Board meeting, present a motion to direct staff of the Authority to bid professional services. This motion, if supported, can be approved by a vote of the majority of the members of the Board of the Authority.

ARTICLE VI
RATES AND FEES FOR THE SYSTEM

Section 6.1 Rates, Fees, and Charges.

6.1.1. Rates and Fees for Operation and Maintenance. The Board of the Authority shall establish rates and fees for operation of the System. At a minimum the rates shall include a “Readiness to Serve Charge” for each customer connected to the System and a per 1,000 gallon “consumption charge”. These rates and fees shall be reviewed not less than annually by the Authority, typically in August of each year, and new rates shall be effective for the fiscal year beginning October 1. The rates and charges established by the Board of the Authority shall be sufficient to pay for the Authority’s annual operating and maintenance costs.

6.1.2. Connection Fees. The Board of the Authority shall establish a connection fee for Users that connect to the System or for existing Users that increase their use of the System. Effective October 1, 2016, the connection fee shall be charged on a per Residential Equivalent User Basis and shall be in addition to the connection charges or capital improvement charges, if any, imposed by a Township for such User. The connection fee charged by the Authority may be collected by the Township in which the

respective User is located and if collected by the Township shall be remitted to the Authority on a periodic basis as agreed to by the Authority and the Township. If the connection fee is not collected by the respective Township, then the connection fee shall be collected by the Authority. The amount of the connection fee shall be reviewed not less than annually by the Authority, typically in August of each year, and the new connection fee shall be effective for the fiscal year beginning October 1. In no case shall the connection fee be increased more frequently than annually, and any increase in the connection fee shall require the unanimous vote of all members of the Board of the Authority who are present at a regularly scheduled meeting. The connection fees collected by the Authority shall be used for the purposes of paying for capital improvements to the System or such other purposes as may be designated by the Board of the Authority. The Resolution of the Board of the Authority approving the initial connection fee amount is set forth in Schedule 6.1.2.

Section 6.2 Imposition of Additional Charges by Townships. In addition to the rates and fees set by the Authority, each Township shall be allowed to impose a surcharge, capital improvement charge, or connection charge for users that connect to the System within its boundaries. Such supplemental charges shall be retained by or returned to the respective Township.

Section 6.3 Additional Charges that may be Imposed by the Authority. The Board of the Authority shall be allowed to impose a surcharge, capital improvement charge, fine, turn on/off fee, or other charges or fees established by the Board of the Authority. Such supplemental charges shall be retained by or returned to the Authority.

Section 6.4 Ownership, Maintenance and Reading of Meters. The Authority shall be responsible for owning, maintaining, and reading the usage of the meters in the System. The Authority shall make reasonable attempts to estimate usage when meter reading devices do not function. Usage shall not be estimated for more than a calendar year without efforts made to correct the meter reading devices. The Authority shall maintain records of each user of the System for regulatory and usage requirements.

Section 6.5 Billing and Collections. The quarterly billing and collection for the System services shall be the responsibility of the Authority. Quarterly bills are mailed to customers on or about the 15th of January, April, July, and October of each year.

The Authority is responsible for sending a quarterly bill, either to the individual customers within a Township or directly to the Township as the aggregate of the individual water consumption within the boundaries of the Township.

The parties hereby acknowledge that Howell Township is responsible for mailing the bills and collecting the funds for the users of the System in the jurisdiction of Howell Township. A copy of the Agreement between the Authority and Howell Township regarding the billing and collection procedures is attached in Schedule 6.4.

Section 6.6 Delinquent Water Invoices Being Added to Property Taxes. To the extent that a User is delinquent in paying an invoice that has been sent to the User by or on behalf of the Authority, the Authority shall be entitled to exercise any remedies available to the Authority under applicable law. Such remedies shall include, but not be limited to, submitting the delinquent invoice to the Township in which the User is located, and such Township shall then add the delinquent invoice to the respective User's property taxes. At such time that such property taxes are paid, whether by or on behalf of the User or through the County's delinquent

tax revolving fund program, the Township shall in turn promptly pay the amount of the delinquent invoice to the Authority.

ARTICLE VII CAPACITY

Section 7.1 Allocation of Capacity. Each Township has previously made equivalent contributions of cash or assets to the Authority which have been used to generate the water capacity that is available from the System. Accordingly, each Township shall be entitled to have the end users of the System located in each respective Township use in the aggregate up to an equal one-fourth share of the firm water production capacity (the “Allocated Share”) of the System. Each Township may use its Allocated Share as it determines appropriate and necessary, provided that such use is consistent with the terms of Section 7.3 below. To the extent that the Authority’s Common Elements do not have sufficient capacity to be able to deliver to a Township the Township’s Allocated Share of the System’s water production capacity, then the Authority shall upgrade and finance the Common Elements in accordance with the procedures set forth in this Agreement in order to allow the Township to utilize its Allocated Share of the System’s water production capacity.

7.1.1. Methodology to Determine Use of Allocated Share by Townships.

Percentage of System usage by each Township shall be measured by the following methodology: A two year rolling average shall be calculated from the quarterly billing reports prepared by the Authority from meter reads in each Township. To determine the capacity of the System utilized by each Township on a maximum day or peak hour demand basis, as applicable, the usage percentage calculated utilizing the above

methodology shall be multiplied by the measured maximum day or peak hour demand data in the System. The calculated percentage of maximum day or peak hour demand as compared to available plant production capacity shall determine the allocated share of production capacity by Township.

Section 7.2 Future Capacity. If the System's current water production capacity is increased after the date of this Agreement, and provided that each Township, on its own or through the end users of the System located in such respective Township, has paid for its share of the cost of increasing such firm water production capacity, then each Township shall be allocated and have full access to a one-fourth share of the firm future capacity (the "Future Allocated Share"), provided that each Township has fulfilled all of its obligations under agreements with the Authority. Notwithstanding the foregoing, a Township may elect not to participate in the cost of expanding the capacity of the System in the future and in such event the Board of the Authority shall amend this section to reallocate the Future Allocated Share of capacity on an equitable basis, as determined by the Board of the Authority. In the event a Township shall desire an increase in capacity above its Allocated Share, then the Township shall first solicit excess capacity from other participating Townships prior to the Authority proceeding with an expansion to the System.

Section 7.3 Sale of Allocated Shares of Capacity. If any Township does not use or intend to use a portion of its Allocated Share, or Future Allocated Share, it may allocate any portion of its Allocated Share or Future Allocated Share to one or more of the other Townships, on a temporary or permanent basis, on any conditions acceptable by the Township providing the allocation and the Township or Townships receiving such allocation, and provided that the terms

(excluding financial and payment terms which shall not be subject to review by the Authority) of such transfer must be presented to, and approved by, the Board of the Authority.

**ARTICLE VIII
FINANCING POWERS OF THE AUTHORITY**

Section 8.1 Issuance of Bonds. The Authority shall have all powers granted to it by Act 233 and all other applicable statutes to finance expansions or additions to the System, including the issuance of bonds as provided in Act 233 or such other statutes on the terms and conditions determined by the Board of the Authority.

**ARTICLE IX
CHANGES IN TERRITORY**

Section 9.1 Change in Territory. No change in the jurisdiction over territory in any of the Townships shall in any manner impair the obligations of this Agreement. In the event all or any part of the territory of any of the Townships is incorporated as a new city or is annexed to or becomes a part of the territory of another municipality, the municipality into which such territory is incorporated or to which such territory is annexed shall assume the proper proportionate share of the obligations of such Township(s) and right to capacity in the System of such Township(s) from which such territory is taken in accordance with law.

**ARTICLE X
TERMINATION**

Section 10.1 Termination. This Agreement shall remain in full force and effect until the Agreement is terminated upon the mutual agreement of all parties.

ARTICLE XI
MISCELLANEOUS

Section 11.1 Bylaws. The Authority hereby acknowledges that Bylaws for the Authority have not been adopted.

Section 11.2 Review of Master Operating Agreement. It is the intent of the Board of the Authority that this Master Operating Agreement shall be reviewed and modified from time to time as may be necessary to assist the Authority in operating the System. Accordingly, the Board of the Authority shall have the Master Operating Agreement reviewed, and amended to the extent necessary, no less frequently than every four years, provided that the Board of the Authority may, with a unanimous vote, determine that there is not an immediate need for an amendment or review, in which case a one time extension of two years may be provided for the four year review.

Section 11.3 Miscellaneous.

a. **Invalidity of Provisions.** In the event that any one or more of the provisions of this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement, but this Agreement shall be construed as if such invalid, illegal or unenforceable provisions had never been contained herein.

b. **No Third-Party Beneficiaries.** Except as expressly provided herein, this Agreement does not create, and is not intended to create, by implication or otherwise, any direct or indirect obligation, duty, promise, benefit or any other right in favor of any person other than the parties.

c. Entire Agreement. This Agreement sets forth the entire agreement between the Authority and the Townships with respect to the subject matter of this Agreement.

d. Amendment. The unanimous vote of all members of the Board of the Authority who are present at a regularly scheduled meeting shall be required to amend Sections 5.3, 6.1.2, 6.2, 6.6, 7.1, 7.2, 7.3, 9.1, 10.1 and 11.3(d) of this Agreement. Other sections of this Agreement may be amended, modified or supplemented by a majority vote of the members of the Board of the Authority at a regularly scheduled meeting. The Resolution of the Board of the Authority approving the First Amendment to the original MOA is attached as Schedule 11.3(d). Additionally, the Resolution of the Board of the Authority approving this Amended and Restated Agreement is attached as Schedule 11.3(d).

e. Assignment. This Agreement shall not be assignable by any party except upon mutual agreement of all parties. This prohibition on assignment without prior consent is not intended to limit the requirement of a municipality to assume a proportionate share of the contractual obligations hereunder in the event of an annexation or incorporation as set forth in this Agreement.

f. Governing Law. This Agreement shall be interpreted under the laws of the State of Michigan.

g. Counterparts. This Agreement may be executed in several counterparts each of which shall be deemed one and the same agreement. It shall be binding upon and inure to the benefit of the parties to it and their respective successors and assigns.

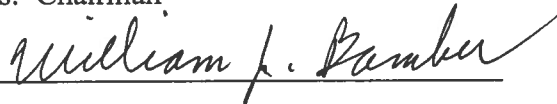
h. Captions and Bylines. The captions and bylines used in this Agreement are for the convenience of reference only and in no way define, limit or describe the scope of intent of any provision of this Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and delivered, by their respective duly authorized officers, all as of the day and year first above written.

MARION, HOWELL, OCEOLA AND GENOA
SEWER AND WATER AUTHORITY

By:  _____

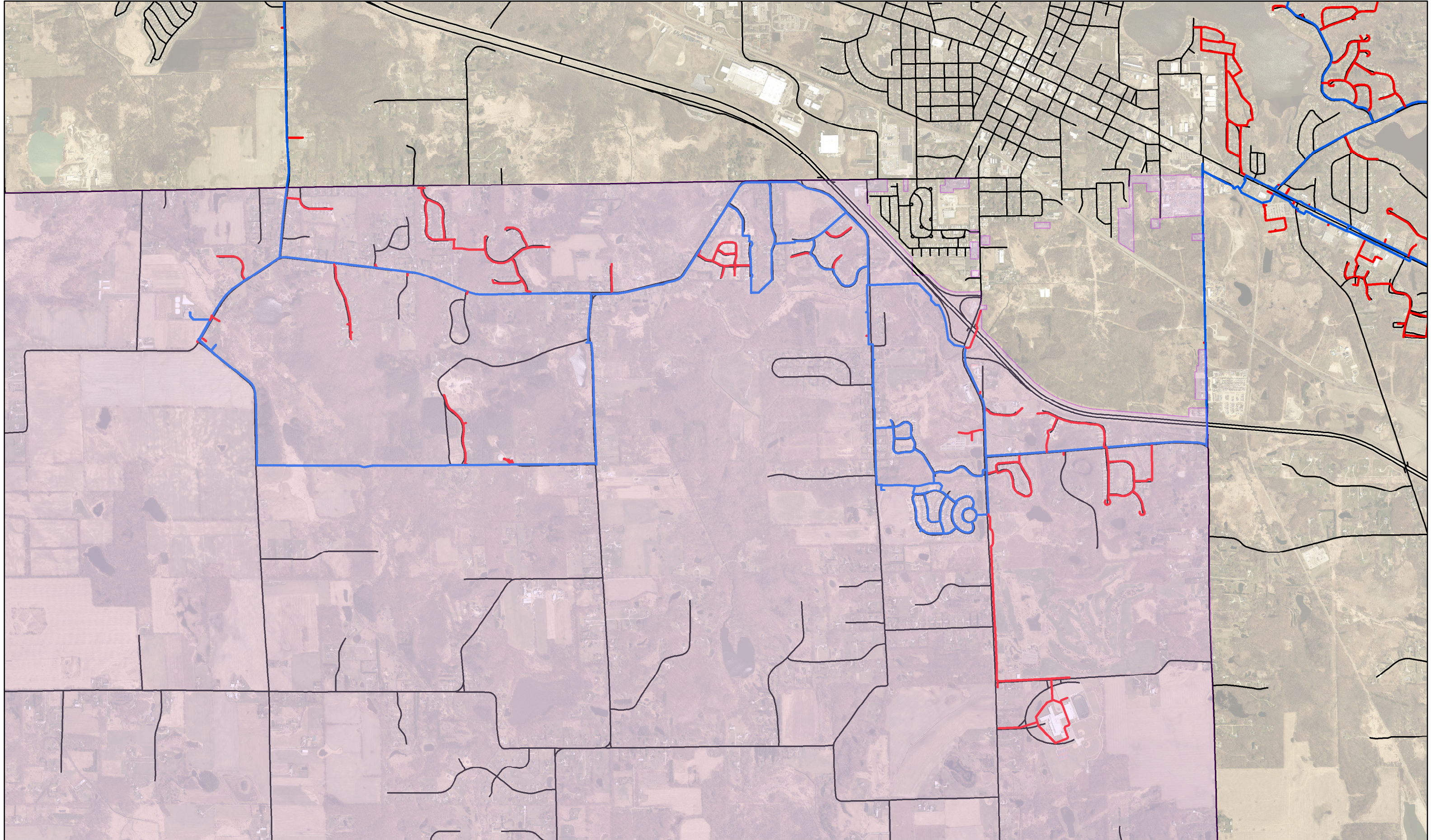
Its: Chairman

By:  _____





Its: Secretary

Schedule 1.0(a)

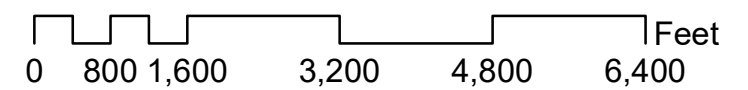
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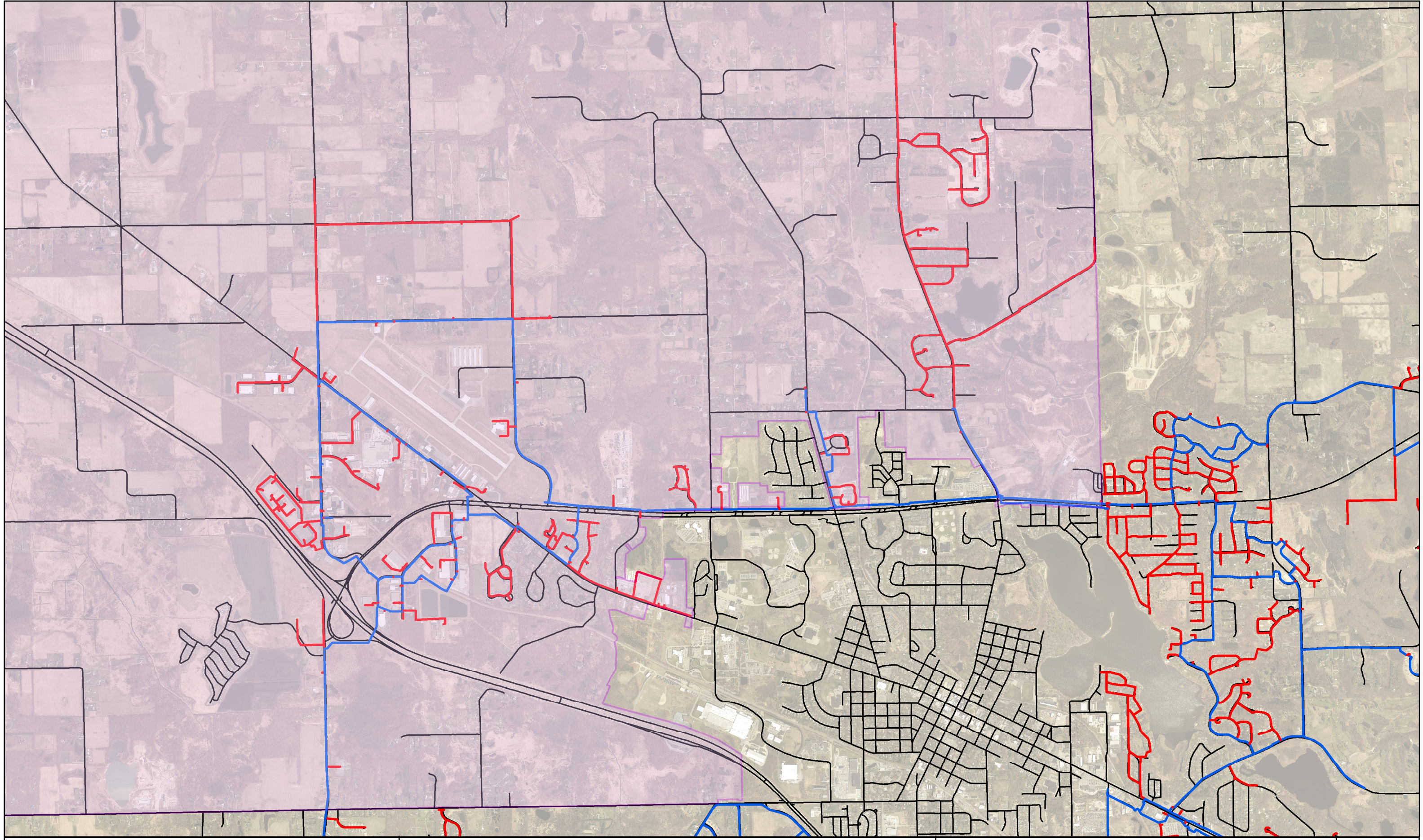


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



-  Marion_Boundary
-  Distribution Main
-  Transmission Main
-  Roads

MHOG Local Distribution Main Marion Township



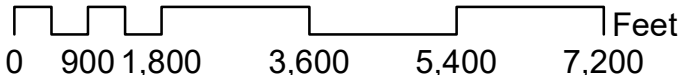



Legend

 Howell Township **Water Main**
 Distribution Main
 Transmission Main
 Roads

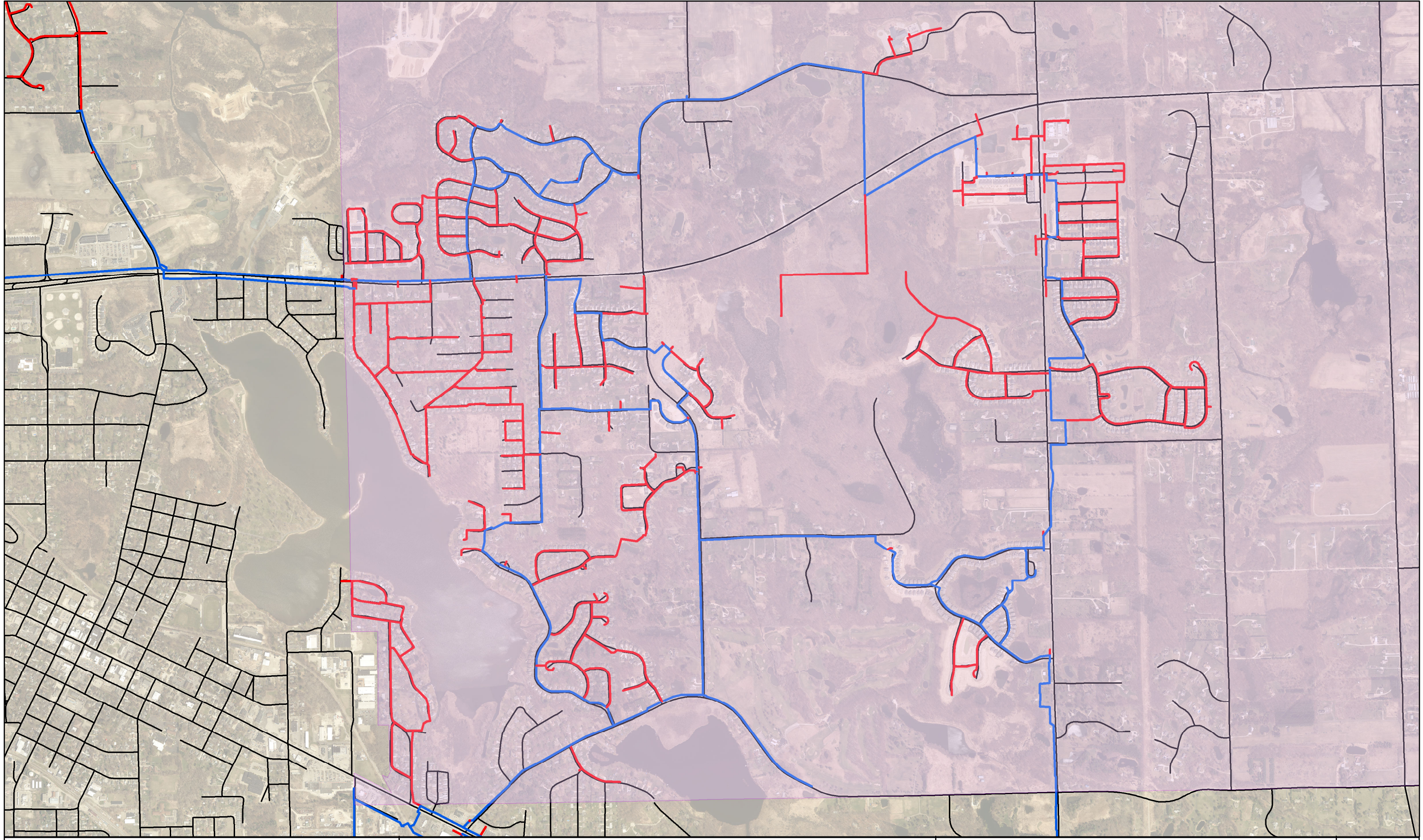
MHOG Local Distribution Main Howell Township

Feet





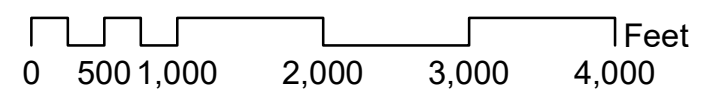


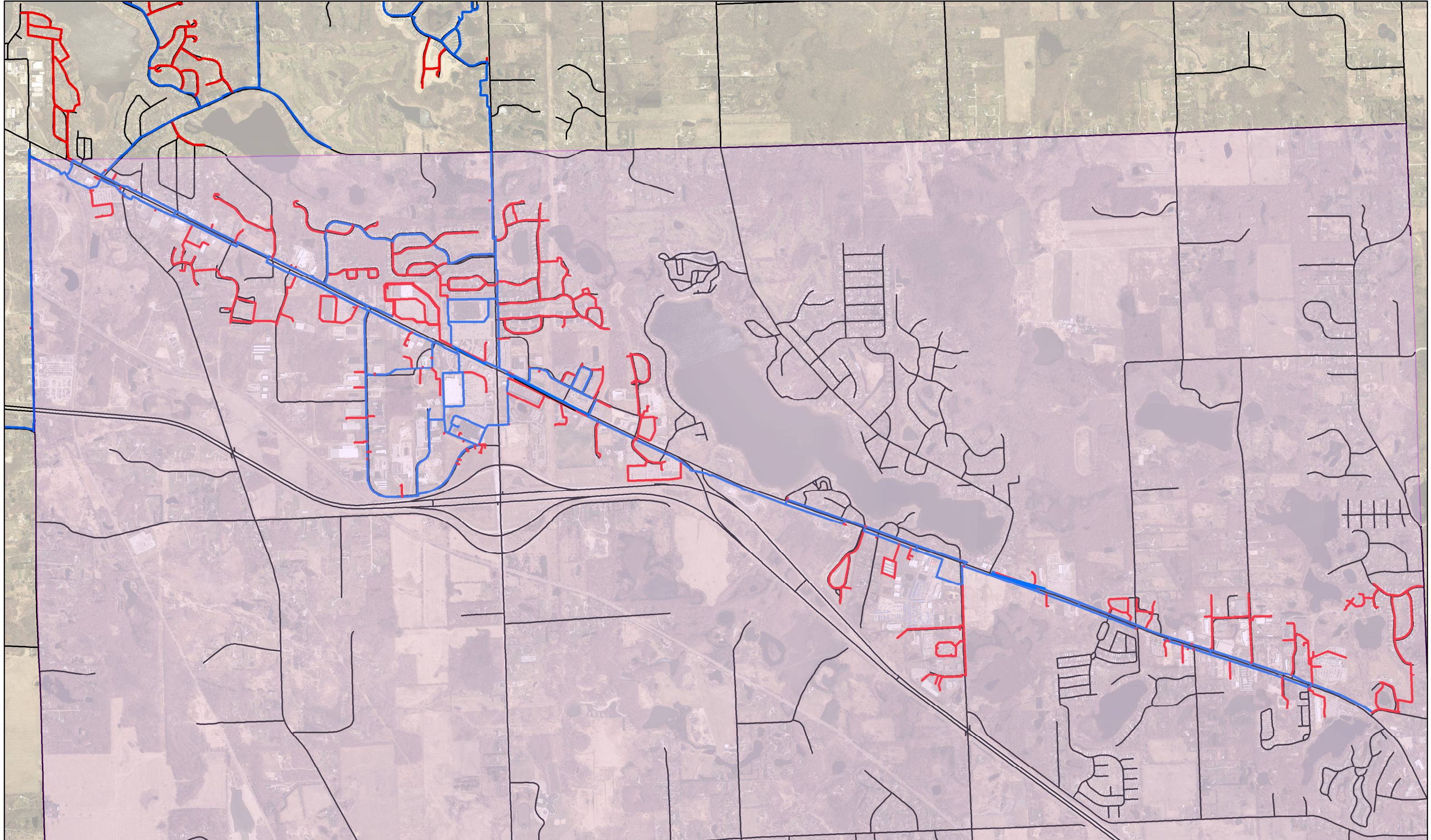


Legend

- Oceola Township
- Water Main**
- Distribution Main
- Transmission Main
- Roads

**MHOG Local Distribution Main
Oceola Township**

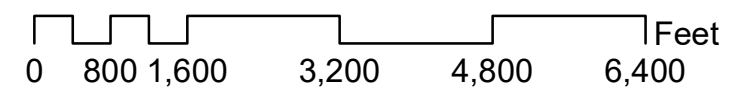




Legend

- Genoa_Boundary
- Distribution Main
- Transmission Main
- Roads

**MHOG Local Distribution Main
Genoa Township**



Schedule 1.0(b)

Amended and Restated Articles of Incorporation

Final Version

AMENDED ARTICLES OF INCORPORATION OF THE
MARION, HOWELL, OCEOLA, AND GENOA SEWER AND WATER AUTHORITY

These Amended Articles of Incorporation are adopted by the incorporating municipal corporations for the purpose of creating an authority under the provisions of Act No. 233, Public Acts of Michigan of 1955, as amended (hereinafter sometimes referred to as the "enabling act").

ARTICLE I

The name of this authority is "Marion, Howell, Oceola, and Genoa Sewer and Water Authority" (hereafter the "Authority"). The registered office of the Authority will be located in the Township Hall of the Township of Oceola, Livingston County, Michigan.

ARTICLE II

The incorporating municipal corporations creating this Authority are the Townships of Marion, Howell, Oceola, and Genoa, all in the County of Livingston, State of Michigan, which are hereby designated as the "constituent municipalities". A single one of the constituent municipalities is hereafter referred to as "municipality" and the constituent municipalities are sometimes referred to as the "municipalities".

ARTICLE III

The purpose of this Authority is to acquire, own, improve, enlarge, extend and operate a sewage disposal system and/or water supply system as defined in the enabling act or any part thereof. The term "water system", as used in these Amended Articles, shall include all water mains, interceptors, laterals, water purification plants, wells, and all other plants, works, instrumentalities and properties used or useful in connection with the obtaining collection, treatment, purification and distribution of water. The term "sewer system" shall include all interceptor sewers, storm sewers, sanitary sewers, combined sanitary and storm sewers, sewage treatment plants, and all other plants, works, instrumentalities and properties used or useful in connection with the collection, treatment, or disposal of sewage or industrial waste.

ARTICLE IV

This Authority shall be a body corporate with power to sue or to be sued in any court of this state. It shall be comprised of the territory lying within the corporate boundaries of its constituent municipalities. It shall possess all of the powers granted by statutes now in effect or hereafter adopted or amended, and by these Amended Articles, which are necessary to carry out the purposes of its incorporation, and those incident thereto. The enumeration of any powers herein or in the enabling act shall not be construed as a limitation upon its general powers unless the context shall clearly indicate otherwise. It shall have a corporate seal.

ARTICLE V

This Authority shall continue in existence perpetually or until dissolved by act of the parties or by law; provided, however, that it shall not be dissolved if such dissolution would or could operate an impairment of the bonds or other contracts.

ARTICLE VI

The fiscal year of this Authority shall commence on the first day of October and end on the last day of September in each year.

ARTICLE VII

The governing body of this Authority shall be a Board of Commissioners, (herein referred to as the "Board"), which shall consist of eight commissioners, one of whom shall be the Township Supervisor and the other of whom shall be a member of the legislative body selected by majority vote of the legislative body of each of the incorporating units. In the event an incorporating unit becomes a city, the Township Supervisor shall be replaced by the City Manager or if there is no City Manager, by the Mayor. Each commissioner shall file his oath of office with the clerk of the constituent municipality within which he resides and with the Secretary of the Authority.

The members of the first Board shall qualify by filing their oaths of office and shall meet for the purpose of organization within ten days after these Amended Articles become effective. Subsequent members of the Board shall qualify by being elected to a term as a member of the Board of Commissioners of the Authority. Subsequent Board members shall file their oaths and qualify in the same manner as the first Board. Subsequent Boards shall meet for their organizational meeting on the second Tuesday of November in each year. At each such organization meeting, the Board shall select a Chairman and Vice-Chairman, who shall be

members of the Board, and a Secretary and a Treasurer who may, but need not, be members of the Board. The offices of Secretary and Treasurer may be combined and held by one person if so provided in the By-Laws. Such officers shall serve until the next annual organizational meeting and until their respective successors shall be selected and qualified. Failure to hold meetings or appoint or select trustees or officers as herein provided shall not render invalid any action taken by the Board or its officers. No appointment of any commissioner or election of any officer, and no action taken at any meeting shall be invalid because it did not occur within or at the time specified in these Amended Articles. Any member of the Board, except Township Supervisors, may be removed for cause at any time by majority vote of the legislative body of the constituent municipality in which he resides. Any officer of the Board may be removed at any time by majority vote of the total membership of the Board.

Each commissioner may receive for service on the Board reasonable compensation to be fixed by the Board. Each commissioner shall be entitled to reimbursement for all expenditures made by him or her in carrying out official duties including a reasonable allowance for traveling expenses.

ARTICLE VIII

In the event of a vacancy on the Board, the legislative body of the constituent municipality who selected such commissioner shall fill the vacancy for the unexpired term. In the case of the temporary absence or disability of any officer, the alternate from the constituent municipality from which the absent or disabled officer was selected shall serve in the place instead of the officer. The alternate at all times shall receive all notices, reports, and minutes which every board member is entitled to receive. In case of the temporary absence or disability of any officer where the alternate is also temporarily absent or disabled, the Board may appoint some other commissioner to temporarily act in his or her stead except that in the event of the temporary absence or disability of the Chairman, the Vice Chairman shall so act.

ARTICLE IX

Regular meetings of the Board shall be held at such time and place as shall be prescribed by resolution or in the By-Laws of the Board. Special meetings of the Board may be called by the Chairman, Secretary or any two members thereof, by serving written notice of the time, place and purpose thereof, upon each member of the Board personally, or by leaving it at his place of residence, at least twenty-four hours prior to the time of such meeting, or by depositing the same in a United States Post Office or mail box within the limits of the Authority, at least seventy-

two hours prior to the time of such meeting, enclosed in a sealed envelope properly addressed to him at his home or office address, with postage fully prepaid. Special meetings of the Board at which all members are present shall be deemed to be valid even though no written notice thereof may have been given as above provided. Any member of the Board may waive notice of any meeting either before or after the holding thereof and written consent to any action taken by the Board shall have the same effect as if the consenting member had been present and had voted in favor of such action. At least five members of the Board shall be required for a quorum. The Board shall act by motion, resolution or ordinance. For the passage of any resolution or ordinance providing for the issuance of bonds, there shall be required the affirmative vote of at least five members of the Board. For all other actions, a majority vote of those present shall be sufficient for passage, unless otherwise provided herein or in the By-Laws. The Board shall have the right to adopt By-Laws and rules governing its procedure which are not in conflict with the terms of any statute or of these Amended Articles. The Board shall keep a journal of its proceedings, which shall be signed by the Secretary. All votes shall be "Yeas" and "Nays", except that where the vote is unanimous, it shall only be necessary to so state. Each member shall be required to vote upon all matters unless he shall be disqualified therefrom. No member may vote upon any matter in which he has a personal interest. No commissioner shall have any financial interest in any contract with the Authority.

ARTICLE X

The Chairman of the Board shall be the presiding officer thereof. In the absence or disability of the Chairman, the Vice-Chairman shall perform the duties of the Chairman. The Secretary shall be the recording officer of the Board. The Treasurer shall be custodian of the funds of the Authority and shall give to it a bond conditioned upon the faithful performance of the duties of his office. The cost of said bond shall be paid by the Authority. All monies shall be deposited in a bank or banks, to be designated by the Board, and all checks or other forms of withdrawal therefrom shall be signed by two officers of the Board as shall be designated in the By-Laws or by resolution of the Board. The officers of the Board shall have such other powers and duties as may be conferred upon them by the Board. The Board shall, prior to August 15 of each year, prepare, adopt and file with the legislative bodies of the constituent municipalities an annual budget for the next fiscal year covering the proposed expenditures to be made for the organizing and operating of the Authority and for the necessary funds required from each constituent municipality for the next fiscal year.

ARTICLE XI

The Authority shall have the power to acquire property necessary for its purpose by purchase, construction, lease, gift, devise or condemnation, either within or without its corporate limits, and may hold, manage, control, sell, exchange or lease such property. For the purpose of condemnation it may proceed under the provisions of Act 149, Public Acts of Michigan, 1911, as now or hereafter amended, or any other appropriate statute.

ARTICLE XII

The Authority and its constituent municipalities may enter into a contract or contracts providing for the acquisition, purchase, construction, improvement, enlargement, extension, operation and financing of a sewage disposal system and/or water supply system or any part thereof as authorized and provided in the enabling act. The Authority may, subject to the prior approval of the constituent municipalities, enter into contracts with any non-constituent city, village or township or metropolitan authority for the furnishing of water or sanitary sewage treatment services or sale or delivery of water, which contract shall provide for reasonable charges or rates for such service furnished. No contracts shall be for a period exceeding forty years.

ARTICLE XIII

Section 1. (a) The Authority and any of its constituent municipalities may enter into a contract or contracts providing for the acquisition, construction, improvement, enlargement, extension, operation, and financing of a sewage disposal system, a water supply system, or a combination of systems which contract or contracts shall provide for the allocation and payment of the share of the total cost to be borne by each contracting municipality in annual installments for a period of not exceeding 40 years. Each contracting municipality may pledge its full faith and credit for the payment of the obligation in the manner and times specified in the contract or contracts, in which event each contracting municipality may include in its annual tax levy an amount sufficient so that the estimated collections from the tax levy will be sufficient to promptly pay when due the portion of the obligation falling due before the time of the following year's tax collection. If the contract or an unlimited tax pledge in support of the contract has been approved by the electors of a municipality, the tax may be in addition to any tax which the municipality may otherwise be authorized to levy and may be imposed without limitation as to rate or amount but shall not be in excess of the rate or amount necessary to pay the contractual obligation. If at the time of making the annual tax levy there are other funds on hand earmarked for the payment of the contractual obligation, then credit for those funds may be

taken upon the annual levy for the payment of the obligation. Other funds may be raised by each contracting municipality by the use of any, or all, or any combination of the following additional methods:

(i) The levy of special assessments on property benefited by a sewage disposal system, water supply system, or a combination of systems, the procedures relative to the levying and collection of the special assessments to conform as near as is applicable to charter or statutory provisions for the levying and collection, except that a petition shall not be required from property owners.

(ii) The levy and collection of rates or charges to users and beneficiaries of the service or services furnished by the sewage disposal system, water supply system, or combination of systems.

(iii) The exaction of connection charges to be paid by owners of land directly or indirectly connected with the sewage disposal system, water supply system, or combination of systems.

(iv) The receipt of money derived from the imposition of taxes by this state, except as the use of the money for the purpose is expressly prohibited by the state constitution of 1963.

(v) The receipt of other funds which may be validly used for the purpose.

(b) The contract or contracts may provide for any and all matters relating to the acquisition, construction, operation and financing of the sewage disposal system, water supply system, or combination of systems as are considered necessary, including authorization to the Authority to issue bonds secured by the full faith and credit pledges of the contracting municipalities, as authorized by Section 3. The contract or contracts may provide for appropriate remedy or remedies in case of default.

Section 2.(a) A municipality desiring to enter into a contract with the Authority under Section 1 shall authorize, by resolution of its governing body, the execution of the contract. After the adoption of the resolution, a notice of the resolution shall be published in a newspaper of general publication in the municipality, which notice shall state:

(i) That the governing body has adopted a resolution authorizing execution of the contract.

(ii) The purpose of the contract.

(iii) The source of payment for the contractual obligation.

(iv) The right of referendum on the contract.

(v) Other information as the governing body determines to be necessary to adequately inform all interested persons of the nature of the obligation.

(b) The contract may be executed and delivered by the municipality upon approval by its governing body without a vote of the electors on the contract, but the contract shall not become effective until the expiration of 45 days after the date of publication of the notice. If within the 45-day period a petition signed by not less than 10% or 15,000, whichever is less, of the registered electors residing within the limits of the municipality is filed with the clerk of the municipality requesting a referendum upon the contract, the contract shall not become effective until approved by the vote of a majority of the electors of the municipality qualified to vote and voting on the question at a general or special election. If a municipality has, before the effective date of this subsection, published a resolution authorizing the execution of a contract under this section in substantial compliance with this section before this subsection takes effect, and the referendum period formerly provided by this section has expired, but the bonds have not been issued, the resolution and the publication of the resolution are valid and if a petition for a referendum on execution of the contract has not been or is not signed and filed within the time period formerly provided by this section, the contract may be executed and shall become effective without submitting the proposition for approval to the electors, or if a petition has been or is so signed and filed, the contract may be executed and become effective if approved at an election as formerly provided in this section. A special election called for the purpose provided in this section shall not be included in any statutory or charter limitation as to the number of special elections to be called within any period of time. Signatures on the petition shall be verified by some person or persons under oath, as the actual signatures of the persons whose names are signed to the petition, and the clerk of the municipality shall have the same power to reject signatures as city clerks under section 25 of Act No. 279 of the Public Acts 1909, as amended, being section 117.25 of the Michigan Compiled Laws. The number of registered electors in any municipality shall be determined by the registration books as of the date of the filing of the petition.

Section 3. For the purpose of obtaining funds for the acquisition, construction, improving, enlarging, or extending of the sewage disposal system, water supply system, or combination of systems authorized by the enabling act, the Authority, after the execution of the contract or contracts authorized by Sections 1 and 2, upon ordinance or resolution adopted by the Authority, may issue its negotiable bonds secured by the full faith and credit pledges made by each contracting municipality pursuant to authorization contained in the enabling act and the contract or contracts entered into pursuant to Sections 1 and 2. The bonds shall mature over not more than 40 years from the date of

issuance, and may provide for the use of money received from the sale of the bonds to pay operation and maintenance costs of a sewage disposal system or water supply system before receipt of the first revenues from the bonds. Except as otherwise provided in the enabling act, the bonds shall be issued and sold and subject to all other applicable provisions of Act No. 202 of the Public Acts of 1943, as amended, being sections 131.1 to 138.2 of the Michigan Compiled Laws. The ordinance or resolution authorizing the issuance of the bonds shall have embodied in the bonds the terms of the contract or contracts authorized by Sections 1 and 2.

Section 4. Instead of the provisions in Section 1, 2, and 3 in respect to the acquisition, construction, improvement, enlargement, extension, or financing of a sewage disposal system, water supply system, or a combination of systems, the Authority may elect to proceed under the provisions of Act No. 94 of the Public Acts of 1933, as amended, being sections 141.101 to 141.139 of the Michigan Compiled Laws, or any other act authorizing the issuance of revenue bonds, by which the financing of a project would be consummated by the issuance of revenue bonds payable from the revenues of the system or systems, if the charges and rates for service are sufficient to satisfy the provisions of the act under which revenue bonds shall be issued. A project may be financed in part under the provisions of Sections 1, 2, and 3 and in part as permitted under this section.

ARTICLE XIV

The Board shall have power to secure all necessary services and to hire all necessary officers and employees to carry out the functions of the Authority and to fix the compensation therefor; provided, however, that no officer or employee of any constituent municipality shall receive any compensation from the Authority except by the unanimous vote of the total membership of the Board.

ARTICLE XV

The Board shall cause an annual audit to be made of its financial transactions by an independent certified public accountant and shall furnish at least five copies thereof to each constituent municipality.

ARTICLE XVI

These Amended Articles shall be published once in the Livingston County Press, a newspaper having general circulation within the territorial limits of the Authority, and one printed copy of the Amended Articles, certified as a true copy thereof, with the date and place of publication, shall be filed with both

the Secretary of State and the Clerk of the County of Livingston within thirty days after the execution thereof has been completed. The Township Clerk of the Township of Marion, the Township Clerk of the Township of Howell, the Township Clerk of the Township of Oceola and the Township Clerk of the Township of Genoa are hereby designated as the persons to cause these Amended Articles to be published, certified, and filed as aforesaid.

ARTICLE XVII

This Authority shall become effective upon the filing of certified copies of these Amended Articles as provided in the preceding Article.

ARTICLE XVIII

These Amended Articles of Incorporation may be amended at any time so as to permit any other municipality to become a constituent municipality of this Authority, if such amendment and the Amended Articles of Incorporation as so amended are adopted by the legislative body of such other municipality and if such amendment is adopted by the legislative body of each constituent municipality of which the Authority is composed. Other amendments may be made to these Amended Articles of Incorporation at any time, if adopted by the legislative body, of each constituent municipality of which the Authority is composed. Any such amendment shall be endorsed, published, and certified, and printed copies thereof filed in the same manner as the original Amended Articles of Incorporation, except that the filed and printed copies shall be certified by the recording officer of this Authority.

These Amended Articles have been adopted by the several incorporating municipalities, as hereinafter set forth in the following endorsements, and in witness whereof, the Supervisor and Clerk of the Township of Marion, Supervisor and Clerk of the Township of Howell, the Supervisor and Clerk of the Township of Oceola, and the Supervisor and Clerk of the Township of Genoa have endorsed thereon the statement of such adoption.

I HEREBY CERTIFY that the within Amended Articles of Incorporation were duly adopted by the respective legislative bodies of the incorporating units as aforesaid.

Evelyn Cornell
Secretary,
Marion, Howell, Oceola and Genoa
Sewer and Water Authority

TOWNSHIP OF MARION

The foregoing Amended Articles of Incorporation were adopted by the Township Board of the Township of Marion, Livingston County, Michigan, at a meeting duly held on the 8th day of February, 1996.

Richard L. Irish
Supervisor of the Township of
Marion

Myrna Schlittler
Clerk of the Township of Marion

TOWNSHIP OF OCEOLA

The foregoing Amended Articles of Incorporation were adopted by the Township Board of the Township of Oceola, Livingston County, Michigan, at a meeting duly held on the 1st day of February, 1996.

Joseph L. Richards
Supervisor of the Township of
Oceola

Nancy Salmon
Clerk of the Township of Oceola

TOWNSHIP OF HOWELL

The foregoing Amended Articles of Incorporation were adopted by the Township Board of the Township of Howell, Livingston County, Michigan, at a meeting duly held on the 26th day of February, 1996.

Ray Maher
Supervisor of the Township of
Howell

Jane Cartwright
Clerk of the Township of Howell

TOWNSHIP OF GENOA

The foregoing Amended Articles of Incorporation were adopted by the Township Board of the Township of Genoa, Livingston County, Michigan, at a meeting duly held on the 5th day of February, 1996.

Robert R. Murray
Supervisor of the Township of
Genoa

Paulette A. Skolarus
Clerk of the Township of Genoa

user2.liv19-es

Schedule 2.1

Prior Agreements that have been Terminated*

* Copies of the Operation and Maintenance Service Contracts between the Authority and the Townships of Genoa, Marion and Ocoola are not attached to this Schedule 2.1.

Final Version

EMC

MARION, HOWELL, OCEOLA AND GENOA
SEWER AND WATER AUTHORITY
COMMON ELEMENTS AGREEMENT

THIS AGREEMENT DATED AS OF NOVEMBER 1, 1996 BY AND AMONG THE FOLLOWING PARTIES NAMED:

WHEREAS, the townships of Genoa, Howell, Marion and Oceola (the "Townships"), Livingston County, have agreed to operate a Joint Water System (the "System") through the Marion, Howell, Oceola and Genoa Sewer and Water Authority (the "Authority") and;

WHEREAS, each of the Townships have or are constructing part of the System within their territorial boundaries; and

WHEREAS, each of the Townships have constructed or acquired component parts of the System which are of benefit to the Townships as a whole and;

WHEREAS, the Authority and the Townships wish to agree on what shall constitute the common elements ("Common Elements") of the System.

WITNESSETH, NOW, THEREFORE THE TOWNSHIPS OF GENOA, HOWELL, MARION AND OCEOLA, LIVINGSTON COUNTY, MICHIGAN, AND THE MARION, HOWELL, OCEOLA AND GENOA SEWER AND WATER AUTHORITY AGREE, as follows:

1. The Townships and the Authority agree that the Common Elements Policy, attached hereto as Exhibit A, shall govern any and all matters which may arise as to the division of and allocation of costs for any components of the System.

2. The Joint Water System, as it currently exists, consists of water lines, water storage tanks, water wells, booster pumps and control valves, a joint water treatment plant and related appurtenances.

3. The cost allocations contained in Exhibit B are agreed to among the Townships and the Authority and each of the Townships shall receive credit for the payments made as

set forth in Exhibit B. Any of the Townships which has contributed more than 1/4 of the total cost of the Common Elements or which has contributed less than 1/4 of the total cost of the Common Elements shall be entitled to either reimbursement for the excess or required to contribute the amount of the shortfall. Those Townships entitled to a reimbursement shall receive the same from the Authority which shall receive all contributions required to be made.

4. In the event that any one or more of the provisions of this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement, but this Agreement shall be construed as if such invalid, illegal or unenforceable provisions had never been contained herein.

5. This Agreement shall become binding upon the Townships and the Authority upon execution.

6. This Agreement may be executed in several counterparts each of which shall be deemed one and the same Agreement. It shall be binding upon and inure to the benefit of the parties to it and their respective successors and assigns.

7. This Agreement shall be interpreted under the laws of the State of Michigan.

8. Each party warrants and represents that the execution and performance of this Agreement have been duly authorized by all necessary action and do not contravene any policy, resolution or controlling rule.

9. This Agreement sets forth the entire Agreement between the Townships and the Authority with respect to the subject matter of this Agreement.

10. The use in this Agreement of the singular shall be deemed to be and include the plural (and vice versa) where applicable.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and delivered, by their respective

duly authorized officers, all as of the day and year first above written.

TOWNSHIP OF GENOA

By: Robert Messing
Its: Supervisor

By: Donald A. Sullivan
Its: Clerk

TOWNSHIP OF HOWELL

By: Raymond A. Markov
Its: Supervisor

By: Gene Cartwright
Its: Clerk

TOWNSHIP OF MARION

By: Richard L. Kirk
Its: Supervisor

By: Myra S. Little
Its: Clerk

TOWNSHIP OF OCEOLA

By: Joseph F. Perkins
Its: Supervisor

By: Prue Salmon
Its: Clerk

MARION, HOWELL, OCEOLA & GENOA
SEWER AND WATER AUTHORITY

By: Richard L. Kirk
Its: Chairman

By: Evelyn Cornell
Its: Secretary

WITNESSES:

Robert Messing

EXHIBIT A

GENOA, HOWELL, MARION & OCEOLA JOINT WATER SYSTEM
COMMON ELEMENTS POLICY

WHEREAS, the townships of Genoa, Howell, Marion and Oceola (the "Townships"), Livingston County, have agreed to operate a Joint Water System (the "System") through the Marion, Howell, Oceola and Genoa Sewer and Water Authority (the "Authority") and;

WHEREAS, each of the Townships have or are constructing part of the System within their territorial boundaries; and

WHEREAS, each of the Townships have constructed or acquired component parts of the System which are of benefit to the Townships as a whole and;

WHEREAS, the Authority and the Townships wish to agree on a policy (the "Common Elements Policy") as to what shall constitute the common elements of the System.

The Common Elements Policy shall be as follows:

1. Water Lines

A. 12 Inches or Less

Each of the Townships shall pay for all improvements to the water system constructed within its township limits in so far as such improvements, trunk and lateral water lines and all costs connected therewith, including engineering and other professional fees, provided such lines are 12 inches in diameter or less.

B. In Excess of 12 Inches

All improvements to the System involving water lines oversized in excess of 12 inches shall be a Common Element cost which shall be arrived at by deducting from the

actual cost of the oversized lines the estimated cost of installing a similar 12 inch line.

2. Water Storage Tanks

Each of the Townships shall be responsible for installing a water storage tank within its township. No part of the cost of a water storage tank shall be regarded as a common element.

3. Water Wells

The cost of all water wells shall be regarded as a common element. Such costs shall include, but not be limited to, the cost of acquisition of land, easements, surveys, hydrogeological studies and testing, pumps, legal services related to obtaining land or easements and the costs of all legal and engineering services related to construction of the wells.

4. Booster Pumps and Control Valves

All booster pumps and control valves necessary to constructing and maintaining a joint operation of the System shall be a common element. The design of the System anticipates that one additional booster pump estimated to cost (at current prices) approximately \$100,000 will be installed in the future.

5. Joint Water Treatment Plant

The Joint Water Plant and all costs related thereto.

EXHIBIT B

COST ALLOCATIONS AND
ACKNOWLEDGMENT OF EXPENDITURES

Total Cost of Common Elements \$1,996,228.47
(Excluding Water Treatment Plant)

Amount to be Paid by each Township 499,057.12

Amount Contributed to Date by each Township:

<u>Township</u>	<u>Amount</u>
Genoa	\$ 370,655.80
Howell	964,527.27 ✓
Marion	405,523.20
Oceola	<u>255,522.20</u>

Total Common Element
Costs Excluding the Water
Treatment Plant \$1,996,228.47

The Following Townships shall pay to the Authority the following amounts:

<u>Township</u>	<u>Amount</u>
Genoa	\$ 128,401.32 ✓
Marion	93,533.92 ✓
Oceola	<u>243,534.92</u> ✓
Total	\$ 465,470.16 ✓

The Authority shall pay to the Township of Howell the following amount: \$465,470.16

THE SUPPORTING DATA FROM EACH OF THE
FOUR TOWNSHIPS IS ATTACHED HERETO

MEMORANDUM

TO: Joseph Richards, Robert Murray, Richard Irish and Ray Mahar
 FROM: Gary Markstrom, P.E.
 DATE: October 15, 1996
 SUBJECT: MHOG Common Elements

As requested, we have reviewed our records to determine the oversizing costs in the West Grand River, Thompson Lake, and Chicago Road Water Improvements Projects which could be considered as common costs to the MHOG water system.

Chicago Road, Oceola Township

In the Chicago Road Project, the size of the water main on Industrial Drive was increased from 12 inch to 16 inch. The bore across the railroad was increased from 24 inch to 36 inch and a pressure reducing valve was installed on University Drive.

Item	Quantity	Oversized Unit Cost	Unit Cost	Unit Cost Differential	Oversize Cost
16" DIP Water Main	1131 LF	\$44.00	\$27.00	\$17.00	\$19,227.00
16" Butterfly Valve	3 EA	\$1,800.00	\$1,000.00	\$800.00	\$2,400.00
36" Casing Pipe	51 LF	\$195.00	\$160.00	\$35.00	\$1,785.00
Pressure Reducing Valve (PRV)	1 LS	\$14,551.00	N/A	\$14,551.00	\$14,551.00
PRV Engineering (12%)	1 LS	\$1,746.00	N/A	\$1,746.00	\$1,746.00
Total					\$39,709.00

Thompson Lake, Oceola Township

In the Thompson Lake project, the size of the water main on M-59 was increased from 12 inches to 16 inches. The bore across M-59 was increased from 24 inches to 36 inches and a pressure reducing valve vault was installed on Golf Club Road.

Item	Quantity	Oversized Unit Cost	Unit Cost	Unit Cost Differential	Oversize Cost
16" DIP Water Main	3148 LF	\$42.00	\$27.00	\$15.00	\$47,220.00
16" Butterfly Valve	7 EA	\$2,100.00	\$900.00	\$1,200.00	\$8,400.00
36" Casing Pipe	65 LF	\$240.00	\$160.00	\$80.00	\$5,200.00
Pressure Reducing Valve (PRV)	1 LS	\$26,500.00	N/A	\$26,500.00	\$26,500.00
Instrumentation (INS)	1 LS	\$67,000.00	N/A	\$67,000.00	\$67,000.00
PRV & INS Engineering (12%)	1 LS	\$11,220.00	N/A	\$11,220.00	\$11,220.00
Mason Road Well and WTP Site		\$50,273.20		\$50,273.20	\$50,273.20
Total					\$215,813.20

West Grand River, Genoa Township

In the West Grand River project, portions of the water main were increased from 12 inches to 16 inches. The casing pipe under Latson Road was increased from 24 inches to 36 inches and the booster station was constructed on Industrial Drive.

Division A

Item	Quantity	Oversized Unit Cost	Unit Cost	Unit Cost Differential	Oversize Cost
16" DIP Water Main	2174 LF	\$34.00	\$28.00	\$6.00	\$13,044.00
16" Butterfly Valve	8 EA	\$2,500.00	\$700.00	\$1,800.00	\$14,400.00
16" PVC Water Main	1272 LF	\$38.00	\$31.35	\$6.65	\$8,458.80
36" Casing Pipe	85 LF	\$250.00	\$90.00	\$160.00	\$13,600.00
Total					\$49,502.80

Division B

Item	Quantity	Oversized Unit Cost	Unit Cost	Unit Cost Differential	Oversize Cost
Booster Pump Station (BPS)	1 LS	\$286,744.00	N/A	\$286,744.00	\$286,744.00
BPS Engineering (12%)	1 LS	\$34,409.00	N/A	\$34,409.00	\$34,409.00
Total					\$321,153.00

Water Tower

In addition to the oversized lines, a 500,000 gallon water tower was constructed in Genoa and Oceola Township.

Township	Cost
Genoa	\$590,936.00
Oceola	\$551,400.00
Total	\$1,142,336.00

Totals

Project	Township	Oversize Cost
Chicago Road Water Improvements	Oceola	\$39,709.00
Thompson Lake Water Improvements	Oceola	<u>\$215,813.20</u>
Subtotal (Oceola Township)		\$255,522.20
West Grand River Water Improvements	Genoa	
Division A		\$49,502.80
Division B		<u>\$321,153.00</u>
Subtotal (Genoa Township)		\$370,655.80
Total		\$626,178.00

We trust this meets your needs at this time. If you have any questions or comments, please call us.

:lh
 0651.005.40



WOLVERINE ENGINEERS AND SURVEYORS, INC.

312 North St., Mason, Michigan 48854 PHONE (517) 676-9200 FAX (517) 676-9196

October 18, 1996

Summary of Howell Township Common Element Costs

**Division A - Scarlett Construction Company
Installation Oversizing Costs**

Item	Quantity	Unit	Oversized Unit Cost	Unit Cost	Unit Cost Differential	Oversize Cost
20" DI Pipe w/Class A Backfill	659	LF	\$20.12	\$13.39	\$6.73	\$4,435.07
20" DI Pipe w/Class B Backfill	9975	LF	\$12.62	\$12.39	\$0.23	\$2,294.13
36" Dia Steel Casing	460	LF	\$190.00	\$150.00	\$40.00	\$18,400.00
20" Butterfly Valve in Wall	11	EA	\$1,598.90	\$234.50	\$1,364.40	\$15,008.40
3" SCH 40 Control Conduit	440	LF	\$2.01	\$0.00	\$2.01	\$884.40
Total						\$41,022.00

**Material Oversizing Costs
ETNA Supply - Pipe**

Item	Quantity	Unit	Oversized Unit Cost	Unit Cost	Unit Cost Differential	Oversize Cost
20" DI Pipe	12119	LF	\$26.30	\$13.31	\$12.99	\$157,425.81
Total						\$157,425.81

East Jordan Iron Works - Valves

Item	Quantity	Unit	Oversized Unit Cost	Unit Cost	Unit Cost Differential	Oversize Cost
20" Butterfly Valve	13	EA	\$1,750.00	\$675.00	\$1,075.00	\$13,975.00
Total						\$13,975.00

**Division B - Rothenberger Company, Inc.
Installation Oversizing Costs**

Item	Quantity	Unit	Oversized Unit Cost	Unit Cost	Unit Cost Differential	Oversize Cost
16" DI Pipe w/Class A Backfill	205	LF	\$17.38	\$14.58	\$2.80	\$574.00
16" DI Pipe w/Class B Backfill	6863	LF	\$12.63	\$10.68	\$1.95	\$13,382.85
16" DI Pipe w/Class B - Modified Backfill	829	LF	\$14.63	\$12.68	\$1.95	\$1,616.55
16" Butterfly Valve w/Gate Well	7	EA	\$2,231.60	\$200.60	\$2,031.00	\$14,217.00
16" HDPE - Directionally Bored	160	LF	\$185.00	\$155.00	\$30.00	\$4,800.00
16" DI Pipe in Steel Casing	160	LF	\$13.03	\$10.35	\$2.68	\$428.80
30" Steel Casing	160	LF	\$183.00	\$158.00	\$25.00	\$4,000.00
Total						\$39,018.20



WOLVERINE ENGINEERS AND SURVEYORS, INC.

312 North St., Mason, Michigan 48854 PHONE (517) 676 9200 FAX (517) 676 9196

**Material Oversizing Costs
Clow Water Systems - Pipe**

Item	Quantity	Unit	Oversized Unit Cost	Unit Cost	Unit Cost Differential	Oversize Cost
16" DI Pipe	9050	LF	\$19.74	\$13.08	\$6.66	\$60,273.00
Total						\$60,273.00

WaterPro Supply - Valves

Item	Quantity	Unit	Oversized Unit Cost	Unit Cost	Unit Cost Differential	Oversize Cost
16" Butterfly Valve w/Gate Well	12	EA	\$2,140.00	\$740.00	\$1,400.00	\$16,800.00
Total						\$16,800.00

HMO 16" Well & Well House

Item	Quantity	Unit	Oversized Unit Cost	Unit Cost	Unit Cost Differential	Oversize Cost
Well & Well House Construction	1	EA	\$331,739.30	n/a	\$331,739.30	\$331,739.30
Generator & Transfer Switch	1	EA	\$48,617.00	n/a	\$48,617.00	\$48,617.00
Well & Well House Engineering	1	EA	\$25,920.65	n/a	\$25,920.65	\$25,920.65
Well & Well House Construction Observation	1	EA	\$7,290.40	n/a	\$7,290.40	\$7,290.40
Total						\$413,567.35

Total Cost of Oversizing In Howell Township	\$742,082.37
Howell Twp. Expenditures as of May 31, 1996	<u>\$222,444.90</u>
Total Common Element Contribution	\$964,527.27

Note: See attached report for the summary of the \$222,444.90 expenditures as of May 31, 1996.

MARION-HOWELL-OCEOLA-GENOA SWATH
COMMON ELEMENTS - COSTS FOR CONSTRUCTION
HOWELL TOWNSHIP
AS OF MAY 31, 1996

DESCRIPTION	COSTS
START UP FUNDS FOR SWATH 02/02/94 CK 3870	500.00
START UP FUNDS FOR SWATH 06/28/94 CK 4222	500.00
START UP FUNDS FOR SWATH 07/01/94 CK 4237	500.00
START UP FUNDS FOR SWATH 11/22/94 CK 4510	1,000.00
START UP FUNDS FOR SWATH 06/26/95 CK 4013	2,000.00
NORTON ROAD - LAND COSTS FOR WELL SITE PER AUDIT OF TOWNSHIP (DATE ???)	11,568.00
BROWN WELL DRILLING INV 90000657 06/21/90 WELL DRILLING RELATED COSTS	27,022.11
BROWN WELL DRILLING 06/22/90 INV ??? WELL DRILLING RELATED COSTS	8,539.55
WOLVERINE ENGINEERS 07/03/90 INV 139 CK 1590 ENGINEERING FEES RE: WELL SITE	2,599.00
WOLVERINE ENGINEERS, INV 93233 06/17/93 CK 3610 DATED 07/02/93 TO OBTAIN WETLAND PERMIT FOR NORTON RD WELL	6,191.97
BROWN WELL DRILLING 06/02/93 CK 3609 PD 07/02/93 SIX INCH TEST WELL BERRY FARM TEST WELL	19,896.37
WOLVERINE ENGINEERS INV 93232 06/18/93 SIX INCH TEST WELL CK 3610 BERRY FARM TEST WELL	3,018.70
BROWN WELL DRILLING CK 4620 INV 1 12/20/94	14,275.00
BROWN WELL DRILLING CK 4828 INV 2 05/08/95	38,820.93
BROWN WELL DRILLING CK 4889 INV 3 06/14/95 SITE WORK TEST PRODUCTION WELL IN SECTION 5	2,239.00
WOLVERINE ENGINEERS INV 95182 06/05/95 ENG. SERVICES RELATED TO JOINT SERV. COM.	1,697.00
WOLVERINE ENGINEERS INV 95224 06/21/95 FOR SECTION 5 WELL	7,469.40

MARION-HOWELL-OCEOLA-GENOA SWATH
 COMMON ELEMENTS - COSTS FOR CONSTRUCTION
 HOWELL TOWNSHIP
 AS OF MAY 31, 1996

<u>DESCRIPTION</u>	<u>COSTS</u>
TRANS-WEST WATERMAIN (1990) NO INV. FOUND???	78,636.67
PER GOV. SERVICES COMMISSION REQUEST FOR PMT. FOR LEGAL FEES - WORK TOWARD WATER AGREEMENT - LETTER DATED 2/17/95 CK 4681 2/28/95	971.20
START UP FUNDS FOR SWATH 4/26/96	1,300.00
 TOTAL	 <u>226,744.90 222,444.90</u>



WOLVERINE ENGINEERS AND SURVEYORS, INC.

312 North St., Mason, Michigan 48854 PHONE (517) 676-9200 FAX (517) 676-9296

October 18, 1996

Summary of Marion Township Common Element Costs

**Division A - Rothenberger Company, Inc.
Installation Oversizing Costs**

Item	Quantity	Unit	Oversized Unit Cost	Unit Cost	Unit Cost Differential	Oversize Cost
16" DI Pipe w/Class A Backfill	710	LF	\$19.78	\$19.03	\$0.75	\$532.50
16" Butterfly Valve	36	LF	\$300.00	\$71.34	\$228.66	\$8,231.76
Install 16" DI Pipe In Steel Casing	1025	LF	\$29.70	\$22.40	\$7.30	\$7,482.50
Total						\$16,246.76

**Material Oversizing Costs
Clow Water Systems - Pipe**

Item	Quantity	Unit	Oversized Unit Cost	Unit Cost	Unit Cost Differential	Oversize Cost
16" DI Pipe	30295	LF	\$21.67	\$14.37	\$7.30	\$221,153.50
Total						\$221,153.50

Michigan Pipe & Valve - Lansing, Inc. - Valves

Item	Quantity	Unit	Oversized Unit Cost	Unit Cost	Unit Cost Differential	Oversize Cost
16" Butterfly Valve	38	EA	\$1,272.00	\$313.66	\$458.34	\$16,500.24
Total						\$16,500.24

**Division B - Rothenberger Company, Inc.
Installation Oversizing Costs**

Item	Quantity	Unit	Oversized Unit Cost	Unit Cost	Unit Cost Differential	Oversize Cost
20" DI Pipe w/Class A Backfill	90	LF	\$29.79	\$19.03	\$10.76	\$968.40
16" Butterfly Valve	12	LF	\$300.00	\$71.34	\$228.66	\$2,743.92
Total						\$3,712.32



WOLVERINE ENGINEERS AND SURVEYORS, INC.

312 North St., Mason, Michigan 48854 PHONE (517) 676-9200 FAX (517) 676-9396

**Material Oversizing Costs
Clow Water Systems - Pipe**

<i>Item</i>	<i>Quantity</i>	<i>Unit</i>	<i>Oversized Unit Cost</i>	<i>Unit Cost</i>	<i>Unit Cost Differential</i>	<i>Oversize Cost</i>
20" DI Pipe	90	LF	\$28.36	\$14.37	\$13.99	\$1,259.10
16" DI Pipe	9700	LF	\$21.67	\$14.37	\$7.30	\$70,810.00
Total						\$72,069.10

Michigan Pipe & Valve - Lansing, Inc. - Valves

<i>Item</i>	<i>Quantity</i>	<i>Unit</i>	<i>Oversized Unit Cost</i>	<i>Unit Cost</i>	<i>Unit Cost Differential</i>	<i>Oversize Cost</i>
16" Butterfly Valve	12	EA	\$1,272.00	\$813.66	\$458.34	\$5,500.08
Total						\$5,500.08

Total Cost of Oversizing In Marion Township	\$335,182.00
Marion Twp. Expenditures as of May 31, 1996	<u>\$70,341.20</u>
Total Common Element Contribution	\$405,523.20

Note: See attached report for the summary of the \$70,341.20 expenditures as of May 31, 1996.

MARION-HOWELL-OCEOLA-GENOA SWATH
 COMMON ELEMENTS - COSTS FOR CONSTRUCTION
 MARION TOWNSHIP
 AS OF MAY 31, 1996

DESCRIPTION	COSTS
START-UP FUNDS FOR SWATH 12/13/83 CK 8798	500.00
START-UP FUNDS FOR SWATH 05/23/94 CK 9032	500.00
START-UP FUNDS FOR SWATH 07/18/94 CK 9123	500.00
START-UP FUNDS FOR SWATH 10/17/94 CK 9245	1,000.00
START-UP FUNDS FOR SWATH 04/17/95 CK 9540	2,000.00
PMT. TO CHARLES GARLOCK CK 9021 05/16/94 SURVEY FOR PROPERTY	1,187.50
PMT. TO BARBARA DANIEL CK 8999 05/02/94 DOWN PMT. FOR LAND - WELL SITE AREA	1,000.00
PMT. TO KLINE REAL ESTATE CK 9022 05/16/94 FOR PURCHASE OFFER RESEARCH FOR LAND	150.00
PMT. TO BARBARA DANIEL CK 9266 10/20/94 PORTION OF \$55,000 TOTAL LAND COST	28,981.26
PMT. TO METROPOLITAN TITLE INS. CK 9268 10/20/94 PD AT CLOSING FOR CLOSING FEES FOR PURCHASE OF LAND	315.00
PMT. TO REGISTER OF DEEDS CK 9267 10/20/94 CLOSING FEES FOR PURCHASE OF LAND	15.00
PMT. TO BARBARA DANIEL FOR PAYOFF OF LAND CK 9411 01/16/95	25,018.74
LEGAL FEES PARKER, MILLER, KEHOE	
INV 14510, 05/02/94	34.00
INV 14512, 05/02/94	37.00
INV 14606, 06/01/94	25.50
INV 14608, 06/01/94	42.50
INV 14663, 07/01/94	123.00
INV 14726, 08/01/94	144.50
INV 14803, 09/01/94	170.00
INV 14874, 10/01/94	302.02
INV 14953, 11/01/94	434.48
INV 15180, 02/01/95	132.00

MARION-HOWELL-OCEOLA-GENOA SWATH
 COMMON ELEMENTS - COSTS FOR CONSTRUCTION
 MARION TOWNSHIP
 AS OF MAY 31, 1996

DESCRIPTION	COSTS
WOLVERINE ENGINEERING, INV 95183, 07/95 SERVICES PROV. TO JOINT UTL. BD ON BEHALF OF MARION TOWNSHIP <i>treatment plant Re. included</i>	1,169.00
PER GOV. SERVICES COMMISSION REQUEST FOR PMT. FOR LEGAL FEES - WORK TOWARD WATER AGREEMENT - LETTER DATED 2/17/95 CK 9485 3/13/95	971.20
LIVINGSTON COUNTY HEALTH DEPARTMENT-PERK TEST ON PROPERTY PROPOSED FOR TREATMENT PLANT; CK #10091; 5/30/96	90.00
EVENSEN DODGE, INC.-FINANCIAL ADVISORY SERVICES AND REPORT; CK 9980; 3/18/96	5,750.00
PARKER, MILLER & KEHOE-LEGAL SERVICES FOR PURCHASE OF LAND TO BE USED FOR WATER TREATMENT PLANT; CK #9965; 3/18/96	248.50
WASTE MANAGEMENT OF MICHIGAN, INC.-DOWN PMT. ON 20 ACRES (SITE FOR TREATMENT PLANT); CK 9984; 3/18/96	4,000.00
START-UP FUNDS FOR SWATH 4/1/96	1,300.00
TOTAL	<u>76,641.20 70,341.20</u>

FIRST EXPANSION
JOINT WATER TREATMENT PLANT
CONTRACT AND
ADDENDUM TO CONTRACT

MARION, HOWELL, OCEOLA, AND GENOA
SEWER AND WATER AUTHORITY

[EXECUTION COPY]

CONTRACT BETWEEN

THE MARION, HOWELL, OCEOLA, AND GENOA
SEWER AND WATER AUTHORITY

and

THE TOWNSHIP OF GENOA,
THE TOWNSHIP OF HOWELL, THE TOWNSHIP OF MARION
AND THE TOWNSHIP OF OCEOLA

FIRST EXPANSION TO THE JOINT WATER TREATMENT PLANT

LIVINGSTON COUNTY, MICHIGAN

DATED AS OF DECEMBER 1, 1999

INDEX

<u>Section</u>	<u>PAGE</u>
1. Approval of Project	1
2. Project Description	2
3. Construction	2
4. Payments by Township	2
5. Change in Territory of any of the Townships	2
6. Additions to or Extensions of Project	2
7. a. Ownership of Project	3
b. Operation of the Project	3
8. Costs and Expenses	3
9. Invalidity of Provisions	3
10. Authority Treasurer	3
11. Provisions Governing Phases of Construction	4
12. Additions to the System	4
13. Allocations of Common Elements of the System	4
14. Water Capacity	4
15. Miscellaneous	5
a. Counterparts	5
b. Contingency	5
c. Governing Law	5
d. Authority	5
e. Entire Agreement	5
f. Captions and Bylines	5
g. Use of the Singular	6

CONTRACT

THIS CONTRACT (the "Contract") is made as of December 1, 1999, by and among the THE MARION, HOWELL, OCEOLA, AND GENOA SEWER AND WATER AUTHORITY (the "Authority") and the TOWNSHIP OF GENOA ("Genoa"), TOWNSHIP OF HOWELL ("Howell"), TOWNSHIP OF MARION ("Marion"), AND TOWNSHIP OF OCEOLA ("Oceola"), all townships located in the County of Livingston (together the "Townships").

WHEREAS, the Authority has approved construction of certain improvements to the Townships' water supply system (the "System") in the Townships as described in Exhibit A and intends to construct such improvements pursuant to Act No. 233, Michigan Public Acts of 1955, as amended ("Act 233"). The Authority and the Townships are authorized to enter into a contract, pursuant to Section 10 of Act 233, for the acquisition and construction of the System (the "Cost" or "Costs" shall mean the total cost of the System unless the context clearly indicates otherwise) and for the payment of all of the Cost of the Project by the Townships in cash; and

WHEREAS, the Authority and the Townships have concluded that the acquisition and construction of the improvements and the System described on Exhibit A (the "Project") are needed to promote and improve the health and welfare of the residents of the Townships, and that the Project can most economically and efficiently be provided by the Authority pursuant to the provisions of Act 233; and

WHEREAS, McNamee, Porter & Seeley, Engineers of Ann Arbor, Michigan (the "Engineers"), have prepared preliminary plans for the Project (such preliminary plans as from time to time revised or the final plans, as the context may dictate, are referred to in this Contract as the "Plans"), which have been placed on file in the office of the Authority; and

WHEREAS, this Contract will govern the Project described hereafter and will set forth the rights of the Authority and all of the Townships with respect thereto.

NOW, THEREFORE, in consideration of the premises and in order to provide for the acquisition and construction of the Project by the Authority, for the operation and maintenance of the Project and for other related matters, the Authority and the Townships agree as follows:

1. Approval of Project. The Authority and the Townships approve and agree to the acquisition, construction and financing of the Project under and pursuant to Section 10 of Act 233. The parties approve the designation of "First Expansion to the Joint Water Treatment Plant" as the name of the project (the "Project"). The Townships, by way of compliance with Section

29, Article VII, Michigan Constitution of 1963, consent and agree to the establishment and location of the Project and any extension, improvement or enlargement of it within their corporate boundaries in accordance with the terms of this Contract or on land presently owned by and located in the Townships, and to the use by the Authority of the streets, highways, alleys, lands, rights-of-way or other public places in the Townships for the purpose and facilities of the Project and any improvements, enlargement or extension of it. The Townships further agree that, in order to evidence and effectuate this agreement and consent, they will obtain or assist the Authority in obtaining all easements, licenses, rights-of-way and/or title to property necessary for completion of the Project and will execute and deliver to the Authority such easements, rights-of-way, licenses, permits or consents as may be requested by the Authority. The Cost of obtaining necessary easements, licenses, rights-of-way and/or title to property in connection with the Project shall be Costs of the Project payable from the proceeds of the Bond as set forth below.

2. Project Description. The Project shall consist of the public improvements described and specified in Exhibit A and as are more particularly set forth in the Plans, which preliminary plans are hereby approved and adopted. The Project shall be acquired and constructed substantially in accordance with the Plans and in accordance with final plans and specifications prepared and submitted by the Engineers, but variations from the Plans which do not materially change the location, capacity or overall design of the Project, and which do not require an increase in the total estimated Cost of the Project, may be permitted by the Authority. Variations or changes may be made if approved by the Authority and by resolution of the governing body of the Townships and if provisions required by paragraph 5 below are made for payment or financing of any resulting increase in the total estimated Cost. The estimates of the Cost of the Project, \$1,300,000, and the period of usefulness of the Project, in excess of 30 years, are likewise approved and adopted.

3. Construction. The construction of the Project will be governed by the contracts to be awarded by the Authority after recommendation by the Engineers.

4. Payments by Townships. The Townships shall repay to the Authority all Costs of each Townships' share of the Project before the Authority begins construction thereof.

5. Change in Territory of any of the Townships. No change in the jurisdiction over territory in any of the Townships shall in any manner impair the obligations of this Contract. In the event all or any part of the territory of any of the Townships is incorporated as a new city or is annexed to or becomes a part of the territory of another municipality, the municipality into which such territory is incorporated or to

which such territory is annexed shall assume the proper proportionate share of the contractual obligations of such Township and right to capacity in the Project of the Townships from which such territory is taken in accordance with law.

6. Additions to or Extensions of Project. The Authority shall not be obligated to acquire or construct any facilities other than those described in paragraph 2 above. The responsibility for providing such additional facilities as may be needed shall be that of the Townships which shall have the right to cause to be constructed and maintained, through the Authority, such necessary additional facilities. No extensions of the Project shall be made without Authority approval of the Townships, which shall have the right to cause to be constructed and maintained, through the Authority, such necessary additional facilities. No extensions of the Project shall be made without Authority approval.

7. (a) Ownership of Project. The Authority, subject to the terms of this Contract and during the term of this Contract, shall have legal title to the Project. After the retirement of the Bonds, and after the Townships' obligations under this Contract are satisfied, the legal title to the Project may be transferred jointly to the Townships or may remain with the Authority as the Townships may by a vote of the Township Board of a majority thereof may approve.

(b) Operation of the Project. The Authority hereby agrees to operate, maintain, and administer for a term commencing upon the completion of the Project or any substantial part of it and ending upon the expiration of this Contract. The Townships shall be responsible for the operation, maintenance, and administration of the Project through the Authority.

8. Costs and Expenses. The parties agree that the costs and expenses of any lawsuits arising directly or indirectly out of this Contract or the construction or financing of the Project, to the extent that such costs and expenses are chargeable against the Authority, shall be deemed to constitute a part of the Cost of the Project and shall be paid by the Townships in the same manner as provided in this Contract with respect to other Costs of the Project. In the event of such litigation, the Authority shall consult with the Townships and shall retain legal counsel agreeable to the Authority and the Township to represent the Authority. If the Authority and the Townships cannot agree as to such representation within a reasonable time, the Authority shall exercise its discretion as to the retention of such counsel.

9. Invalidity of Provisions. In the event that any one or more of the provisions of this Contract shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Contract, but this Contract shall

be construed as if such invalid, illegal or unenforceable provisions had never been contained herein.

10. Authority Treasurer. It is understood that the Authority Treasurer will have the responsibility to invest all funds coming into the Authority's possession in connection with the Project. The Treasurer is accordingly authorized to invest any such surplus funds in any obligations permitted by law and credit investment earnings for the benefit of the Townships to the fund earning the same.

11. Provisions Governing Changes. If, at any time when it becomes necessary to construct all or a part of the Project without the participation of one of the Townships, the Townships shall enter into a contract among the Townships specifying the part (or all) to be constructed, the estimated cost thereof, any particular provisions governing such matters as may affect the rights of any of the Townships, which contract shall be an addendum to this contract but need not be approved by the Board of Commissioners so long as the total Project Costs as set forth in this contract are not increased. If less than all of the Townships are obligated to make payments to the Authority on all or that phase of the Project, such addendum shall so state and any of the Townships not required to make payments to the Authority for bonds issued on all or part of the Project shall not be required to do so.

12. Additions to the System. Additions to the System may be made as follows:

a. Any of the Townships may add to the System within the boundaries of such Township by the construction of additional water mains or water towers or other storage facilities ("Additional Facilities") so long as the Additional Facilities do not cause such Township to use more water than it is entitled to use pursuant to this contract and the design thereof is compatible with the Project. The Authority shall have the right to object to any Additions to the System which are not compatible.

b. Joint additions to the System may be made by two or more Townships after the approval of the Authority.

13. Allocations of Common Elements of the System.

a. Each township shall be responsible for one-fourth of the common elements of the system. Common elements of the System shall include the wells or other water sources, water treatment plants, water towers, and pumping facilities and the oversizing of any water mains. Common elements shall not include water mains and laterals used only for service within a single township.

b. Each township shall have the right to designate a professional engineering firm to advise it on its rights to the System's common elements.

14. Water Capacity.

a. Each township shall receive an equal share of the water capacity of the System which total capacity is set at 4,000,000 gallons per day for the five year period ending July 1, 2004. The Authority shall have the right to establish a new maximum capacity each year for five years into the future. The Townships agree to cause the Authority to make that allocation no later than May 31st each year.

b. Each Township shall have the right to allocate any portion of its allocation to one or more of the other Townships, temporarily or permanently, on any basis satisfactory to it.

c. No Township may allocate or furnish any of the water allocated to it under this contract to any municipality or user outside the Townships without the approval of the Authority.

15. Miscellaneous.

a. Counterparts. This Contract may be executed in several counterparts each of which shall be deemed one and the same agreement. It shall be binding upon and inure to the benefit of the parties to it and their respective successors and assigns.

b. Contingency. This Contract is contingent upon the Authority receiving prepayments of \$325,000 from each of the Townships to defray the cost of acquiring and constructing the Project, and nothing contained in this Contract shall require the Authority to acquire or construct the Project if it has not received all such payments in advance.

c. Governing Law. This Contract shall be interpreted under the laws of the State of Michigan.

d. Authority. Each party warrants and represents that the execution and performance of this Contract have been duly authorized by all necessary action and do not contravene any policy, resolution or controlling rule.

e. Entire Agreement. This Agreement sets forth the entire agreement between the Authority and the Townships with respect to the subject matter of this Contract.

f. Captions and Bylines. The captions and bylines used in this Contract are for the convenience of reference only

and in no way define, limit or describe the scope of intent of any provision of this Agreement.

g. Use of the Singular. The use in this Contract of the singular shall be deemed to be and include the plural (and vice versa) where applicable.

IN WITNESS WHEREOF, the parties have caused this Contract to be executed and delivered, by their respective duly authorized officers, all as of the day and year first above written.

TOWNSHIP OF HOWELL

By: William D. Culp
Its: Supervisor

By: Jane Casturight
Its: Clerk

THE MARION, HOWELL, OCEOLA, AND GENOA SEWER AND WATER AUTHORITY

By: Joseph L. Lutens
Its: Chairman

By: William J. Bamker
Its: Secretary

TOWNSHIP OF MARION

By: Harold Manser
Its: Supervisor

By: D. Lynn Schiller
Its: Clerk

TOWNSHIP OF OCEOLA

By: Joseph L. Lutens
Its: Supervisor

By: Gracy Salmon
Its: Clerk

TOWNSHIP OF GENOA

By: Robert Murray
Its: Supervisor

By: Pauline A. Shular
Its: Clerk

jra.r1-mhog10

EXHIBIT A
Overall Project Description

I. Construction Project

<u>Items</u>	<u>Construction Cost</u>
General Requirements	\$ 60,000
Equip Filters 3 & 4 (2.0 MGD total)	128,000
Add 2 Wash-water Recycle Pumps (280 gpm each)	180,000
Add High Service Pump #3 (1,400 gpm)	73,000
Construct Wash-water Equalization Basin and Associated Piping	224,000
Drill and Equip Well #3 with Pump and Pump House	220,000
Construct Sewer Lead to New Municipal Sewer on Norton Road	10,000
Abandon Septic Tank and Grinder Pump Station	5,000
Construct 2 Additional Sludge Lagoons	60,000
Programming and Electrical Hardware	<u>64,000</u>
Construction Subtotal	\$1,024,000
Contingency (10%)	<u>103,000</u>
Construction Total	\$1,127,000

Construction Cost Estimates

Construction Costs	\$1,127,000
Engineering Costs	157,000
Legal Costs	4,000
Publishing Costs	3,000
Contingency	<u>9,000</u>
Total Costs	\$1,300,000

II. Total Cost

\$1,300,000

jra.rl-mhog10

[EXECUTION COPY]

**ADDENDUM TO THE CONTRACT BETWEEN THE
MARION, HOWELL, OCEOLA AND GENOA SEWER AND WATER AUTHORITY
AND THE TOWNSHIP OF GENOA, THE TOWNSHIP OF HOWELL,
THE TOWNSHIP OF MARION AND THE TOWNSHIP OF OCEOLA
FOR THE FIRST EXPANSION TO THE JOINT WATER TREATMENT PLANT**

THIS ADDENDUM is made as of December 1, 1999, by and among the Marion, Howell, Oceola, and Genoa Sewer and Water Authority (the "Authority") and the Township of Genoa ("Genoa"), Township of Howell ("Howell"), Township of Marion ("Marion"), and Township of Oceola ("Oceola"), all Townships located in the County of Livingston (together "the Townships").

WHEREAS, the Authority and the Townships have each approved and executed the Contract for the First Expansion to the Joint Water Treatment Plant, dated as of December 1, 1999; and

WHEREAS, the Authority and the Townships wish to execute this Addendum to clarify that the execution of said Contract is made without prejudice to certain pending disputes between Howell, the Authority and the other Townships.

NOW, THEREFORE, in consideration of the premises, and in order to clarify the understandings between the parties, the Authority and the Townships agree as follows:

1. **Water Line Litigation.** The parties acknowledge that there is currently pending between Howell, the Authority and the other Townships, certain litigation in the Michigan Court of Appeals regarding the construction of the M-59 water line. It is the understanding of the Authority and the Townships that their approval and execution of the Contract for the First Expansion to the Joint Water Treatment Plant shall be without prejudice to the positions asserted by the respective parties in that pending litigation, nor shall it constitute a waiver of any claims or defenses in that litigation nor an admission against interest by any party to that litigation.

2. **Water Tower Dispute.** The parties acknowledge that there presently exists a dispute between Howell, the Authority and the other Townships regarding the ownership of the Howell Water Tower and the right to receive and dispose of lease payments made by third parties who attach to that tower. It is the understanding of the Authority and the Townships that their approval and execution of the Contract for the First Expansion to the Joint Water Treatment Plant shall be without prejudice to the positions asserted by the respective parties in that water tower dispute, nor shall it constitute a waiver of any potential claims or defenses in that water tower dispute nor an admission against interest by any party to that water tower dispute. The parties acknowledge the

Final Determination Authorizing Release of Escrow Funds dated October 27, 1999, and it is not their intent hereby to change or alter that Final Determination.

IN WITNESS WHEREOF, the parties have caused this Addendum to be executed and delivered by their respective duly authorized officers, all as of the day and year first above written.

MARION HOWELL OCEOLA AND GENOA
SEWER AND WATER AUTHORITY

By: Joseph L. Kufus
Its: Chairman

By: William J. Bunker
Its: Secretary

GENOA TOWNSHIP

By: Robert H. Murray
Its: Supervisor

By: Paulette A. Shulman
Its: Clerk

HOWELL TOWNSHIP

By: William D. Carl
Its: Supervisor

By: Jane Cartwright
Its: Clerk

**ADDENDUM TO THE CONTRACT BETWEEN THE
MARION, HOWELL, OCEOLA AND GENOA SEWER AND WATER AUTHORITY
AND THE TOWNSHIP OF GENOA, THE TOWNSHIP OF HOWELL,
THE TOWNSHIP OF MARION AND THE TOWNSHIP OF OCEOLA
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2. **Water Tower Dispute.** The parties acknowledge that there presently exists a dispute between Howell, the Authority and the other Townships regarding the ownership of the Howell Water Tower and the right to receive and dispose of lease payments made by third parties who attach to that tower. It is the understanding of the Authority and the Townships that their approval and execution of the Contract for the First Expansion to the Joint Water Treatment Plant shall be without prejudice to the positions asserted by the respective parties in that water tower dispute, nor shall it constitute a waiver of any potential claims or defenses in that water tower dispute nor an admission against interest by any party to that water tower dispute. The parties acknowledge the

Final Determination Authorizing Release of Escrow Funds dated October 27, 1999, and it is not their intent hereby to change or alter that Final Determination.

IN WITNESS WHEREOF, the parties have caused this Addendum to be executed and delivered by their respective duly authorized officers, all as of the day and year first above written.

MARION HOWELL OCEOLA AND GENOA
SEWER AND WATER AUTHORITY

By: _____
Its: Chairman

Joseph Glubias

By: _____
Its: Secretary

William J. Bunker

GENOA TOWNSHIP

By: _____
Its: Supervisor

Robert Murray

By: _____
Its: Clerk

Paulette Alloloren

HOWELL TOWNSHIP

By: _____
Its: Supervisor

William D. Earl

By: _____
Its: Clerk

Jane Cartwright

MARION TOWNSHIP

Cynthia Hodge
Paul Joyce

By: David W. Manser
Its: Supervisor

By: Maryna Schmitt
Its: Clerk

OCEOLA TOWNSHIP

By: Joseph L. Allen
Its: Supervisor

By: Nancy Salmon
Its: Clerk

HOWELL TOWNSHIP

3525 Byron Road, Howell, Michigan 48843 - (517)546-2817 - Fax (517)546-1483

April 29, 1998

Mr. Joseph L. Richards, Chairman
Marion, Howell, Oceola, Genoa Sewer and Water Authority
P.O. Box 406
Howell, MI 48844-0406

Re: Operation and Maintenance Service Agreement for Operation of Water System within the
Township of Howell

Dear Mr. Richards:

At the April 27, 1998 regular Howell Township board meeting, the township board unanimously approved the Operation and Service Agreement on the contingency that the agreement may be canceled by either party, the Township or Authority, after 60 days notice (refer to Appendix A, Page 2, Paragraph 7). Please find enclosed the appropriate endorsed contract, with noted change. Hopefully this will be acceptable to you, and we look forward to working with you in the future.

If you have any question on this issue, please do not hesitate to contact me.

Sincerely yours,

William D. Earl, D.O.
William D. Earl, D.O.
Howell Township Supervisor

Enc.
WE/pb

TOWNSHIP OF HOWELL

At a regular meeting of the Township Board of the Township of Howell held in the Township Hall at 3525 Byron Rd. on April 27, 1998 at 7:00 p.m. Eastern Standard Time, there were

PRESENT: Earl, Cartwright, Hubbel, Bering, Dankers, Lee, Phelan

ABSENT: None

The following preamble and resolution were offered by Cartwright and seconded by Phelan.

RESOLUTION APPROVING AN OPERATION AND MAINTENANCE SERVICE AGREEMENT FOR THE OPERATION OF THE WATER SYSTEM WITHIN THE TOWNSHIP OF HOWELL

WHEREAS, the townships of Genoa, Howell, Marion and Oceola (the "Townships"), Livingston County, have formed the Marion, Howell, Oceola and Genoa Sewer and Water Authority (the "Authority"); and

WHEREAS, each of the Townships have caused to be constructed part of a joint water system within their territorial boundaries; and

WHEREAS, each of the Townships have caused to be constructed or acquired component parts of the water system which are of benefit both to the individual townships and to the Townships as a whole; and

WHEREAS, the Township of Howell currently operates and intends to continue to operate the water system within its boundaries; and

WHEREAS, the Township of Howell (the "Township") wishes to engage the Authority to operate and maintain the water system described in Exhibit A to Appendix A (the "System") within its boundaries on the Township's behalf including the billing and collection of customers within the Township for water services on the Township's behalf.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWNSHIP BOARD OF TOWNSHIP OF HOWELL as follows:

1. The Operation and Maintenance Service Agreement (attached as Appendix A) is hereby approved.

2. The Supervisor and Clerk of the Township are authorized to execute and deliver the Operation and Maintenance Service Agreement on behalf of the Township.

A vote on the foregoing resolution was taken and was as follows:

YES: Earl, Cartwright, Hubbel, Bering, Dankers, Lee, Phelan

NO: None

ABSTAIN: None

The resolution was declared adopted.

CERTIFICATION

I, the undersigned Clerk of the Township of Howell, hereby certify that the foregoing resolution is a true and complete copy of a resolution adopted at a regular meeting of the Township Board the Township of Howell held on April 27, 1998, the original of which is on file in my office, and that notice of such meeting was given, and the meeting was conducted, pursuant to and in compliance with Act No. 267, Michigan Public Acts of 1976, as amended.


Township Clerk

SEAL

las.rilmhog4

APPENDIX A

THE OPERATION AND MAINTENANCE SERVICE AGREEMENT
FOR HOWELL TOWNSHIP

THIS AGREEMENT DATED AS OF FEBRUARY 1, 1998 BY AND AMONG THE FOLLOWING PARTIES NAMED:

WHEREAS, the townships of Genoa, Howell, Marion and Oceola (the "Townships"), Livingston County, have formed the Marion, Howell, Oceola and Genoa Sewer and Water Authority (the "Authority"); and

WHEREAS, each of the Townships have caused to be constructed part of a joint water system within their territorial boundaries; and

WHEREAS, each of the Townships have caused to be constructed or acquired component parts of the water system which are of benefit both to the individual townships and to the Townships as a whole; and

WHEREAS, the Township of Howell currently operates and intends to continue to operate the water system within its boundaries; and


WHEREAS, the Township of Howell (the "Township") wishes to engage the Authority to operate and maintain the water system described in Exhibit A to Appendix A (the "System") within its boundaries on the Township's behalf including the billing and collection of customers within the Township for water services on the Township's behalf.

WITNESSETH, NOW, THEREFORE THE TOWNSHIP OF HOWELL, LIVINGSTON COUNTY, MICHIGAN, AND THE MARION, HOWELL, OCEOLA AND GENOA SEWER AND WATER AUTHORITY AGREE, as follows:

1. The Authority agrees to provide the operation and maintenance services to the Township in connection with the Township's water system as set forth in Exhibit A.
2. The Township's Water System, as it currently exists, consists of water lines, water storage tanks, water wells, booster pumps and control valves, and an interest in a joint water treatment plant and related appurtenances.
3. The Township agrees to pay the Authority for its services hereunder the amounts set forth at the times set forth in Exhibit B which are agreed to by the Township and the Authority.
4. Nothing in this Agreement shall be construed to grant to the Authority any franchise for the operation of the System within the boundaries of the Township.

5. The services to be provided to the Township by the Authority shall be provided beginning on _____, 1998 and shall continue so long as the Township shall continue to permit the Authority to collect the payments for its services to the Township set forth in Exhibit B.

6. The Township warrants to the Authority that the Township's Water System is in good repair and serviceable condition except as set forth on Exhibit C and the Township agrees that the Authority shall have no responsibility to construct any new part to the Township's Water System or to cause capital repairs to be made to the Township's System unless the Township shall first cause to be deposited from monies collected as set forth in Exhibit B or deposit with the Authority sufficient monies to pay the cost thereof. *60 for* *5/27/98* *Δ approved by MHO*

7. The Township and the Authority shall each have the right to cancel this Agreement after ~~180~~ *60* days notice to the other party, and the Authority shall have the right to cancel this Agreement upon thirty days written notice to the Township if the Township shall fail to pay any amounts due to the Authority hereunder. In the event of cancellation: (a) the Authority shall return to the Township any customer lists, billing information or other material furnished by the Township to the Authority, a list of which is included in Exhibit D; (b) all billing information, computer programs or computer software or hardware used by or developed by the Authority in providing the services to the Township hereunder shall remain the property of the Authority unless and until the Authority agrees to transfer it to the Township; (c) all amounts collected by the Authority from the Townships shall remain on deposit with the Authority until an accounting is completed. If more money for capital repairs has been collected by the Authority than was expended for the Township, the Township shall receive a refund for such amount within 30 days after the accounting is completed and if more was expended for the Township than had been contributed, the Township shall pay such amount to the Authority within 30 days after the accounting is completed. 

8. In the event that any one or more of the provisions of this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement, but this Agreement shall be construed as if such invalid, illegal or unenforceable provisions had never been contained herein.

9. This Agreement shall become binding upon the Townships and the Authority upon execution.

10. This Agreement may be executed in several counterparts each of which shall be deemed one and the same Agreement. It

shall be binding upon and inure to the benefit of the parties to it and their respective successors and assigns.

11. This Agreement shall be interpreted under the laws of The State of Michigan.

12. Each party warrants and represents that the execution and performance of this Agreement have been duly authorized by all necessary action and do not contravene any policy, resolution or controlling rule.

13. This Agreement sets forth the entire Agreement between the Townships and the Authority with respect to the subject matter of this Agreement.

14. The use in this Agreement of the singular shall be deemed to be and include the plural (and vice versa) where applicable.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and delivered, by their respective duly authorized officers, all as of the day and year first above written.

MARION, HOWELL, OCEOLA & GENOA
SEWER AND WATER AUTHORITY

TOWNSHIP OF HOWELL

By: _____
Its: Chairman

By: William D. Cowley
Its: Supervisor

By: _____
Its: Secretary

By: Jon Cortright
Its: Clerk

WITNESSES:

WITNESSES:

Daniel R. Wolf
Jan R. Meisinger

HOWELL TOWNSHIP
WATER DISTRICT #1

NO SCALE

NORTH



BURKHART ROAD

M 59

GRAND RIVER AVE

TOOLEY ROAD

CRESTWOOD

300 400

100 200
300 400

EXHIBIT A

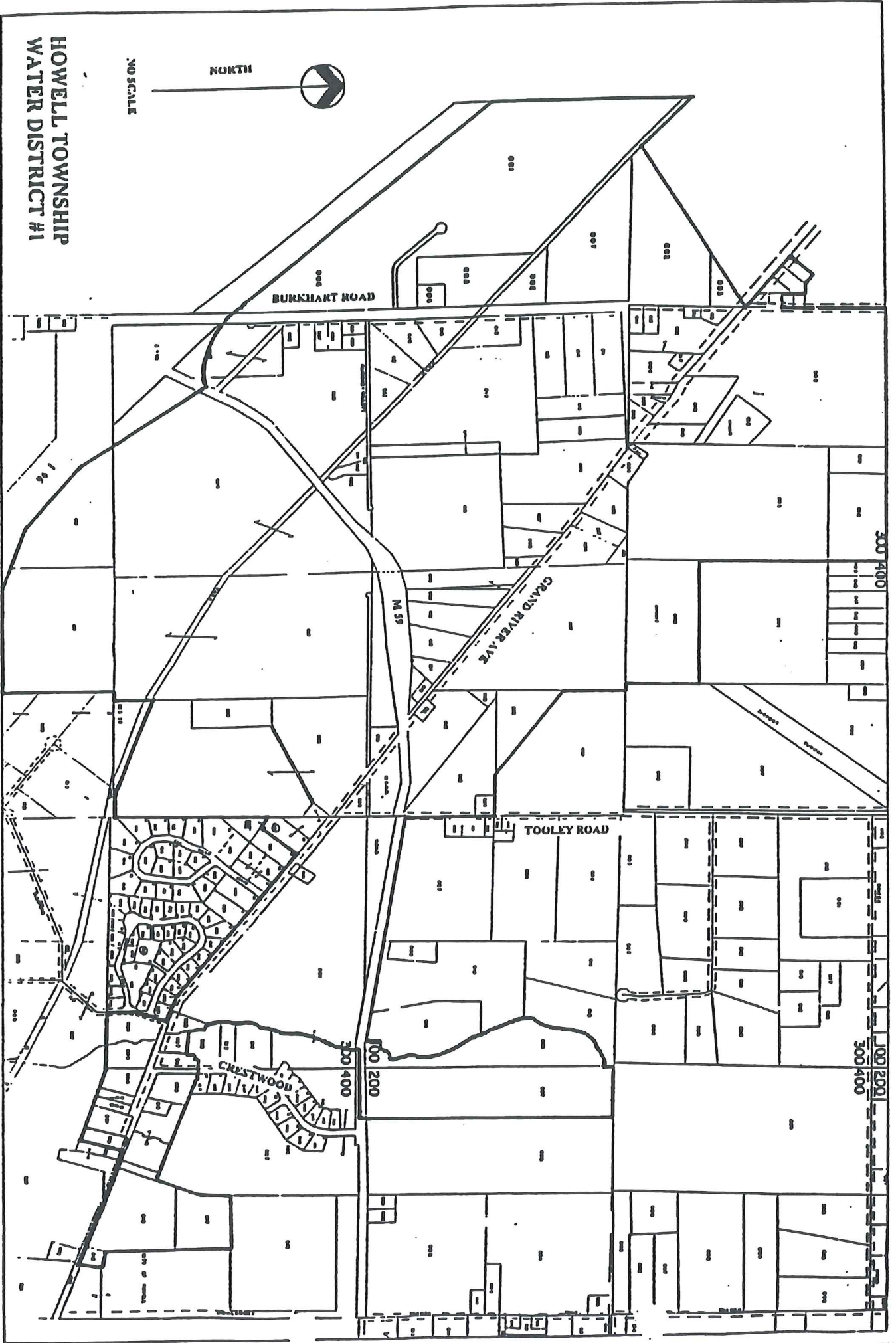
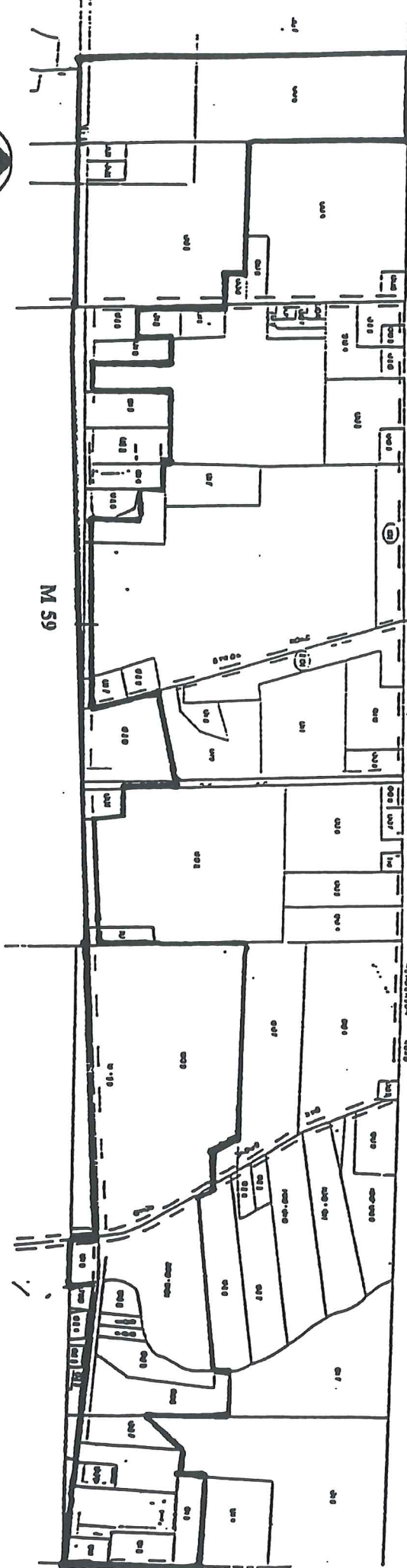


EXHIBIT A

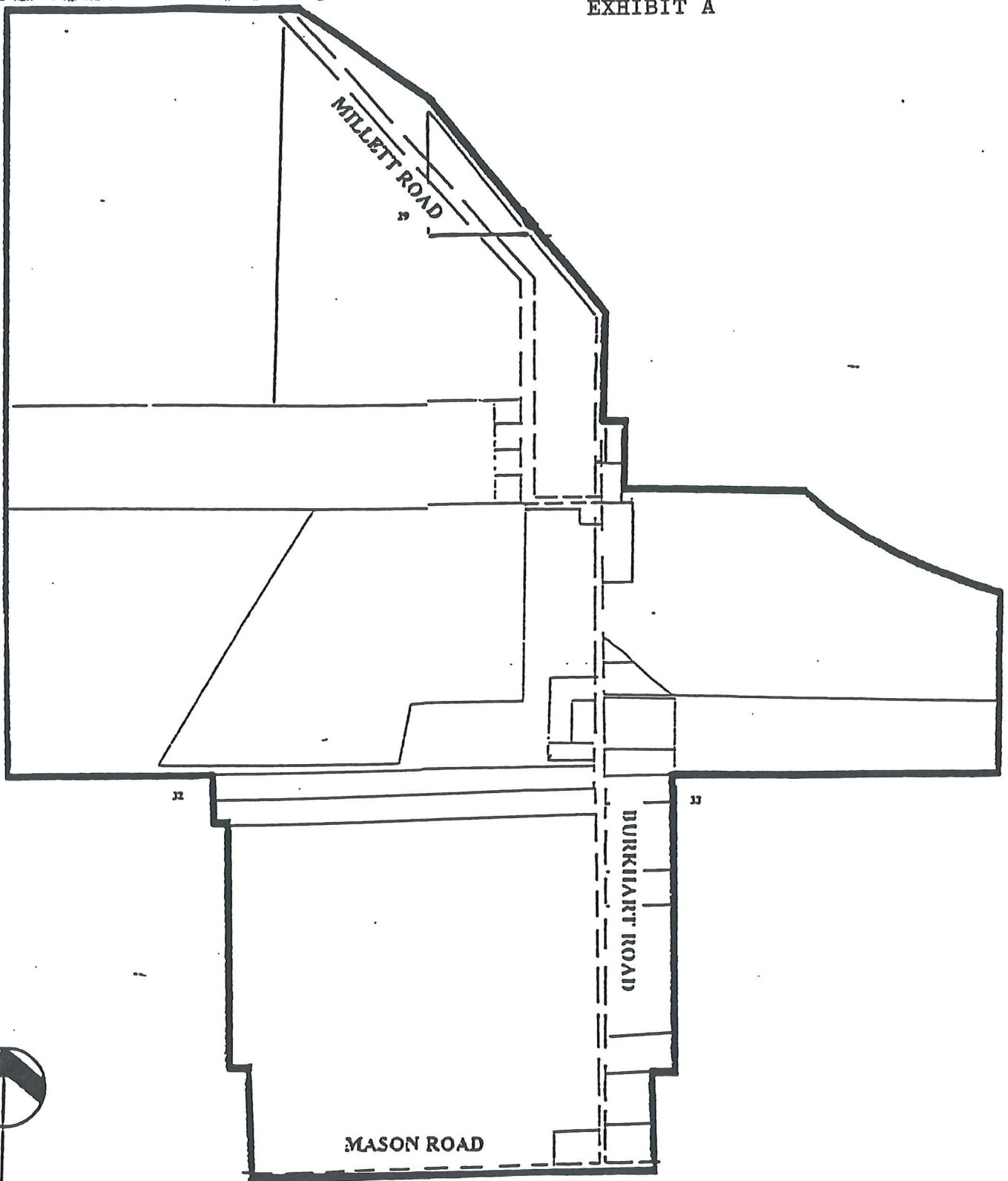


NORTH



HOWELL TOWNSHIP
WATER DISTRICT #2

EXHIBIT A



HOWELL TOWNSHIP
WATER DISTRICT #3



NORTH

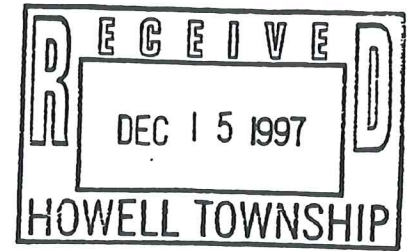
NO SCALE

McNAMEE, PORTER & SEELEY, INC.

Ann Arbor • Brighton • Detroit • Escanaba • Grand Rapids • Lansing

December 9, 1997

Mr. Joseph Richards, Chairman
Marion, Howell, Oceola, Genoa Sewer and Water Authority
1577 N. Latson Rd., P.O. Box 406
Howell, MI 48844



Re: Water Treatment and Distribution Operation and Maintenance (O&M) Agreement

Dear Mr. Richards:

In accordance with the Authority's acceptance of our proposal at your October 22, 1997 meeting, McNamee, Porter & Seeley, Inc. (MPS) is pleased to submit this proposed Agreement for O&M of the Marion, Howell, Oceola, Genoa Sewer and Water Authority's (MHOG) new water treatment facility, and water distribution systems in all four Townships which are served by the new water treatment facility. Our proposal includes the water system efforts we have been providing for Oceola, Genoa, and Howell Townships, and adds the O&M of the Marion Township water distribution system and the new MHOG water treatment plant. Following, in summary, is the Scope of Work this Agreement provides:

- **O&M of the Water Distribution Systems.** Our proposed agreement covers the existing service areas in Oceola, Genoa and Howell Townships, and adds the Marion Township water distribution system. Routine services included in the Scope of Work are provision of properly certified staff, submittal of monthly reports to the Michigan Department of Environment Quality and the Authority, periodic flushing of the water distribution systems, performance of cross-connection control activities, and periodic hydrant and valve exercising. Non-routine services, including water activations, Meter Interrogator Unit programming, response to customer complaints, response to emergencies such as water main breaks, and Miss Dig utility location will be billed on an as-needed basis. These additional services will be tracked and reported on a Township by Township basis.
- **O&M of the MHOG Water Treatment Plant.** The proposed Scope of Work includes staffing with a Class F-2 or higher certified operator, submittal of monthly reports to the Michigan Department of Environment Quality and the Authority, operation of the MHOG water plant laboratory, preventive maintenance of water treatment plant equipment in accordance with manufacturers' recommendations, staff availability for emergency response, and staff availability for corrective maintenance and repairs.

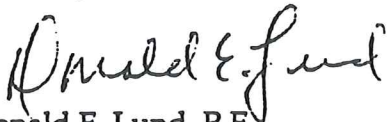
Our proposed agreement includes compensation of \$6,250 per month for routine O&M of the water treatment plant; \$2,750 per month for routine O&M of the Genoa-Oceola Sewer and Water Authority water distribution system; \$1,065 per month for routine O&M of the Howell Township water distribution system; and, \$850 per month for routine O&M of the Marion Township water distribution system. This is a total compensation of \$10,915 per month for routine O&M of the MHOG treatment plant and water distribution systems.

Mr. Joseph Richards
December 9, 1997
Page 2

We anticipate an effective date of January 15, 1998 for this Agreement, following one month of start-up service which is included in the construction project and is scheduled to begin December 15, 1997.

We look forward to continuing to provide high quality, economical service for the MHOG Authority's water distribution customers; and to providing competent, high quality O&M of the new MHOG water treatment plant during this critical start-up phase.

Sincerely,



Donald E. Lund, P.E.
Senior Vice President



Daniel H. Geyer
Plant Operations Manager

Attachment

Copy: Richard Irish, Marion Township
Charles Musson, Marion Township
Dr. William Earl, Howell Township
Edward Hubbell, Howell Township ✓
Evelyn Cornell, Oceola Township
Robert Murray, Genoa Township
Robin Hunt, Genoa Township

EXHIBIT A
AGREEMENT
BETWEEN
McNAMEE, PORTER & SEELEY, INC. OF ANN ARBOR, MICHIGAN
AND
MARION, HOWELL, OCEOLA, GENOA SEWER AND WATER AUTHORITY (MHOG)
FOR
OPERATIONS AND MAINTENANCE

THIS AGREEMENT is made and entered into this _____ day of _____, 199__, by and between The Marion, Howell, Oceola, Genoa Sewer and Water Authority (MHOG) whose address is 1577 N. Latson Road, P.O. Box 406, Howell, MI 48844, (hereinafter referred to as the "OWNER") and McNamee, Porter & Seeley, Inc., a Michigan corporation, whose address is 3131 South State Street, Ann Arbor, Michigan 48108 (hereinafter referred to as "MPS").

WITNESSETH:

WHEREAS, the OWNER has the responsibility to own, operate, maintain and repair a water supply system to service portions of Marion, Howell, Oceola, and Genoa Townships located in Livingston County, Michigan; and

WHEREAS, the OWNER has determined that it is more beneficial to contract for the operation and maintenance of its facilities; and

WHEREAS, MPS desires to provide such services to the OWNER and has the necessary skill and experience to provide such services.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and undertakings hereinafter set forth, it is hereby agreed as follows:

1. Definitions. For the purposes of this Agreement, the following terms shall be given the definitions assigned herein:
 - 1.1 Agreement. The "Agreement" shall include this Agreement, any renewals thereof, and any amendments thereto, for the facilities as they exist on the date of this Agreement, and the facilities as they exist on the date of any amendment or renewal.
 - 1.2 Equipment. The "Equipment" shall include all mechanical, electrical, hydraulic, and pumping equipment, computer controls, tractors, mowers, trucks, etc., owned by the OWNER on the date of this Agreement or on the date of an amendment or renewal for the purposes of operating the facilities.
 - 1.3 Facilities. The "Facilities" shall include the water softening and filtration plant at 4288 Norton Road, Howell, MI 48843, including the wells, well pipe, casings, pumps, valves, pressure tanks, reservoirs, elevated tanks, booster pumping stations, and related structures.
 - 1.4 System. As identified in Appendix A.
 - 1.5 Work. The "Work" shall be all the services to be provided by MPS under this Agreement as defined in Section 2.
 - 1.6 "Capital Expenditures" means any expenditures for (1) the purchase of new equipment or facility items that cost more than two thousand five hundred dollars (\$2,500.00); or (2) major repairs which significantly extends equipment or facility service life and cost more than two thousand five hundred dollars (\$2,500.00); or (3) expenditures that are planned, non-routine and budgeted by OWNER.
2. Scope of Work. MPS shall:

EXHIBIT A

- 2.1 Operate the facilities to meet the requirements of the Michigan Department of Environmental Quality and the Safe Water Drinking Act.
 - 2.2 Maintain the facilities and equipment in accordance with manufacturers' written recommendations.
 - 2.3 Provide monitoring, sampling, testing, and analysis required for process control of the facilities, and to meet the requirements of the Michigan Department of Environmental Quality.
 - 2.4 Prepare and submit the following reports:
 - 2.4.1 Operating reports as required by the Michigan Department of Environmental Quality.
 - 2.4.2 A monthly report to the OWNER covering the previous month's activities.
 - 2.5 Provide staffing of the facilities to meet the requirements of the Safe Water Drinking Act.
 - 2.6 Provide preventive maintenance for active warranties covered by this Agreement.
 - 2.7 Operate and maintain the facility 24 hours per day, 7 days per week.
 - 2.8 Provide a proven safety program.
 - 2.9 Provide emergency response to any emergency which threatens personal injury or property damage to the facilities.
 - 2.10 Provide repairs or coordination of repairs to the facilities as needed. The OWNER shall be responsible for payment for repair activities as provided in Sections 4.2 and 4.4 of this Agreement.
 - 2.11 Provide routine water distribution system maintenance, including a periodic hydrant flushing program, a routine valve exercising program and a hydrant winterizing program.
 - 2.12 Provide a cross-connection control program for the water distribution system.
3. OWNER's Responsibility. OWNER shall:
- 3.1 Pay for all capital expenditures.
 - 3.2 Maintain all guarantees, easements, and licenses granted to the OWNER.
 - 3.4 Maintain property insurance on the premises the entire time this Agreement is in force.
 - 3.5 Pay for all utility, chemical and residuals disposal costs.
 - 3.6 Pay for all corrective maintenance costs. Corrective maintenance is defined as all material, labor, and subcontractor costs for work to correct material deficiencies of equipment and facilities.
 - 3.7 Pay for all repairs to the facilities.
 - 3.8 Pay for materials required for preventive maintenance of the facilities.
 - 3.9 Pay for emergency generator fuel.
 - 3.10 Pay for groundskeeping, road maintenance, and snow plowing at the facilities.
 - 3.11 Pay for all laboratory, operations, and maintenance supplies.

EXHIBIT A

4. Compensation. MPS shall be paid as set forth herein.
- 4.1 For Scope of Work - Section 2. OWNER shall pay MPS \$10,915 per month for the first twelve (12) months of this Agreement.
- 4.2 For Additional Work. OWNER shall compensate MPS for Out of Scope work calculated by the employees direct salary plus benefits, plus 80 percent of direct salary plus benefits. Salary information for each employee will be provided to OWNER upon request.
- 4.3 Expenses. MPS shall be reimbursed for actual expenses incurred in performing Out of Scope Work at direct cost multiplied by a factor of 1.15.
- 4.4 Record-keeping. MPS shall maintain accurate and complete time records for each employee and/or subcontractor performing the Work.
- 4.5 Billing. OWNER shall pay MPS Ten thousand nine hundred fifteen Dollars (\$10,915) each month, due and payable on the first of each month that services are provided.
- 4.5.1 Out of Scope work will be invoiced monthly. Payment is to be made within thirty (30) days of the invoice date.
- 4.5.2 OWNER shall pay MPS interest at the rate of one (1) percent per month on payments not paid and received within thirty (30) days of the date of the invoice, such interest being calculated from said 30th day .
5. Term and Termination. The term of this Agreement shall be one (1) year. The Agreement commences midnight of January __, 1998.
- 5.1 Termination for Default. This Agreement may be terminated after the 45-day dispute resolution period by either OWNER or MPS "for cause" upon written notice to the opposite party. The term "for cause" is hereby defined to be a material breach of a party's obligations under the terms of this Agreement.
6. Notification Procedure. The OWNER shall designate, in writing, certain individual(s) who shall have the authority to notify MPS to perform services. MPS shall provide the OWNER with the names and telephone numbers of at least two (2) individuals to be contacted in the event of emergencies.
7. Performance Standard. MPS shall perform the services in accordance with the standards of the Michigan Department of Environmental Quality in effect as of the date of this Agreement.
8. Insurance. MPS shall furnish certificates of the following coverages to the OWNER.
- 8.1. MPS shall procure and maintain, at its expense during the life of the Agreement, insurance of the types and in the minimum amounts stated below:
- 8.1.1 Workers' Compensation Insurance or other evidence acceptable to OWNER indicating compliance with the Worker's Compensation Act in the state in which work will be performed.
- 8.1.2 Comprehensive General Liability (including coverage for completed operations)
- | | |
|----------------------------------|-----------------------------|
| Personal Injury, including death | \$1,000,000 each occurrence |
| Property Damage | \$1,000,000 each occurrence |
| | \$2,000,000 aggregate |
- 8.1.3 Comprehensive Automobile Liability (including non-ownership and hired car)
- | | |
|--------------------------------|---------------------------|
| Bodily Injury, including death | \$500,000 each occurrence |
|--------------------------------|---------------------------|

EXHIBIT A

APR. 22. 1998 3:06PM '97 MCNAMEE LEASING

\$500,000 each occu NO. 045 P. 2/2

8.2 Environmental Exclusion. OWNER agrees to hold MPS harmless from and against any and all claims arising out of the presence, discharge, release, or escape of any kind of contaminants, excepting only such liability as may arise out of the sole negligence of MPS in the performance of services under this Agreement.

9. Dispute Resolution. MPS and OWNER agree that they shall diligently pursue resolution of all disagreements for a period of 45 days, using a mutually acceptable form of mediated dispute resolution, prior to exercising their rights under other provisions of this Agreement or under the law. Disagreements consisting of claims, counterclaims, disputes, and other matters in questions between the parties arising out of or relating to this Agreement shall be in writing. The date of the written disagreement will establish the beginning of the 45 day period. No performance obligation under or related to this Agreement shall be interrupted or delayed during any mediation proceeding except upon written agreement of both parties. The mediator shall not be a witness in any legal proceedings related to this Agreement.

10. Subcontracting. MPS may utilize subcontractors to perform any of the Work but such subcontractors shall be subject to the prior approval of the OWNER. MPS shall be responsible for the performance of any subcontractor performing portions of the Work. All subcontractors will procure and maintain insurance as required under the Insurance Section of this Agreement.

11. OWNER's Representations. The OWNER represents that it has the requisite authority from its governing body acting by appropriate resolution to enter into this Agreement and to be bound by its terms.

12. Non-Assignment. This Agreement may not be assigned by MPS without the written consent of the OWNER.

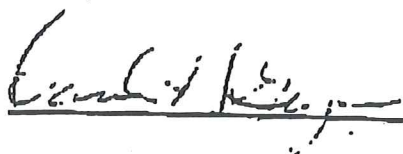
Impossibility of Performance. Performance of this Agreement shall be excused if it becomes substantially impossible to perform. Such circumstances shall include destruction of all or a major portion of the Facilities, power loss, damage by earthquake, lightning or high winds.

4. This Agreement (consisting of pages 1 to 4, inclusive), together with Appendix A, constitutes the entire Agreement between OWNER and MPS and supersedes all prior written and oral understandings. This Agreement, together with Appendix A, may only be amended, supplemented, modified or canceled by a duly executed written instrument.

I WITNESS WHEREOF, the parties have set their hands and seals on the day and year first set forth above.

WITNESS:

MARION, HOWELL, OCEOLA, GENOA
SEWER AND WATER AUTHORITY
1577 N. Latson Road
P. O. Box 406
Howell, MI 48844




By: 

Its: 

WITNESS:

McNAMEE, PORTER & SEELEY, INC.
A Michigan Corporation
3131 S. State Street
Ann Arbor, MI 48108
(313) 665-6000



By: 

Donald E. Lund, P.E., Senior Vice President

EXHIBIT A

APPENDIX A

SYSTEM

The System included under this Agreement shall include:

The water softening and filtration plant located at 4288 Norton Road, Howell, Michigan; the booster pump station located at 2152 Industrial Drive, Howell, Michigan; three elevated water storage tanks; one ground storage reservoir; two water wells; approximately 200,000 lineal feet of water main; and, approximately 500 fire hydrants.

EXHIBIT B

MARION HOWELL OCEOLA GENOA
SEWER & WATER AUTHORITY
RATE NOTICE

At a regular meeting of the Marion Howell Ocala Genoa Sewer & Water Authority Board of December 17, 1997 the following rates were adopted:

WATER: METERED

Commodity charge per 1,000 gallons : \$3.25

Motion made by Murray, seconded by Irish to establish a water rate. Yes-Murray, Musson, Richards, Irish, Cornell, Hubbel, Earl and Hunt. No-none. Motion carried.

WATER: METERED

Readiness to serve charge : \$9.97/qtr.

Motion made by Irish, seconded by Richards to establish readiness to serve charges. Yes-Musson, Richards, Irish, Cornell, Earl, Hunt and Murray. No-Hubbel. Motion carried.

RATES BECAME EFFECTIVE JANUARY 1, 1998.

Now comes Evelyn M. Cornell, who is the duly elected secretary of the Authority and certifies that these rates were adopted by the Marion Howell Ocala Genoa Sewer and Water Authority board on December 17, 1997.

EVELYN M. CORNELL, SECRETARY
MARION HOWELL OCEOLA GENEOLA
SEWER AND WATER AUTHORITY

LLC-PSE.DOC

EXHIBIT C

LIST OF ITEMS IN THE TOWNSHIP'S WATER
SYSTEM WHICH ARE NOT IN GOOD REPAIR OR SERVICEABLE:

ALL SELF DRAINING FIRE HYDRANTS NEED TO BE PLUGGED
OR REPLACED.

FIRE HYDRANT NEEDED AT M-59 AND BYRON RD.

RELOCATE FIRE HYDRANT BETWEEN BREWER AND CRESTWOOD
WHICH IS CURRENTLY UNDER WATER.

las.r11mhog4

EXHIBIT D

LIST OF ITEMS FURNISHED TO THE
AUTHORITY BY THE TOWNSHIP:

ACCOUNT INFORMATION SHEETS FOR ALL HOWELL TOWNSHIP
CUSTOMERS.

CHECK #175 IN THE AMOUNT OF \$8,834.74
(balance of water operation account).

las.r11ndiog4

Schedule 2.2(a)

Resolutions of each Township Approving the
Termination of the Prior Agreements



MARION TOWNSHIP

www.mariontownship.com

COPY

2877 W. Coon Lake Rd.
Howell, MI 48843

Phone (517) 546-1588
Fax (517) 546-6622

MARION TOWNSHIP RESOLUTION TO ADOPT THE MHOG MASTER OPERATING AGREEMENT Resolution #2011-9

At a meeting of the Township Board (the "Township Board") of the Township of Marion (the "Township") held at the Township Hall on February 24, 2011 at 7:30 p.m. local time, there were:

PRESENT: Lowe, Beal, Andersen, Hanvey, Wyckoff, Hodge, Lloyd

ABSENT: None

The following preamble and resolution were offered by Tammy Beal and seconded by Les Andersen.

Resolution Approving the Master Operating Agreement and Approving the Water System and Terminating Certain Prior Agreements

WHEREAS, Marion Township, Howell Township, Oceola Township and Genoa Charter Township (the "Constituent Municipalities") are members of the Marion, Howell, Oceola and Genoa Sewer and Water Authority (the "Authority");

WHEREAS, the Township Board has reviewed the proposed Water System Master Operating Agreement (the "Master Operating Agreement"), a copy of which is attached as Exhibit A;

WHEREAS, the Township Board desires to approve the Master Operating Agreement;
and

WHEREAS, the Township Board acknowledges and agrees that Section 11.3(d) of the Master Operating Agreement provides that it may be modified, amended and supplemented from time to time in the future by a majority vote of the Board of the Authority, except that Section 11.3(d) requires the unanimous vote of all of the members of the Board of the Authority that are present at a meeting to amend certain specified sections of the Master Operating Agreement;

NOW, THEREFORE, IT IS RESOLVED that:

1. Approval of Master Operating Agreement. The Township Board hereby approves the Master Operating Agreement and approves the Authority entering into the Master Operating Agreement.

2. Resolution to Constitute Evidence of Approval. Any Township Officer is authorized to provide a copy of this Resolution to the Authority as evidence that the Master Operating Agreement has been approved by the Township Board.

3. Approval of the Water System. The Township Board hereby confirms that the Township has approved and agreed to the operation and maintenance of the System (as defined in the Master Operating Agreement) under and pursuant to 1955 Public Act 233 and approved the designation of "MHOG Water System" as the name of the System. Additionally, the Township Board hereby confirms that the Township has consented and agreed to the establishment and location of the System within its municipal boundaries in accordance with the terms of the Master Operating Agreement and in compliance with Section 29, Article VII, Michigan Constitution of 1963. Furthermore, the Authority shall be the exclusive provider of municipal water service to the properties in the Township that are served by the System, as the System may be modified from time to time as provided for in the Master Operating Agreement.

4. Termination of Prior Agreements. The Constituent Municipalities and the Authority have previously entered into certain agreements that are being terminated in connection with the adoption of the Master Operating Agreement. Attached as Exhibit B is the Agreement Terminating the Prior Agreements and attached as Schedule 1 to Exhibit B is a list of the Prior Agreements that are being terminated. The Township Board hereby authorizes each Township Officer to enter into the Agreement Terminating the Prior Agreements, the form of which is attached as Exhibit B.

5. Additional Steps to Effectuate the Purpose of this Resolution. The Township Board authorizes any officer of the Township to take all necessary steps required to effectuate the purposes of this resolution.

A vote on the foregoing resolution was taken and was as follows:

Yes: Hanvey, Wyckoff, Lowe, Beal, Andersen, Hodge, Lloyd

No: None

Clerk's Certificate

The undersigned, being the duly qualified and acting Clerk of the above-referenced Township, hereby certifies that (1) the foregoing is a true and complete copy of a resolution duly adopted by the Township Board at a meeting at which a quorum was present and remained throughout, (2) the original thereof is on file in the records of the Township, (3) the meeting was conducted, and public notice thereof was given, pursuant to and in full compliance with the Open Meetings Act (Act No. 267, Public Acts of Michigan 1976, as amended) and (4) minutes of such meeting were kept and will be or have been made available as required thereby.

Sammy A. Beal
Township Clerk

TOWNSHIP OF HOWELL

Resolution # 03.11.284

At a meeting of the Township Board (the "Township Board") of the Township of Howell (the "Township") held at the Township Hall on March 28, 2011 at 7:00 p.m. local time, there were:

PRESENT: Coddington, Eaton, Hammond, Phelan, Hubbel, Howard.

ABSENT: Henry

The following preamble and resolution were offered by Eaton and seconded by Hubbel.

Resolution Approving the Master Operating Agreement and Approving the Water System and Terminating Certain Prior Agreements

WHEREAS, Marion Township, Howell Township, Oceola Township and Genoa Charter Township (the "Constituent Municipalities") are members of the Marion, Howell, Oceola and Genoa Sewer and Water Authority (the "Authority");

WHEREAS, the Township Board has reviewed the proposed Water System Master Operating Agreement (the "Master Operating Agreement"), a copy of which is attached as Exhibit A;

WHEREAS, the Township Board desires to approve the Master Operating Agreement; and

WHEREAS, the Township Board acknowledges and agrees that Section 11.3(d) of the Master Operating Agreement provides that it may be modified, amended and supplemented from time to time in the future by a majority vote of the Board of the Authority, except that Section 11.3(d) requires the unanimous vote of all of the members of the Board of the Authority that are present at a meeting to amend certain specified sections of the Master Operating Agreement;

NOW, THEREFORE, IT IS RESOLVED that:

1. Approval of Master Operating Agreement. The Township Board hereby approves the Master Operating Agreement and approves the Authority entering into the Master Operating Agreement.

2. Resolution to Constitute Evidence of Approval. Any Township Officer is authorized to provide a copy of this Resolution to the Authority as evidence that the Master Operating Agreement has been approved by the Township Board.

3. Approval of the Water System. The Township Board hereby confirms that the Township has approved and agreed to the operation and maintenance of the System (as defined in the Master Operating Agreement) under and pursuant to 1955 Public Act 233 and approved the designation of "MHOG Water System" as the name of the System. Additionally, the Township Board hereby confirms that the Township has consented and agreed to the

establishment and location of the System within its municipal boundaries in accordance with the terms of the Master Operating Agreement and in compliance with Section 29, Article VII, Michigan Constitution of 1963. Furthermore, the Authority shall be the exclusive provider of municipal water service to the properties in the Township that are served by the System, as the System may be modified from time to time as provided for in the Master Operating Agreement.

4. Termination of Prior Agreements. The Constituent Municipalities and the Authority have previously entered into certain agreements that are being terminated in connection with the adoption of the Master Operating Agreement. Attached as Exhibit B is the Agreement Terminating the Prior Agreements and attached as Schedule 1 to Exhibit B is a list of the Prior Agreements that are being terminated. The Township Board hereby authorizes each Township Officer to enter into the Agreement Terminating the Prior Agreements, the form of which is attached as Exhibit B.

5. Additional Steps to Effectuate the Purpose of this Resolution. The Township Board authorizes any officer of the Township to take all necessary steps required to effectuate the purposes of this resolution.

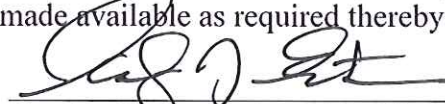
A vote on the foregoing resolution was taken and was as follows:

Yes: Howard, Jammond, Phelan, Coddington, Hubbel, Eaton.

No: None

Clerk's Certificate

The undersigned, being the duly qualified and acting Clerk of the above-referenced Township, hereby certifies that (1) the foregoing is a true and complete copy of a resolution duly adopted by the Township Board at a meeting at which a quorum was present and remained throughout, (2) the original thereof is on file in the records of the Township, (3) the meeting was conducted, and public notice thereof was given, pursuant to and in full compliance with the Open Meetings Act (Act No. 267, Public Acts of Michigan 1976, as amended) and (4) minutes of such meeting were kept and will be or have been made available as required thereby.



Carolyn J. Eaton, Township Clerk

TOWNSHIP OF OCEOLA

At a meeting of the Township Board (the "Township Board") of the Township of OCEOLA (the "Township") held at the Township Hall on MARCH 3, 2011 at 7:00 p.m. local time, there were:

PRESENT: BAMBER, MCLEAN, CORNELL, DUNLEAVY, SCHUHMACHER, HUFF, HENSHAW

ABSENT: N/A

The following preamble and resolution were offered by SCHUHMACHER and seconded by HUFF.

Resolution Approving the Master Operating Agreement and Approving the Water System and Terminating Certain Prior Agreements

WHEREAS, Marion Township, Howell Township, Oceola Township and Genoa Charter Township (the "Constituent Municipalities") are members of the Marion, Howell, Oceola and Genoa Sewer and Water Authority (the "Authority");

WHEREAS, the Township Board has reviewed the proposed Water System Master Operating Agreement (the "Master Operating Agreement"), a copy of which is attached as Exhibit A;

WHEREAS, the Township Board desires to approve the Master Operating Agreement; and

WHEREAS, the Township Board acknowledges and agrees that Section 11.3(d) of the Master Operating Agreement provides that it may be modified, amended and supplemented from time to time in the future by a majority vote of the Board of the Authority, except that Section 11.3(d) requires the unanimous vote of all of the members of the Board of the Authority that are present at a meeting to amend certain specified sections of the Master Operating Agreement;

NOW, THEREFORE, IT IS RESOLVED that:

1. Approval of Master Operating Agreement. The Township Board hereby approves the Master Operating Agreement and approves the Authority entering into the Master Operating Agreement.
2. Resolution to Constitute Evidence of Approval. Any Township Officer is authorized to provide a copy of this Resolution to the Authority as evidence that the Master Operating Agreement has been approved by the Township Board.
3. Approval of the Water System. The Township Board hereby confirms that the Township has approved and agreed to the operation and maintenance of the System (as defined in the Master Operating Agreement) under and pursuant to 1955 Public Act 233 and approved the designation of "MHOG Water System" as the name of the System. Additionally, the

Township Board hereby confirms that the Township has consented and agreed to the establishment and location of the System within its municipal boundaries in accordance with the terms of the Master Operating Agreement and in compliance with Section 29, Article VII, Michigan Constitution of 1963. Furthermore, the Authority shall be the exclusive provider of municipal water service to the properties in the Township that are served by the System, as the System may be modified from time to time as provided for in the Master Operating Agreement.

4. Termination of Prior Agreements. The Constituent Municipalities and the Authority have previously entered into certain agreements that are being terminated in connection with the adoption of the Master Operating Agreement. Attached as Exhibit B is the Agreement Terminating the Prior Agreements and attached as Schedule 1 to Exhibit B is a list of the Prior Agreements that are being terminated. The Township Board hereby authorizes each Township Officer to enter into the Agreement Terminating the Prior Agreements, the form of which is attached as Exhibit B.

5. Additional Steps to Effectuate the Purpose of this Resolution. The Township Board authorizes any officer of the Township to take all necessary steps required to effectuate the purposes of this resolution.


A vote on the foregoing resolution was taken and was as follows:

Yes: 7

No: 0

Clerk's Certificate

The undersigned, being the duly qualified and acting Clerk of the above-referenced Township, hereby certifies that (1) the foregoing is a true and complete copy of a resolution duly adopted by the Township Board at a meeting at which a quorum was present and remained throughout, (2) the original thereof is on file in the records of the Township, (3) the meeting was conducted, and public notice thereof was given, pursuant to and in full compliance with the Open Meetings Act (Act No. 267, Public Acts of Michigan 1976, as amended) and (4) minutes of such meeting were kept and will be or have been made available as required thereby.


Township Clerk Kathleen E. McLean

Resolution No. 110221-C

GENOA CHARTER TOWNSHIP

At a regular meeting of the Genoa Charter Township Board (the "Township Board") of the Township of Genoa (the "Township") held at the Township Hall on February 21, 2011 at 6:30 p.m. local time, there were:

PRESENT: Gary McCririe, Paulette A. Skolarus, Robin Hunt, Steve Wildman, Jim Mortensen, Todd Smith and Jean Ledford.

ABSENT: None.

The following preamble and resolution were offered by Smith and seconded by Mortensen.

Resolution Approving the Master Operating Agreement and Approving the Water System and Terminating Certain Prior Agreements

WHEREAS, Marion Township, Howell Township, Oceola Township and Genoa Charter Township (the "Constituent Municipalities") are members of the Marion, Howell, Oceola and Genoa Sewer and Water Authority (the "Authority");

WHEREAS, the Township Board has reviewed the proposed Water System Master Operating Agreement (the "Master Operating Agreement"), a copy of which is attached as Exhibit A;

WHEREAS, the Township Board desires to approve the Master Operating Agreement; and

WHEREAS, the Township Board acknowledges and agrees that Section 11.3(d) of the Master Operating Agreement provides that it may be modified, amended and supplemented from time to time in the future by a majority vote of the Board of the Authority, except that Section 11.3(d) requires the unanimous vote of all of the members of the Board of the Authority that are present at a meeting to amend certain specified sections of the Master Operating Agreement;

NOW, THEREFORE, IT IS RESOLVED that:

1. Approval of Master Operating Agreement. The Township Board hereby approves the Master Operating Agreement and approves the Authority entering into the Master Operating Agreement.
2. Resolution to Constitute Evidence of Approval. Any Township Officer is authorized to provide a copy of this Resolution to the Authority as evidence that the Master Operating Agreement has been approved by the Township Board.

3. Approval of the Water System. The Township Board hereby confirms that the Township has approved and agreed to the operation and maintenance of the System (as defined in the Master Operating Agreement) under and pursuant to 1955 Public Act 233 and approved the designation of "MHOG Water System" as the name of the System. Additionally, the Township Board hereby confirms that the Township has consented and agreed to the establishment and location of the System within its municipal boundaries in accordance with the terms of the Master Operating Agreement and in compliance with Section 29, Article VII, Michigan Constitution of 1963. Furthermore, the Authority shall be the exclusive provider of municipal water service to the properties in the Township that are served by the System, as the System may be modified from time to time as provided for in the Master Operating Agreement.

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5. Additional Steps to Effectuate the Purpose of this Resolution. The Township Board authorizes any officer of the Township to take all necessary steps required to effectuate the purposes of this resolution.


A vote on the foregoing resolution was taken and was as follows:

Yes: Ledford, Smith, Hunt, Wildman, Mortensen, Skolarus and McCririe.

No: None.

Clerk's Certificate

The undersigned, being the duly qualified and acting Clerk of the above-referenced Township, hereby certifies that (1) the foregoing is a true and complete copy of a resolution duly adopted by the Township Board at a meeting at which a quorum was present and remained throughout, (2) the original thereof is on file in the records of the Township, (3) the meeting was conducted, and public notice thereof was given, pursuant to and in full compliance with the Open Meetings Act (Act No. 267, Public Acts of Michigan 1976, as amended) and (4) minutes of such meeting were kept and will be or have been made available as required thereby.


Paulette A. Skolarus, Township Clerk

Schedule 2.2(b)

Agreement Terminating Prior Agreements

AGREEMENT TERMINATING PRIOR AGREEMENTS

THIS AGREEMENT TERMINATING PRIOR AGREEMENTS (the "Agreement") is made as of February 21, 2011 by and between the Marion, Howell, Oceola and Genoa Sewer and Water Authority (the "Authority"), Marion Township, Howell Township, Oceola Township and Genoa Charter Township (the "Constituent Municipalities").

WHEREAS, the Authority and the Constituent Municipalities have approved the Water System Master Operating Agreement dated as of February 1, 2011 (the "Master Operating Agreement") to govern the operation of the System (as defined in the Master Agreement);

WHEREAS, the Authority and the Constituent Municipalities have previously entered into the agreements described on Schedule 1 (the "Prior Agreements") with respect to the System; and

WHEREAS, the Authority and the Constituent Municipalities desire to terminate the Prior Agreements;

NOW THEREFORE, in consideration of the obligations of the parties set forth in this Agreement, and other valuable consideration the receipt of which is hereby acknowledged, it is hereby agreed as follows:

Section 1. Termination of Prior Agreements. Each of the Prior Agreements described on Schedule 1 shall be terminated as of the date hereof and each of the Prior Agreements shall no longer have any force or effect.

Section 2. General Terms.

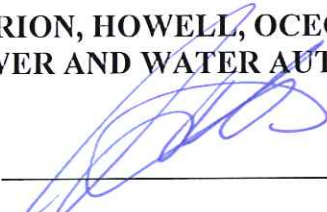
a. Governing Law. This Agreement shall be deemed to have been executed in, and all rights and obligations hereunder shall be governed by, the laws of the State of Michigan.

b. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

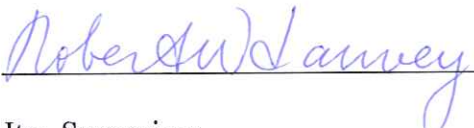
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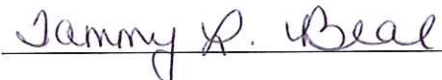
IN WITNESS WHEREOF, the parties have executed this Agreement the day and year above written.

**MARION, HOWELL, OCEOLA AND GENOA
SEWER AND WATER AUTHORITY**


By: 
Its: Chairman


MARION TOWNSHIP

By: 
Its: Supervisor


By: 
Its: Clerk

OCEOLA TOWNSHIP

By: 
Its: Supervisor

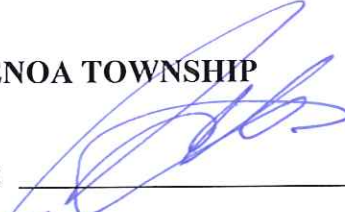
By: 
Its: Clerk


HOWELL TOWNSHIP

By: 
Its: Supervisor

By: 
Its: Clerk

GENOA TOWNSHIP

By: 
Its: Supervisor

By: 
Its: Clerk

Schedule 1

List of the Prior Agreements

The Authority and the Constituent Municipalities have previously entered into the following agreements, which are collectively referred to as the “Prior Agreements”:

- Common Elements Agreement dated November 1, 1996 among the Authority, Genoa Township, Howell Township, Marion Township and Oceola Township;
- First Expansion to the Joint Water Treatment Plant dated December 1, 1999 among the Authority, Genoa Township, Howell Township, Marion Township and Oceola Township;
- Operation and Maintenance Service Contract for Howell Township previously entered into between the Authority and Howell Township;
- Operation and Maintenance Service Contract for Genoa Township previously entered into between the Authority and Genoa Township;
- Operation and Maintenance Service Contract for Marion Township previously entered into between the Authority and Marion Township; and
- Operation and Maintenance Service Contract for Oceola Township previously entered into between the Authority and Oceola Township.

(agreement terminating prior agreements)

Schedule 2.3

Agreement Terminating the Agreement
Regarding Water System Improvements
and Reimbursement of Costs
(Peavy Road Agreement)

**AGREEMENT TERMINATING THE AGREEMENT REGARDING WATER
SYSTEM IMPROVEMENTS AND REIMBURSEMENT OF COSTS**

THIS AGREEMENT TERMINATING THE AGREEMENT REGARDING WATER SYSTEM IMPROVEMENTS AND REIMBURSEMENT OF COSTS is made as of May__, 2015, by the Marion, Howell, Oceola and Genoa Sewer and Water Authority (“MHOG”), whose principal office is located at 1577 N. Latson Road, Howell, Michigan 48843 and Marion Township (“Township”), whose principal office is located at 2877 Coon Lake Road, Howell, Michigan 48843.

RECITALS

WHEREAS, on March 22, 2007 MHOG and the Township entered into an Agreement Regarding Water System Improvements and Reimbursement of Costs, a copy of which is set forth in **Attachment 1** (the “Peavy Road Agreement”); and

WHEREAS, MHOG and the Constituent MHOG Municipalities approved the Water System Master Operating Agreement dated as of February 1, 2011 (the “Master Operating Agreement”) to govern the operation of the System (as defined in the Master Operating Agreement); and

WHEREAS, the Peavy Road Agreement states that Marion Township shall reimburse MHOG the Final Cost of the Water Line Improvement (both as defined in the Peavy Road Agreement), less any oversizing costs; and

WHEREAS, the amount to be reimbursed from the Township to MHOG based on the Final Cost of the Water Line Improvement is \$410,735.32; and

WHEREAS, in 2012 MHOG constructed a project (the “2012 Project”) which connected to the Water Line Improvement constructed pursuant to the Peavy Road Agreement; and

WHEREAS, based on an evaluation of the financial benefits that the Water Line Improvement provided for the 2012 Project, MHOG and the Township estimate that \$409,886.09 was potentially saved for the 2012 Project by having the Water Line Improvement in place; and

WHEREAS, under the Master Operating Agreement (if it would have been in existence in 2007) the Water Line Improvement constructed pursuant to the Peavy Road Agreement would have been constructed and paid for by MHOG as part of the 2012 Project; and

WHEREAS, the Township has reimbursed MHOG \$15,436 to date under the terms of the Peavy Road Agreement, and

WHEREAS, due to the benefits of Water Line Improvement installed pursuant to the Peavy Road Agreement as well as the reimbursements received to date, MHOG and the Township desire to terminate the Peavy Road Agreement;

NOW THEREFORE, in consideration of the obligations of the parties set forth in this Agreement and other valuable consideration the receipt of which is hereby acknowledged, it is hereby agreed as follows:

Section 1. Termination of Peavy Road Agreement. The Agreement Regarding Water System Improvements, a copy of which is set forth in **Attachment 1**, is terminated as of the date hereof and shall no longer have any force or effect. Accordingly, neither party has any remaining obligation to the other party under the Peavy Road Agreement.

Section 2. Retention of Funds Paid to Date. MHOG shall retain the \$15,436 paid to date by the Township to MHOG as reimbursements pursuant to the Peavy Road Agreement.

Section 3. Title to and Ownership of the Water Line Improvement. MHOG shall continue to have title to and have all ownership rights to the Water Line Improvement.

Section 4. Governing Law. This Agreement shall be deemed to have been executed in, and all rights and obligations hereunder shall be governed by, the laws of the State of Michigan.

Section 5. Extent of Agreement. This Agreement and the attached Peavy Road Agreement represent the entire agreements between the parties with respect to this matter and supersede all prior representations, negotiations or agreements whether written or oral.

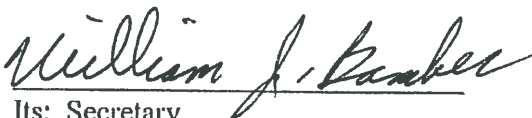
Section 6. No Third Party Beneficiaries. This Agreement is for the sole benefit of MHOG and the Township. Nothing in this Agreement shall create or be deemed to create a relationship between the parties hereto, or either of them, and a third party in the nature of a third party beneficiary.

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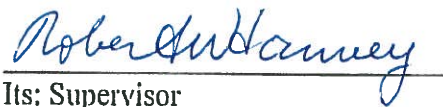
IN WITNESS WHEREOF, the parties have duly executed this Agreement by the signatures of their authorized officers.

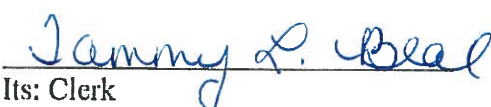
MARION, HOWELL, OCEOLA AND
GENOA SEWER AND WATER
AUTHORITY


Its: Chairperson


Its: Secretary

MARION TOWNSHIP


Its: Supervisor


Its: Clerk

ATTACHMENT 1

AGREEMENT REGARDING WATER SYSTEM IMPROVEMENTS AND
REIMBURSEMENT OF COSTS

Execution Copy

**AGREEMENT REGARDING WATER SYSTEM
IMPROVEMENTS AND REIMBURSEMENT OF COSTS**

This Agreement Regarding Water System Improvements and Reimbursement of Construction Costs is made and entered into as of the 12 day of March, 2007, by and between Marion Township, a Michigan municipal corporation (the "Township"), the address of which is 2877 W. Coon Lake Road, Howell, Michigan 48843, and the Marion, Howell, Ocoola and Genoa Sewer and Water Authority, an authority organized under Act 233, Michigan Public Acts of 1955 (the "Authority"), the address of which is 1577 N. Latson Road, Howell, Michigan 48843.

Recitals

A. The Authority has built, maintains and operates a Water Supply and Distribution System (the "Water System").

B. The Authority is planning on constructing a new water distribution line (the "Water Line Improvement") in Marion Township as described in more detail on Exhibit A. The Water Line Improvement will provide additional water pressure to certain parts of the Authority's Water System and is a desirable improvement for the Authority for other design purposes.

C. The Authority plans to pay for the cost of the Water Line Improvement and then be reimbursed over time by the Township paying to the Authority certain fees that are paid by certain new users of the Water System in a designated area of the Township, as set forth in this Agreement. A portion of the cost of the Water Line Improvement will be for over-sizing, and the Authority will not be reimbursed for the cost of such over-sizing.

D. The Authority is willing to enter into this Agreement for the purpose of resolving a public health and safety issue that currently exists with the Water System and the Authority's decision to enter into this Agreement and pay for the cost of the Water Line Improvement shall not serve as a precedent for future expansions of the Water System.

NOW, THEREFORE, in consideration of the foregoing and the agreements contained herein, the parties agree as follows:

**ARTICLE I
CONSTRUCTION OF WATER LINE IMPROVEMENT**

1.1 Description of Water Line Improvement. The Water Line Improvement shall consist of the improvements described on Exhibit A.

1.2 Engineering and Construction. The Authority shall hire and pay for the engineers to design the Water Line Improvement. Likewise, the Authority shall hire and pay for the contractor that builds the Water Line Improvement.

1.3 Ownership. The Authority shall have title to and own the Water Line Improvement and the Township shall have no ownership interest in the Water Line Improvement.

ARTICLE II EASEMENTS

2.1 Easements for the Benefit of the Authority. The Authority and the Township do not anticipate that any easements will be required in connection with the construction of the Water Line Improvement. If, however, any easements are required in connection with the construction of the Water Line Improvement, then the Township shall obtain such easements and the Township shall pay any costs associated with obtaining such easements. Additionally, the Township will ensure that any such easements are for the benefit of the Authority.

ARTICLE III DESIGN AND OPERATION OF WATER LINE IMPROVEMENT

3.1 Design and Operation. The Authority acknowledges responsibility for the design, inspection, licensing and operation of the Water Line Improvement, including all permits and authorizations.

ARTICLE IV CALCULATION OF FINAL COST

4.1 Initial Cost. The initial estimated cost (without consideration of the over-sizing of the water line from a 12 inch line to a 16 inch line) for the Water Line Improvement is \$429,000, and is calculated as set forth in Exhibit B.

4.2 Determination of Final Cost. Following the completion of the construction of the Water Line Improvement, the Authority shall compute the final cost (the "Final Cost") of the Water Line Improvement, which shall include all design, construction, legal and related costs, but which shall specifically exclude the marginal cost of over-sizing the line from a 12 inch line to a 16 inch line. The Authority and the Township promptly thereafter shall sign a Certificate Regarding Final Cost, the form of which is attached as Exhibit C. When signed, such certificate shall be the final and conclusive evidence of the Final Cost.

ARTICLE V REIMBURSEMENT OF COST

5.1 Reimbursement Obligation. In consideration for the Authority constructing the Water System Improvement, the Township agrees to reimburse the Authority for the Final Cost of the Water System Improvement. Such reimbursement obligation shall be restricted solely to the payment to the Authority of the Designated Future User Fees (as defined below). No portion of this Agreement shall be construed to be a general obligation or general debt of the Township.

5.2 Interest. No interest shall accrue on the Final Cost, and the Reimbursement Payments (as defined below) shall only be paid with respect to the principal portion of the Final Cost.

5.3 Reimbursement Payments from Designated Future Users. The Township agrees to collect connection fees, tap fees or other charges from certain parcels located in certain areas of the Township that, as of the date of this Agreement, have not been specially assessed for water system improvements and these parcels (the "Designated Future Users") are identified in Exhibit D. Such connection fees, tap fees or other charges shall be collected from a Designated Future User at the time that such Designated Future User connects to the Authority's water system. The Township hereby agrees that any Designated Future User that connects to the Authority's Water System shall be required to pay to the Township a connection fee, tap-fee or other charge of not less than \$3,750 per REU (such fees shall be referred to as the "Designated Future User Fees" and the payment of such fees from the Township to the Authority shall be referred to as the "Reimbursement Payments"). Each Designated Future User Fee collected by the Township shall be paid on a quarterly basis by the Township to the Authority. Such payments shall be made by the Township to the Authority within 30 days of the end of each calendar quarter. The Township may, at its option, use any other funds or revenues that are legally available to make the Reimbursement Payments to the Authority. The parties agree that meter fees and inspection fees imposed by the Township shall not be included in the definition of Designated Future User Fees.

5.4 Increase of Designated Future User Fee in the Future. The Township reserves the right to increase the Designated Future User Fee above \$3,750 per REU in the future. In the event that such fee is increased, the entire amount of the fee paid by a Designated Future User to the Township shall continue to be remitted to the Authority on a quarterly basis. The Township may not decrease the Designated Future User Fee below \$3,750 per REU or otherwise reduce the per REU fee for Designated Future Users without the prior written consent of the Authority. Additionally, and notwithstanding the foregoing, the Township reserves the right to increase the connection fee, tap-fee, special assessment or other charge in excess of \$3,750 per REU in order to pay for all or a portion of the cost of construction of water distribution lines and related infrastructure for a Designated Future User, and in such event the Township shall only be required to pay to the Authority the portion of such connection fee, tap-fee, special assessment or other charge that is not related to the cost of construction of water distribution lines and related infrastructure, provided that the amount paid by the Township to the Authority shall in no event be less than \$3,750 per REU for a Designated Future User.

5.5 Use of Special Assessments. The Authority agrees that, as an alternative to the Township charging a Designated Future User the Designated Future User Fee at the time such user connects to the Authority's water system, the Township may impose a special assessment in the principal amount that is no less than the Township's then current Designated Future User Fee, provided that the special assessment is required to be paid in full prior to the date that is 15 years from the date of this Agreement. As any payments on such special assessments are paid to the Township, the principal portion and interest on such special assessments shall be treated as Reimbursement Payments and paid to the Authority as set forth in this Agreement.

Notwithstanding the foregoing, the parties agree that any such special assessments may be payable over a period exceeding the date that is 15 years from the date of this Agreement in the event that the annual payments of principal and interest from the special assessments are projected to be sufficient to pay the Reimbursement Payments in full by the date that is 15 years from the date of this Agreement.

5.6 Termination of the Obligation to Make Reimbursement Payments. At such time that the total Reimbursement Payments made by the Township to the Authority equal the Final Cost, then no additional Reimbursement Payments shall be required to be made by the Township to the Authority.

5.7 Re-Evaluation of the Reimbursement Payments in the Event the Final Cost has not been Repaid After 15 Years. If the Township has not made Reimbursement Payments to the Authority in an amount equal to the Final Cost within 15 years of the date of this Agreement, then the Authority and the Township agree that during the three month period following the 15 year anniversary of this Agreement such parties will negotiate in good faith to provide for an alternative means to repay the remaining portion of the Final Cost over a period of not to exceed 10 years following the 15 year anniversary date of this Agreement.

ARTICLE VI REPRESENTATIONS AND WARRANTIES OF THE TOWNSHIP

The Township represents and warrants to the Authority as follows:

6.1 Organization of the Township. The Township is a general law Township of the State of Michigan and has all power and authority necessary to enter into the transactions contemplated by this Agreement.

6.2 Execution and Performance. The Township has duly and validly authorized and executed this Agreement and the Township has full power to enter into and perform its obligations under this Agreement. Neither the execution and delivery of this Agreement nor its performance are restricted by or violate any contractual or other obligation of the Township.

ARTICLE VII REPRESENTATIONS AND WARRANTIES OF THE AUTHORITY

The Authority represents and warrants to the Township as follows:

7.1 Organization of the Authority. The Authority is organized under Act 233, Michigan Public Acts of 1955, and has all power and authority necessary to enter into the transactions contemplated by this Agreement.

7.2 Execution and Performance. The Authority has duly and validly authorized and executed this Agreement and the Authority has full power to enter into and perform its

obligations under this Agreement. Neither the execution and delivery of this Agreement nor its performance are restricted by or violate any contractual or other obligation of the Authority.

ARTICLE VIII
GENERAL PROVISIONS

8.1 Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Michigan.

8.2 Amendment. This Agreement may not be amended or modified except by a written instrument executed by the Authority and the Township.

8.3 Notices. All notices required or permitted hereunder shall be in writing and shall be deemed given (i) when delivered, if delivered in person; or (ii) when deposited in the U.S. mail, postage prepaid, if given by registered or certified mail; in any case, addressed to the address of such party specified below, or to such other address as such party may indicate by a notice given to the other party in the manner provided above:

If to the Township:
Marion Township
2877 W. Coon Lake Road
Howell, Michigan 48843
Attn: Supervisor

If to the Authority:
Marion, Howell, Oceola and Genoa Sewer and Water Authority
1577 N. Latson Road
Howell, Michigan 48843
Attention: Chairman

8.4 Entire Agreement. This Agreement (including the attached Exhibits) sets forth the entire understanding of the parties to this Agreement with respect to the subject matter hereof.

8.5 Parties in Interest. This Agreement shall be binding upon and shall inure to the benefit of the legal representatives, successors and assigns of the parties hereto. This Agreement may not, however, be assigned by any party hereto without the prior written consent of the other party hereto.

8.6 No Third Party Beneficiaries. This Agreement is for the sole benefit of the Authority and the Township. Nothing in this Agreement shall create or be deemed to create a relationship between the parties hereto, or either of them, and a third party in the nature of a third party beneficiary.

8.7 Construction. This Agreement shall be construed fairly as to all parties and not in favor of or against any party, regardless of which party prepared the specific portion of the Agreement.

8.8 Counterparts. This Agreement may be executed in any number of counterparts. Each counterpart so executed shall be deemed an original, but all such counterparts shall together constitute one and the same instrument.

8.9 Exhibits. The Exhibits attached hereto shall be construed with and as an integral part of this Agreement.

8.10 Headings. Article and section headings used in this Agreement are for convenience only and shall not affect the meaning or construction of this Agreement.

IN WITNESS WHEREOF, the parties have duly executed this Agreement by the signatures of their duly authorized officers.

MARION TOWNSHIP

By: Robert W. Jarvey
Its: Supervisor

By: Sammy L. Beal
Its: Clerk

MARION, HOWELL, OCEOLA AND GENOA
SEWER AND WATER AUTHORITY

By: [Signature]
Its: Chairperson

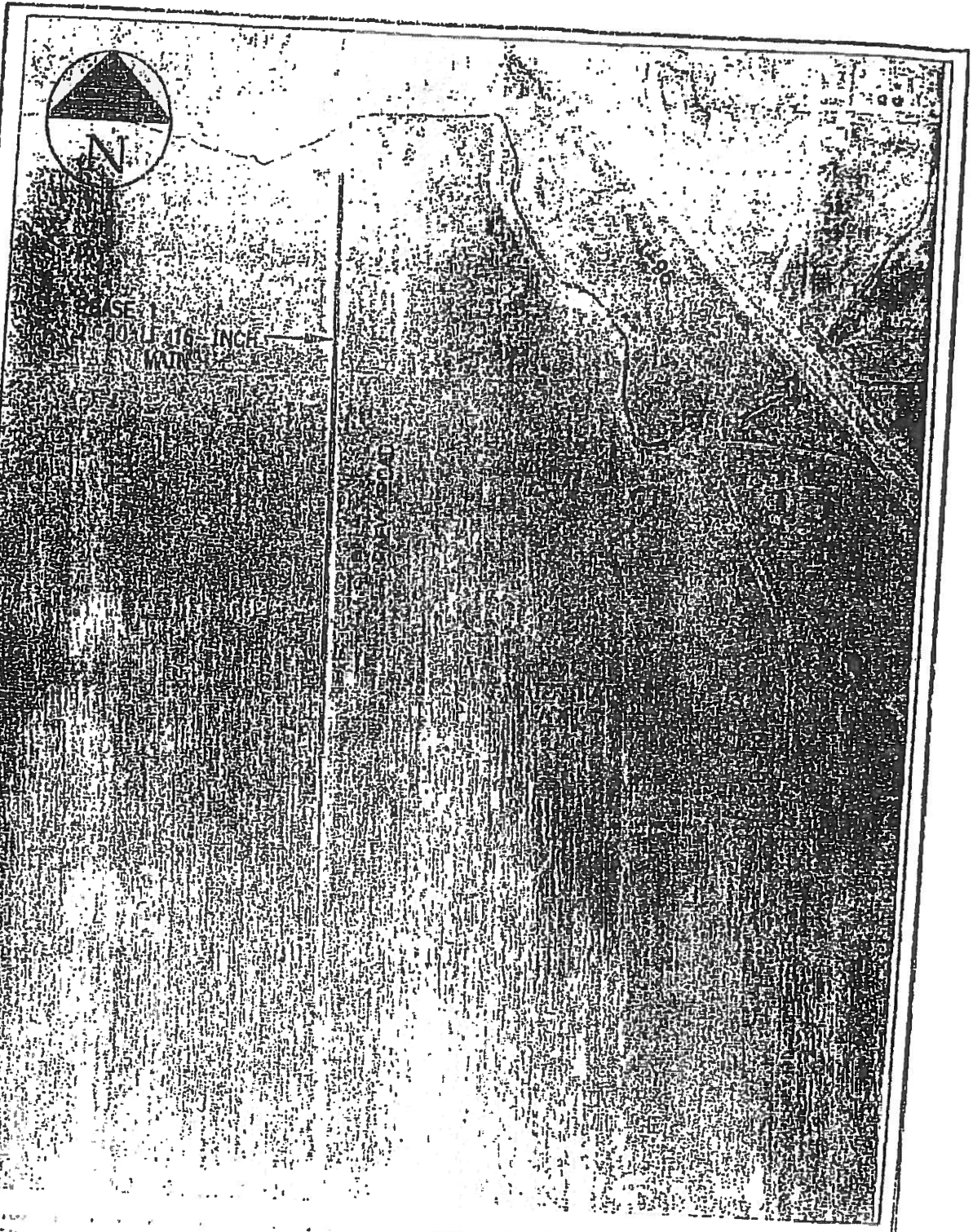
By: William J. Bunker
Its: Secretary

Exhibit A

Description of Water Line Improvement

The 16-inch water main will be constructed along the west side of Peavy Road from the north connection point located just north of the Marion Genoa Drain and then across the road to the east side of Peavy Road at West Oaks Drive. From there, the water main will be installed on the east side until it connects to the existing water main at the Meadows development. The project is illustrated as "Phase I" on the attached map.

WYTHAMPS ROAD WATER MAIN EXTENSION.DWG | LAST EDITED BY: STEVE GOOTHA | PLOT DATE: 12/7/2006 9:20 AM



SCALE: NCV	PROJECT: WYTHAMPS ROAD WATER MAIN EXTENSION	DATE: 12/7/2006
DESIGNED: JEM	CHECKED: JEM	APPROVED: JEM
WYTHAMPS ROAD WATER MAIN EXTENSION		COUNT: 1
OF 1		

Exhibit B
Initial Estimate of Cost

OPINION OF PROBABLE CONSTRUCTION COST

TETRA TECH

123 Brighton Lake Road, Suite 203, Brighton, MI 48116 Telephone: (810) 220-2112 FAX: (810) 220-0094

PROJECT: Peavy Goat Water Main
 LOCATION: Marion Township Michigan
 BASIS FOR ESTIMATE: [] CONCEPTUAL [X] PRELIMINARY [] FINAL
 WORK: Construct 18-inch water main from just north of Marion Genoa
Drain to the extent to define the final water department

DATE: 1/17/2007
 PROJECT NO. 123-12719-07-004
 ESTIMATOR: S. Hooker
 CHECKED BY: J. Markstrom
 CURRENT ENR: _____

ITEM NO.	DESCRIPTION	QUANT.	UNIT	UNIT AMOUNT	TOTAL AMOUNT
1	Mobilization	1	LS	\$10,000.00	\$10,000.00
2	Audiovisual Tape Coverage	1	LS	\$2,000.00	\$2,000.00
3	Traffic Control	1	LS	\$5,000.00	\$5,000.00
4	Granular Backfill (Single Pipe Trench)	235	LF	\$7.00	\$1,645.00
5	16-inch DIP PC 350 Water Main	3,065	LF	\$60.00	\$183,900.00
6	16-inch PO 250 DIP Water Main, Directionally Drilled	350	LF	\$120.00	\$42,000.00
8	Flx Hydrant Assembly	5	EA	\$2,500.00	\$12,500.00
9	Connect to Existing Water Main	2	EA	\$2,000.00	\$4,000.00
10	Gravel Driveway Replacement	200	SY	\$7.00	\$1,400.00
11	Aluminum Driveway Replacement	230	SY	\$20.00	\$4,600.00
12	16" Butterfly Valve & Box	5	EA	\$3,000.00	\$15,000.00
13	1" Gate Valve & Box	2	EA	\$1,500.00	\$3,000.00
	Construction Subtotal				\$205,045.00
	Construction Contingencies (10%)				\$20,504.50
	Construction Total				\$314,000.00
1	1" Copper Type K Water Service	940	LF	\$20.00	\$18,800.00
2	1" Copper Type K Water Service Board	945	LF	\$25.00	\$23,625.00
3	1" Curb Stop with Box	31	EA	\$300.00	\$9,300.00
	Construction Cost for Water Services (Rounded)				\$52,000.00
	Engineering (TI Design / Bidding Phase Proposal)				\$95,000.00
	Engineering (Construction Phase assume 8% of Construction)				\$25,000.00
	Geotechnical Investigation (PSI, Inc Proposal)				\$2,500.00
	Wetland Permit Fee				\$500.00
	Total Project Cost (Not including Water Services)				\$377,000.00
	Total Project Cost (including Water Services)				\$429,000.00

Exhibit C

Form of Certificate Regarding Final Cost

Certificate Regarding Final Cost

Marion Township (the "Township") and The Marion, Howell, Ocala and Genoa Sewer and Water Authority (the "Authority") previously entered into the Agreement Regarding Water System Improvements and Reimbursement of Costs dated March __, 2007 (the "Agreement"). Pursuant to Section 4.2 of the Agreement, the Township and the Authority hereby certify that the Final Cost (as defined in Section 4.2 of the Agreement) is \$ _____, and is calculated as set forth in the Summary of Costs attached hereto.

Dated: _____, 2007

MARION TOWNSHIP

By: _____
Its: Supervisor

By: _____
Its: Clerk

MARION, HOWELL, OCEOLA AND GENOA
SEWER AND WATER AUTHORITY

By: _____
Its: Chairperson

By: _____
Its: Secretary

Exhibit D

**Designated Parcels in the Township that Are
Required to Pay the Designated Future User Fee
when Such Parcels Connect to the Water System**

LAN01\168197.8
IDUPK

Marion Township Parcels Committed to Peavy Watermain Financing

Prepared by Bob Hanvey March 7, 2007

Approved by Township Board on: _____

Parcel Number	Potential REUs	Address Street	
10-02-100-016	18	0 PEAVY RD	Sunridge Phase 2
10-02-202-001	1	1021 PEAVY RD	
10-02-202-002	1	1029 PEAVY RD	
10-02-202-003	1	1037 PEAVY RD	
10-02-202-004	1	1045 PEAVY RD	
10-02-202-005	1	1053 PEAVY RD	
10-02-202-006	1	1061 PEAVY RD	
10-02-202-007	1	1069 PEAVY RD	
10-02-202-010	1	1093 PEAVY RD	
10-02-202-012	1	1085 PEAVY RD	
10-02-300-005	1	1150 PEAVY RD	Sunridge Phase 3
10-02-300-006	1	1138 PEAVY RD	
10-02-300-007	145	0 PEAVY RD	
10-02-301-001	1	1110 ALSTOTT	
10-02-301-002	1	1140 ALSTOTT	
10-02-301-003	1	1148 ALSTOTT	
10-02-301-004	1	1166 ALSTOTT	
10-02-301-005	1	1184 ALSTOTT	
10-02-301-006	1	1200 ALSTOTT	
10-02-301-007	1	1220 ALSTOTT	
10-02-301-008	1	1240 ALSTOTT	
10-02-301-009	1	1260 ALSTOTT	
10-02-301-010	1	1280 ALSTOTT	
10-02-301-011	1	1300 ALSTOTT	
10-02-301-012	1	1320 ALSTOTT	
10-02-301-013	1	1340 ALSTOTT	
10-02-301-014	1	1360 ALSTOTT	
10-02-301-015	1	1380 ALSTOTT	
10-02-301-016	1	1400 ALSTOTT	
10-02-301-017	1	1420 ALSTOTT	
10-02-301-018	1	1440 ALSTOTT	
10-02-301-019	1	1458 ALSTOTT	
10-02-301-020	1	1478 ALSTOTT	
10-02-301-021	1	1494 ALSTOTT	
10-02-301-022	1	1447 ALSTOTT	
10-02-301-023	1	1423 ALSTOTT	
10-02-301-024	1	1399 ALSTOTT	
10-02-301-025	1	1375 ALSTOTT	
10-02-301-026	1	1351 ALSTOTT	
10-02-301-027	1	1327 ALSTOTT	
10-02-301-028	1	1305 ALSTOTT	
10-02-301-029	1	1279 ALSTOTT	
10-02-301-030	1	1245 ALSTOTT	
10-02-301-031	1	1209 ALSTOTT	
10-02-301-032	1	1128 ALSTOTT	

10-02-301-033	1	1151 ALSTOTT
10-02-301-034	1	1187 ALSTOTT
10-02-301-035	1	1211 ALSTOTT
10-02-301-036	1	1231 ALSTOTT
10-02-301-037	1	1257 ALSTOTT
10-02-301-038	1	1285 ALSTOTT
10-02-301-039	1	1305 ALSTOTT
10-02-301-040	1	1325 ALSTOTT
10-02-301-041	1	1345 ALSTOTT
10-02-301-042	1	1365 ALSTOTT
10-02-301-043	1	1385 ALSTOTT
10-02-301-044	1	1405 ALSTOTT
10-02-301-045	1	1425 ALSTOTT
10-02-301-046	1	1455 ALSTOTT
10-02-301-047	1	1492 ALSTOTT
10-02-301-048	1	1454 ALSTOTT
10-02-301-049	1	1418 ALSTOTT
10-02-301-050	1	1394 ALSTOTT
10-02-301-051	1	1370 ALSTOTT
10-02-301-052	1	1346 ALSTOTT
10-02-301-053	1	1322 ALSTOTT
10-02-301-054	1	1298 ALSTOTT
10-02-301-055	1	1274 ALSTOTT
10-02-301-056	1	1250 ALSTOTT
10-02-301-057	1	1230 ALSTOTT
10-02-301-058	1	1210 ALSTOTT DR
10-02-301-059	1	1182 ALSTOTT
10-02-301-060	1	1156 ALSTOTT
10-02-401-001	1	1160 PEAVY RD
10-02-401-002	1	1172 PEAVY RD
10-02-401-003	1	1180 PEAVY RD
10-02-401-004	1	1183 PEAVY RD
10-02-401-005	1	1198 PEAVY RD
10-02-401-006	1	1210 PEAVY RD
10-02-401-007	1	1222 PEAVY RD
10-02-401-008	1	1234 PEAVY RD
10-02-401-009	1	1246 PEAVY RD
10-02-401-010	1	1254 PEAVY RD
10-02-401-011	1	1260 PEAVY RD
10-02-401-012	1	1266 PEAVY RD
10-02-401-013	1	1268 PEAVY RD
10-02-401-014	1	1284 PEAVY RD
10-02-401-015	1	1320 PEAVY RD
10-02-401-016	1	1342 PEAVY RD
10-02-401-017	1	1149 PEAVY RD
10-02-401-018	1	1163 PEAVY RD
10-02-401-019	1	1175 PEAVY RD
10-02-401-020	1	1185 PEAVY RD
10-02-401-021	1	1197 PEAVY RD
10-02-401-022	1	1209 PEAVY RD
10-02-401-023	1	1219 PEAVY RD
10-02-401-024	1	1233 PEAVY RD

10-02-401-025	1	1345 PEAVY RD	
10-02-401-026	1	1357 PEAVY RD	
10-02-401-027	1	0 PEAVY RD	
10-02-401-028	1	1267 PEAVY RD	
10-02-401-029	1	1293 PEAVY RD	
10-02-401-030	1	1315 PEAVY RD	
10-02-401-031	1	1333 PEAVY RD	
10-11-101-001	1	1030 TRACILEE DR	
10-11-101-002	1	1050 TRACILEE DR	
10-11-101-003	1	1070 TRACILEE DR	
10-11-101-004	1	1090 TRACILEE DR	
10-11-101-005	1	1110 TRACILEE DR	
10-11-101-006	1	1130 TRACILEE DR	
10-11-101-007	1	1150 TRACILEE DR	
10-11-101-008	1	1170 TRACILEE DR	
10-11-101-009	1	1210 TRACILEE DR	
10-11-101-010	1	1230 TRACILEE DR	
10-11-101-011	1	1250 TRACILEE DR	
10-11-101-012	1	1270 TRACILEE DR	
10-11-101-013	1	1290 TRACILEE DR	
10-11-101-014	1	1310 TRACILEE DR	
10-11-101-015	1	1330 TRACILEE DR	
10-11-101-016	1	1350 TRACILEE DR	
10-11-101-017	1	1370 TRACILEE DR	
10-11-101-018	1	1390 TRACILEE DR	
10-11-101-019	1	1405 TRACILEE DR	
10-11-101-020	1	1375 TRACILEE DR	
10-11-101-021	1	1345 TRACILEE DR	
10-11-101-022	1	1311 TRACILEE DR	
10-11-101-023	1	1289 TRACILEE DR	
10-11-101-024	1	1265 TRACILEE DR	
10-11-101-025	1	1245 TRACILEE DR	
10-11-101-026	1	1215 TRACILEE DR	
10-11-101-027	1	1195 TRACILEE DR	
10-11-101-028	1	1167 TRACILEE DR	
10-11-101-029	1	1137 TRACILEE DR	
10-11-101-030	1	1111 TRACILEE DR	
10-11-101-031	1	1091 TRACILEE DR	
10-11-101-032	1	1071 TRACILEE DR	
10-11-101-033	1	1051 TRACILEE DR	
10-11-101-034	1	1031 TRACILEE DR	
10-11-101-035	1	1418 TRACILEE DR	
10-11-200-016	1	1375 PEAVY RD	
10-11-200-017	54	0 PEAVY RD	Meadows West (phase 2)
Total	355		

Schedule 2.4

Termination of Lease and License Agreement for
Use of Distribution Lines in Howell Township

Agreement Terminating the Lease and License Agreement for Water Distribution Lines

This Agreement Terminating the Lease and License Agreement for Water Distribution Lines (the "Agreement") is made as of September 21, 2016, by the Marion, Howell, Oceola and Genoa Sewer and Water Authority ("MHOG"), whose principal office is located at 1577 N. Latson Road, Howell, Michigan 48843, and Howell Township ("Howell Township"), whose principal office is located at 3525 Byron Road, Howell, Michigan 48855.

RECITALS

WHEREAS, on March 14, 2011, MHOG and Howell Township entered into the Lease and License Agreement for Water Distribution Lines, a copy of which is set forth in Schedule 1 (the "Lease and License Agreement");

WHEREAS, MHOG's Water System Master Operating Agreement, dated as of February 1, 2011 (the "Master Operating Agreement"), provides that all Local Distribution Elements (as defined in the Master Operating Agreement) are owned by MHOG, except for the Local Distribution Elements located in Howell Township (the "Howell Local Distribution Elements") which, prior to the date of this Agreement, have been owned by Howell Township and leased to MHOG;

WHEREAS, MHOG and Howell Township desire to transfer ownership of the Howell Local Distribution Elements from Howell Township to MHOG; and

WHEREAS, MHOG and Howell Township desire to terminate the Lease and License Agreement.

NOW THEREFORE, in consideration of the obligations and undertakings of the parties set forth in this Agreement and other valuable consideration the receipt of which is hereby acknowledged, it is hereby agreed as follows:

Section 1. Termination of Lease and License Agreement. The Lease and License Agreement, a copy of which is set forth in Schedule 1, is terminated as of the date hereof and shall no longer have any force or effect. Furthermore, neither party has any remaining obligation to the other party under the Lease and License Agreement.

Section 2. Conveyance of Howell Local Distribution Elements. Howell Township hereby agrees to convey the Howell Local Distribution Elements to MHOG pursuant to the Bill of Sale attached as Schedule 2.

Section 3. Title to and Ownership of the Howell Local Distribution Elements. Howell Township represents and covenants that, as of the date of this Agreement, it has fee title to and ownership of the Howell Local Distribution Elements and other than the Lease and

License Agreement, no other party or entity has an ownership interest in, or right to use, the Howell Local Distribution Elements.

Section 4. Operation and Maintenance of the Howell Local Distribution Elements on a Going Forward Basis. Following the date of this Agreement, the Howell Local Distribution Elements shall be operated and maintained by MHOG as Local Distribution Elements in the manner provided for in the Master Operating Agreement.

Section 5. Governing Law. This Agreement shall be deemed to have been executed in, and all rights and obligations hereunder shall be governed by, the laws of the State of Michigan.

Section 6. Extent of Agreement. This Agreement, the attached Bill of Sale and the Master Operating Agreement represent the entire agreements between the parties with respect to this matter and supersede all prior representations, negotiations or agreements whether written or oral.

Section 7. No Third Party Beneficiaries. This Agreement is for the sole benefit of MHOG and the Township. Nothing in this Agreement shall create or be deemed to create a relationship between the parties hereto, or either of them, and a third party in the nature of a third party beneficiary.

IN WITNESS WHEREOF, the parties have duly executed this Agreement by the signatures of their authorized officers.

MARION, HOWELL, OCEOLA AND GENOA
SEWER AND WATER AUTHORITY



Its: Chairperson



Its: Secretary

HOWELL TOWNSHIP



Its: Supervisor



Its: Clerk

Schedule 1

Lease and License Agreement for Water Distribution Lines

LEASE AND LICENSE AGREEMENT FOR WATER DISTRIBUTION LINES

THIS LEASE AND LICENSE AGREEMENT FOR WATER DISTRIBUTION LINES (the "Agreement") is dated as of March 14, 2011, and is entered into by and between the Marion, Howell, Oceola and Genoa Sewer and Water Authority, the address of which is 1577 N. Latson Road, Howell, MI 48843 (the "Authority") and the Township of Howell, the address of which is 3525 Byron Road, Howell, MI 48855 ("Howell Township").

WHEREAS, Marion Township, Howell Township, Oceola Township and Genoa Charter Township (all of which are located in Livingston County) (the "Townships") have organized the Authority pursuant to the provisions of Act 233, Michigan Public Acts of 1955, as amended ("Act 233") for the purpose, among other things, of acquiring, owning, managing and operating a water supply system;

WHEREAS, the Townships have concluded that the operation of a water supply system is needed to promote and improve the health and welfare of the residents of the Townships, and that such water supply system can most economically and efficiently be operated and maintained by the Authority pursuant to the provisions of Act 233;

WHEREAS, the Authority is currently operating the series of lines, mains, pipes, valves, storage tanks, storage facilities, wells, water production and treatment facilities, and related appurtenants for its water production and distribution system (collectively, the "System");

WHEREAS, the Townships have approved and the Authority has entered into a Master Operating Agreement regarding the operating of the System (the "Master Operating Agreement");

WHEREAS, the local distribution lines and elements of the System located in the Townships of Marion, Oceola and Genoa are owned and operated by the Authority;

WHEREAS, Howell Township has elected to retain ownership of the local distribution lines and elements of the System located in Howell Township (which distribution lines and elements are identified on Schedule 1 and are referred to in this Agreement as the “Howell Local Distribution Elements”); and

WHEREAS, pursuant to the terms of this Agreement, Howell Township desires to grant the Authority a license to use the Howell Local Distribution Elements and to enter into a lease with the Authority for the Howell Local Distribution Elements.

NOW, THEREFORE, in consideration of the agreements set forth herein, and other valuable considerations, the receipt of which is hereby acknowledged, the Authority and the Township agree as follows:

ARTICLE I HOWELL LOCAL DISTRIBUTION ELEMENTS

Section 1.1 Howell Local Distribution Elements. Howell Township represents and covenants that it has fee title to and ownership of the Howell Local Distribution Elements and no other party or entity has an ownership interest in, or right to use, the Howell Local Distribution Elements.

Section 1.2 License. Howell Township hereby grants to the Authority an exclusive license to use the Howell Local Distribution Elements during the term of this Agreement for the purpose of the Authority’s operation of the System.

Section 1.3 Lease. In addition to the license set forth in this Agreement, Howell Township hereby leases the Howell Local Distribution Elements to the Authority for the term of this Agreement.

Section 1.4 Exclusivity. The license and lease of the Howell Local Distribution Elements to the Authority shall be exclusive, and during the term of this Agreement Howell Township shall not use the Howell Local Distribution Elements and Howell Township shall not grant any other party a license, (or) leasehold interest with respect to the Howell Local Distribution Elements.

Section 1.5 Quiet Enjoyment. Howell Township covenants and agrees with the Authority that the Authority shall have the right to peaceably and quietly use the Howell Local Distribution Elements during the term of this Agreement, without hindrance or interruption by the Township.

ARTICLE II USE, OPERATION AND MAINTENANCE

Section 2.1 Authority's Use of the Howell Local Distribution Elements. The Authority shall use the Howell Local Distribution Elements to provide water service to customers of the System located in Howell Township.

Section 2.2 Operation and Maintenance of the Howell Local Distribution Elements. The Authority shall operate and maintain the Howell Local Distribution Elements in substantially the same manner that the Authority operates and maintains other local distribution elements of the System. Howell Township agrees not to provide any repair or maintenance to the Howell Local Distribution Elements during the term of this Agreement.

Section 2.3 Routine Maintenance and Repair of the Howell Local Distribution Elements. During the term of this Agreement the Authority shall perform and pay for the repair of the Howell Local Distribution Elements utilizing methods, procedures and standards that the Authority utilizes for the other local distribution elements of the System. Repairs shall include

repairs to individual water service connections, mains, and hydrants. Additionally, routine maintenance including, but not limited to annual flushing, shall be performed on the local distribution lines.

Section 2.4 Replacement of the Howell Local Distribution Elements. Replacement of localized distribution lines shall be defined as a repair extending beyond 100 linear feet of water main or costing individually more than \$50,000. Should a portion of the Howell Local Distribution Elements require replacement due to age, failure, or insufficient capacity, meeting the above listed criteria, then Howell Township and the Authority agree to consider financing of such replacement lines utilizing a combination of existing Authority reserve funds and other financing mechanisms as may be available or required under the Master Operating Agreement.

Section 2.5 Reimbursement for Replacement Costs. In the event that the Authority pays for or finances the replacement of Howell Local Distribution Elements during the term of this Agreement, and at the termination of this Agreement such local distribution elements are retained by Howell Township, then the Authority and Howell Township shall negotiate a fair payment from Howell Township to the Authority to reimburse the Authority for the depreciated value of such local distribution elements. Alternatively, in the event that Howell Township pays for or finances the replacement of Howell Local Distribution Elements during the term of this Agreement, and at the termination of this Agreement such local distribution elements are conveyed to the Authority, then the Authority and Howell Township shall negotiate a fair payment from the Authority to Howell Township to reimburse Howell Township for the depreciated value of such local distribution elements.

Section 2.6 Approval for System. Howell Township, by way of compliance with Section 29, Article VII, Michigan Constitution of 1963, hereby consents and agrees to the

establishment and location of the System within its corporate boundaries and agrees to allow the Authority to be the exclusive provider of municipal water service to the properties in the Township that are served by the Howell Local Distribution Elements, as the Howell Local Distribution Elements may be modified from time to time as provided for in this Agreement. Furthermore, Howell Township agrees that it will assist the Authority in obtaining all easements, licenses, rights-of-way and/or title to property necessary for the use and operation of the Howell Local Distribution Elements.

Section 2.7 Insurance. The Authority shall obtain property and liability insurance for the Howell Local Distribution Elements with coverage amounts and deductibles that are customarily obtained by municipalities for similar water systems.

ARTICLE III ADDITIONAL HOWELL LOCAL DISTRIBUTION ELEMENTS

Section 3.1 Construction of Additional Howell Local Distribution Elements. The construction of, acceptance of, and operational responsibility for additional Howell Local Distributions Elements shall be governed by the procedures for construction of water lines outlined in the Master Operating Agreement.

ARTICLE IV TERM AND TERMINATION

Section 4.1 Initial Term of Agreement. The initial term of this Agreement shall be through December 31, 2030.

Section 4.2 Notice of Termination and Automatic Renewal. Either party may terminate this Agreement at the end of the initial term (or at the end of any subsequent term) by providing the other party with written notice of termination not later than two years prior to the

end of the initial term (or prior to the end of a subsequent term, if applicable.) If neither party provides notice of termination two years prior to the end of the initial term or prior to the end of a subsequent term as set forth in this Section, then this Agreement shall automatically renew for another term of twenty years.

Section 4.3 Reimbursement of Authority Costs in the Event of Termination by Howell Township. In the event that (i) Howell Township elects to terminate this Agreement by providing notice to the Authority pursuant to Section 4.2 or in any other manner, and (ii) if at the effective date of termination the Authority has outstanding revenue bonds or other indebtedness the source or repayment of which is based on future users of the System (collectively, the Outstanding Revenue Bonds), then in connection with the termination of this Agreement Howell Township shall be required to enter into a contractual agreement that will provide for Howell Township to continue to pay its pro-rata share of the debt service on the Outstanding Revenue Bonds, as such debt service is due and payable. For purposes of the foregoing sentence, pro-rata share of debt service on the Outstanding Revenue Bonds shall be based on the volume of water provided in the preceding twelve month period by the Authority to users of the System located in Howell Township divided by the volume of water provided in the preceding twelve month period by the Authority to all users of the System.

ARTICLE V MISCELLANEOUS

Section 5.1 Invalidity of Provisions. In the event that any one or more of the provisions of this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions

of this Agreement, but this Agreement shall be construed as if such invalid, illegal or unenforceable provisions had never been contained herein.

Section 5.2 No Third-Party Beneficiaries. Except as expressly provided herein, this Agreement does not create, and is not intended to create, by implication or otherwise, any direct or indirect obligation, duty, promise, benefit or any other right in favor of any person other than the parties.

Section 5.3 Entire Agreement. This Agreement sets forth the entire agreement between the Authority and the Township and supersedes any and all prior agreements or understandings between them in any way related to the subject matter of this Agreement.

Section 5.4 Amendment. This Agreement may be amended, modified or supplemented only by a written agreement signed by the parties hereto.

Section 5.5 Governing Law. This Agreement shall be interpreted under the laws of the State of Michigan.

Section 5.6 Counterparts. This Agreement may be executed in several counterparts each of which shall be deemed one and the same agreement. It shall be binding upon and inure to the benefit of the parties to it and their respective successors and assigns.

Section 5.7 Captions and Bylines. The captions and bylines used in this Agreement are for the convenience of reference only and in no way define, limit or describe the scope of intent of any provision of this Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and delivered, by their respective duly authorized officers, all as of the day and year first above written.

MARION, HOWELL, OCEOLA AND GENOA
SEWER AND WATER AUTHORITY

By: _____

Its: Chairman

By: _____

Its: Secretary

HOWELL TOWNSHIP

By: _____

Its: Supervisor

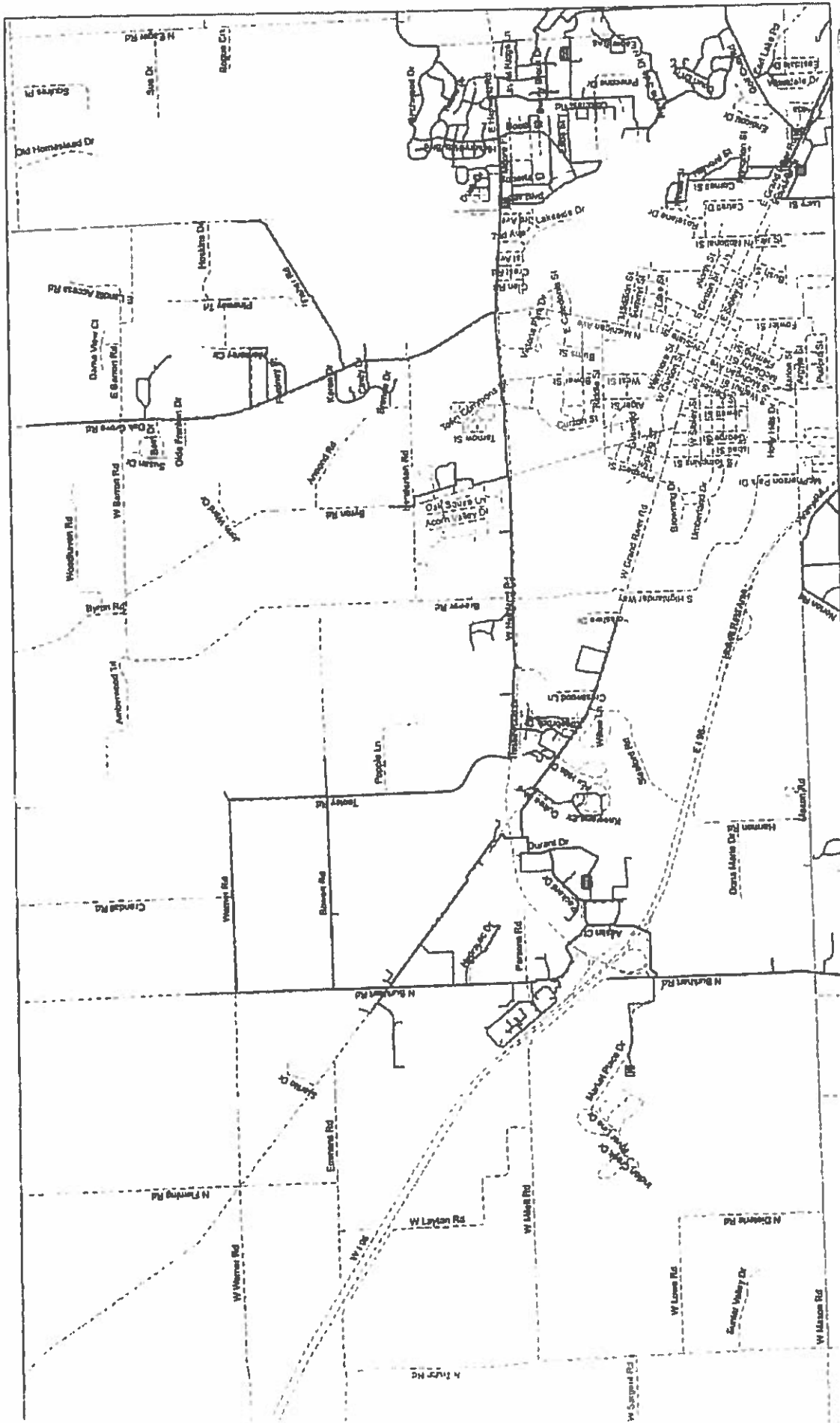
By: _____

Its: Clerk

Schedule 1
Description of Howell
Local Distribution Elements

LAN01\225120.4
IDUPK - 105442/0002

Final Version March 14, 2011



Common Map
Local Distribution Main

Water Plant (Common)

Pressure Reducing Valve (Common)

Flow Meter (Common)

Booster Pumps (Common)

Water Tower (Common)

Water Plant (Common)

Water Plant (Common)

Water Plant (Common)

Water Plant (Common)

Water Plant (Common)

MHOG DESCRIPTION OF SYSTEM (HOWELL TWP)



Scale: 1" = 100'

Schedule 2

Bill of Sale

BILL OF SALE

THIS BILL OF SALE is made as of _____, 2016, by and between Howell Township, a Michigan general law township, the address of which is 3525 Byron Road, Howell, Michigan 48855 (the "Howell Township"), and the Marion, Howell, Oceola and Genoa Sewer and Water Authority, an authority created pursuant to 1955 Public Act 233, as amended, the address of which is 1577 N. Latson Rd., Howell, Michigan 48843 ("MHOG").

For good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Howell Township does hereby sell, assign, transfer and convey to MHOG all of Howell Township's right, title and interest in and to the Howell Local Distribution Elements identified on Schedule I, including all components, structures, fixtures, machinery, equipment, personal property and materials that make up or form a part of the Howell Local Distribution Elements.

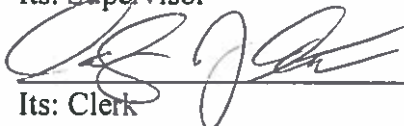
The Howell Local Distribution Elements transferred hereby are being transferred "AS IS, WHERE IS" and with any and all faults.

Howell Township and MHOG have executed this Bill of Sale as of the date and year set forth above.

HOWELL TOWNSHIP

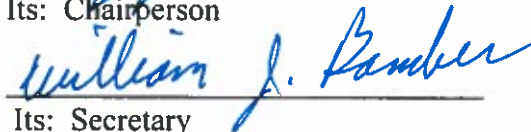


Its: Supervisor

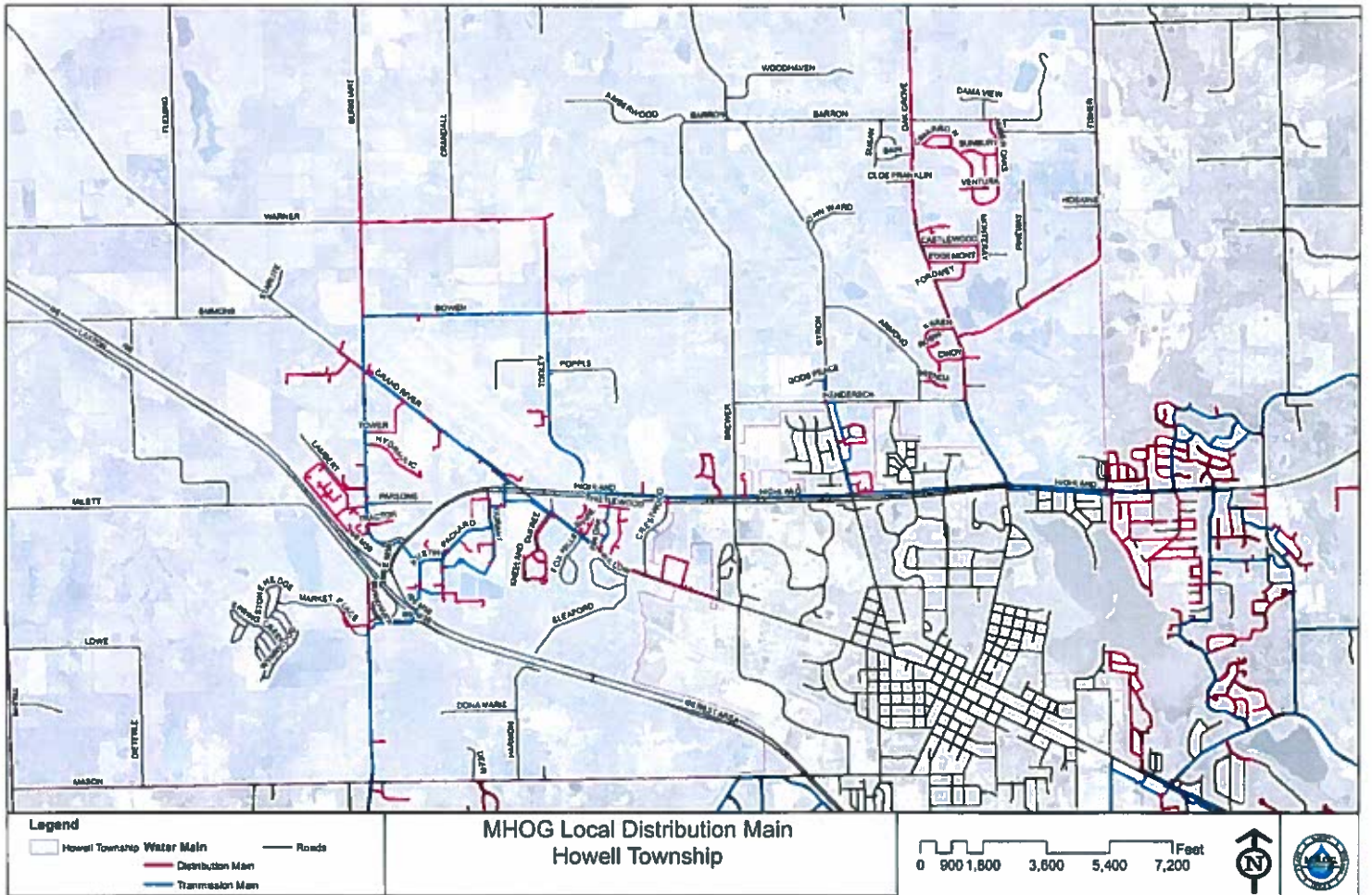


Its: Clerk

MARION, HOWELL, OCEOLA AND GENOA
SEWER AND WATER AUTHORITY


Its: Chairperson

Its: Secretary



Schedule 3.1

Resolutions of each Township Approving the
System



MARION TOWNSHIP

www.mariontownship.com

COPY

2877 W. Coon Lake Rd.
Howell, MI 48843

Phone (517) 546-1588
Fax (517) 546-6622

MARION TOWNSHIP RESOLUTION TO ADOPT THE MHOG MASTER OPERATING AGREEMENT Resolution #2011-9

At a meeting of the Township Board (the "Township Board") of the Township of Marion (the "Township") held at the Township Hall on February 24, 2011 at 7:30 p.m. local time, there were:

PRESENT: Lowe, Beal, Andersen, Hanvey, Wyckoff, Hodge, Lloyd

ABSENT: None

The following preamble and resolution were offered by Tammy Beal and seconded by Les Andersen.

Resolution Approving the Master Operating Agreement and Approving the Water System and Terminating Certain Prior Agreements

WHEREAS, Marion Township, Howell Township, Oceola Township and Genoa Charter Township (the "Constituent Municipalities") are members of the Marion, Howell, Oceola and Genoa Sewer and Water Authority (the "Authority");

WHEREAS, the Township Board has reviewed the proposed Water System Master Operating Agreement (the "Master Operating Agreement"), a copy of which is attached as Exhibit A;

WHEREAS, the Township Board desires to approve the Master Operating Agreement;
and

WHEREAS, the Township Board acknowledges and agrees that Section 11.3(d) of the Master Operating Agreement provides that it may be modified, amended and supplemented from time to time in the future by a majority vote of the Board of the Authority, except that Section 11.3(d) requires the unanimous vote of all of the members of the Board of the Authority that are present at a meeting to amend certain specified sections of the Master Operating Agreement;

NOW, THEREFORE, IT IS RESOLVED that:

1. Approval of Master Operating Agreement. The Township Board hereby approves the Master Operating Agreement and approves the Authority entering into the Master Operating Agreement.

2. Resolution to Constitute Evidence of Approval. Any Township Officer is authorized to provide a copy of this Resolution to the Authority as evidence that the Master Operating Agreement has been approved by the Township Board.

3. Approval of the Water System. The Township Board hereby confirms that the Township has approved and agreed to the operation and maintenance of the System (as defined in the Master Operating Agreement) under and pursuant to 1955 Public Act 233 and approved the designation of "MHOG Water System" as the name of the System. Additionally, the Township Board hereby confirms that the Township has consented and agreed to the establishment and location of the System within its municipal boundaries in accordance with the terms of the Master Operating Agreement and in compliance with Section 29, Article VII, Michigan Constitution of 1963. Furthermore, the Authority shall be the exclusive provider of municipal water service to the properties in the Township that are served by the System, as the System may be modified from time to time as provided for in the Master Operating Agreement.

4. Termination of Prior Agreements. The Constituent Municipalities and the Authority have previously entered into certain agreements that are being terminated in connection with the adoption of the Master Operating Agreement. Attached as Exhibit B is the Agreement Terminating the Prior Agreements and attached as Schedule 1 to Exhibit B is a list of the Prior Agreements that are being terminated. The Township Board hereby authorizes each Township Officer to enter into the Agreement Terminating the Prior Agreements, the form of which is attached as Exhibit B.

5. Additional Steps to Effectuate the Purpose of this Resolution. The Township Board authorizes any officer of the Township to take all necessary steps required to effectuate the purposes of this resolution.

A vote on the foregoing resolution was taken and was as follows:

Yes: Hanvey, Wyckoff, Lowe, Beal, Andersen, Hodge, Lloyd

No: None

Clerk's Certificate

The undersigned, being the duly qualified and acting Clerk of the above-referenced Township, hereby certifies that (1) the foregoing is a true and complete copy of a resolution duly adopted by the Township Board at a meeting at which a quorum was present and remained throughout, (2) the original thereof is on file in the records of the Township, (3) the meeting was conducted, and public notice thereof was given, pursuant to and in full compliance with the Open Meetings Act (Act No. 267, Public Acts of Michigan 1976, as amended) and (4) minutes of such meeting were kept and will be or have been made available as required thereby.

Sammy A. Beal
Township Clerk

TOWNSHIP OF HOWELL

Resolution # 03.11.284

At a meeting of the Township Board (the "Township Board") of the Township of Howell (the "Township") held at the Township Hall on March 28, 2011 at 7:00 p.m. local time, there were:

PRESENT: Coddington, Eaton, Hammond, Phelan, Hubbel, Howard.

ABSENT: Henry

The following preamble and resolution were offered by Eaton and seconded by Hubbel.

Resolution Approving the Master Operating Agreement and Approving the Water System and Terminating Certain Prior Agreements

WHEREAS, Marion Township, Howell Township, Oceola Township and Genoa Charter Township (the "Constituent Municipalities") are members of the Marion, Howell, Oceola and Genoa Sewer and Water Authority (the "Authority");

WHEREAS, the Township Board has reviewed the proposed Water System Master Operating Agreement (the "Master Operating Agreement"), a copy of which is attached as Exhibit A;

WHEREAS, the Township Board desires to approve the Master Operating Agreement; and

WHEREAS, the Township Board acknowledges and agrees that Section 11.3(d) of the Master Operating Agreement provides that it may be modified, amended and supplemented from time to time in the future by a majority vote of the Board of the Authority, except that Section 11.3(d) requires the unanimous vote of all of the members of the Board of the Authority that are present at a meeting to amend certain specified sections of the Master Operating Agreement;

NOW, THEREFORE, IT IS RESOLVED that:

1. Approval of Master Operating Agreement. The Township Board hereby approves the Master Operating Agreement and approves the Authority entering into the Master Operating Agreement.

2. Resolution to Constitute Evidence of Approval. Any Township Officer is authorized to provide a copy of this Resolution to the Authority as evidence that the Master Operating Agreement has been approved by the Township Board.

3. Approval of the Water System. The Township Board hereby confirms that the Township has approved and agreed to the operation and maintenance of the System (as defined in the Master Operating Agreement) under and pursuant to 1955 Public Act 233 and approved the designation of "MHOG Water System" as the name of the System. Additionally, the Township Board hereby confirms that the Township has consented and agreed to the

establishment and location of the System within its municipal boundaries in accordance with the terms of the Master Operating Agreement and in compliance with Section 29, Article VII, Michigan Constitution of 1963. Furthermore, the Authority shall be the exclusive provider of municipal water service to the properties in the Township that are served by the System, as the System may be modified from time to time as provided for in the Master Operating Agreement.

4. Termination of Prior Agreements. The Constituent Municipalities and the Authority have previously entered into certain agreements that are being terminated in connection with the adoption of the Master Operating Agreement. Attached as Exhibit B is the Agreement Terminating the Prior Agreements and attached as Schedule 1 to Exhibit B is a list of the Prior Agreements that are being terminated. The Township Board hereby authorizes each Township Officer to enter into the Agreement Terminating the Prior Agreements, the form of which is attached as Exhibit B.

5. Additional Steps to Effectuate the Purpose of this Resolution. The Township Board authorizes any officer of the Township to take all necessary steps required to effectuate the purposes of this resolution.

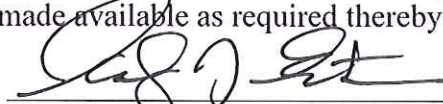
A vote on the foregoing resolution was taken and was as follows:

Yes: Howard, Jammond, Phelan, Coddington, Hubbel, Eaton.

No: None

Clerk's Certificate

The undersigned, being the duly qualified and acting Clerk of the above-referenced Township, hereby certifies that (1) the foregoing is a true and complete copy of a resolution duly adopted by the Township Board at a meeting at which a quorum was present and remained throughout, (2) the original thereof is on file in the records of the Township, (3) the meeting was conducted, and public notice thereof was given, pursuant to and in full compliance with the Open Meetings Act (Act No. 267, Public Acts of Michigan 1976, as amended) and (4) minutes of such meeting were kept and will be or have been made available as required thereby.



Carolyn J. Eaton, Township Clerk

TOWNSHIP OF OCEOLA

At a meeting of the Township Board (the "Township Board") of the Township of OCEOLA (the "Township") held at the Township Hall on MARCH 3, 2011 at 7:00 p.m. local time, there were:

PRESENT: BAMBER, MCLEAN, CORNELL, DUNLEAVY, SCHUHMACHER, HUFF, HENSHAW

ABSENT: N/A

The following preamble and resolution were offered by SCHUHMACHER and seconded by HUFF.

Resolution Approving the Master Operating Agreement and Approving the Water System and Terminating Certain Prior Agreements

WHEREAS, Marion Township, Howell Township, Oceola Township and Genoa Charter Township (the "Constituent Municipalities") are members of the Marion, Howell, Oceola and Genoa Sewer and Water Authority (the "Authority");

WHEREAS, the Township Board has reviewed the proposed Water System Master Operating Agreement (the "Master Operating Agreement"), a copy of which is attached as Exhibit A;

WHEREAS, the Township Board desires to approve the Master Operating Agreement; and

WHEREAS, the Township Board acknowledges and agrees that Section 11.3(d) of the Master Operating Agreement provides that it may be modified, amended and supplemented from time to time in the future by a majority vote of the Board of the Authority, except that Section 11.3(d) requires the unanimous vote of all of the members of the Board of the Authority that are present at a meeting to amend certain specified sections of the Master Operating Agreement;

NOW, THEREFORE, IT IS RESOLVED that:

1. Approval of Master Operating Agreement. The Township Board hereby approves the Master Operating Agreement and approves the Authority entering into the Master Operating Agreement.
2. Resolution to Constitute Evidence of Approval. Any Township Officer is authorized to provide a copy of this Resolution to the Authority as evidence that the Master Operating Agreement has been approved by the Township Board.
3. Approval of the Water System. The Township Board hereby confirms that the Township has approved and agreed to the operation and maintenance of the System (as defined in the Master Operating Agreement) under and pursuant to 1955 Public Act 233 and approved the designation of "MHOG Water System" as the name of the System. Additionally, the

Township Board hereby confirms that the Township has consented and agreed to the establishment and location of the System within its municipal boundaries in accordance with the terms of the Master Operating Agreement and in compliance with Section 29, Article VII, Michigan Constitution of 1963. Furthermore, the Authority shall be the exclusive provider of municipal water service to the properties in the Township that are served by the System, as the System may be modified from time to time as provided for in the Master Operating Agreement.

4. Termination of Prior Agreements. The Constituent Municipalities and the Authority have previously entered into certain agreements that are being terminated in connection with the adoption of the Master Operating Agreement. Attached as Exhibit B is the Agreement Terminating the Prior Agreements and attached as Schedule 1 to Exhibit B is a list of the Prior Agreements that are being terminated. The Township Board hereby authorizes each Township Officer to enter into the Agreement Terminating the Prior Agreements, the form of which is attached as Exhibit B.

5. Additional Steps to Effectuate the Purpose of this Resolution. The Township Board authorizes any officer of the Township to take all necessary steps required to effectuate the purposes of this resolution.


A vote on the foregoing resolution was taken and was as follows:

Yes: 7

No: 0

Clerk's Certificate

The undersigned, being the duly qualified and acting Clerk of the above-referenced Township, hereby certifies that (1) the foregoing is a true and complete copy of a resolution duly adopted by the Township Board at a meeting at which a quorum was present and remained throughout, (2) the original thereof is on file in the records of the Township, (3) the meeting was conducted, and public notice thereof was given, pursuant to and in full compliance with the Open Meetings Act (Act No. 267, Public Acts of Michigan 1976, as amended) and (4) minutes of such meeting were kept and will be or have been made available as required thereby.


Township Clerk Kathleen E. McLean

Resolution No. 110221-C

GENOA CHARTER TOWNSHIP

At a regular meeting of the Genoa Charter Township Board (the "Township Board") of the Township of Genoa (the "Township") held at the Township Hall on February 21, 2011 at 6:30 p.m. local time, there were:

PRESENT: Gary McCririe, Paulette A. Skolarus, Robin Hunt, Steve Wildman, Jim Mortensen, Todd Smith and Jean Ledford.

ABSENT: None.

The following preamble and resolution were offered by Smith and seconded by Mortensen.

Resolution Approving the Master Operating Agreement and Approving the Water System and Terminating Certain Prior Agreements

WHEREAS, Marion Township, Howell Township, Oceola Township and Genoa Charter Township (the "Constituent Municipalities") are members of the Marion, Howell, Oceola and Genoa Sewer and Water Authority (the "Authority");

WHEREAS, the Township Board has reviewed the proposed Water System Master Operating Agreement (the "Master Operating Agreement"), a copy of which is attached as Exhibit A;

WHEREAS, the Township Board desires to approve the Master Operating Agreement; and

WHEREAS, the Township Board acknowledges and agrees that Section 11.3(d) of the Master Operating Agreement provides that it may be modified, amended and supplemented from time to time in the future by a majority vote of the Board of the Authority, except that Section 11.3(d) requires the unanimous vote of all of the members of the Board of the Authority that are present at a meeting to amend certain specified sections of the Master Operating Agreement;

NOW, THEREFORE, IT IS RESOLVED that:

1. Approval of Master Operating Agreement. The Township Board hereby approves the Master Operating Agreement and approves the Authority entering into the Master Operating Agreement.
2. Resolution to Constitute Evidence of Approval. Any Township Officer is authorized to provide a copy of this Resolution to the Authority as evidence that the Master Operating Agreement has been approved by the Township Board.

3. Approval of the Water System. The Township Board hereby confirms that the Township has approved and agreed to the operation and maintenance of the System (as defined in the Master Operating Agreement) under and pursuant to 1955 Public Act 233 and approved the designation of "MHOG Water System" as the name of the System. Additionally, the Township Board hereby confirms that the Township has consented and agreed to the establishment and location of the System within its municipal boundaries in accordance with the terms of the Master Operating Agreement and in compliance with Section 29, Article VII, Michigan Constitution of 1963. Furthermore, the Authority shall be the exclusive provider of municipal water service to the properties in the Township that are served by the System, as the System may be modified from time to time as provided for in the Master Operating Agreement.

4. Termination of Prior Agreements. The Constituent Municipalities and the Authority have previously entered into certain agreements that are being terminated in connection with the adoption of the Master Operating Agreement. Attached as Exhibit B is the Agreement Terminating the Prior Agreements and attached as Schedule 1 to Exhibit B is a list of the Prior Agreements that are being terminated. The Township Board hereby authorizes each Township Officer to enter into the Agreement Terminating the Prior Agreements, the form of which is attached as Exhibit B.

5. Additional Steps to Effectuate the Purpose of this Resolution. The Township Board authorizes any officer of the Township to take all necessary steps required to effectuate the purposes of this resolution.


A vote on the foregoing resolution was taken and was as follows:

Yes: Ledford, Smith, Hunt, Wildman, Mortensen, Skolarus and McCririe.

No: None.

Clerk's Certificate

The undersigned, being the duly qualified and acting Clerk of the above-referenced Township, hereby certifies that (1) the foregoing is a true and complete copy of a resolution duly adopted by the Township Board at a meeting at which a quorum was present and remained throughout, (2) the original thereof is on file in the records of the Township, (3) the meeting was conducted, and public notice thereof was given, pursuant to and in full compliance with the Open Meetings Act (Act No. 267, Public Acts of Michigan 1976, as amended) and (4) minutes of such meeting were kept and will be or have been made available as required thereby.


Paulette A. Skolarus, Township Clerk

Schedule 3.4
Form of Utility Easement

PERMANENT UTILITY EASEMENT

THIS PERMANENT UTILITY EASEMENT (the "Easement") is made this _____ day of _____, 20__, by and between, _____, and _____, [or _____, a Michigan limited liability company/corporation] whose address is _____, _____, Michigan, _____ hereinafter referred to as the "Grantor" and _____ Township, a Michigan municipal corporation, whose address is _____, _____, Michigan _____, hereinafter referred to as the "Grantee."

RECITALS

- A. Grantor is the owner of real property located in _____ Township which is legally described in Exhibit A attached hereto.

- B. Grantor intends to cause to be constructed and dedicated to Grantee certain public water and sanitary sewer mains and appurtenances (collectively, the "Public Utilities") under and across a portion of Grantor's Property for the development of Grantor's Property.

- C. Grantor has agreed to grant to the Grantee a permanent nonexclusive easement on the terms and conditions contained in this easement agreement in order to permit Grantee to inspect, test, use operate, maintain, repair, replace and further construct the public utilities.

NOW THEREFORE, in consideration of one dollar (\$1.00) and the mutual covenants and agreements contained herein, IT IS AGREED as follows:

- 1. Grant of Easement; Use of Easement. Grantor hereby grants to Grantee a nonexclusive twenty-five foot (25') wide permanent utility easement over, under, upon and across the easement premises described in the Attached Exhibit A situated in _____ Township, Livingston County, Michigan (the "Easement Premises"). The legal description of the Easement Premises owned by Grantor (the servient tenement) is described in the attached Exhibit "A" and the Easement Area is described in the attached Exhibit B.

- 2. Grantee's use of the Easement Area. Grantee shall have the right at all times to go upon and use the Easement Area to inspect, test, operate, maintain, repair, replace and further construct water and/or sanitary sewer mains and appurtenances that Grantor causes to be constructed in the Easement Area. If the Easement Premises is disturbed by reason

of the exercise of any of the foregoing powers, then the said premises shall be restored to a reasonable likeness of its original condition by Grantee at Grantee's cost and expense.

3. Grantor's use of the Easement Area. Grantor shall at all times have the right to make such use of the Easement Area as shall not be inconsistent with or unreasonably interfere with the exercise by Grantee of the rights and privileges granted to it hereunder provided that no permanent building shall be constructed upon the Easement Area and further provided that Grantor shall not alter the established grade in the Easement Area without first obtaining the consent of Grantee which consent shall not be unreasonably withheld. The established grade is the grade that existed at the completion of the installation of said public utilities. If Grantor installs any temporary structures, landscaping or other items in the Easement Area that, in Grantee's opinion, may interfere with Grantee's exercise of its rights in this Agreement, Grantee may require Grantor to remove such items, at Grantor's expense.
4. Covenants running with the land. The easement granted herein shall constitute a burden upon the land and shall run with the land. The Grantor agrees that the easement granted herein shall be prior and paramount to all rights of the Grantor and any assignment of its interests in the Easement Premises hereinafter shall be subject to the easement granted herein.
5. Representations of Grantor. Grantor represents and covenants that Grantor is the only person(s) or legal entities having an ownership interest in the Easement Premises and that the person executing this document has full power and authority to do so. Further, the Grantor acknowledges that the Grantor has a right to an appraisal, the right to accompany the appraiser during an inspection of the premises and the right to receive just compensation for the use of the lands. The Grantor does hereby nonetheless waive the right to an appraisal and a property inspection and does donate said easement to Grantee.
6. Release. The Grantor releases Grantee from any and all damages or claims, alleged or real, suffered by the Grantor, by reason of diminution to the value of the property arising out of the easements herein granted, or on account of the construction, inspection, testing, maintenance and/or repair of the water and/or sewer main and appurtenances.
7. Assignment. The easement may subsequently be assigned by _____ Township to another governmental body that may own or operate the water supply and sanitary sewer systems.
8. Notices. Notices permitted or required hereunder shall be in writing and shall be delivered or sent by certified mail to the addresses first provided above; provided that any party may change such address by written notice to the other party.
9. Governing Law. This Easement shall be governed by and construed in accordance with the laws of the State of Michigan.
10. Entire Agreement. This Permanent Utility Easement, including the attached Exhibits, contains the entire agreement between the parties and all of the terms and conditions to

which the parties have agreed and supersedes all prior oral or written agreements or understandings concerning the subject matter.

- 11. Severability. If any provision of this Agreement or the application thereof to any party or circumstances shall, to any extent, now or hereafter be or become invalid or unenforceable, the remainder of this Agreement shall not be affected thereby and every other provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.
- 12. Counterparts. This Easement may be signed in one or more counterparts, all of which taken together shall constitute one and the same document.
- 13. Parties bound. This instrument shall be binding upon and inure to the benefit of the parties herein and their heirs, representatives, successors, and assigns of said parties.

GRANTOR:

Date: _____

*

*

STATE OF MICHIGAN)
) SS
 COUNTY OF _____)

The foregoing instrument was acknowledged to before me on _____ by the Grantor, _____ and _____, husband and wife.

_____, Notary Public
 _____ County, Michigan
 My commission expires: _____
 Acting in _____ County, Michigan

[OR CORPORATE NOTARY]

_____, L.L.C./Inc./Corp.
"GRANTOR"

Date: _____

By: _____

Its: _____

STATE OF MICHIGAN)
) SS
COUNTY OF _____)

The foregoing instrument was acknowledged to before me on _____, by _____, the _____ of _____, LLC/Inc./Corp. on behalf of the limited liability company/corporation.

_____, Notary Public
_____ County, Michigan
My commission expires: _____
Acting in _____ County, Michigan

ACCEPTANCE BY _____ TOWNSHIP
This grant of Permanent Utility Easement is accepted by _____ Township on the ____ day of _____, 20__.

_____ TOWNSHIP
By: _____
Supervisor

STATE OF MICHIGAN)
) SS
COUNTY OF LIVINGSTON)

The foregoing instrument was acknowledged to before me on _____, 20__, by _____, as Supervisor of _____ Township, on behalf of the township.

_____, Notary Public
_____ County, Michigan
My commission expires: _____
Acting in _____ County, Michigan

EXHIBIT A
Easement Premises

[INSERT LEGAL DESCRIPTION OF BURDENED PARCEL]

EXHIBIT B
Easement Area

[INSERT LEGAL DESCRIPTION OF EASEMENT AREA]

Schedule 3.5

Form of Assignment of Easement for the benefit
of the Authority

ASSIGNMENT OF EASEMENTS

For and in consideration of One Dollar (\$1.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, _____ Township, a Michigan general law township, the address of which is _____, _____, Michigan _____ (the "Township"), assigns and transfers to the Marion, Howell, Oceola and Genoa Sewer and Water Authority, an authority created pursuant to 1955 Public Act 233, as amended, the address of which is 2911 Dorr Road, Brighton, Michigan 48116 (the "Authority"), all of its right, title and interest in the Easements described in Exhibit A (the "Existing Easements").

This Assignment of Easements shall be binding upon and insure to the benefit of the parties hereto, and their respective successors and assigns.

_____ **Township**
By: _____
Its: _____

**Marion, Howell, Oceola and Genoa Sewer
and Water Authority**
By: _____
Its: _____

STATE OF MICHIGAN)
) ss
COUNTY OF LIVINGSTON)

The foregoing instrument was acknowledged before me on this ___ day of _____, 20__ by _____ of _____ Township.

Notary Public
Livingston County, MI
My commission expires: _____

STATE OF MICHIGAN)
) ss
COUNTY OF LIVINGSTON)

The foregoing instrument was acknowledged before me on this ___ day of _____, 20__ by _____, _____ of the Marion, Howell, Oceola and Genoa Sewer and Water Authority.

Notary Public
Livingston County, MI
My commission expires: _____

PREPARED BY AND WHEN RECORDED RETURN TO:
James P. Kiefer
Dykema Gossett PLLC
201 Townsend Street, Suite 900
Lansing, MI 48933

**Exhibit A
Existing Easements
Being Assigned**

Name of
Easement

Parties to
Easement

Date of
Easement

Recording
Information

Schedule 5.3

Description of Water Rate Ordinances
Adopted by the Townships

Marion Township – Water Use and Rate Ordinance No. G196, Adopted June 13, 1996

Howell Township – Water Use and Rate Ordinance No. 54, Adopted June 13, 1996

Oceola Township – Water Use and Rate Ordinance No. 93-1, Adopted December 16, 1993

Genoa Township – Water Use and Rate Ordinance No. 110689C, Adopted November 6, 1989

Schedule 5.7
Investment Policy

**MARION, HOWELL, OCEOLA & GENOA SEWER AND WATER AUTHORITY
INVESTMENT RESOLUTION**

Dated: November 28, 2007

1. Statement of Purpose

WHEREAS, the Board of Marion, Howell, Oceola & Genoa (M.H.O.G.) Sewer and Water Authority, Livingston County, in exercising its fiduciary responsibilities, desires to safeguard the funds of the authority that may be invested from time to time, and

WHEREAS, Public Act 77 of 1989, MCL 41.77, requires that the authority board designate the banks or depositories for the money belonging to the authority, including the time for which the deposits shall be made and all details for carrying into effect the township given in this act, and

WHEREAS, Public Act 196 of 1997, MCL 129.91, et seq., requires authority boards in consultation with the treasurer, to adopt an investment policy.

2. Scope of Policy

THEREFORE BE IT RESOLVED, That this policy is applicable to all public funds belonging to M.H.O.G. Sewer and Water Authority and in the custody of the treasurer.

3. Delegation of Authority to Make Investments

BE IT FURTHER RESOLVED, That the Authority Treasurer is authorized to manage funds belonging to the authority, including depositing funds in approved financial institutions and administrating investments in conformance with MCL 41.77 and the policies as set forth in this resolution.

4. Approved Depositories

BE IT FURTHER RESOLVED, That the board will approve a "Depository Resolution" listing approved financial institutions as depositories of authority funds.

5. Safekeeping and Custody of Deposits and Investments

BE IT FURTHER RESOLVED, That the treasurer shall recommend financial institutions for approval for the safekeeping of authority funds based on an evaluation of the performance and solvency of the institution, as well as post performance in exercising due care and prudence in managing the custody of authority funds held in trust, if applicable. The treasurer shall periodically evaluate approved and potential financial depositories and shall make recommendations as to appropriate changes in approved depositories when warranted.

BE IT FURTHER RESOLVED, The treasurer may elect to have certificates and other evidence of investments held by a financial institution, provided that the financial institution presents to the authority treasurer sufficient instruments held on behalf of the authority.

In determining safekeeping and custody qualifications, financial institutions must document a minimum capital requirement of at least \$10,000,000 and at least five years of operation or provide to the authority an unconditional guarantee from another regulated lender (with assets of at least \$10,000,000) that the funds deposited will at all times be available for withdrawal by the authority. All financial institutions and brokers/dealers shall be pre-qualified by supplying the following:

- *Audited financial statements,
- *Proof of NASD certification or FDIC insurance,
- *Certification of having read, understood and its agreement to comply with the M.H.O.G. Sewer & Water Authority investment policy.

The treasurer shall annually examine the financial condition and registrations of qualified financial institutions and brokers/dealers by obtaining annual updates of the information listed above.

6. Authorized Investment Instruments

BE IT FURTHER RESOLVED, That when the treasurer's analysis of the authority's cash flow requirements reveals that surplus funds will not be required to meet current expenditures for a specific length of time, the treasurer is authorized to make prudent investments for a length of time that will provide a reasonable return on investment, yet ensure that such funds will be available when needed and will not be exposed to undue risk. The treasurer is authorized to invest authority funds in the following instruments:

- a) In bonds, securities, and other obligations of the United States, or an agency or instrumentality of the United States. in which the principal and interest is fully guaranteed by the United States.
- b) In certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank which is a member of the Federal Deposit Insurance Corporation or a savings and loan association which is a member of the Federal Savings and Loan Insurance Corporation or a credit union which is insured by the National Credit Union Administration, but only if the bank, savings and loan association, or credit union meet all criteria as a depository of public funds contained in state law;
- c) In commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and which matures not more than 270 days after the date of purchase. Not more than 50% of any fund may be invested in commercial paper at any time.
- d) In United States government or federal agency obligation repurchase agreements:
- e) In bankers' acceptances of United States banks, or
- f) In mutual funds composed of investment vehicles that are legal for direct investment of local units of government in Michigan. Investments in mutual funds shall be limited to securities whose intention is to maintain a net asset value of \$1 per share.

7. Investment Objectives

BE IT FURTHER RESOLVED, That the objectives of this policy are foremost, to maintain safety of principal of authority funds; secondarily, to maintain a diversified investment portfolio, maintain adequate liquidity, and achieve a market rate of return on relatively safe investment instruments.

To accomplish these objectives, decisions and actions involving the authority's investment portfolio shall meet the following criteria:

Safety: Safety of principal is the foremost objective of M.H.O.G. Sewer and Water Authority's investment practices. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall investment portfolio. The treasurer shall minimize credit risk by investing only in the safer types of securities, pre-qualifying financial institutions, brokers/dealers, intermediaries, and advisers with whom the township will do business; and diversifying the investment portfolio so that the impact on the investment portfolio resulting from losses on individual securities will be minimized.

Diversification: The investments shall be diversified by avoiding overconcentration in securities from a specific issuer or business sector, excluding U.S. Treasury securities. Investments shall have varying maturities. Investment instrument selection shall avoid high credit risks and shall include use of readily available funds, such as local government investment pools or mutual funds to maintain sufficient liquidity.

Liquidity: The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. Securities shall have maturity dates concurrent with cash flow needs. Securities with active secondary or resale markets, as well as money market mutual funds offering same-day liquidity for short-term funds shall also be used to ensure liquidity. The treasurer shall minimize interest rate risk by avoiding the need to sell securities prior to maturity and investing operating funds primarily in short term-securities, money market mutual funds or similar public investment pools. Securities shall not normally be sold prior to maturity except to minimize loss of principal; to improve the quality, yield or target duration in the portfolio, or to meet liquidity needs.

Return on Investment: The investment portfolio shall be designed to attain a market average rate of return during budgetary and economic cycles while taking into account investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to safety and liquidity objectives. The core of investments is limited to relatively low-risk securities, and fair rate of return relative to risk is assumed.

8. Standard of Prudence

BE IT FURTHER RESOLVED, That the treasurer shall make such investments and only such investments as a prudent person would make in dealing with the property of another, having in view the preservation of the principal and the amount and regularity of the income to be derived.

The standard of prudence to be used shall be the "fiduciary" standard and shall be applied in context of managing an overall portfolio.

9. Statement of Ethics

BE IT FURTHER RESOLVED, That the treasurer shall refrain from personal business activity that could conflict with the proper execution and management of authority investments, or that could impair the treasurer's ability to make impartial investment decisions.

10. Investment Activity Report

BE IT FURTHER RESOLVED, That the treasurer shall annually provide a written report to the authority board concerning the investment of authority funds.

BE IT FURTHER RESOLVED, That the authority shall comply with all applicable statutory standards for investment of public funds as they now exist or as they may be subsequently amended. Any provision of this resolution that conflicts with applicable statutory requirements and standards is void.

Depository Resolution

Dated: November 28, 2007

WHEREAS, Public Act 77 of 1989, MCL 41.77 requires that the MHOG Sewer & Water Authority Board designates the depositories for money belonging to the Authority,

BE IT FURTHER RESOLVED, that the MHOG Sewer & Water Authority Board approved the following financial institutions as depositories of Township Funds:

Bank of America
Bank One
Michigan Commerce Bank
Charter One
Chase Bank
Citizens Bank
Comerica Bank
Fifth Third Bank
First National Bank of Howell
Flagstar Bank
Key Bank
Livingston Community Bank
PNC Bank
TCF Bank

BE IT FURTHER RESOLVED, that the Treasurer may continue to use these institutions and the subsequent successor if any experience name changes due to acquisition or merger.

Schedule 5.8
Amended and Restated Utility
Services Agreement

AMENDED AND RESTATED
UTILITY SERVICES AGREEMENT

THIS AGREEMENT is made as of February 19, 2016, by the Marion, Howell, Oceola and Genoa Sewer and Water Authority (“MHOG”), whose principal office is located at 1577 N. Latson Road, Howell, Michigan 48843, the Genoa-Oceola Sewer and Water Authority whose principal office is located at 2911 Dorr Road, Brighton, MI 48116 (“G-O”), and Genoa Charter Township (“Township”), whose principal office is located at 2911 Dorr Road, Brighton, Michigan 48116.

ARTICLE I - RECITALS

WHEREAS, MHOG, G-O and the Township entered into the Utility Services Agreement on February 22, 2011 (the “Agreement”), the parties now wish to amend the Agreement and for the sake of clarity agree to restate the Agreement;

WHEREAS, the Township owns and operates (i) the Oak Pointe Sanitary Sewer System, (ii) the Oak Pointe Water Supply System, and (iii) the Lake Edgewood Sanitary Sewer System; and

WHEREAS, the Townships of Marion, Howell, Oceola, and Genoa have organized MHOG pursuant to the provisions of Act 233, Michigan Public Acts of 1955, as amended for the purpose of acquiring, owning, managing, and operating a water supply system; and

WHEREAS, the Townships of Genoa and Oceola have organized the G-O pursuant to the provisions of Act 233, Michigan Public Acts of 1955, as amended for the purpose of acquiring, owning, managing, and operating a sanitary sewer collection and treatment system; and

WHEREAS, (i) the Township’s Oak Pointe Sanitary Sewer System, (ii) the Township’s Oak Pointe Water System, (iii) the Township’s Lake Edgewood Sanitary Sewer System, (iv) the water production and distribution system operated by MHOG, and (v) the sanitary sewer collection and treatment system operated by the G-O shall, for the purpose of this Agreement, collectively be referred to as the “Systems”; and

WHEREAS, the Township, MHOG and G-O have concluded that the operation of Systems is needed to promote and improve the health and welfare of the residents of the users of such Systems; and

WHEREAS, the Township, MHOG and G-O have concluded that combined operational services which share administrative, billing, operational staff and equipment over the five Systems will result in improved operation, efficiency, and cost savings for the residents served by the Systems; and

WHEREAS, the Township operates a Utility Department with a separate DPW Fund (the “DPW Fund”) that provides utility services to the Systems, the staff of the Utility Department is referred to herein as the “Utilities Staff” and while the Utility Department is often referred to as the “MHOG Utility Department” in conducting its business, for the purposes of this Agreement it shall be referred to as the “Utility Department”;

NOW, THEREFORE, in consideration of the promises below and other valuable consideration the receipt of which is hereby acknowledged, the Agreement is hereby amended and restated as follows:

ARTICLE II - OPERATION OF THE SYSTEMS

Beginning on the Commencement Date (as defined below) and during the term of the Agreement, the Township agrees to provide, through the Utility Department, the staff, vehicles, supplies and materials needed to operate the Systems. The Utility Department agrees to operate the Systems in accordance with the terms and conditions of this Agreement, applicable law, and the permits, licenses, manufacturer's protocols, and specifications applicable to the operation and maintenance of the Systems. The Utilities Staff shall take direction from the governing board of each respective System with respect to the specific operation of each such System, and the ultimate responsibility for the operation of each such System shall remain with the governing body of each respective System. Each party hereby agrees that it will cooperate in good faith with the other and its agents, employees, representatives, officers, contractors, and subcontractors to facilitate the performance of the mutual obligations set forth in this Agreement.

ARTICLE III - SCOPE OF SERVICES

When performing services pursuant to this Agreement for the Systems, the Township personnel described below shall report to and be subject to direction of the appropriate governing board of the respective System, although such personnel shall remain employees of the Township and not of the Systems. As described above, the ultimate responsibility for the operation of each such System shall remain with the governing body of each respective System.

Section 3.1 - Administrative and Support Services

Administrative staff to be employed by the Utility Department and assigned to the Systems shall consist of a Utility Director, a Deputy Utility Director - Water, a Deputy Utility Director - Wastewater, and an Engineer and such other personnel as shall be necessary to perform the utility services described in this Agreement. A description of the duties to be carried out by the administrative staff is set forth in **Exhibit 1**.

Section 3.2 - Operation and Maintenance Services

Operation and maintenance staff to be employed by the Utility Department and assigned to the Systems shall consist of the necessary plant, collection and distribution system personnel. A description of the duties to be carried out by the operation and maintenance staff with regard to water systems is set forth in **Exhibit 2a** and with regard to sanitary sewer systems is set forth in **Exhibit 2b**.

Section 3.3 - Meter Service, Reading, Billing and Receipting Services

Meter reading, billing, and receipting staff to be employed by the Utility Department and assigned to the Systems shall consist of the necessary staff to bill, read, and receipt water and sanitary sewer service. A description of the duties to be carried out by the billing services staff is set forth in **Exhibit 3**.

Section 3.4 - Staffing Levels

The proposed staffing level to conduct and maintain the various services described in this Agreement is presented in Utility Department Organization Chart shown in **Exhibit 4**. The parties to this Agreement acknowledge that during the term of this Agreement staffing levels will vary pending the season, level of effort required, attenuation, termination, disability, or other circumstances. The parties acknowledge that the Utility Department shall have the right to modify staffing levels to provide the appropriate level of service to the Systems subject to the following conditions: (i) any modifications that do not result in an increase of the DPW Fund Budget can be made by the Utility Department, (ii) any modifications that result in an increase of the overall DPW Fund Budget by 5% or less on an annual basis may be made by the Utility Department with prior notification to the governing boards of the Systems, and (iii) any modifications that result in an increase of the overall DPW Fund Budget by more than 5% on an annual basis may be made only with the prior written approval of the governing boards of each of the Systems except, that modifications in staffing levels made pursuant to the inclusion of additional systems pursuant to Section 5.7 shall not require additional approvals.

Section 3.5 - Vehicle, Supply, and Material Levels

During the term of this Agreement, the Utility Department agrees to provide vehicles, supplies, equipment and materials necessary to perform the essential duties outlined in this Agreement. A summary of the vehicles, supplies, and materials initially to be provided is set forth in **Exhibit 5**. The parties to this Agreement acknowledge that during the term of this Agreement vehicle, supply, and material levels will vary pending changes in scope of services, staffing levels, and regulations. The parties acknowledge that the Utility Department shall have the right to modify these levels to provide the appropriate level of service to the Systems subject to the following conditions: (i) any modifications that do not result in an increase of the DPW Fund Budget can be made by the Utility Department, (ii) any modifications that result in an increase of the overall DPW Fund Budget by 5% or less on an annual basis may be made by the Utility Department with prior notification to the governing boards of the Systems, and (iii) any modifications that result in an increase of the overall DPW Fund Budget by more than 5% on an annual basis may be made by only with the prior written approval of the governing boards of each of the Systems except, that modifications made pursuant to the inclusion of additional systems pursuant to Section 5.7 shall not require additional approvals.

ARTICLE IV - CAPITAL PROJECTS

The Utilities Staff may propose capital improvements in order to comply with changes in law, to reduce costs, to increase energy efficiency, to meet System demands, or to improve the Systems operations. The Utility Department will not be relieved of its responsibilities to perform under this Agreement if the recommendations of the Utilities Staff are not implemented by the System's governing boards, unless the failure by such governing boards to implement such recommendations prevents the Utility Department from complying with its obligations hereunder or under applicable law.

ARTICLE V - PAYMENT FOR SERVICES

The Utility Department shall receive compensation for providing staff, vehicles, supplies and material necessary to provide the administrative, operational, maintenance and billing services contemplated by this Agreement, and the Systems shall be billed monthly based on the methodology presented below.

Section 5.1 - DPW Fund Budget

During the term of this Agreement, the Township shall maintain a separate DPW Fund Budget (the "DPW Fund Budget") to track revenues and expenses associated with the staff, vehicles, supplies and materials and other expenses required to perform the administrative, operational, maintenance and billing services outlined in this Agreement. The fiscal operating year for the Utility Department is April 1 through March 31st. The 2016-2017 DPW Fund Budget is presented in **Exhibit 6**. The DPW Fund Budget shall be established annually and shall balance.

The Township auditor shall prepare quarterly budget to actual reports for presentation to System's governing boards on a quarterly basis. Failure to present reports less than semi-annually shall constitute a default of this Agreement.

Section 5.1.1 - Revenue

Revenue to the DPW Fund shall include: (i) receipted funds from the Systems for providing administrative, operational, and billing services, (ii) receipted funds collected from the billing of systems for which full operational services are not performed (iii) charges to Developers for new development costs, (iv) interest income and other miscellaneous revenue streams not otherwise described, and (v) charges for vector truck services provided to the various systems. **Exhibit 6** contains a proforma breakdown of the various revenues for the fiscal year ending March 31, 2017.

Section 5.1.2 - Expenses

Expenses to the DPW Fund shall include the payments made from the fund for labor costs for Utility Department employees (direct costs, benefits and indirect costs), insurance, taxes, fuel, repairs, vehicle purchases, employee vehicle use, outside consultants, computers, software, equipment, tools, vector services, and other items required to properly provide the services described in this Agreement, as well as any legal services and accounting services related to employees of the Utility Department or services provided by the Utility Department to the Systems pursuant to this Agreement. Budgeted expenses for the fiscal year ending March 31, 2017 are listed in **Exhibit 6**.

Section 5.2 - Calculation of Labor and Equipment Compensation

The parties agree that for the fiscal year 2016-2017, the operational costs for the Systems shall be allocated based on the 2016/17 allocation percentages presented in **Exhibit 7**. Beginning on April 1, 2017, and in each subsequent year, the allocation percentage calculation shall be based on the formula presented in **Exhibit 7**. In November of each year, the Utilities

Staff will re-evaluate the System allocations based on changes in the number of customers, piping, pump stations, consolidation of systems, as illustrated in the formula. The Utilities Staff will then present the revised allocation to the governing boards of the Systems in January of each year and such revised allocation shall be considered for approval by the governing board of each System prior to the end of January of each year. The governing boards of the System shall use their best efforts to approve any proposed revised allocation, shall promptly state the basis for any rejection of any such allocation, and shall bargain in good faith to ensure that a fair allocation is agreed upon no later than February 1st of each year. In the event that the revised allocation is not approved by the governing board of each System as set forth above, then the then current allocation shall remain in effect for the fiscal year beginning on the following April 1. Set forth in **Exhibit 8** is a calendar illustrating the timing for the determination of the DPW's annual budget and annual allocation of costs to the Systems.

Section 5.3 - Base Payment for Services

The Utility Department shall invoice the Systems monthly for services provided by the approved allocation percentage of the annual DPW Fund Budget, minus the fixed billing revenue. **Exhibit 6** documents how fiscal year 2016-2017 will be invoiced. Each subsequent year shall be invoiced in a similar manner. All such invoices for services shall be paid within 45 days after the invoice has been sent.

Section 5.4 - Surpluses and Shortfalls

As the annual monthly payments are based on the total anticipated expenses of the DPW Fund Budget, surpluses and deficits may result at the end of the budget year for things such as employee departure, insurance adjustments, fuel prices, mechanical failures, utility service interruption or acts of nature. This adjustment will occur in August of each calendar year of this Agreement following completion of the annual audit of the DPW Fund. Surpluses or deficits will be adjusted back to each System based on the allocation percentage unless one or more Systems causes a substantial or disproportionate change in the DPW Fund Budget, in which case such System shall bear the resulting change in cost. An example of an event that might cause a disproportionate change includes, but is not limited to, serious mechanical failures of a system, power outages, system failures, or acts of God (lightning, fire, flood, etc) that cause the Utility Department to incur significant additional cost to keep such system operational.

Section 5.5 - Annual Budget Adjustment

Based on the allocation percentages described above, annual budget adjustments will be presented to the System's governing boards in February for each effective year of this Agreement. The Utility Department will make reasonable attempts to maintain and reduce operational costs for the Systems. Comments will be received from the System's governing boards, and a final budget will be presented in March of each year. Set forth in **Exhibit 8** is a calendar illustrating the timing for the determination of the annual budget for the DPW Fund.

Section 5.6 - Additional Payments by the Governing Boards

The parties acknowledge that the governing boards of the Systems shall each pay directly for services and products not covered by this Agreement including: utilities (gas,

electric, and phone), chemicals, repair parts, outside contractor services, licenses fees and permits, laboratory testing, MXU radio read units, and specialized tools and supplies for each system. Additionally, specialized tools and materials required for the operation of a specific System will be the responsibility of that respective System.

Section 5.7 - Procedures for the DPW Providing Services to Additional Systems

During the term of this Agreement, the Utility Department may be requested to provide services to additional utility systems or governing bodies. Providing services to additional systems may result in improved operation, efficiency, and cost savings for the residents served by the Systems. As a result, the following procedures will be utilized to evaluate requests by third parties to receive utility services from the Utility Department:

Section 5.7.1 - Notification of Request

The Utility Staff shall provide notice to each party to this Agreement of a request from an outside party to have the Utility Department provide utility services to such outside party.

Section 5.7.2 - Preliminary Staffing and Financial Assessment

Following the request notification, the Utilities Staff shall perform a preliminary evaluation of the potential staffing and financial impacts to the existing DPW Fund Budget. If improved operation and cost savings for the existing DPW Fund are not projected with the preliminary evaluation, then utility services will not be provided to the outside party.

Section 5.7.3 - Approval by Governing Boards

A preliminary staffing and financial evaluation that projects improved operation and cost savings will be presented to each governing board of the Systems. Prior to providing such utility services to the requesting third party, the governing board of each System will need to approve by resolution the services that will be performed, the costs that will be charged to such third party and the manner in which the staff and legal costs associated with providing utility services to such third party will be paid. Additionally, the governing board of each System will also be required to approve any revision to the DPW Fund Budget that exceeds by 5% the then current DPW Fund Budget and any revisions to the allocation of costs provided by Section 5.2 of this Agreement.

Section 5.7.4 - Billing Only Duties

Should the services requested by the third party consist only of performing billing duties that do not significantly impact staffing levels or costs, the Utilities Staff can perform such billing duties without the staffing and financial assessment described above.

Section 5.8 – Reserve Funds

Section 5.8.1 – Fund Balance

The target fund balance in the DPW Fund at the end of each fiscal year during the Term of this Agreement shall be \$60,000 following the annual audit of the DPW Fund, with the exception of the vehicle reserve fund, which shall be maintained as described in Section 5.8.2. To the extent that the DPW Fund has a balance of more than \$70,000 following the annual audit of the DPW Fund, then the amount exceeding \$70,000 shall be returned to the parties hereto based on the same allocations on which such funds were paid to the DPW Fund. In the event that the DPW Fund balance falls below \$30,000 at the end of any fiscal year following the annual audit of the DPW Fund, the Township may adjust the budget for the following year to replenish the DPW Fund Budget to the target fund amount. For fiscal year 2016-2017 and thereafter, the fund balance in the DPW Fund Budget shall have a target amount of 3.0% of the total budgeted revenue for the then current Township DPW Fund Budget.

Section 5.8.2 – Vehicle Reserve Fund

As part of the DPW Budget, the Township shall maintain a segregated DPW vehicle reserve fund. This fund shall be used for replacement of the vehicle fleet as the fleet ages and repair costs and safety concerns warrant replacement of the vehicles. For fiscal year 2016-2017 and thereafter, the fund balance in the vehicle reserve fund shall not exceed \$250,000.

ARTICLE VI - TERM AND TERMINATION

Section 6.1 - Term

This Agreement began on April 1, 2011 (the “Commencement Date”) and the initial term ran through March 31, 2016. The parties hereby renew this Agreement for an additional five (5) year term which term shall expire on March 31, 2021. Thereafter, this Agreement will automatically renew for successive five (5) year terms each, unless written notice of termination is provided by a party to this Agreement to the other parties not more than 180 days and not less than 90 days prior to the end of the then current term. In such event this Agreement shall only terminate as to the terminating party(ies) provided that the remaining parties can agree on an amended budget under Section 5.1 above and new allocation percentages under Section 5.2 above. In the event that a party elects to terminate this Agreement without cause, and that party creates employment positions (or third party contractor positions) to operate its Systems, that party shall provide first preference for any such positions to any Utilities Staff that are, or will be, displaced (or laid off) as a result of that party's election to terminate. In the event that any Utilities Staff are laid off as a result of a party terminating this Agreement without cause and said Utilities Staff are not hired by the terminating party, then the terminating party shall, on a quarterly basis, reimburse the Township for all unemployment costs incurred by the Township as a result of said layoff(s) for a period of one (1) year from the effective date of said termination.

Section 6.2 - Events of Default and Remedies

The failure of any party to comply with any material term of this Agreement shall constitute a default. Upon default by a party, the complaining party shall send written Notice of Default to the defaulting party with a copy to the other parties. Such notice shall clearly specify

the nature of the default and provide the defaulting party sixty (60) days to cure the default. If the default is capable of being cured within sixty (60) days, but is not cured within the sixty (60) days, the Agreement shall, at the option of the non-defaulting party(ies), terminate at midnight of the sixtieth (60th) day following receipt of the Notice of Default. In the case of default that cannot be cured within sixty (60) days, the Agreement shall not terminate so long as the defaulting party has given written notice of the extension to the other parties and the defaulting party has commenced and is diligently pursuing a remedy, provided, however, that if the defaulting party has failed to give notice or failed to commence or pursue a remedy, the termination of this Agreement as to the defaulting party shall be at the option of the non-defaulting party(ies). Evidence of such remedy and its diligent pursuit shall be provided from the party determined to be in default to the satisfaction of the non-defaulting party(ies), and in any event such extension may not extend for more than one hundred eighty (180) days. Any termination under this paragraph shall only be effective as to the defaulting party and this Agreement shall remain in full force and effect as to the non-defaulting parties, provided that the non-defaulting parties can agree on an amended budget under Section 5.1 above and new allocation percentages under Section 5.2 above.

In the event of the termination of this Agreement under the terms outlined above, the defaulting party shall pay the Township for the services provided and invoiced up to the effective date of termination. Payment shall be made within thirty (30) days of the date of termination. Additionally, the non-breaching party or parties shall retain and may pursue all other remedies that may be available under applicable law.

Section 6.3 - Additional Option to Terminate as a Result of the Annual DPW Fund Budget

In addition to the other termination options under this Agreement, the parties to this Agreement shall have the right to terminate this Agreement in the event that the annual budget presented by the Utility Department in March of each year, pursuant to Section 5.5 of this Agreement, exceeds by more than 10% the DPW Fund Budget for the then current fiscal year. Any modifications previously approved by the governing boards of the Systems (including, but not limited to, modifications approved under Sections 3.4, 3.5 and 5.7.3 of this Agreement) shall be excluded from the calculation of whether the 10% threshold has been exceeded. In order for a party to terminate this Agreement pursuant to this Section, such party must provide written notice to the other parties to this Agreement no later than April 15 following the presentation of the annual budget and in such case, the then current DPW Fund Budget shall remain in place and this Agreement shall terminate on the following June 30.

ARTICLE VII - INSURANCE

Section 7.1 - Insurance Provided by Genoa Township

The Township shall provide and maintain the following levels of insurance coverage at all times during the term of this Agreement:

- (1) General Liability and Vehicle Liability Insurance with a combined single limit in the amount of \$5,000,000.

(2) Worker's Compensation Insurance in compliance with the laws of the State of Michigan, covering Township employees engaged in the performance of services, to the required statutory amount.

(3) Sewer Backup Coverage in the amount of \$250,000.

Section 7.2 - MHOG Insurance

MHOG shall provide and maintain the following levels of insurance coverage at all times during the term of this Agreement:

(1) General Liability Insurance with a combined single limit in the amount of \$5,000,000.

(2) Property insurance in amounts sufficient to cover real property owned by MHOG.

Section 7.3 - G-O Insurance

G-O shall provide and maintain the following levels of insurance coverage at all times during the term of this Agreement:

(1) General Liability Insurance with a combined single limit in the amount of \$5,000,000.

(2) Property insurance in amounts sufficient to cover real property owned by G-O.

(3) Sewer Backup Coverage in the amount of \$250,000.

ARTICLE VIII - DISPUTE RESOLUTION

Section 8.1 - Appointment of Panel

The parties agree that any and all claims, controversies or actions arising out of the terms, provisions or subject matter of this Agreement shall be referred to a panel (the "Panel") consisting of three (3) representatives (the "Representatives"). The Utilities Staff shall appoint one representative to the Panel, the governing bodies of the Systems shall collectively appoint one representative to the Panel and the two representatives shall mutually agree on a third representative for the Panel. Such appointments shall be made by the parties within fifteen (15) days of written notice of a dispute or claim.

Section 8.2 - Additional Remedies and Arbitration

Notwithstanding the provisions of Section 8.1, if the claim or dispute is not resolved by the good faith negotiations of the Representatives within sixty (60) days of appointment, any of the parties to this Agreement, subject to the following, may seek any remedies available at law and/or in equity to resolve the dispute. Additionally, the parties to this Agreement may, if they

mutually agree in writing, submit any claims, disputes or other matters in question arising out of or relating to this Agreement or breach thereof to arbitration in accordance with the Arbitration Rules of the American Arbitration Association currently in effect, or such other rules of arbitration to which they may mutually agree. The arbitration shall be conducted in a location selected by mutual agreement of the parties. The costs of the arbitrator shall be shared equally by the parties. Each party shall be responsible for the costs of its own legal counsel, witnesses and documents it submits to the arbitrator. The arbitrator shall have no authority to change any provision of this Agreement, and the arbitrator's sole authority shall be to interpret or apply the provisions of this Agreement in accordance with the laws of the State of Michigan. If the parties mutually agree to settle a claim, dispute or other matters in question between them by arbitration, the award rendered by the arbitrator(s) shall be final and judgment may be entered upon it in accordance with the applicable law and any court having jurisdiction thereof. Any and all awards shall be in writing and shall give the arbitrator's supporting reasons for the award. It is expressly understood and agreed that any agreement to submit a particular claim, dispute or matter to arbitration shall apply only to that claim, dispute or matter and shall not be binding upon any other claims, disputes or matters which may arise between the parties.

Section 8.3 - Covenant to Continue Work

During resolution of any dispute under this Article, the Township and the System's governing boards shall each continue to perform their respective obligations under this Agreement without interruption or delay.

ARTICLE IX - MISCELLANEOUS

Section 9.1 - Assignment

This Agreement is binding on the parties hereto, and their permitted successors and assigns. The parties agree not to transfer or assign their respective interests in this Agreement without the written consent of the other parties hereto.

Section 9.2 - Choice of Law and Forum

This Agreement shall be subject to and governed by the laws of the State of Michigan. The parties agree that the venue for the bringing of any legal or equitable action under this Agreement shall be established in accordance with the statutes of the State of Michigan and/or Michigan Court Rules. In the event that any action is brought under this Agreement in Federal Court, the venue for such action shall be the Federal Judicial District of Michigan, Eastern District, Southern Division.

Section 9.3 - Entire Agreement

This Agreement and the attached exhibits represent the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior representations, negotiations or agreements whether written or oral.

Section 9.4 - Notices

All notices shall be in writing and shall be deemed given when mailed by first class mail or delivered in person. Notices to be given to Genoa Charter Township will be addressed to:

Genoa Charter Township
2911 Dorr Road
Brighton, MI 48116
Attention: Supervisor

Notices to be given to MHOG will be addressed to:

MHOG Sewer and Water Authority
1577 N. Latson Road
Howell, MI 48843
Attention: Secretary

Notices to be Genoa-Oceola will be addressed to:

Genoa-Oceola Sewer and Water Authority
2911 Dorr Road
Brighton, MI 48116
Attention: Secretary

Section 9.5 - Severability

Should any part of this Agreement for any reason be declared invalid or void, such declaration will not affect the remaining parts of this Agreement, which will remain in full force and effect as if the Agreement had been executed with the invalid portion eliminated.

Section 9.6 - Amendment or Modification of Agreement

No change in or modification, termination or discharge of this Agreement, in any form whatsoever, shall be valid or enforceable unless it is in writing and signed by the party to be charged therewith or its duly Authorized Representative.

Section 9.7 - Third Party Beneficiaries

Except as expressly provided herein, this Agreement does not create, and is not intended to create, by implication or otherwise, any direct or indirect obligation, duty, promise, benefit, or any other right in favor of any person other than the parties.

Section 9.8 - Counterparts

This Agreement may be executed in several counterparts each of which shall be deemed one and the same agreement. It shall be binding upon and inure the benefit of the parties to it and their respective successors and assigns.

Section 9.9 - Required Taxes, Insurances, Fees and Documents

The Township agrees that it will operate legally and pay all federal, state, local, social security, Medicare and unemployment taxes, liability and workers' compensation insurance premiums, and license or permit fees necessary to conduct business.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and delivered, by their respective duly authorized officers, all as the day and year first above written.

~~MARION, HOWELL, OCEOLA AND GENOA~~ **GENOA TOWNSHIP**
~~SEWER AND WATER AUTHORITY~~

Date: 2-22-16

By: ~~William J. Bamber~~ **GARY Mc CRIRIE**
Secretary **SUPERVISOR**

GENOA-OCEOLA SEWER AND WATER
AUTHORITY

Date: 2-17-16

Lance Schuhmacher

By: Lance Schuhmacher
Secretary

GENOA CHARTER TOWNSHIP

Date: 2-17-16

William J. Bamber

By: ~~Gary McCririe~~ **WILLIAM J. BAMBER**
Its: ~~Supervisor~~ **Secretary**

Approved as to form for the Marion, Howell, Oceola and Genoa Sewer and Water Authority and for the Genoa-Oceola Sewer and Water Authority by Jim Kiefer of Dykema on February 10, 2016.

Approved as to form for Genoa Charter Township by Frank Mancuso of Mancuso & Cameron, PC on February 10, 2016.

EXHIBITS

Exhibit 1 – Duties of Support Services Division

Exhibit 2a –Duties of Water Division

Exhibit 2b –Duties of Wastewater Division

Exhibit 3 – Utility Billing Services Statement of Duties under Support Services Division

Exhibit 4 – Utility Department Staff Organization Chart

Exhibit 5 - Vehicle, Supply, and Material Summary

Exhibit 6 – FY 2017 Genoa Charter Township DPW Fund Budget Worksheet

Exhibit 7 – FY 2017 System Labor and Equipment Allocation Percentage

Exhibit 8 – Timetable for Allocation of Budget

Exhibit 1

Utility Department Support Services Division Statement of Duties

The Utility Department Support Services Division (SSD) shall perform such duties and responsibilities as directed from time to time by the System Boards. The following duties and responsibilities shall be performed by the SSD Staff, unless otherwise directed by the System Board:

Attend all System Board and Committee meetings. Currently the MHOG and GO Boards meet once per month and the Oak Pointe and Lake Edgewood committee's meet as necessary.

Approve chemical and supply orders from the plant and facilities operator.

Approve all invoices associated with operation of the System and allocate the expense to the appropriate line item within the System O&M Fund or the DPW Fund.

Oversee compliance of the DPW Operation and Maintenance Staff with the contract conditions (i.e. assure fire hydrants are pumped out on time, perform spot inspections, upkeep of plant maintenance, pump stations are checked in).

Oversee compliance of the Meter Service, Reading, Billing, and Receipting Staff with the contract conditions (ie. Meters maintained and read, bills sent out).

Bid subcontracted maintenance items such as lawn mowing and make recommendations to the System Board or Committee.

Make recommendations to the System Board(s) or Committee(s) considering capital improvements required to meet demand or flow conditions within the System or to provide improved monitoring, pressure modifications, or improved reliability and/or redundancy.

Make recommendations to the System Board(s) or Committee(s) regarding proposed capital improvements proposed by developers and townships.

Work with the accountant and consulting engineer on capital improvement plans.

Serve as a liaison between the System and the MDEQ. Address regulatory inquiries, inspections, violations and compliance.

Provide the System Board or Committee with staff recommendations on consulting engineering proposals.

Serve as a liaison with the public and press in the event of a system failure, water main break, sanitary sewer overflow, etc. Complete correspondence with the MDEQ for system failure events as necessary.

Provide a status report at the System Board or Committee Meetings.

Provide annual estimated budget expenses for each line item in the System's Operation and Maintenance Fund.

Oversee the operation of the Systems.

Hire operations personnel as necessary to complete the services outlined in **Exhibits 2 and 3**.

Oversee the general welfare of the Systems.

Coordinate and oversee the review of construction plans prepared by consulting engineers.

Review reports and plans prepared by consulting engineers and make recommendations to the System Board or Committee.

Recommend annual maintenance activities to the System Boards and Committees.

Oversee the submittal of construction plans to the MDEQ for permits.

Oversee the maintenance of electronic copies of conforming to construction record drawings.

Maintain and update truck books for the DPW showing the System's distribution and collection lines, including water hydrants and valves and sanitary sewer structures.

Oversee the maintenance of an up to date model of the MHOG water distribution system.

Provide recommendations to the System Board(s) or Committee(s) on distribution system or collection system improvements.

Oversee the development of a system wide database and management of the system data, including conforming to construction record drawings, water system production and distribution data, sanitary system treatment and collection system data, and customers connected to the Systems.

Host, Maintain, and Update the MHOG.org website with customer information for the MHOG system, Genoa-Oceola System, and Genoa Township Systems.

Serve as a host for maintenance tracking software to document inventory, work orders, and system components.

Oversee new development so that it is constructed in conformance with the approved Design Standards and Connection Manual.

Host and maintain a GIS database of utility system components.

Serve as a liason with the public, press, and media.

Exhibit 2a

Water Division Statement of Duties

Overview

The duties described are of a professional nature and shall be performed in accordance with the degree of skill and care ordinarily exercised by member of the Operator's Profession. Qualified, and where required, certified staff shall be provided.

Plant Operation

Operate the Water Treatment Plant in conformance with State Laws and Regulations including but not limited to:

- Staffing to meet production demand
- Maintenance of equipment including routine cleaning and lubrication
- Equipment Inspections and Adjustments
- Laboratory Analysis and Testing
- Data management and record keeping
- Preparation and prompt delivery of all applicable and required filings including monthly MRO Reports, NPDES Reports, Consumer Confidence Report, & Backflow and Cross Connection Reports to regulatory agencies and consumers as required by law
- Maintenance of wells and well houses including recommended preventative maintenance and emergency power service
- Maintenance of controls and instrumentation
- Coordination of Lime residual removal
- Maintain Buildings and Grounds including:
 - Recommending necessary painting projects to Authority Board
 - Bidding and hiring of lawn and snow removal services
 - Coordinating waste disposal services
- Performing other duties as necessary to maintain quality service

Distribution System

Operate the Water Distribution System in conformance with State Laws and Regulations including but not limited to:

Maintenance of water towers including altitude valves, emergency communication, temperature and level sensors, cathodic protection, periodic paint and coating inspections, and recommendations for painting and maintenance projects.

Utilize the computer and SCADA monitoring system and coordinate repairs as necessary.

Maintenance of pressure reducing valves including checking operation, verify operation and coordination of repairs.

Maintenance of Fire Hydrants including annual flushing, repairs as necessary, painting as necessary, conversion to Storz Fittings, and tracking in a GIS System.

Coordinate the repair of valve boxes, curb stops, and valves as necessary.

Performing and/or coordinating emergency repairs of water distribution components and lines

Conducting regulatory and public notifications, advisories, and recommended course of actions regarding interruption in service or boil water notices.

Conduct record management and maintenance of treatment and flow data.

Record management of work orders for meter service and customer repairs.

Coordinate with local and state agencies on right-of-way projects impacting the water Systems, including protection, relocation, and interruption of service.

Perform MISS DIG services

Performing other duties as necessary to maintain quality service

Staff will ensure permits remain in effect and will address regulatory inquiries, inspections, and violations.

Administrative and operations staff will serve as Authority liaisons with the public, presenting a professional image of the Authority. Administrative staff will address public concerns regarding employee presentation and service.

Staff will perform its best effort with regard security of the facilities by locking facilities, utilizing alarm systems, tracking of keys, and tracking facility access by outside personnel. Staff will also make recommendations to the Governing Board regarding the implementation of security improvements.

Staff will make every effort to reduce energy usage in the facilities through use of energy saving devices and utilization of energy best management practices.

Staff serving the system will be encouraged to obtain training and obtain certifications to improve operational knowledge which will result in improved service to customers.

A 24 hour 1-800 emergency call center will be provided to answer customer and system after hour emergencies and dispatch of on-call personnel.

Exhibit 2b

Utilities Staff Waste Water Division Statement of Duties

Overview

The duties described are of a professional nature and shall be performed in accordance with the degree of skill and care ordinarily exercised by member of the Operator's Profession. Qualified, and where required, certified staff shall be provided.

Plant Operation

Operate the Wastewater Treatment Plant in conformance with State Laws and Regulations including but not limited to:

- Staffing to meet daily treatment demand
- Maintenance of equipment including routine cleaning and lubrication
- Equipment Inspections and Adjustments
- Laboratory Analysis and Testing
- Data management and record keeping
- Preparation and prompt delivery of all applicable and required filings including monthly MRO Reports, CMR Reports, DMR Reports to regulatory agencies as required by law
- Maintenance of controls and instrumentation
- Coordination of Biosolids residual removal
- Maintain Buildings and Grounds including:
 - Recommending necessary painting projects to Authority Board
 - Bidding and hiring of lawn and snow removal services
 - Coordinating waste disposal services
- Performing other duties as necessary to maintain quality service

Collection System

Operate the Wastewater Collections System in conformance with State Laws and Regulations including but not limited to:

Maintenance of pump stations including grinder pumps.

Maintenance and repair of air release valves.

Repair of valve boxes, curb stops, and valves as necessary. Performing and/or coordinating emergency repairs of wastewater collection components and lines

Conducting regulatory and public notifications, advisories, and SSO Events

Conduct record management and maintenance of treatment and flow data.

Record management of work orders for grinder and other repairs.

Coordinate with local and state agencies on right-of-way projects impacting Utilities including protection, relocation, and interruption of service.

Coordinate annual sewer cleaning activities

Perform MISS DIG services

Performing other duties as necessary to maintain quality service

Miscellaneous Services

Staff will ensure permits remain in effect and will address regulatory inquiries, inspections, and violations.

Administrative and operations staff will serve as Authority liaisons with the public, presenting a professional image of the Authority. Administrative staff will address public concerns regarding employee presentation and service.

Staff will perform its best effort with regard security of the facilities by locking facilities, utilizing alarm systems, tracking of keys, and tracking facility access by outside personnel. Staff will also make recommendations to the Governing Board regarding the implementation of security improvements.

Staff will make every effort to reduce energy usage in the facilities through use of energy saving devices and utilization of energy best management practices.

Staff serving the system will be encouraged to obtain training and obtain certifications to improve operational knowledge which will result in improved service to customers.

A 24 hour 1-800 emergency call center will be provided to answer customer and system after hour emergencies and dispatch of on-call personnel.

Exhibit 3

Meter Service, Reading, Billing and Receipting Services Under Support Services Division Statement of Duties

Meter Installation - Permanent

Receive and File Meter Sales Forms

- Schedule with Customers Order and Pick-up of Specialty Meters (>1-inch)

Maintain inventory of meters

Schedule appointments with customers for meter installations

Perform Meter Installs

- Obtain Backflow Certificate

- Install Meter and Reading Device

- GPS Location for Vehicle Based Reading Unit

- Complete Work Order with Meter and Head Numbers for Input into Billing Software

Utilize Work Order to Set-Up a New Customer Account or Update for Irrigation Install

- For commercial account, select hazard classification and add to Hydrocorp Inc.

- list for Backflow and Cross Connection Inspection

- Input GPS Points

- Input Backflow Control Device for residential and irrigation accounts

- File Installation Paperwork

- Locating curb stops for builders and homeowners.

Meter Installation – Seasonal

Schedule Spring Installation for Water Only Seasonal Irrigation or Recreational Meters (~50 Meters Total)

- Send out notification letters to each account

- Require backflow device test during installation

Install meters at scheduled times

- Turn on water services

- Test radio read device

- Obtain Backflow Certificate

Schedule Fall Removal for Water Only Seasonal Irrigation or Recreational Meters (~50 Meters Total)

- Send out notification letters to each account of winterization responsibilities

- Remove meters

- Obtain final reads on each account

- Shut down water services

Meter Reading & Billing

R-Type MXU accounts are loaded into vehicle based reading route

M-Type MXU accounts are loaded into handheld reading unit and /or future vehicle based unit

Radio reads are obtained in the field

Audit of non-reads by MXU units are added to manual read accounts

Each non-read manual is visited to obtain a read

Non reads are added to repair list and letters are sent to customer requesting appointments.

Each read is audited by:

- Verifying of account information

- Each read is compared to previous quarter

- Contact made with each customer with read outside normal range, accounts are noted when a homeowner is gone during the winter months.

- Research reads that show no usage.

- Identify if there is a leak. If leak is found, determine if sewer or water only.

- Adjust accounts as necessary

- Identify Repairs and Perform Site Visits, including but not limited to:

 - Assisting Homeowners with identifying leaks

 - Change out of meter heads

 - Researching as to why a home or business may not have irrigation usage over summer. (Irrigation System may have bypass installed).

Following of Audit, meter reads are posted to accounts

Following posting of accounts, bills are printed

Printed bills are separated and sorted for post office

Bills are placed in batches for apartment complexes, condos, etc... to save on postage

Postage is calculated, and payment and delivery of bills is made to post office.

Copy of Howell Township's meter reads are forwarded to Howell Township along with all supporting documents.

Post Meter Reading and Billing

As referenced above, between billing cycles:

- Non-reads are scheduled for maintenance which may include:

 - Installation of an external MXU

 - Re-wiring from reading unit to meter

 - Change out of faulty or clogged meter

 - Change out of meter head

 - Frequently, the above task require preparation of mailings to customers to obtain home access

- Record any account or equipment changes in Billing Software.

- Transfer of Delinquent balances to Place on Tax Rolls

Handling of All Bankruptcy Accounts which includes:

Chapter 7 – If is debt discharged balances are written off

Chapter 13 – Balance that is owed at time of filling is transferred to an additional account with payments being applied from Trustee only.

All bankruptcy amounts must be broken down into water and sewer dollars.

Obtaining Final Reads and Preparation Final Bills from Property Sales

Final bills are printed once a month, however, the majority of final bills are faxed directly to the title company that is holding escrow, this is done daily.

Answering of customer account changes and complaints, questions on bills and scheduling of inspections for leaks.

Provide assistance to customers accessing & making Payments using MHOG's on-line bill paying web site by taking verbal Credit or Debit card payments from customers over the Phone.

Miscellaneous Services

Tracking and service shut-off of foreclosures

Cross Connection Program and Consumer Confidence Reports

Software Upgrades & Annual Maintenance & Software Support Fees

Response to Township request for usage history

Preparation of billing reports for commercial account audits

Preparing Billing Summaries & Account Receivable Reports by District & Township

Entering any adjustments on customer accounts, example: NSF Checks, removing payment.

Keeping track of all meters installed for each subdivision or complex. Any meters not installed yet are checked to make sure lot is still vacant.

Maintaining list of all paid and unpaid meter packages, always checked before meter package is installed in new home.

Bill Collection

Opening mail

- Matching check to payment stub
- No stub included – look up information and write ticket
- From closing companies - looking up to make sure new owner is set up on system

Posting payments

Balancing posting

- Add checks and cash to balance to posting amount
- Write out deposit ticket
- Run posting reports
- Commit batch after balancing

- Put reports into Utility Receipts binders

Deposit to bank

Customer relations

- Taking payments over the counter
- Taking phone calls from customer
- Solving problems for customers
- Collect NSF's

Payments on line

- Retrieve via Email from Billing Software total amount submitted the day before
- Run posting reports
- Next day verify monies in bank match on line payment total
- Commit batch
- Put reports into Utility Receipts binders

Delinquents to Tax Rolls

- Work with Billing Specialist to transfer delinquents to tax rolls
- Special handling of paid delinquents from Sept – Nov
- Disburse delinquent amounts paid to individual townships so they can mark their tax roll accordingly

Balancing Account and Distributing Funds

- Make Excel Sheets from G/L Distribution Daily Reports, to give breakdown of sewer & water by district
- Using spreadsheet enter Deposit totals into Quick Books
- Enter any fees (Merchant Fees) etc
- Do Journal Entries - Non Sufficient Fund's (NSF's)
 - adjustments to statement
- Any refunds made on finals throughout the month
- Do checks for distribution
- Once Chart of Account Balances, print and distribute checks to each district
- Reconcile Account for the month

Close communication is required between the persons billing (finals), receipting (NSF's) and balancing throughout the month to insure balancing at the end of the month.

**Exhibit 4
MHOG Utility Department
Organizational Structure**

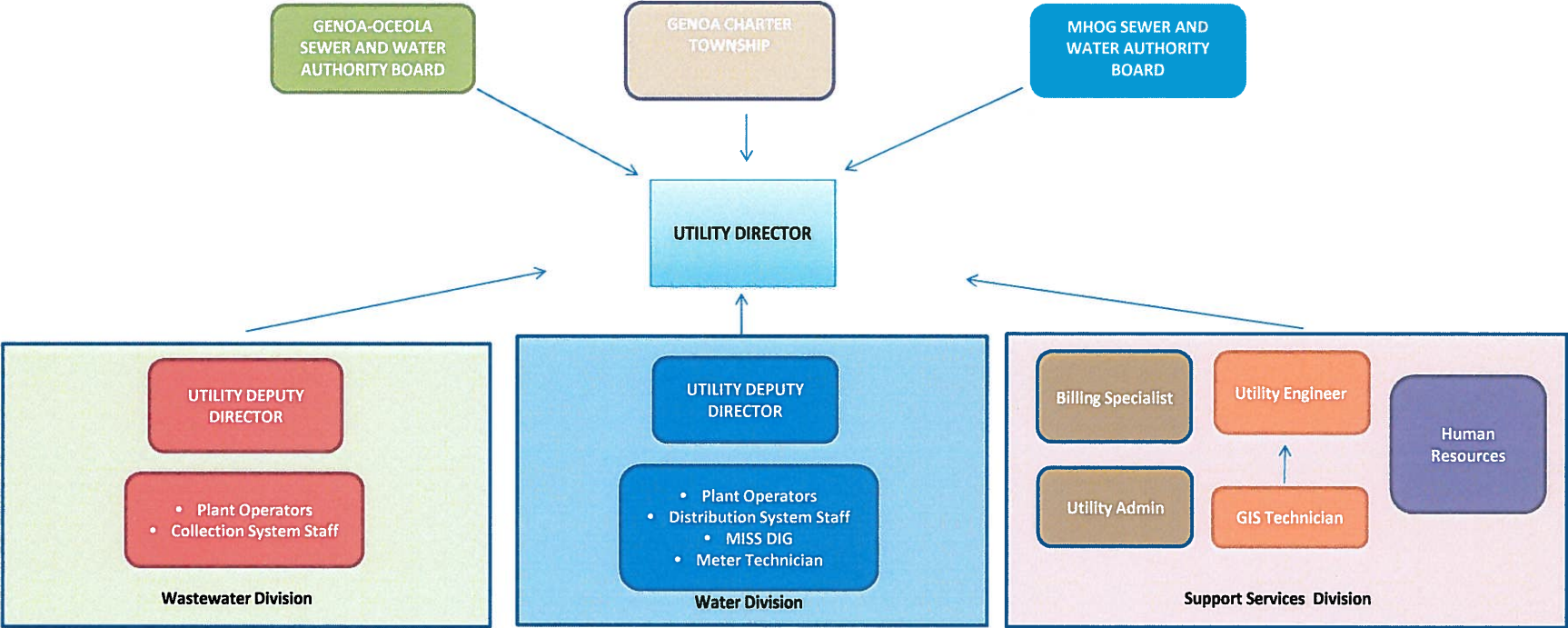


Exhibit 5

Vehicle, Supply, and Material Levels

Vehicles

A total of 20 vehicles will be provided to service the systems. Specialized vehicles will include:

One Ton Crane Truck - (1)

Plow Truck - (2)

Truck with 80 Gallon Fuel Tank and Transfer Pump - (1)

Vacuum Extraction Van (Grinder Van) – (1)

Vactor Truck – (1)

Supplies and Materials

Safety equipment including:

- Confined space entrance equipment including gas detectors,
- Individual PPE
- Traffic safety vests
- Eye protection
- Other job specific safety requirements

Paper and Office supplies

Computers and Software

Uniform Shirts

Meter Reading Equipment

Billing Software

GIS Software

Map Work Order Management System (Lucity[®] Software)

E-mail for Staff

Mobile Phone System

MISS DIG Accounts and Marking Equipment

MHOG Website

Exhibit 6

GENOA TOWNSHIP - DPW FUND #503
 FOR APPROVAL - BUDGET FOR THE FY ENDING 3/31/2017
 COMPARISON TO BUDGET FOR THE FY ENDING 3/31/2016 & FY2016 9-Mo. To Actual

ACCOUNT#	ACCOUNT DESCRIPTION	ADOPTED BUDGET FOR THE YEAR ENDING 3/31/2016	ACTUAL FOR THE 9 MONTHS ENDING 12/31/2015	ACCOUNT#	ACCOUNT DESCRIPTION	PROPOSED BUDGET FOR THE YEAR 3/31/2017	INCREASE / DECREASE FROM FY 2015 BUDGET	% INCREASE / DECREASE FROM FY 2015 BUDGET	NOTES
REVENUES				REVENUES					
400	FEES - EXCLUDING OPER LABOR			400	FEES - EXCLUDING OPER LABOR				
402	MARION SEWER (BILLING ONLY)	15,000	13,766	402	MARION SEWER (BILLING ONLY)	17,000	2,000		More accounts being billed now due to growth than historically
403	PINE CREEK WATER/SEWER (BILLING ONLY)	14,000	10,389	403	PINE CREEK WATER/SEWER (BILLING ONLY)	14,000	0		Same Number of Accounts
404	LAKE EDGEWOOD WATER (BILLING ONLY)	4,100	3,089	404	LAKE EDGEWOOD WATER (BILLING ONLY)	4,100	0		Same Number of Accounts
	SUBTOTAL - FEES EXCLUDING OPER LABOR	33,100	27,244		SUBTOTAL - FEES EXCLUDING OPER LABOR	35,100	2,000	6.0%	
410	FEES - INCLUDING OPER LABOR			410	FEES - INCLUDING OPER LABOR				
411.1	OAK POINTE SEWER/WATER	473,960	355,470	411.1	OAK POINTE SEWER/WATER	440,610	-33,350		Allocation Percentage Dropped 1.93% (No Plant)
412	MHOG WATER	964,190	723,143	412	MHOG WATER	979,090	14,900		Allocation Percentage Dropped 0.12%
413	LAKE EDGEWOOD SEWER	125,447	94,085	413	LAKE EDGEWOOD SEWER	124,898	-549		Allocation Percentage Dropped 0.13%
415	GENOA/OCEOLA SEWER	577,144	432,858	415	GENOA/OCEOLA SEWER	635,172	58,028		Allocation Percentage Increase 2.18%
	SUBTOTAL - FEES INCLUDING OPER LABOR	2,140,741	1,605,556		SUBTOTAL - FEES INCLUDING OPER LABOR	2,179,771	39,030	1.8%	Based on New Alloc. % and Budget Subtotal
				418 VACTOR TRUCK					Will Be Charged Based on Percentage of Use, Below Numbers are Budget Holder
				418.1	OAK POINTE SEWER/WATER	12,309			Estimated from # of Miles of Pipe in System
				418.2	MHOG WATER	26,643			Estimated from # of Miles of Pipe in System
				418.3	LAKE EDGEWOOD SEWER	2,757			Estimated from # of Miles of Pipe in System
				418.4	GENOA/OCEOLA SEWER	24,262			Estimated from # of Miles of Pipe in System
					SUBTOTAL-VACTOR TRUCK	65,971	65,971		
420	OTHER INCOME	500	23,921	420	OTHER INCOME	500	0		Refunds, recycling, etc...
430	CONSTRUCTION FEES	15,000	29,893	430	CONSTRUCTION FEES	15,000	0		Fees charged from DPW to New Constructicon Accounts
440	INTEREST INCOME	0	0	440	INTEREST INCOME	0	0		
	SUBTOTAL - OTHER INCOME	16,000	53,814		SUBTOTAL - OTHER INCOME	15,500	-500	-3.1%	No change, addition error on 2016 Budget Subtotal
	TOTAL REVENUE	2,189,841	1,686,614		TOTAL REVENUE	2,296,341	106,500	4.9%	
LINE #	PROPOSED			LINE #	PROPOSED				
600	AUDIT/ACCOUNTING SERVICES	6,000	4,200	600	AUDIT/ACCOUNTING SERVICES	6,000	0	0.0%	
601	<u>VEHICLE EXPENSES</u>			601	<u>VEHICLE EXPENSES</u>				
601.1	CAR ALLOWANCES	12,000	6,750	601.1	CAR ALLOWANCES	10,200	-1,800		Reduced to actual amount
601.2	FUEL/WASHING	57,692	24,420	601.2	FUEL/WASHING	44,653	-13,039		Reduced to fuel charges being less
601.3	LOAN PAYBACK	64,148	48,111	601.3	LOAN PAYBACK	13,000	-51,148		Reduced due to Capital Schedule Presented
601.4	ROUTINE MAINTENANCE	20,084	14,569	601.4	ROUTINE MAINTENANCE	15,097	-4,987		3 New Trucks, Tires Replaced on Most Vehicles in 2015-2016
601.5	DEDUCTIBLES/BODY DAMAGE REPAIR	2,000	0	601.5	DEDUCTIBLES/BODY DAMAGE REPAIR	3,000	1,000		Budget to 2 Deductables or Dent Repairs
	TOTAL VEHICLE EXPENSES	155,924	93,850		TOTAL VEHICLE EXPENSES	85,949	-69,975	-44.9%	
602	<u>ADMINISTRATIVE EXPENSES</u>			602	<u>ADMINISTRATIVE EXPENSES</u>				
602.1	LABOR (RECEIPTING /IT/ BOOKEEPER)	30,000	22,500	602.1	LABOR (RECEIPTING /IT/ BOOKEEPER)	30,500	500		Increase to account for increase in IT, Receipting Labor
602.2	OFFICE RENT / SUPPLIES	23,000	17,250	602.2	OFFICE RENT / SUPPLIES	23,600	600		Increase 2% for new printers, computers, paper, etc...
	TOTAL ADMINISTRATIVE EXPENSES	53,000	39,750		TOTAL ADMINISTRATIVE EXPENSES	54,100	1,100	2.1%	
603	<u>COMPUTER EXPENSES</u>			603	<u>COMPUTER EXPENSES</u>				
603.1	COMPUTER HARDWARE EXPENSES	2,500	6,960	603.1	COMPUTER HARDWARE EXPENSES	2,500	0		Hold from last year
603.2	COMPUTER SOFTWARE EXPENSES	15,000	10,735	603.2	COMPUTER SOFTWARE EXPENSES	12,000	-3,000		Decrease as GIS licenses included in Lucity Costs
603.3	AIR CARDS/JETPACKS	2,000	0	603.3	AIR CARDS/JETPACKS	2,000	0		Hold from last year
	TOTAL COMPUTER EXPENSES	19,500	17,695		TOTAL COMPUTER EXPENSES	16,500	-3,000	-15.4%	
604	<u>PROFESSIONAL DEVELOPMENT</u>			604	<u>PROFESSIONAL DEVELOPMENT</u>				
604.1	EMPLOYEE	6,000	8,259	604.1	EMPLOYEE	8,500	2,500		Increase based on actual expenditures
604.2	INTERNAL TRAINING	4,000	2,269	604.2	INTERNAL TRAINING	4,000	0		Hold from last year
	TOTAL PROFESSIONAL DEVELOPMENT	10,000	10,528		TOTAL PROFESSIONAL DEVELOPMENT	12,500	2,500	25.0%	
606	CONTINGENCY	5,000	0	606	CONTINGENCY	5,000	0	0.0%	Hold from last year
608	EMPLOYER'S PAYROLL TAXES	96,848	71,626	608	EMPLOYER'S PAYROLL TAXES	99,074	2,226	2.3%	Increase due to salary increases

Exhibit 6

609 GIS	10,000	2,970
612 <u>INSURANCE</u>		
612.1 BC/BS MICHIGAN	187,519	152,639
612.2 EHIM	59,055	42,353
612.3 LIFE/DISABILITY	15,570	15,604
612.4 WORKER'S COMPENSATION	54,042	27,706
612.5 VEHICLE/PROPERTY/LIABILITY INSURANCE	32,936	31,797
612 TOTAL INSURANCE	349,123	270,099
613 LEGAL FEES	1,500	864
615 UTILITY BILLING CREDIT CARD PAYMENT FEES	20,000	12,417
616 <u>EMPLOYEE RECRUITING</u>		
616.1 ADVERTISING	1,700	0
616.2 BACKGROUND CHECK	350	621
616.3 PRE-EMPLOYMENT PHYSICALS/DRUG SCREEN	725	574
TOTAL RECRUITING	2,775	1,195
617 <u>OFFICE EXPENSES</u>		
617.1 FURNITURE / CAPITAL	1,000	0
617.2 SUPPLIES	5,000	5,661
617.3 POSTAGE AND SHIPPING	6,000	6,477
TOTAL OFFICE EXPENSES	12,000	12,138
618 OTHER EXPENSES	1,000	0
627 RETIREMENT	124,374	90,302
630 <u>DPW SALARIES</u>		
630.1 STRAIGHT TIME	1,167,959	825,714
630.2 OVERTIME	76,338	46,141
TOTAL DPW SALARIES	1,244,297	871,855
640 SUPPLIES & TOOLS	4,000	5,766
651 TELEPHONE		
652 CUSTOMER LINE	1,000	310
653 ANSWERING SERVICE	3,000	2,528
654 CELL PHONE ALLOWANCE	16,500	11,824
655 CELL PHONES	2,000	3,322
TOTAL - TELEPHONE	22,500	17,984
700 TRANSFERS TO EQUIPMENT RESERVES	30,000	22,500
701 TRANSFERS TO PERSONNEL RESERVES	10,000	7,500
705 <u>UNIFORMS AND PROTECTIVE CLOTHING</u>		
705.1 UNIFORMS	3,600	4,906
705.2 PANT ALLOWANCE	3,400	0
705.3 SAFETY / PPE	5,000	4,558
TOTAL - UNIFORMS & PROTECTIVE CLOTHING	12,000	9,464
TOTAL EXPENDITURES	2,189,841	1,562,703
INCOME TO EXPENDITURE	0	123,911

609 GIS	30,000	30,000	First year cost only, for implementation costs
609.1 LUCITY WORK ORDER IMPLEMENTATION	30,000	30,000	
609.2 ANNUAL LUCITY LICENSES	16,500	16,500	22 named user licenses
609.3 ARC GIS ONLINE LICENSES	6,000	6,000	Upto 9 ArcGIS Online Licenses
609.4 TETRA TECH SUPPORT	5,000	5,000	Increased MHOG Staff to Increase GIS Services
609.5 HARDWARE (TABLETS)	2,500	2,500	Able to reuse some existing tablets for field work
TOTAL GIS	60,000	60,000	500.0%
612 <u>INSURANCE</u>			
612.1 BC/BS MICHIGAN	203,485	15,966	Increase from BC/BS - increased employee chargeby 2.5% of Premium
612.2 EHIM	60,960	1,905	Slight increase based on risk evaluation
612.3 LIFE/DISABILITY	19,047	3,477	Increase based on salary and fees
612.4 WORKER'S COMPENSATION	53,069	-973	New codes and rates for Workers
612.5 VEHICLE/PROPERTY/LIABILITY INSURANCE	32,591	-345	Based on new insurance rates
612 TOTAL INSURANCE	369,152	20,029	5.7%
613 LEGAL FEES	1,500	0	0.0% Hold from last year
615 UTILITY BILLING CREDIT CARD PAYMENT FEES	20,000	0	0.0% Hold from last year, even though more are paying with CC
616 <u>EMPLOYEE RECRUITING</u>			
616.1 ADVERTISING	1,700	0	Hold from last year
616.2 BACKGROUND CHECK	700	350	Hold from last year
616.3 PRE-EMPLOYMENT PHYSICALS/DRUG SCREEN	725	0	Hold from last year
TOTAL RECRUITING	3,125	350	12.6%
617 <u>OFFICE EXPENSES</u>			
617.1 FURNITURE / CAPITAL	1,000	0	Hold from last year
617.2 SUPPLIES	6,000	1,000	Increase by \$1,000 based on current expenditures
617.3 POSTAGE AND SHIPPING	6,000	0	Hold from last year
TOTAL OFFICE EXPENSES	13,000	1,000	8.3%
618 OTHER EXPENSES	1,000	0	0.0% Hold from last year
627 RETIREMENT	126,936	2,562	2.1% Increase based on Salary Increases
630 <u>DPW SALARIES</u>			
630.1 STRAIGHT TIME	1,184,888	16,929	Average salary increase for employees
630.2 OVERTIME	84,623	8,285	Average salary increase for employees
TOTAL DPW SALARIES	1,269,511	25,214	2.0%
640 SUPPLIES & TOOLS	4,000	0	0.0% Hold from last year
651 TELEPHONE			
652 CUSTOMER LINE	1,000	0	Hold from last year
653 ANSWERING SERVICE	3,500	500	Increase slightly based on current expenditures
654 CELL PHONE ALLOWANCE	20,880	4,380	Increase \$5 per employee due to higher data demands on phones
655 CELL PHONES	2,000	0	Increase due to purchase of new phone
TOTAL - TELEPHONE	27,380	4,880	21.7%
700 TRANSFERS TO EQUIPMENT RESERVES	40,000	10,000	33.3% Increase \$10,000 in keeping with capital purchase
701 TRANSFERS TO PERSONNEL RESERVES	1,000	-9,000	-90.0% Reduce due to existing funds
705 <u>UNIFORMS AND PROTECTIVE CLOTHING</u>			
705.1 UNIFORMS	5,000	1,400	Increase based on last year's purchase of uniform clothing
705.2 PANT ALLOWANCE	3,600	200	Increase \$200 due to additional employee
705.3 SAFETY / PPE	6,000	1,000	Increase slightly to continue to purchase and improve PPE
TOTAL - UNIFORMS & PROTECTIVE CLOTHING	14,600	2,600	21.7%
SUB-TOTAL EXPENDITURES	2,230,327	40,486	1.8%
706 <u>VECTOR TRUCK</u>			
706.1 Annual Lease Payment	50,964	50,964	Per Doheny Quotation
706.2 Fuel	10,000	10,000	Estimate based on anticipated miles per year
706.3 Equipment / Tools	5,000	5,000	Cost to equip truck with tools, valves, and jet nozzles
706.4 Repairs	0	0	1 year full bumper to bumper warranty on vehicle
TOTAL - VECTOR TRUCK	65,964	65,964	
TOTAL EXPENDITURES	2,296,291	106,450	4.9%
INCOME TO EXPENDITURE	50		Rounding of percentage is reason for \$50 overage

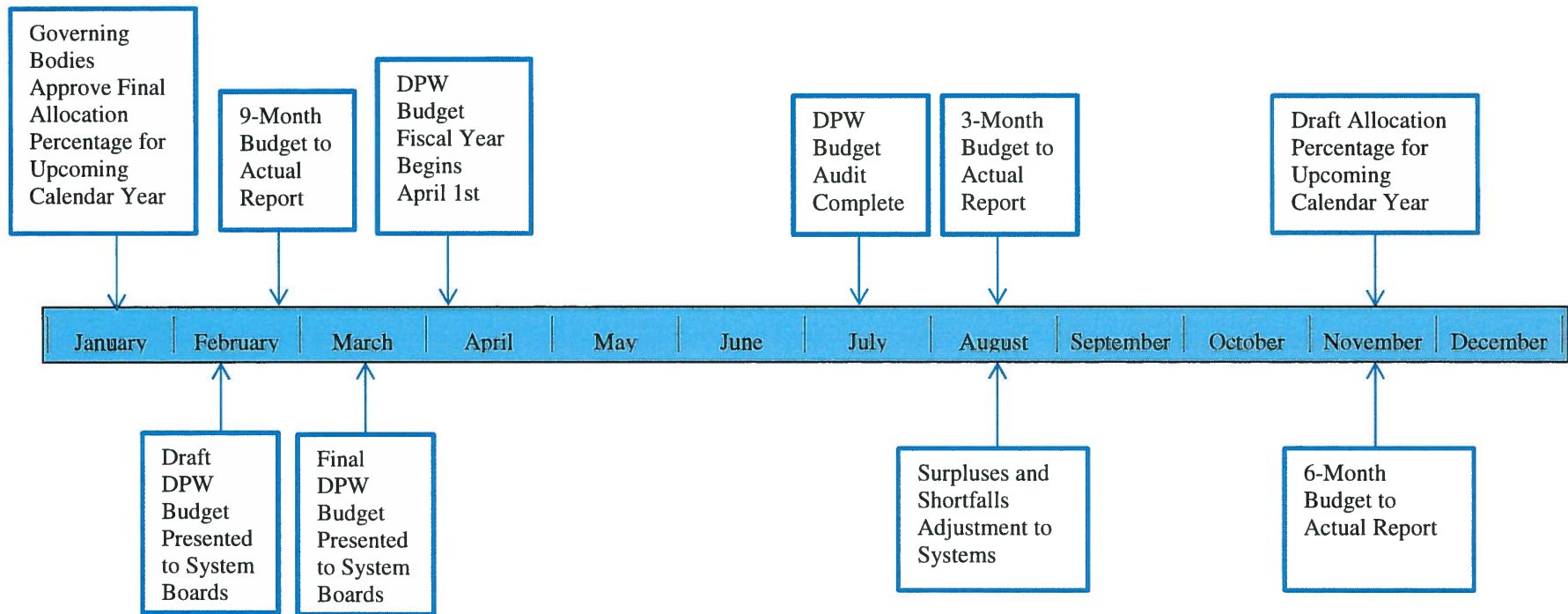
**Exhibit 7
FY 2017 System Labor Equipment Percentage Calculation**

System	Billed Connections	%	Mile of Pipe	%	Avg. Daily Flow (2015)	%	Storage / Pump Station with Daily Checks	%	Full Time Staff Equivalents to Operate	%	Annual Budget	%	Grinder Pumps & Hydrants	%	Total Avg.
MHOG	4,842	40.39%	134	46.05%	1,477,000	50.20%	8	38.65%	8	33.33%	\$2,386,600	38.91%	1,490	66.91%	44.92%
Genoa-Oceola	4,410	36.78%	91	31.27%	1,067,653	36.28%	6.7	32.37%	7.5	31.25%	\$1,959,251	31.94%	91	4.09%	29.14%
Oak Pointe Sewer	1,323	11.04%	38	13.06%	0	0.00%	2	9.66%	2	8.33%	\$1,005,851	16.40%	428	19.22%	11.10%
Oak Pointe Water	913	7.62%	15	5.15%	283,000	9.62%	3	14.49%	3.3	13.75%	\$410,800	6.70%	144	6.47%	9.11%
Lake Edgewood	501	4.18%	13	4.47%	114,859	3.90%	1	4.83%	3.2	13.33%	\$371,451	6.06%	74	3.32%	5.73%
Total	11,989	100.00%	291	100.00%	2,942,512	100.00%	20.7	100.00%	24	100.00%	\$6,133,953	100.00%	2,227	100.00%	100.00%

System	Existing Allocation %	Proposed Percentage	Difference
MHOG	45.04%	44.918%	-0.12%
Genoa-Oceola	26.96%	29.140%	2.18%
Oak Pointe Sewer	12.31%	11.101%	-1.21%
Oak Pointe Water	9.83%	9.113%	-0.72%
Lake Edgewood	5.86%	5.727%	-0.13%

Exhibit 8

Annual Budget Timeline Requirements



Schedule 5.10

Emergency Connection Agreements with the City
of Howell and the City of Brighton



CITY OF BRIGHTON

"Providing quality service"

City Hall

200 N. First St.
Brighton, MI 48116-1593
(810) 227-1911
Fax# 227-6420
TDD Phone: (810) 227-8357

City Manager
225-8022

Community Development

Assistant Assessor
227-9006
Assessor
225-8024
Building/Planning
227-9005
Building Inspector/Zoning
225-8017
Bldg. Inspection Line
227-0419
Community Development
Director
225-8025
Code Enforcement
227-9007

City Clerk /

Human Resource Director
225-8021
Cemetery/
Voter Registration
227-0463

Finance

Accounts Payable
225-8019
Deputy Treasurer
225-8023
Finance Director
225-8020
Property Taxes
227-0179
Utility Billing
225-8041

Fire Department

615 W. Grand River
(810) 229-6640
Fax# 229-1619

Police Department

440 S. Third
(810) 227-2700
Fax# 227-2063

Public Services Director

225-8004

Water Plant

227-2968

Wastewater Plant

227-9479
Fax# 227-7635

DPS Service Building

225-8001
Fax# 225-0420

February 4, 2000

Mr. Robert Murray
Genoa Township Supervisor
2911 Dorr Road
Brighton, MI 48116

Mr. Murray:

Per City Council action of February 3, 2000, attached you will find the Indemnification Agreement and MHOG Emergency Water Connection Agreement which have been executed by the City of Brighton.

Should you have any questions regarding either of these two documents please feel free to contact either myself at 810-225-8021 or Dana Foster, City Manager at 810-225-8022.

Sincerely,

Tammy Allen
City Clerk/Human Resource Director

Cc: Dana W. Foster, City Manager

GENOA TOWNSHIP

FEB 07 2000

RECEIVED

CITY OF BRIGHTON - MHOG EMERGENCY
WATER CONNECTION AGREEMENT

WHEREAS, the Marion , Howell, Oceola and Genoa Sewer and Water Authority (hereinafter referred to as "MHOG") owns and maintains a water treatment plant and a public water distribution system within the Townships of Marion, Howell, Oceola and Genoa; and

WHEREAS, the City of Brighton, a Michigan Municipal Corporation, with its offices at 200 North First Street, Brighton, MI 48116 (hereinafter referred to as the "City") owns and maintains a water treatment plant and a water distribution system within the City of Brighton; and

WHEREAS, the public water distribution system of both MHOG and the City run at or near various areas and vicinities to each other; and

WHEREAS, the City is authorized by Article 7, Section 24 of the Michigan Constitution of 1963 and by Public Act 279 of 1909, as amended, to provide water service outside its corporate limits; and

WHEREAS, MHOG is authorized by Public Act 35 of 1951, as amended, and other Public Acts, to enter into agreements to provide and receive water services outside of its authority; and

WHEREAS, it is in the best interest of both parties, to ensure the public health, safety and welfare of those residents and customers served by both parties, to establish continued and uninterrupted water service during times in which either water distribution system is impaired due to emergency;

NOW THEREFORE, in consideration of the mutual covenants between them, the parties hereby agree as follows:

1. Connection and Emergencies.

MHOG and the City hereby agree to connect their public water distribution system to each other's system for purposes of emergencies only. An emergency is hereby defined as a major break or loss of water either due to a water transmission line, water plant malfunction, loss of well production, or any other type of emergency wherein the public health, safety and welfare is imminently threatened.

2. Location of Connections.

The emergency connections will be placed at the following locations:

- a) NW corner of Bendix and Grand River Avenue;

- b) South side of Grand River Avenue in the entrance to the Brighton Village Mobile Home Park;

The emergency connections will be a valve mechanism which will be manually turned on as specified in Section 5 below, and water released into the public water distribution system of the party in need of water based upon an emergency as set forth above.

3. Cost of Installation.

The cost of the installation of the emergency valves/switches at the location set forth above, shall be borne by Genoa Township. The cost of the work shall include, but not be limited to any and all actual costs expended for excavation, materials, labor, design costs, and any other cost which is directly associated with the installation of the emergency connections.

4. Agreement to Employ Engineer.

An engineering firm shall be employed by both parties, said firm to be agreed to by consent of the parties in writing, who will perform any and all design work necessary for the connections set forth above.

5. Activation of Emergency Connection.

The emergency connection will be activated by the Superintendent of the Water Treatment Plant for each party or his/her designee. The activation of the connection, once necessary for an emergency, will be such that the burden on both public water distribution systems will be minimized.

6. Determination of Water Usage; Costs and Billing Method.

The parties agree that, after the emergency has ceased, and the emergency connections are closed, the payment of water services will be necessary to pay from one party to the other. To determine the amount of water used during the emergency, engineers for both parties will review what the usage for the particular water plant in question would have been, but for the emergency. The party using the water will pay at a rate of the providing parties normal rate per 1,000 gallons. The amount, when finally determined, will be payable within sixty (60) days to the providing party. If there is non-payment within the sixty (60) day period, interest will accrue on the unpaid balance at the rate of seven percent (7%) per annum.

7. Future Maintenance Expenses.

Any and all future maintenance will be performed jointly by the parties. Future maintenance costs will include but not be limited to the performance of routine annual checks by both parties to ensure that the emergency valves/switches are in

good working order. Any replacement of any emergency connection or part of an emergency connection and any and all other costs associated with future maintenance will be paid for equally between the parties, 50% to MHOG and 50% to the City.

8. Indemnification – MHOG to City.

MHOG agrees to save harmless the City against and from any and all claims, costs, charges, and expenses (including without limitation, fees and expenses of attorneys, expert witnesses and other consultants) which may be imposed against the City by reason of any of the following occurring during the term of this Agreement:

- a. Any negligent or tortious acts, errors or omissions of MHOG or any of its personnel, employees, subcontractors, or consultants in the construction, operation or maintenance of the MHOG public water distribution system and associated facilities;
- b. Any failure by MHOG or any of its personnel, employees, consultants or subcontractors to perform its obligations, either expressed or implied, under this Agreement or any negligent or tortious acts, errors or omissions of MHOG, its personnel, employees, consultants or subcontractors.

9. Indemnification – City to MHOG.

The City agrees to save harmless MHOG against and from any and all claims, costs, charges and expenses (including without limitation, fees and expenses of attorneys, expert witnesses and other consultants) which may be imposed against MHOG by reason of any of the following occurring during the term of this Agreement:

- a. Any negligent or tortious acts, errors or omissions of the City or any of its personnel, employees, subcontractors, or consultants in the construction, operation or maintenance of the City public water distribution system and associated facilities;
- b. Any failure by the City or any of its personnel, employees, consultants or subcontractors to perform its obligations, either expressed or implied, under this Agreement or any negligent or tortious acts, errors or omissions of the City, its personnel, employees, consultants or subcontractors.

10. Commencement and Term.

This Agreement shall commence on the date herein and shall only be terminated or modified by mutual agreement of the City and MHOG.

11. Assignability.

This Agreement is not assignable by either party without the written consent of the other.

12. Parties Bound by Agreement.

The parties hereby agree that this Agreement shall be binding upon all successor governmental units, including each individual Township making up the Authority, and which may assume jurisdiction over all or part of the areas now governed by the parties herein.

13. Severability.

Should any provision of this Agreement be found by a Court of competent jurisdiction to be unconstitutional, it shall be severed from this Agreement and the remaining provisions shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have set their hands and seals on the 4th day of January, ~~2000~~ 2000

WITNESS

Sammy Allen

WITNESS

CITY OF BRIGHTON

Kate Lawrence
BY: Kate Lawrence, Mayor

MARION, HOWELL, OCEOLA &
GENOA SEWER & WATER
AUTHORITY

BY: Joseph L. Richards, Chairman

BY: Evelyn Cornell, Secretary

Deleted at the petitioner's request.

3. Request for approval of the impact assessment corresponding to site plan for a 3,090 sq. ft. Old Kent Bank, to be located at the southwest corner of Grand River and Latson Road, Lot 2, Livingston Commons, petitioned by Progressive A. E., as recommended by the Planning Commission 02-14-2000.

Moved by Robertson, supported by Skolarus, to approve the impact assessment dated Oct. 1998 contingent upon the following:

1. Township engineer's approval of all plans and specifications.
 2. Petitioner shall replace the berm with the three-foot continuous hedgerow.
 3. Building materials and colors as depicted this evening are acceptable
 4. Petitioner shall plant four evergreen trees placed around the garbage receptacle.
 5. The site plan shall include the revised sign plans faxed copy dated February 14, 2000. Aluminum roof on the drive thru canopy is acceptable.
 6. Petitioner shall vary the height of the shrubs located along the west property line. Petitioner shall comply with conditions of the February 2, 2000 letter submitted by the Township Engineer.
 7. Acknowledges and accepts the \$7,000 and \$6,000 sewer and water hook-up fees respectively.
 8. All lighting shall comply with the PUD agreement.
 9. Any proposed water softeners shall not be connected to the Township sanitary sewer system and shall utilize a potassium-based product.
- The motion carried unanimously.

4. Discussion of a request from Howell Public Schools to collect summer property taxes on their behalf during the 2000 season.

Moved by Robertson, supported by Hunt, to approve the collection of summer taxes for Howell Public Schools under the same conditions as last year. The motion carried unanimously.

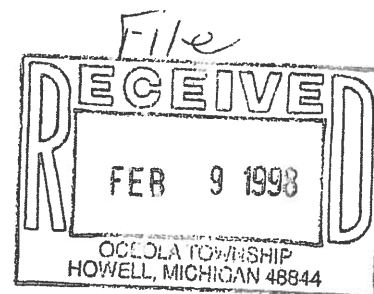
5. Request for authorization of an agreement between MHOG & the City of Brighton for execution of said agreement.

Moved by McCririe, supported by Robertson, to approve the contract as submitted. The motion carried unanimously.

6. Request for approval of an indemnification agreement between the City of Brighton and Genoa Township in relation to the Water Service Contract.

Moved by Ledford, supported by Skolarus, to approve the execution of the indemnification agreement by the Supervisor and Clerk as submitted. The motion carried unanimously.

CITY OF HOWELL - MHOG EMERGENCY
WATER CONNECTION AGREEMENT



WHEREAS, the Marion, Howell, Oceola and Genoa Sewer and Water Authority (hereinafter referred to as "MHOG") owns and maintains a water treatment plant and a public water distribution system within the Townships of Marion, Howell, Oceola and Genoa; and

WHEREAS, the City of Howell, a Michigan Municipal Corporation, with its offices at 611 E. Grand River Avenue, Howell, Michigan 48843 (hereinafter referred to as the "City") owns and maintains a water treatment plant and a water distribution system within the City of Howell; and

WHEREAS, the public water distribution system of both MHOG and the City run at or near various areas and vicinities to each other; and

WHEREAS, the City is authorized by Article 7, Section 24 of the Michigan Constitution of 1963 and by Public Act 279 of 1909, as amended, to provide water service outside its corporate limits; and

WHEREAS, MHOG is authorized by Public Act 35 of 1951, as amended, and other Public Acts, to enter into agreements to provide and receive water services outside of its authority; and

WHEREAS, it is in the best interest of both parties, to ensure the public health, safety and welfare of those residents and customers served by both parties, to establish continued and uninterrupted water service during times in which either water distribution system is impaired due to emergency;

NOW THEREFORE, in consideration of the mutual covenants between them, the parties hereby agree as follows:

1. Connection and Emergencies.

MHOG and the City hereby agree to connect their public water distribution system to each other's system for purposes of emergencies, only. An emergency is hereby defined as a major break or loss of water either due to a water transmission line, water plant malfunction, loss of well production, or any other type of emergency wherein the public health, safety and welfare is imminently threatened.

2. Location of Connections.

The emergency connections will be placed at the following locations:

- a. Lucy Road and Industrial Drive;
- b. Byron Road and M-59, located in Howell Township.

The emergency connections will be a valve mechanism which will be manually turned on as specified in Section 5 below, and water released into the public water distribution system of the party in need of water based upon an emergency as set forth above.

3. Cost of Installation.

The cost of the installation of the emergency valves/switches at the location set forth, above, shall be divided equally between the City and MHOG, 50% to each. The cost of the work shall include, but not be limited to any and all actual costs expended for excavation, materials, labor, design costs and specifications, engineering costs, and any other cost which is directly associated with the installation of the emergency connections.

4. Agreement to Employ Engineer.

An engineering firm shall be employed by both parties, said firm to be agreed to by consent of the parties in writing, who will perform any and all design work necessary for the connections as set forth above.

5. Activation of Emergency Connection.

The emergency connection will be activated by the Superintendent of the Water Treatment Plant for each party or his/her designee. The activation of the connection, once necessary for an emergency, will be such that the burden on both public water distribution systems will be minimized.

6. Determination of Water Usage; Costs and Billing Method.

The parties agree that, after the emergency has ceased, and the emergency connections are closed, the payment of water services will be necessary to pay from one party to the other. To determine the amount of water used during the emergency, engineers for both parties will review what the usage for the particular water plant in question would have been, but for the emergency. The party using the water will pay at a rate of the providing party's normal rate per 1,000 gallons. The amount, when finally determined, will be payable within sixty (60) days to the providing party. If there is non-payment within the sixty (60) day period, interest will accrue on the unpaid balance at the rate of seven percent (7%) per annum.

7. Future Maintenance Expenses.

Any and all future maintenance will be performed jointly by the parties. Future maintenance costs will include

but not be limited to the performance of routine annual checks by both parties to ensure that the emergency valves/switches are in good working order. Any replacement of any emergency connection or part of an emergency connection and any and all other costs associated with future maintenance will be paid for equally between the parties, 50% to MHOG and 50% to the City.

8. Indemnification - MHOG to City.

MHOG agrees to save harmless the City against and from any and all claims, costs, charges and expenses (including without limitation, fees and expenses of attorneys, expert witnesses and other consultants) which may be imposed against the City by reason of any of the following occurring during the term of this Agreement:

- a. Any negligent or tortious acts, errors or omissions of MHOG or any of its personnel, employees, subcontractors, or consultants in the construction, operation or maintenance of the MHOG public water distribution system and associated facilities;
- b. Any failure by MHOG or any of its personnel, employees, consultants or subcontractors to perform its obligations, either expressed or implied, under this Agreement or any negligent or tortious acts, errors or omissions of MHOG, its personnel, employees, consultants or subcontractors.

9. Indemnification - City to MHOG.

The City agrees to save harmless MHOG against and from any and all claims, costs, charges and expenses (including without limitation, fees and expenses of attorneys, expert witnesses and other consultants) which may be imposed against MHOG by reason of any of the following occurring during the term of this Agreement:

- a. Any negligent or tortious acts, errors or omissions of the City or any of its personnel, employees, subcontractors, or consultants in the construction, operation or maintenance of the City public water distribution system and associated facilities;
- b. Any failure by the City or any of its personnel, employees, consultants or subcontractors to perform its obligations, either expressed or implied, under this Agreement or any negligent or tortious acts,

errors or omissions of the City, its personnel, employees, consultants or subcontractors.

10. **Commencement and Term.**

This Agreement shall commence on the date herein and shall only be terminated or modified by mutual agreement of the City and MHOG.

11. **Assignability.**

This Agreement is not assignable by either party without the written consent of the other.

12. **Parties Bound by Agreement.**

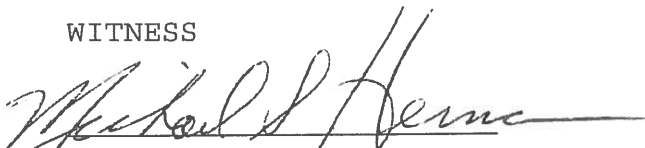
The parties hereby agree that this Agreement shall be binding upon all successor governmental units, including each individual Township making up the Authority, and which may assume jurisdiction over all or part of the areas now governed by the parties herein.


13. **Severability.**

Should any provision of this Agreement be found by a Court of competent jurisdiction to be unconstitutional, it shall be severed from this Agreement and the remaining provisions shall remain in full force and effect.

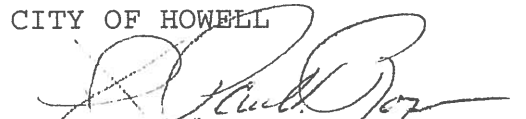
IN WITNESS WHEREOF, the parties have set their hands and seals on the ____ day of _____, 1998.

WITNESS

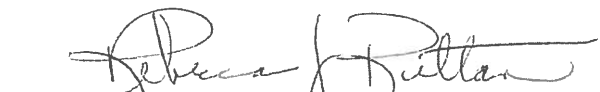




CITY OF HOWELL



BY: PAUL F. ROGERS, Mayor



BY: REBECCA J. RUTTAN, Clerk

WITNESS

MARION, HOWELL, OCEOLA & GENOA
SEWER & WATER AUTHORITY

Gracy Salmon

Gene Sharpe

Joseph L. Richards
BY: JOSEPH L. RICHARDS, Chairman

Evelyn Cornell Sec
BY: EVELYN CORNELL, Secretary

Schedule 6.1.2

Resolution of MHOG Board on
June 15, 2016 Regarding Connection Fees

**MARION, HOWELL, OCEOLA AND GENOA
SEWER AND WATER AUTHORITY**

At a meeting of the Marion, Howell, Oceola and Genoa Sewer and Water Authority (the "Authority") held in Oceola Township, Michigan, on June 15, 2016 at 5:00 p.m. local time, there were:

PRESENT: Bamber, Coddington, Hanvey, Howard, Hunt, McCririe, and Schuhmacher

ABSENT: Lowe

The following preamble and resolution were offered by Hunt and seconded by Howard:

Resolution Approving Initial MHOG Connection Fee Amount and Remittance Schedule

WHEREAS, Marion Township, Howell Township, Oceola Township and Genoa Charter Township have organized the Authority pursuant to the provisions of Act 233;

WHEREAS, the Authority previously adopted a Water System Master Operating Agreement dated as of February 1, 2011 ("Master Operating Agreement") and a First Amendment to the Master Operating Agreement dated as of June 15, 2016 ("First Amendment") to guide the operation, maintenance, and finances of the system;

WHEREAS, the amended Master Operating Agreement provides for MHOG to be paid a Connection Fee for new users to the Water System and for existing users that increase their use of the Water System;

WHEREAS, the amended Master Operating Agreement provides that such Connection Fees may be collected by the Township in which the property is located, and the Master Operating Agreement does not restrict a Township from imposing an additional connection charge or capital improvement charge; and

WHEREAS, the amount of the Connection Fee is to be reviewed and set annually by the Board of the Authority.

NOW, THEREFORE, BE IT RESOLVED BY THE AUTHORITY AS FOLLOWS:

1. The initial MHOG Connection Fee amount shall be \$3,500 per Residential Equivalent Unit (REU), with the exemption of REUs committed by Agreement (a copy of which is provided and attached herein) by Howell Township for the property at Byron and Oak Grove Roads purchased by Allen Edwin Homes, and no connection fee shall be payable to MHOG for connections that are governed by such Agreement.
2. The transfer of Connection Fees collected by a Township shall be made to MHOG quarterly, within the first 10 days of the months of January, April, July, and October.

3. All actions taken to date by the Authority's Officers in the name of and on behalf of the Authority in connection with the foregoing resolution, are authorized, approved, ratified and confirmed in all respects.

A vote on the foregoing resolution was taken and was as follows:

Yes: Bamber, Coddington, Hanvey, Howard, Hunt, McCririe, and
Schuhmacher

No: None

Abstain: None

Secretary's Certificate

The undersigned, being the duly qualified and acting Secretary of the Marion, Howell, Oceola and Genoa Sewer and Water Authority, hereby certifies that (1) the foregoing is a true and complete copy of a resolution duly adopted by the Board of the Marion, Howell, Oceola and Genoa Sewer and Water Authority at a meeting at which a quorum was present and remained throughout, (2) the original thereof is on file in the records of the Marion, Howell, Oceola and Genoa Sewer and Water Authority, (3) the meeting was conducted, and public notice thereof was given, pursuant to and in full compliance with the Open Meetings Act (Act No. 267, Public Acts of Michigan 1976, as amended) and (4) minutes of such meeting were kept and will be or have been made available as required thereby.



Secretary, Marion, Howell, Oceola and Genoa
Sewer and Water Authority

Dated: July 16, 2016

2015R.007152

RECORDED ON
03/12/2015 3:09:42 PM
SALLY REYNOLDS
REGISTER OF DEEDS
LIVINGSTON COUNTY, MI 4884
RECORDING: 13.00
REMON: 4.00
PAGES: 2

hereby certify that there are no TAX LIENS OR TITLES held by the State or any individual against the within description, and all TAXES are same as paid for five years previous to the date of this instrument or appear on the records in this office except as stated.

March 12, 2015 Jennifer M. Nash, Treasurer

Taxes not examined Certificate # 21073

Warranty Deed

2015
2/25/15
P

KNOW ALL MEN BY THESE PRESENTS: That Howell Township whose address is 3525 Byron Road, Howell, MI 48855 convey(s) and warrant(s) to GLB Partners, LLC a Michigan Limited Liability Company whose address is 2186 E Centre St, Portage, MI 49002

Land situated in the Township of Howell, County of Livingston, State of MI

SEE ATTACHED EXHIBIT "A" FOR COMPLETE LEGAL DESCRIPTION

Commonly known as: Oak Grove Road
Tax Item No.: 4706-13-300-013

If the land being conveyed is unplatted, the following is deemed to be included: 1) This property may be located within the vicinity of farmland or a farm operation. Generally accepted agricultural and management practices which may generate noise, dust, odors, and other associated conditions may be used and are protected by the Michigan right to farm act, and 2) The grantor grants to the grantee the right to make ___ division(s) under section 108 of the Land Division Act, Act No. 288 of the public Acts of 1967.

for the sum of One Hundred Eighty Seven Thousand Twenty Seven and 00/100 Dollars \$187,027.00

Subject to easements and building and use restrictions of record.

This Deed is exempt from state and county real estate transfer taxes under MCL 207.505 (h) and 207.526(h).


Dated this 10th day of March, 2015

Howell Township


By Carolyn Eaton Clerk

State of Michigan
County of Livingston

The foregoing instrument was acknowledged before me this 10th day of March, 2015, by Carolyn Eaton, Clerk of Howell Township.


Notary Public
County of Livingston
My commission expires: 3/30/2020

Drafted by:
Attorney Daniel P. Lievois

1680 Crooks Road
Troy, MI 48084

File No: 881590
rf Devon Title Portage

When recorded return to:
GLB Partners, LLC a Michigan Limited Liability Company
2186 E Centre St
Portage, MI 49002

Debra J. Johnson
Notary Public, State of Michigan
County of Livingston
My Commission Expires Mar. 30, 2020
Acting in the County of Livingston



03-12-15A10:03 RCVD

Agreement and the party creating any such obligation agrees to indemnify and hold the other party harmless against any and all liability, loss, cost, damage and expense (including, but not limited to, attorneys' fees and costs of litigation) that the other party shall ever suffer or incur because of any claim by any such broker or consultant. These obligations will survive closing or termination of this Agreement.

20. Additional Provisions.

A. Purchaser shall be entitled to purchase tap fees at a reduced price of **Seven Thousand Dollars (\$7000) per REU** (combined sewer and water) by purchasing the **REUs in lots of 50** upon completion of each phase (not more than 4 phases) of residential development of the land. If after purchasing all necessary REUs in lots of 50, fewer than 50 REUs (combined sewer and water) are required to complete the build out of all units within the PUD, Seller agrees to waive the minimum purchase requirement of 50 REUs to obtain the bulk lot REU pricing, provided the remaining REUs are still purchased in bulk. The right to purchase REUs in bulk lots shall **expire five (5) years after the date of Closing.**

B. The Investigation Period and the Entitlement Period provided in Paragraph 3 is intended to provide Purchaser with adequate time to design the project and obtain all necessary governmental approvals required to start construction. Purchaser agrees to diligently pursue such approval upon execution of this Agreement. In the event all approvals are obtained earlier, the Investigation Period shall end thirty (30) days after receipt of all such approvals.

C. Purchaser agrees that Special Assessments X2094 and X2554 shall be re-amortized to be paid in full by 2024.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement under seal as of the date first above written.

SELLER: HOWELL TOWNSHIP

By: 

Its: **CLERK**

PURCHASER: CBL DEVELOPMENT, L.L.C.

By: 

Its: Member

Schedule 6.4

Billing Agreement between the Authority and
Howell Township

HOWELL TOWNSHIP BILLING AGREEMENT

THIS AGREEMENT, is made July 1, 2010, by Marion, Howell, Oceola and Genoa Sewer and Water Authority (“MHOG”), whose principal office is located at 1577 N. Latson Road, Howell, Michigan 48843 and Howell Township (“Township”), whose principal office is located at 3525 Byron Road, Howell, Michigan 48855.

ARTICLE I – RECITALS

WHEREAS, the Townships of Howell, Marion, Oceola, and Genoa have organized the Marion, Howell, Oceola and Genoa Sewer and Water Authority (the “Authority”) pursuant to the provisions of Act 233, Michigan Public Acts of 1955, as amended (“Act 233”) for the purpose of acquiring, owning, managing, and operating a water supply system; and

WHEREAS, the Townships have concluded that the operation of a water supply system is needed to promote and improve the health and welfare of the residents of the Townships, and that such water supply system can most economically and efficiently be operated and maintained by the Authority pursuant to the provisions of Act 233; and

WHEREAS, the Township of Howell has entered into an Operation and Maintenance Service Agreement with MHOG for the Operation of the Water System within the Township of Howell; and

WHEREAS, MHOG currently contracts meter reading and billing services to Genoa Charter Township’s Department of Public Works.

NOW, THEREFORE, in consideration of the promises below, the parties mutually agree as follows:

ARTICLE II – SUMMARY OF MHOG RESPONSIBILITIES

MHOG or its current contracted billing representative shall perform the duties of meter reading, meter installation, meter repair, meter read auditing, reading device service, and transfer of reads to Howell Township. A detailed description of the MHOG responsibilities is presented in **Attachment 1**.

ARTICLE III – SUMMARY OF HOWELL TOWNSHIP RESPONSIBILITIES

Howell Township shall perform the duties of bill preparation, mailing, receipting, and customer interaction. A detailed description of the Howell Township’s responsibilities is presented in **Attachment 2**.

ARTICLE IV – DELIVERABLES AND DELIVERABLE SCHEDULE

For accurate, effective, and timely billing of MHOG customers in Howell Township, both parties agree to the following deliverable schedule:

Date	Month	M.H.O.G.	Howell Township
15 th	January, April, July, and October	Meter reads supplied to Howell Township	
1 st	February, May, August, and November	Aggregate of individual usage water consumption sent to Howell Township	
15 th	February, May, August, and November		Revised customer contact report submitted to MHOG
1 st	March, June, September, and December		Consumption payment made to MHOG
15 th	March, June, September, and December	Notification of read dates made to Howell Township and quarterly meter install report submitted to Howell Township	

ARTICLE V – FEE SCHEDULE AND PAYMENT OF INVOICES

Howell Township shall be billed quarterly, and each bill shall be based on: 1) Total Aggregate consumption (as defined in the above table) multiplied by the current MHOG Rate/1,000 gallons, 2) Readiness to Serve Charge (RTS) based on multiplying the current MHOG RTS charge multiplied by the total # of accounts read at the end of each quarter, and 3) Less credit of 6% the cost MHOG is charged for each bill. Quarterly bills for consumption will be mailed to Howell Township on approximately the 1st day of February, May, August, and September. MHOG shall have the ability to adjust rates as needed. Such rate adjustments shall automatically apply to Howell Township.

Howell Township shall pay the MHOG consumption invoice within 30 days of the bill date. Consumption charges not paid within 30 days will be assessed a 1% penalty. Consumption charges not paid within 60 days will be assessed a 3% penalty. If consumption charges are not paid within 90 days, this agreement will be terminated and responsibility for billing of MHOG customers in Howell Township will revert immediately back to MHOG.

Howell Township shall charge water customers the same consumption charge as established annually by the MHOG Board. Howell Township shall have the right to add fees for debt service, connection, or other fees as necessary.

ARTICLE VI - USE OF DOCUMENTS

MHOG and the Township shall retain all billing records, both hard copy and electronic. Upon completion or termination of this Agreement, a copy of all documents shall be submitted to MHOG by the Township.

ARTICLE VII – ASSIGNS AND SUCCESSORS

This Agreement is binding on MHOG and Township, and their permitted successors and assigns. The parties agree not to transfer or assign its respective interest in this Agreement without the written consent of the other.

ARTICLE VIII – TERM OF AGREEMENT

This Agreement begins on July 1, 2010 and ends July 1, 2013. The term of the agreement will automatically renew for successive periods of one-year each, unless notice is provided 90 days prior to the end of the term by either party.

ARTICLE IX – TERMINATION OF CONTRACT

This agreement shall be terminated upon voluntary reversion to MHOG by Howell Township or for cause by the parties giving ninety (90) days written notice to the other party. Upon termination, all billing shall revert back to MHOG.

ARTICLE X – INDEMNIFICATION

The Township shall indemnify, to the extent permitted by law, MHOG, its officers, agents, servants, volunteers and employees from any and all liabilities, claims, liens, demands and costs, including legal fees, of whatsoever kind and nature which may result from fees and/or charges placed on bills by the Township.

MHOG and Township may exercise any of their rights and remedies available at law or in equity in the event they incur claims, damages, lawsuits, costs and expenses, including but not limited to costs from administrative proceedings, court costs and attorney fees arising out of this Agreement.

ARTICLE XI – CHANGES IN SCOPE OR SCHEDULE OF SERVICES

Changes mutually agreed upon by the MHOG and Township will take place only upon a written agreement and will be incorporated into this Agreement by written amendments signed by both parties.

ARTICLE XII – CHOICE OF LAW AND FORUM

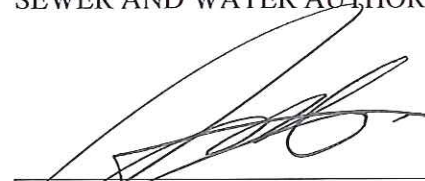
This Agreement shall be subject to and governed by the laws of the State of Michigan. MHOG and the Township agree that the venue for the bringing of any legal or equitable action under this Agreement shall be established in accordance with the statutes of the State of Michigan and/or Michigan Court Rules. In the event that any action is brought under this Agreement in Federal Court, the venue for such action shall be the Federal Judicial District of Michigan, Eastern District, Southern Division.

ARTICLE XIII – EXTENT OF CONTRACT

This Agreement and the attached duties and responsibilities represents the entire agreement between the parties and supersedes all prior representations, negotiations or agreements whether written or oral.


MARION, HOWELL, OCEOLA AND GENOA
SEWER AND WATER AUTHORITY

Date: 6/23/2010


By: Gary McCrie
Chairperson

HOWELL TOWNSHIP

Date: 6-23-2010


By: Michael Coddington
Its: Supervisor

Attachment 1

MHOG Statement of Duties

Meter Installation - Permanent

Receive and File Meter Sales Forms

- Schedule with Customers Order and Pick-up of Specialty Meters

Maintain inventory of meters

Schedule appointments with customers for meter installations

Perform Meter Installs

- Obtain Backflow Certificate

- Install Meter and Reading Device

- GPS Location for Vehicle Based Reading Unit

- Complete Work Order with Meter and Head Numbers for Input into Springbrook[®] Billing Software

Utilize Work Order to Set-Up a New Customer Account or Update for Irrigation Install

- For commercial account, select hazard classification and add to Hydrodesigns Inc.

- List for Backflow and Cross Connection Inspection

- Input GPS Points

- Input Backflow Control Device for residential and irrigation accounts

- File Installation Paperwork

- Locating curb stops for builders and homeowners.

Meter Installation – Seasonal

Schedule Spring Installation for Water Only Seasonal Irrigation or Recreational Meters

- Send out notification letters to each account

- Require backflow device test during installation

Install meters at scheduled times

- Turn on water services

- Test radio read device

- Obtain Backflow Certificate

Schedule Fall Removal for Water Only Seasonal Irrigation or Recreational Meters Send out notification letters to each account of winterization responsibilities

- Remove meters

- Obtain final reads on each account

- Shut down water services

Meter Reading & Billing

Phone reads of existing MIU units programmed for call in
MXU accounts are loaded into vehicle based reading route
Radio reads are obtained in the field
Audit of non-reads by MIU Units and MXU units are added to manual read accounts
Each non-read manual is visited to obtain a read
Non reads are added to repair list and letters are sent to customer requesting
appointments.

Each read is audited by:

Verifying of account information

Each read is compared to previous quarter

Contact made with each customer with read outside normal range, accounts are
noted when a homeowner is gone during the winter months.

Research reads that show no usage.

Identify if there is a leak. If leak is found, determine if sewer or water only.

Adjust accounts as necessary

Identify Repairs and Perform Site Visits, including but not limited to:

- Assisting Homeowners with identifying leaks
- Change out of meter heads
- Change Direction of Meters (foreclosed homes may have had meters
pulled and the bank re-installed meters backwards.
- Researching as to why a home or business may not have irrigation usage
over summer. (Irrigation System may have bypass installed.)

Following of Audit, meter reads are sent to Howell Township for billing purposes.

Post Meter Reading and Billing

As referenced above, between billing cycles:

Non-reads are scheduled for maintenance which may include:

Installation of an external MXU

Re-wiring from reading unit to meter

Change out of faulty or clogged meter

Change out of meter head

Frequently, the above task require preparation of mailings to
customers to obtain home access

Record any account or equipment changes in Springbrook® Billing Software.

Miscellaneous Services

Cross Connection Program and Consumer Confidence Reports
Software Upgrades & Annual Maintenance & Software Support Fees
Response to Township request for usage history
Preparation of billing reports for commercial account audits
Preparing Billing Summaries & Account Receivable Reports by District & Township
Keeping track of all meters installed for each subdivision or complex. Any meters not installed yet are checked to make sure lot is still vacant.
Maintaining list of all paid and unpaid meter packages, always checked before meter package is installed in new home.

Reconciliation of Records

30 Days prior to meter reading, MHOG should update customer information received from Howell Township and reconcile records with a report submitted by Howell Township.

Attachment 2

Howell Township Statement of Duties

Billing

Meter reads are posted to accounts
Following posting of accounts, bills are printed
Printed bills are separated and sorted for post office
Bills are distributed to customers

Bill Collection

Post payments
Balance postings
Perform Bank Deposits

Perform Customer relations

- Taking payments over the counter
- Taking phone calls from customer
- Solving problems for customers
- Collect NSF's

Delinquents Billings

- Transfer delinquent payments to tax rolls
- Special handling of paid delinquents from Sept – Nov

Balance Account and Distributing Funds

Handling of All Bankruptcy Accounts which includes:
Chapter 7 – If is debt discharged balances are written off
Chapter 13 – Balance that is owed at time of filling is transferred to an additional account with payments being applied from Trustee only.
All bankruptcy amounts must be broken down into water and sewer dollars.
Obtaining Final Reads and Preparation Final Bills from Property Sales
Final bills are printed once a month, however, the majority of final bills are faxed directly to the title company that is holding escrow, this is done daily.
Answer of customer account changes and complaints, questions on bills.

Miscellaneous Services

Tracking and service shut-off of foreclosures, sent to operators for water shut-off.

Reconciliation of Records

30 days following billing, Howell Township should submit to MHOG Representatives any changes to customer account information.

Schedule 11.3(d)

Resolution of MHOG Board on June 15, 2016
approving the First Amendment to MOA and
Resolution of MHOG Board on November 16,
2016 approving the Amended and Restated MOA

4837-9179-0389.9

Final Version

**MARION, HOWELL, OCEOLA AND GENOA
SEWER AND WATER AUTHORITY**

At a meeting of the Marion, Howell, Oceola and Genoa Sewer and Water Authority (the "Authority") held in Oceola Township, Michigan, on June 15, 2016 at 5:00 p.m. local time, there were:

PRESENT: Bamber, Coddington, Hanvey, Howard, Hunt, McCrie, and Schuhmacher

ABSENT: Lowe

The following preamble and resolution were offered by Schuhmacher and seconded by Hanvey:

Resolution Approving the First Amendment to the Master Operating Agreement

WHEREAS, Marion Township, Howell Township, Oceola Township and Genoa Charter Township are members of the Authority;

WHEREAS, the Board of the Authority recognizes that to fund MHOG Capital Improvements, MHOG should establish a Connection Fee that is paid to MHOG;

WHEREAS, the Board of the Authority previously adopted a Water System Master Operating Agreement dated as of February 1, 2011 (the "Master Operating Agreement"); and,

WHEREAS, the Board of the Authority desires to modify the Master Operating Agreement to amend and supplement certain provisions of the Master Operating Agreement.

NOW, THEREFORE, BE IT RESOLVED BY THE AUTHORITY AS FOLLOWS:

1. The First Amendment to the Master Operating Agreement attached as Exhibit A to this resolution is approved. The Chairman and Secretary of the Authority are authorized and directed to execute the Master Operating Agreement on behalf of the Authority.

2. All actions taken to date by the Authority's Officers in the name of and on behalf of the Authority in connection with the foregoing resolution, are authorized, approved, ratified and confirmed in all respects.

A vote on the foregoing resolution was taken and was as follows:

Yes: Bamber, Coddington, Hanvey, Howard, Hunt, McCrie, and Schuhmacher

No: None

Abstain: None

Secretary's Certificate

The undersigned, being the duly qualified and acting Secretary of the Marion, Howell, Oceola and Genoa Sewer and Water Authority, hereby certifies that (1) the foregoing is a true and complete copy of a resolution duly adopted by the Board of the Marion, Howell, Oceola and Genoa Sewer and Water Authority at a meeting at which a quorum was present and remained throughout, (2) the original thereof is on file in the records of the Marion, Howell, Oceola and Genoa Sewer and Water Authority, (3) the meeting was conducted, and public notice thereof was given, pursuant to and in full compliance with the Open Meetings Act (Act No. 267, Public Acts of Michigan 1976, as amended) and (4) minutes of such meeting were kept and will be or have been made available as required thereby.



Secretary, Marion, Howell, Oceola and Genoa
Sewer and Water Authority

Dated: June 16, 2016

Exhibit A

First Amendment to Master Operating Agreement

FIRST AMENDMENT

Dated as of June 15, 2016

to

Water System Master Operating Agreement

for the

Marion, Howell, Oceola and Genoa

Sewer and Water Authority

**First Amendment to Water System
Master Operating Agreement**

This First Amendment to Water System Master Operating Agreement (this “First Amendment”) is dated as of June 15, 2016 and is adopted by the Board of Commissioners (the “Board”) of the Marion, Howell, Oceola and Genoa Sewer and Water Authority (the “Authority”).

WHEREAS, Marion Township, Howell Township, Oceola Township and Genoa Charter Township (all of which are located in Livingston County) (the “Townships”) have organized the Authority pursuant to the provisions of Act 233, Michigan Public Acts of 1955, as amended (“Act 233”) for the purpose, among other things, of acquiring, owning, managing and operating a water supply system;

WHEREAS, the Board of the Authority previously adopted a Water System Master Operating Agreement dated as of February 1, 2011 (the “Master Operating Agreement”);

WHEREAS, the Board of the Authority desires to enter into this First Amendment to amend and supplement certain provisions of the Master Operating Agreement;

WHEREAS, Section 11.3(d) of the Master Operating Agreement provides that the amendments set forth in this First Amendment may be adopted by a majority vote of the members of the Board of the Authority, and this First Amendment was approved by a majority vote of the Board of the Authority at a meeting held on June 15 , 2016; and

WHEREAS, the Board of the Authority desires this First Amendment to be effective as of the date of this First Amendment;

NOW, THEREFORE, by this First Amendment, the Master Operating Agreement is amended as follows:

Section 1.1. Amendment of Section 6.1 of the Master Operating Agreement. Section 6.1 of the Master Operating Agreement is hereby amended to read as follows:

Section 6.1. Rates, Fees and Charges.

Section 6.1.1 Rates and Fees for Operation and Maintenance. The Board of the Authority shall establish rates and fees for operation of the System. At a minimum the rates shall include a “Readiness to Serve Charge” for each customer connected to the System and a per 1,000 gallon “consumption charge”. These rates and fees shall be reviewed not less than annually by the Authority, typically in August of each year, and new rates shall be effective for the fiscal year beginning October 1. The rates and charges established by the Board of the Authority shall be sufficient to pay for the Authority’s annual operating and maintenance costs.

Section 6.1.2 Connection Fees. The Board of the Authority shall establish a connection fee for Users that connect to the System or for existing Users that increase their use of the System. The connection fee shall be charged on a per Residential Equivalent User Basis and shall be in addition to the connection charges or capital improvement charges, if any, imposed by a Township for such User. The connection fee charged by the Authority may be collected by the Township in which the respective User is located and if collected by the Township shall be remitted to the Authority on a periodic basis as agreed to by the Authority and the Township. If the connection fee is not collected by the respective Township, then the connection fee shall be collected by the Authority. The amount of the connection fee shall be reviewed not less than annually by the Authority, typically in August of each year, and the new connection fee shall be effective for the fiscal year beginning October 1. The connection fees collected by the Authority shall be used for the purposes of paying for capital improvements to the System or such other purposes as may be designated by the Board of the Authority.

Section 1.2. Amendment of Section 6.3 of the Master Operating Agreement. Section 6.3 of the Master Operating Agreement is hereby amended to read as follows:

Section 6.3 Additional Charges that may be Imposed by the Authority. The Board of the Authority shall be allowed to impose a surcharge, capital improvement charge, fine, turn on/off fee, or other charges or fees established by the Board of the Authority. Such supplemental charges shall be retained by or returned to the Authority.

Section 1.3. Short Title. This amendment shall be known as and may be designated by the short title "First Amendment."

Section 1.4. Definitions. All words and phrases defined in Master Operating Agreement shall have the same meaning in this First Amendment, except as otherwise amended or defined in this First Amendment.

Section 1.5. First Amendment Construed with Master Operating Agreement. All of the provisions of this First Amendment shall be deemed to be construed as part of the Master Operating Agreement to the same extent as if fully set forth therein.

Section 1.6. Master Operating Agreement. Except as amended and supplemented by this First Amendment, the Master Operating Agreement shall remain in full force and effect.

Section 1.7. Execution in Counterparts. This First Amendment may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original, but such counterparts shall together constitute but one and the same instrument.

Section 1.8. Severability. If any section, paragraph, clause or provision of this First Amendment shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this First Amendment.

Section 1.9. Governing Law. This First Amendment shall be construed in accordance with the laws of the State of Michigan.

IN WITNESS WHEREOF, this First Amendment has been executed and delivered by the duly authorized officers of the Authority.

MARION, HOWELL, OCEOLA AND GENOA
SEWER AND WATER AUTHORITY

By: _____

Its: Chairman

By: William A. Bamber

Its: Secretary