



CITY OF ALBION CITY COUNCIL MEETING AGENDA

Meetings: First and Third Mondays – 7:00 p.m.

City Council Chambers ♦ Second Floor ♦ 112 West Cass Street ♦ Albion, MI 49224

COUNCIL-MANAGER GOVERNMENT

Council members and
other officials normally in
attendance.

Garrett Brown
Mayor

Maurice Barnes, Jr.
Council Member
1st Precinct

Lenn Reid
Council Member
2nd Precinct

Sonya Brown
Mayor Pro Tem
Council Member
3rd Precinct

Marcia Lawler
Council Member
4th Precinct

Jeanette Spicer
Council Member
5th Precinct

Andrew French
Council Member
6th Precinct

Sheryl L. Mitchell
City Manager

The Harkness Law Firm
Atty Cullen Harkness

Jill Domingo
City Clerk

NOTICE FOR PERSONS WITH
HEARING IMPAIRMENTS
WHO REQUIRE THE USE OF A
PORTABLE LISTENING DEVICE

Please contact the City
Clerk's office at
517.629.5535 and a listening
device will be provided
upon notification. If you
require a signer, please
notify City Hall at least five
(5) days prior to the posted
meeting time.

AGENDA

STUDY SESSION

Albion City Hall
Council Chambers
112 West Cass Street
Albion, MI 49224

**Tuesday, September 26, 2017
7:00 p.m.**

PLEASE TURN OFF CELL PHONES DURING MEETING

- I. CALL TO ORDER
- II. ROLL CALL
- III. PUBLIC COMMENTS (Persons addressing the City Council shall limit their comments to **agenda items only** and to no more than three(3) minutes. Proper decorum is required.)
- IV. ITEMS FOR INDIVIDUAL DISCUSSION
 - A. Discussion-425 Property
- V. PUBLIC COMMENTS (Persons addressing the City Council shall limit their comments to no more than three (3) minutes. Proper decorum is required.)
- VI. ADJOURN

CONDITIONAL LAND USE TRANSFER (PA 425)

Public Act 425 of 1984, as amended, is the conditional land use transfer statute that allows two or more municipalities the option of conditionally transferring land to one another. PA 425 came into being because annexation is legally difficult, tends to pit neighbor against neighbor, and because important economic development projects for regions became victims of a lack of annexation cooperation.

A conditional land use agreement allows municipalities involved in land negotiation great flexibility. Land transfer is sometimes needed for properties that lack infrastructure necessary to support economic development projects. The agreement should provide the least expensive infrastructure possible to the proposed site. PA 425 has also been used to gain economic incentive tools that only core or distressed communities can offer toward support of economic development projects.

WHO IS ELIGIBLE?

Cities, villages or townships may voluntarily enter conditional land transfer agreements. The agreements are normally between cities and townships but there have been city-to-city and township-to-township agreements.

HOW DOES IT WORK?

Two or more municipalities agree to develop a conditional transfer of land agreement. It may be for a specific economic development project or it may be done to prepare the property for future economic development. Incremental agreements may also be reached that outline areas that will fall under a PA 425 agreement (the agreement itself will actually be written and prepared), but it will not be implemented until a point in the future.

The agreement must include the following points:

- The municipality to which the land is being transferred.
- The length of the contract, which can be 1–50 years. Agreements typically last 50 years. However, any year can be agreed upon. Some suggest that the length should match the length of the bond needed for the infrastructure improvements.
- The methods by which the contract may be terminated by either municipality prior to the stated date of termination. For instance, language may include that if the project does not occur within two years of the PA 425 agreement being signed, the land will automatically revert back to its original status.

- Specific arrangements for sharing the tax revenue or any other revenue. Agreements can also include a clause that cities will guarantee a payment equal to whatever final millage rate is agreed upon even if something were to occur during the life of the agreement that may eliminate personal property tax laws in the state. In addition, other revenue sources, including city income tax or other city fees, could be negotiated.
- The adoption of ordinances and their enforcement by or with the assistance of the respective municipalities.
- The way in which purchases shall be made and contracts entered into.
- The way of responding to liabilities that might be incurred through the life of the agreement and insuring against such liability.
- The manner of employing and managing personnel required to complete the actual economic development project.
- The local unit that will have jurisdiction over the transferred land upon the expiration of the agreement.

WHAT IS THE PROCESS?

Once the written agreement is completed, each municipality's governing board must hold a public hearing on the agreement. Notice of the public hearing must abide by the Open Meetings Act No. 267. A majority of each governing board, from each municipality, must then formally approve the agreement.

An agreement cannot take effect if any of the following conditions occur:

- If a majority of the board or council from either municipality calls, by resolution, for a public referendum on the agreement, then the agreement cannot take effect until a majority of the citizens of that municipality vote and approve of the agreement.
- If, within 30 days after the public hearing, a petition signed by more than 20 percent or more of the registered voters residing within the proposed property for conditional land transfer is filed with the local clerk in which the property is located, a public referendum on the agreement shall then be held in that municipality.
- If no registered voters reside within the proposed conditional land transfer property and, if 30 days after the public hearing a petition is signed by persons owning 50 percent or more of the property that will be transferred, a public referendum on the agreement will be held in that municipality.

MICHIGAN ECONOMIC DEVELOPMENT CORPORATION

Otherwise, the PA 425 agreement takes immediate and complete effect and must be filed with the county clerk and the Secretary of State.

Zoning changes, the addition of an Industrial Development District for future tax abatements under PA 198, as well as agreeing upon which building department, planning department, code enforcement, police department, fire department and/or any other municipal services provided to the property, should be agreed upon. Zoning changes and the creation of districts can all be included in the PA 425 agreement, thus avoiding lengthy and necessary public hearings for all of these additional steps. They all can be fully addressed and discussed, by the public, during the public hearing for the PA 425 agreement.

To conclude, PA 425 agreements:

- Allow neighbors to remain neighbors
- Smartly develops property from a more regional perspective
- Increases everyone's revenue
- Creates jobs which lead to more people paying taxes, shopping at local businesses and sending their kids to schools in both municipalities
- Opens a door to more dialogue and cooperation with a region

WHY WOULD A COMMUNITY WANT TO CONSIDER A PA 425 AGREEMENT?

PA 425 is a win-win for all participating municipalities. Typically, a township may have available land for economic development, but not the infrastructure or funds to provide that infrastructure. Available and viable infrastructure may exist very nearby in another municipality that has already been paid for or is under utilized. From a regional and cost perspective, it makes sense to utilize infrastructure that already exists.

A municipality may have adequate infrastructure, but not have the necessary land for economic development. Thus, the project must locate on the available land elsewhere and the municipality loses out on generating any new revenue. The project may provide jobs to residents and prospective residents to shop, live and invest in the community. None of these conditions will occur for a municipality if the project does not take place.

To entice the township to allow the property to become conditionally transferred, the neighboring municipality should provide infrastructure and/or other services and economic incentives to the property. In addition, a township will typically receive more than 1 mill of revenue, paid by the city to the township over a 1–50 year period of time. Thus, the township's revenues are increased from what they ever could have been while the city also enjoys new revenue. Businesses and residents in both municipalities should enjoy direct benefit. At the end of the agreed upon length of the PA 425 agreement, the land will either revert back to the original municipality or transfer to the neighboring municipality.

SUPPORTING STATUTE

Public Act 425 of 1984: Conditional Land Use Transfer Agreements

CONTACT INFORMATION

For more information, contact the MEDC customer contact center at 517.373.9808.

**JOINT AGREEMENT FOR CONDITIONAL TRANSFER OF BROOKS BUILDINGS
AND DONNA RABAKON PROPERTIES BETWEEN SHERIDAN TOWNSHIP AND
THE CITY OF ALBION, CALHOUN COUNTY, MICHIGAN**

Agreement made this 18th day of November, 1991, between the TOWNSHIP OF SHERIDAN, a Michigan municipal corporation (hereinafter designated Township), and CITY OF ALBION, a municipal corporation, (hereinafter designated City), both located within Calhoun County, Michigan,

WITNESSETH:

WHEREAS both the Township and City are municipal corporations duly organized and acting under the laws and statutes of the State of Michigan; and

WHEREAS Act 425 of the Public Acts of 1984 (MCL 124.21, etc; MSA 5.4087(21), etc), hereinafter referred to as Act 425, authorizes and provides for the conditional transfer of property and jurisdiction over the same between municipal corporations by written agreement; and

WHEREAS there exists within both municipalities the need for programs to alleviate and prevent conditions of unemployment; to promote better improvements suitable for residential, commercial, industrial and economic development; to promote environmental protection including ground water and surface water; to promote developments incidental thereto, and to strengthen and revitalize the economy of the municipalities and the general area; and

WHEREAS it is the belief of both municipalities that greater economic development of the territory encompassed by both municipalities has been discouraged by the ill will that has developed between the municipalities as a result of past unpopular annexations and the resultant lack of cooperation between the municipalities; and

WHEREAS development in either municipality is of substantial, tangential benefit to the other municipality; and

WHEREAS, after some two years of negotiations between the governing bodies of the two municipalities, it has been determined that economic development in both municipalities would be substantially enhanced by the employment of said Act 425 and the conditional transfer of certain territory between the municipalities under appropriate agreements with respect to the jurisdiction transferred, the number of years applicable to the transfer, and the sharing of revenues between the municipalities derived from the areas transferred in accordance with Act 425; and

WHEREAS in considering the foregoing, the parties have also considered the factors set forth in Section 3 of said Act 425 including, in summary, respective populations, land uses, topography, past and probable future growth, comparative data from the territory proposed to be transferred and the remainder of the municipality thereafter, the need for organized community services, the present cost and adequacy of governmental services, the probable future needs for services, the practicability of supplying such services, the probable affects if the proposed transfer and of alternate courses of action, the probable change in taxes and tax rates in relation to benefits expected to accrue, the financial ability of each of the parties to provide and maintain such services, and the general affect upon both municipalities of the transfers as well as the relationship of the proposed transfers to existing land use plans; and

WHEREAS the parties hereto do not anticipate that any funds of the State of Michigan will be allocated to carry out this agreement in whole or in part;

NOW THEREFORE on the basis of the foregoing and the authority contained in said Act 425, it is hereby agreed by and between the parties hereto as follows:

I. CONDITIONAL TRANSFER OF BROOKS BUILDINGS AND DONNA RABAKON PROPERTIES FROM THE TOWNSHIP TO THE CITY

The territory described in Exhibit A (attached hereto and made a part hereof) located in Sheridan Township is hereby conditionally transferred from the jurisdiction of the Township to the jurisdiction of the City of Albion for the purpose of granting to the City exclusive jurisdiction over the following governmental functions within said territory during the period of this agreement and subject to the following conditions and limitation:

A. JURISDICTION TRANSFERRED

1. At such time as the aforescribed territory or any portion thereof is developed or sold to the City of Albion or any other party for commercial, industrial or multiple family purposes, such portion herein conditionally transferred to the City shall be under the full jurisdiction of the City for all municipal purposes for the balance of the period of the transfer and Township taxes and service responsibilities will thereupon terminate and be replaced by City taxes and service responsibilities. Prior to such development, such territory or portion thereof shall be under the jurisdiction of the Township for all municipal purposes including elections, taxation, assessment and other Township services, and will remain zoned as indicated in the Township's current zoning map and will not be subject to City taxation or City services responsibility except that when said property is developed or in the process of sale for developmental purposes, the City shall have immediate control of all zoning and economic development activities in accordance, however, with the Township's zoning map, as presently in effect, which shows most of the property to be zoned for heavy industrial or commercial use and a small portion to be zoned for agricultural purposes together with the City's responsibility to furnish City water and waste water services in and to the area under negotiated franchises between the Township and the City. With the written approval of both the City and

Township planning commissions, the master land use plan of the Township may be amended to permit other zoning of the territory than herein before set forth. Residents therein will be considered voters and electors of the Township until full jurisdiction has been transferred to the City.

2. During the period of the within Agreement, the City shall have authority to exercise the right of eminent domain within said territory.

3. Upon transfer of full jurisdiction to the City of said territory or any portion thereof, revenue sharing between the Township and City shall be as provided in Section A.5-9 hereof, for the balance of the period of the conditional transfer.

4. The City agrees that the City Council will consider requiring an environmental impact statement on any given project proposed for the subject territory transferred, and shall require the submission of the same if, in its sole opinion, the nature of the proposed project could adversely impact upon the environment. The City will require appropriate screening along the I-94 boundary so as to maintain a visually appropriate appearance to travelers on said highway and for safety, which screening shall be parallel to the I-94 right of way and an appropriate width as determined by the Albion City Planning Commission with the advice and consent of the Sheridan Township Planning Commission.

5. During the period of the conditional transfer, the City will annually return to the Township tax revenues derived from the transferred territory equal to the current annual millage levied within the balance of the Township applied to the State Equalized Valuation (SEV) of the territory transferred, up to a maximum of one-third of the tax revenues received by the City from its operating millage levied and collected against the transferred territory. The foregoing revenue sharing with the Township shall not be less than the equivalent of a four mill tax against the SEV of said territory as long as the City

is authorized by law and charter to levy a 12 mill tax, or more, upon the territory transferred for operating purposes.

6. In the event of state tax reform which reduces SEVs below fifty percent of true cash value, or which provide other ad valorem property tax relief, and which simultaneously provides for alternate supplemental revenue to local municipalities which is collected by the City from the aforescribed territory, the revenue sharing due the Township hereunder shall be proportionately adjusted to equate as near as possible to the sums which would be received by the Township from the City under the foregoing formula.

7. In the event tax increment financing is utilized by the City to construct required improvements within the area conditionally transferred, or the City grants an Industrial Facilities Tax Exemption Certificate for such territory or any part thereof, which actions reduce ad valorem tax revenues which otherwise would be received by the City from said territory, the revenue sharing hereinbefore specified with the Township shall be proportionately reduced during the period either of the foregoing reductions are in effect.

8. In the event any tax abatement or tax exemption affecting the property transferred is contemplated by the City Council, it shall notify the Township Clerk as an interested party of any petitions, proposed actions of the City Council, or scheduled hearings before the City Council pertinent thereto. Upon such notification, the Township shall have a reasonable opportunity as specified in the notice to express its position upon the proposal, in writing and/or in person before the City Council, depending upon the subject matter of the notice.

9. No other division of assets, liabilities or revenues between the Township and City shall result or be required because of the within conditional transfer.

B. TERM OF AGREEMENT

The within conditional transfer of territory from the Township to the City, described in Exhibit A, shall extend for a term of 50 years with an automatic extension for an additional 50 year period unless otherwise agreed upon by the Township and City governing boards. The initial and subsequent 50 year term shall end on December 31st of each such 50th year hereafter.

C. CITY OBLIGATIONS

Upon transfer of full jurisdiction to the City, the City agrees to make available to said transferred territory all city services now available to residents and property owners within the City, or which may be made so available in the future, in the same manner and subject to the same conditions and limitations as are applicable to other residents and property owners within the City. Any construction or improvements required to furnish such services including, among others, public water and sewer service, police and fire protection, shall be accomplished by the City in such reasonable time and under such reasonable conditions and limitations as are applicable throughout the existing City.

D. TERMINATION

1. In the event the City fails to comply with its obligations set forth in the within Agreement for a period of ninety (90) days following written notification from the Township of such default, the Township shall have the option of declaring a breach of the within Agreement and the return of the transferred territory to the TOWNSHIP, or of bringing other civil judicial proceedings such as mandamus, injunctive relief, declaratory judgment relief, or specific performance of the within Agreement obligations, in the appropriate judicial forum for such proceedings.

2. The within agreement may also be terminated by mutual written agreement of the municipalities signed and approved by their respective governing bodies, setting forth

the reasons for such termination and the date such termination shall take effect.

E. JURISDICTION UPON TERMINATION

1. Upon the termination of the within Agreement with respect to territory "A" by virtue of its terms or for any other cause, the territory conditionally transferred shall automatically be returned and transferred back to the Township from which it was transferred with said Township then having full and complete jurisdiction over said territory for all purposes.

2. All improvements made by the City within the territory herein conditionally transferred to the City, shall, upon termination of the within agreement, belong to and be owned by the Township free and clear of any obligation to the City except for the following:

a. In the event any such improvement is subject to an indebtedness to third parties, such indebtedness shall be assumed by the Township with continuing authority to collect the revenues securing such indebtedness in the same manner as was available to the City.

b. In the event all utility installation within said territory is a connecting link to territory within the remaining City or beyond the boundaries thereof, said utility may continue to be used by said City for such purpose. Any future repairs, replacements or maintenance of such connecting link shall be shared by the Township and City proportionate to the customers connected thereto and as may be mutually agreed to by the governing bodies of the respective municipalities.

c. In the event an improvement is a water utility or wastewater utility improvement, paid for by the City from other than revenues of the system or state or federal grants or benefited owner's contributions, the Township will have the option to purchase said improvement from the City in accord with the Grant of

Water Franchise and the Grant of Wastewater Franchise passed by the Albion City Council on November 18, 1991.

II. FORCE MAJEURE

In the event any performance required of the City or Township hereunder cannot be performed because of unforeseeable causes beyond the control of said City or Township and without its fault or negligence, such as but not limited to acts of God, riot, public enemy, federal, state, or county rules or regulations, acts of the judiciary, epidemics, severe weather or other unusual or unforeseeable causes, such non-performance shall not be a cause for the termination of the within Agreement unless such cause cannot be rectified or cured within a one year period, in which latter case the defaulting municipality may, by written notice, terminate the within Agreement and recover the territory into its jurisdiction.

III. SEVERABILITY

Should any portion of the within agreement be determined by a court of appropriate jurisdiction to be unenforceable, such determination shall not affect the remainder of said agreement and the parties hereto covenant and agree to modify such unenforceable provision to the extent possible, by written amendment to the within agreement to cause the intention of such unenforceable provision to become enforceable. Should, however, the sharing of revenues by the City be for any reason declared unenforceable, the within Agreement shall terminate only after every attempt has been made and failed to restructure the revenue sharing formula in such a manner that the adjusted formula approximately equates to the sums which would be received by the Township from the City under the foregoing formula. If no such restructure is possible, then the territory shall automatically be transferred back to the Township as hereinbefore provided with respect to any other termination.

IV. PUBLIC HEARING

The Township Board of Sheridan Township and the City Council of the City of Albion shall each hold at least one public hearing within their respective jurisdictions upon the within Agreement before executing the same, preceded by notice complying with the requirements of the Michigan Open Meetings Act.

V. REFERENDUM

Following such public hearing, if a petition signed by 20 percent or more of the registered electors residing within the territory proposed to be conditionally transferred; or, if no registered electors reside therein, signed by persons owning 50 percent or more of the conditionally transferred territory is filed with the clerk of the municipality from which the territory is proposed to be transferred within thirty days after the last of the foregoing public hearings have been held, a referendum election shall be held within that municipality on whether or not the Agreement shall be entered into by that municipality. The results of such election shall govern the validity of the Agreement. If no such petition is filed within the thirty day period, the Agreement shall be valid as executed by the parties hereto. A referendum in either the Township or City resulting in a majority voting against this Agreement shall constitute a termination of this Agreement alone.

VI. MUTUAL ACCEPTANCE

This 425 Agreement and the companion Act 425 Agreement must both be accepted by both governmental governing bodies for either to be valid

VII. FILING AND EFFECTIVE DATE

1. This Agreement has been executed after the public hearing on November 18, 1991 by the City of Albion and the Township of Sheridan. If no petition or resolution for a referendum has been filed in accordance with Section 5 of Act 425, a duplicate original of the agreement shall be filed with the Clerk of Calhoun County and with the Michigan

Secretary of State. The agreement or a copy of the Agreement certified by the county clerk or secretary of state shall be prima facia evidence of the conditional transfer of the territory herein described. The Agreement shall be effective thirty (30) days after the public hearing and upon its being filed with the county clerk and secretary of state, provided no valid referendum petition is filed within said thirty (30) day period.

2. A copy of this Agreement shall be recorded within thirty (30) days after its effective date with the Michigan State Boundary Commission, and the Calhoun County Register of Deeds for general public notification of the terms thereof.

VIII. BOUNDARY ADJUSTMENTS

In the future, the Township and the City will negotiate boundary adjustments and sharing of municipal services voluntarily and in good faith rather than proceeding unilaterally, or otherwise through annexation or resolution, to adjust such boundaries.

IX. UTILITY FRANCHISES

Hereafter the Township consents to the City providing public water and waste water services within the entire Township, utilizing the Township streets and public places for such purposes, and to doing a public water and waste water business therein and hereby grants full utility jurisdiction to said City for such purposes. The City correspondingly agrees to provide such public water and waste water services within a reasonable time from the receipt of a request for such service or services in the same manner it would provide such services within the City; provided the appropriate connecting mains and appurtenances are installed to the City boundaries as currently existing and as modified by the within conditional transfer agreement at no cost to the City; and provided further that any upgrading of the City waste water system necessary to furnish such service to Township customers which is not necessary to serve City customers is paid for by the Township. If, however, such upgrading is necessary because of obsolescence, such cost shall be born by

both municipalities in the ratio of customers demands within each municipality as recommended by a professional registered engineer agreeable to both governing bodies.

Water rates shall conform to 1917 P.A. 34, as amended, which can include a return on capital investment by the City of up to eight (8%) percent of the depreciated value of such capital investments, subject to review, if requested by either party, by a rate expert agreeable to both parties, whose expenses shall be paid by the requesting party.

General rate charges for water and waste water service shall comply with EPA requirements for operation and maintenance charges equivalent to such charges within the City plus capital charges allowed by federal and state regulations designed to ensure that each user and user class pay his or its proportionate share of the cost of the system.

Each party agrees in good faith to execute franchise agreements carrying out the forgoing outline for utility services within the Township.

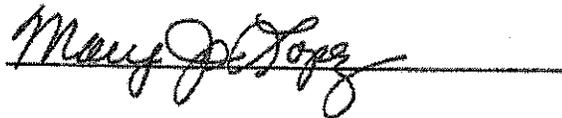
X. COUNTERPARTS

This Agreement may be executed in any number of counterparts and each such counterpart shall be considered a valid original.

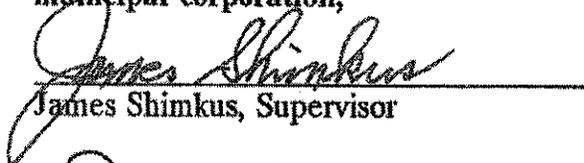
IN WITNESS WHEREOF the parties hereto have executed the within Agreement the day and date first above written by authority of their respective legislative bodies.

Signed in the presence of:





TOWNSHIP OF SHERIDAN, a
municipal corporation,


_____ James Shimkus, Supervisor


_____ Janice Arndts, Clerk

STATE OF MICHIGAN)
)ss.
COUNTY OF CALHOUN)

On this 18th day of November, 1991, before me a Notary Public in and for said County, appeared James Shimkus and Janice Arndts, who, being first duly sworn, did say that they are the Supervisor and Clerk of the Township of Sheridan respectively, and that said instrument was signed and sealed on behalf of said Township by authority of its duly elected officials.

John H. Bauckham
Kalamazoo Co, Mich Notary Public
acting in County of Calhoun, Michigan
My commission expires: Jan 26, 1994

Ralph A. Lange
Ralph A. Lange

Mittie D. Jones
Mittie D. Jones

CITY OF ALBION, a municipal corporation,
Nicholas J. Jacobs
Nicholas J. Jacobs, Mayor

James P. Bonamy
James P. Bonamy, Clerk

STATE OF MICHIGAN)
)ss.
COUNTY OF CALHOUN)

On this 18th day of November, 1991, before me a Notary Public in and for said County, appeared Nicholas J. Jacobs and James P. Bonamy, who, being first duly sworn, did say that they are the Mayor and Clerk of the City of Albion respectively, and that said instrument was signed and sealed on behalf of said City by authority of its duly elected Council.

Mittie D. Jones
Mittie D. Jones, Notary Public
County of Calhoun, Michigan
My commission expires: 7/13/93

Approved as to form:

John H. Bauckham
John H. Bauckham
Attorney for Sheridan Township
500 Park Building
Kalamazoo, MI 49007
616-382-4500

Charles A. Robison
Charles A. Robison
Attorney for City of Albion
P. O. Box 750
Albion, Michigan 49224
517-629-2171

Public hearing in Sheridan Township held on November 18, 1991. Public hearing in City of Albion held on November 18, 1991.

No referendum petition was received by either Sheridan Township or the City of Albion.

EXHIBIT A

SURVEY DESCRIPTION

SHEET 1

DESCRIPTION:

Parts of the Northwest 1/4 and the Northeast 1/4 of Section 36 and part of the Southeast 1/4 of Section 25, Town 2 South, Range 4 West, all of Sheridan Township, Calhoun County, Michigan, described as follows:

Beginning at the north 1/4 post of Section 36, Town 2 South, Range 4 West, Sheridan Township, Calhoun County, Michigan, said corner also being the south 1/4 post of Section 25 of Sheridan Township; thence N 00°-50'-31" W along the north and south 1/4 line of said Section 25 a distance of 665.30 feet to the northwest corner of the South 1/2 of the south 1/2 of the southeast 1/4 of said Section 25; thence N 89°-58'-43" E along the north line of said south 1/2 a distance of 2576.08 feet to a point 66 feet west of the east line of said section; thence S 00°-43'-57" E parallel with the east section line 666.79 feet to the south section line; thence S 01°-02'-40" E parallel to and 66 feet westerly of the east line of said section 36 a distance of 2267.16 feet to the centerline of East Michigan Avenue; thence southwesterly along said centerline on a curve to the right 178.36 feet, (radius 4297.28 feet, central angle 2°-22'-41", chord 178.34 feet, chord bearing S 71°-23'-36" W); thence S 72°-34'-56" W along said centerline 354.61 feet; thence N 14°-10'-00" W 500.00 feet; thence S 72°-34'-56" W parallel with the centerline of Michigan Avenue 170.00 feet; thence S 14°-10'-00" E 500.00 feet to said centerline; thence S 72°-34'-56" W along said centerline 309.95 feet; thence southwesterly along said centerline on a curve to the left 250.80 feet, (radius 2022.69 feet, central angle 7°-06'-16", chord 250.64 feet, chord bearing S 69°-01'-48" W) to the east and west 1/4 line of said Section 36; thence S 89°-58'-37" W along said 1/4 line 53.20 feet to the southwest corner of the east 1/2 of the northeast 1/4 of said section; thence S 00°-55'-44" E 24.99 feet to the centerline of East Michigan Avenue (BL I-94); thence southwesterly along said centerline on a curve to the left 277.94 feet, (radius 2022.69 feet, central angle 7°-52'-24", chord 277.73 feet, chord bearing S 59°-53'-12" W); thence S 55°-57'-00" W along said centerline 11.46 feet; thence N 34°-03'-00" W at right angles to said centerline 205.90 feet to the east and west 1/4 line of said section; thence S 89°-58'-37" W along said 1/4 line 300.00

TITLE REFERENCE

CONDITIONAL TRANSFER OF BROOKS BUILDINGS AND
DONNA RABAKON PROPERTIES FROM THE TOWNSHIP TO
THE CITY.

EXHIBIT A

SURVEY DESCRIPTION

SHEET 2

feet to the east line of Lot 51 of the Supervisor's Plat of Section 36 of Sheridan Township as recorded in Liber 9A of plats on page 07 in the Office of the Register of Deeds for Calhoun County, Michigan; thence N 02°-00'-27" W along said east line 221.98 feet to the northeast corner of said lot; thence S 89°-48'-20" W along the north line of said lot 56.50 feet; thence N 00°-48'-48" W parallel with the north and south 1/4 line of said section 368.00 feet; thence S 89°-48'-20" W 450.00 feet; thence S 00°-48'-48" E parallel to said 1/4 line 300.00 feet; thence S 89°-48'-20" W 150.00 feet to said north and south 1/4 line; thence N 00°-48'-48" W along said 1/4 line 402.30 feet to the south line of the former Lakeshore-Michigan Railroad; thence S 61°-00'-00" W along said line 379.00 feet; thence N 00°-48'-48" W parallel with the north and south 1/4 line of said section 117.77 feet to the north line of said railroad right of way; thence S 61°-00'-00" W along said line 1126.10 feet to the west line of the east 1/2 of the northwest 1/4 of said section; thence N 00°-45'-54" W along said line 2586.67 feet to the northwest corner of said east 1/2 of the northwest 1/4; thence S 89°-59'-22" E along the north section line 1324.57 feet to the place of beginning.

Containing 251.5 acres and subject to the rights of the public over that part as used for highway purposes on East Michigan Avenue and any easements of record.

TITLE REFERENCE

CONDITIONAL TRANSFER OF BROOKS BUILDINGS AND
DONNA RABAKON PROPERTIES FROM THE TOWNSHIP TO
THE CITY.

RESOLUTION
91-43

JOINT RESOLUTION OF CITY OF ALBION AND
SHERIDAN TOWNSHIP WITH REGARD TO PENDING ISSUES OF
BOUNDARY ADJUSTMENT AND FUTURE BOUNDARY ADJUSTMENTS

THIS RESOLUTION is meant to be an agreement to conclude litigation existing between the City of Albion, a municipal corporation, located in Calhoun County, Michigan ("City"), and the Township of Sheridan, a Michigan township, also situated in Calhoun County ("Township"), which abuts the City on the west, north and east, before the Michigan Boundary Commission, the Ingham County Circuit Court and the Michigan Court of Appeals, as well as to lay a foundation for future boundary adjustments and sharing of municipal services between the two governmental units.

WHEREAS, the City has for many years expanded to the north, east and west by unilateral annexation actions as needed for City growth, and;

WHEREAS, said past actions have left a residue of ill-will and suspicion in the Township, and;

WHEREAS, the Township initiated and supported a defensive annexation petition to stymie unilateral boundary adjustment by the City on its west, north and east boundaries, and;

WHEREAS, the Michigan Boundary Commission amended the defensive petition so as to annex certain properties to the City and failed to annex other properties to the City, which have created appeals by both the City and Township to the Ingham County Circuit Court, and;

WHEREAS, the Township has filed an original action before the Michigan Court of Appeals to test the annexation procedures against the Headley Amendment to the State Constitution, and;

WHEREAS, the governmental units are aware that uncertainties about cooperation between the two governmental units have slowed and sometimes stymied

economic development that would have been advantageous to the Albion community, and;

WHEREAS, the two governmental entities are anxious and desirous to conclude the present litigation pending between them, and;

WHEREAS, the two governmental units are anxious to provide a process by which future boundary adjustments and service needs may be met by negotiation rather than by annexation, if at all possible, and;

WHEREAS, the City has an immediate need for a heavy industrial park to accommodate heavy industrial development outside of the non-attainment zone surrounding Harvard Industries, and;

WHEREAS, the Township has a pressing need for both water and sewer services to be available to its citizens on a per-need basis, and;

WHEREAS, the parties have met for two years attempting to negotiate an adjustment in the relationship between the two governmental units so that mutual trust and cooperation in adjusting boundaries and providing services will be the future course for the two entities, and;

WHEREAS, much credit is hereby given to Arlen Ness, Star Commonwealth and former Mayors Jack H. McClure and Victor S. Burstein, for their contributions in setting the framework in which the negotiations were conducted and successfully concluded.

NOW, THEREFORE, the City and Township, by adoption of this Joint Resolution, on the dates and by the vote as set forth at the foot of this Resolution, hereby resolve to settle the litigation and boundary adjustment issues pending and to create a process by which future boundary adjustments and provision of services can be negotiated and empower John Bauckham, of Bauckham, Sparks, Rolfe & Thomsen, representing the Township, and Charles A. Robison, of Robison & Sims, P.C., representing the City, to draft the documents needed to memorialize this agreement, in accordance with the following

principles:

1. City shall provide water to the Township, which will grant to the City, a water utility franchise for a minimum of thirty (30) years, with a rate structure pursuant to Act 34 of 1917, as amended, which will include a reasonable return on capital investments by the City up to 8% of the depreciated value of such capital investments, subject to review by City's retained rate specialist and other adjustments to be agreed upon by the parties. The thirty (30) year term of the franchise may be extended by agreement of the parties.

2. City will provide wastewater services and the Township will grant to the City a waste water service franchise for a minimum of thirty (30) years, which under EPA requirements will provide for O and M charges in the Township, equivalent to such charges within the City, plus capital charges allowed by federal and state regulations designed to insure that every user class pay his proportionate share of the cost of the system. Additionally, in the event upgrading of the system within the City is required to furnish service to Township customers and is not necessary for services to City customers, the Township will be required to provide the cost of such upgrading. If the upgrade is also occasioned by obsolescence, the cost of such upgrading shall be borne by both municipalities in ratio of customer demands within the City and Township as recommended by a professional registered engineer agreeable to the parties. This provision will be a negotiable one per each time there is a major project. The upgrading cost will be either paid up front or by additional service charges to Township customers. The rate structure is subject to review by the City's consultant to insure fairness in rates and costs and compliance with EPA requirements. The thirty (30) year term of the franchise may be extended by agreement of the parties.

3. The City and Township will immediately enter into an Act 425

Conditional Transfer Agreement with respect to industrial property on the east side of the City presently owned by Brooks Buildings and Donna Rabakon, which consist of about two hundred forty-seven (247) acres, less a sixty-six (66) foot strip on the eastern end of that property north of M-99 or Michigan Avenue for a period of fifty (50) years. At the end of the fifty (50) year period, there will be an automatic extension of the Agreement for an additional fifty (50) years unless otherwise agreed by the governmental parties and thereafter the property and its improvements will revert to the Township.

A. The Agreement will contain a revenue sharing provision which would guarantee the Township whatever millage it will be annually levying applied to the SEV of the conditional transferred territory, provided such millage would not exceed one-third ($1/3$) of the total City operating millage levied against the subject property. The Township will be guaranteed four (4) mills if the City is authorized to levy twelve (12) mills or more as operating millage. In the event of tax reform, the parties will renegotiate the revenue sharing to equate to the revenue sharing sums distributed under the basic formula stated above.

B. The City agrees that the property will remain as a heavy industrial use, in accordance with the Township's master plan, as it is presently stated and not subject to future changes in the Township's master plan.

C. The zoning and all other regulation of the property shall be by the City code and direction. The property will be zoned to allow the heaviest industrial use permitted under City zoning acts.

D. The City will notify the Township as an interested party of any petitions or actions for tax abatement or tax exemptions affecting any of the property included in the 425 Agreement and of any hearings to be conducted thereon.

E. The City agrees that it will consider requiring environmental economic impact statements on a project by project basis for any development which occurs on the property to be transferred hereby.

4. The Sarah McKinney/Doreene Derr property, which consists of several hundred acres adjacent to the City's eastern boundary, which also abuts the Brooks Buildings/Donna Rabakon property to the west, will be subject to an immediate Act 425 Conditional Transfer Agreement between the City and Township for a fifty (50) year period and such additional periods as may be mutually agreed upon and thereafter will revert to the Township.

A. City wastewater and water services will, of course, be available to the property. In all other respects the property will remain as though in the Township, in that the residents will be voters and electors in the Township, maintenance of the valuation will be a Township responsibility, the property will be taxable by the Township at its rates until any portion is developed for commercial, industrial or multiple family purposes, then such developed portion will be under full jurisdiction of City for the balance of the 425 period and the Township taxes and responsibility will cease and will be replaced by City taxes and service responsibility.

B. The City will be able to exercise the right of eminent domain therein.

C. Upon transfer of full jurisdiction of any portion of the real estate to City, revenue sharing shall be as provided in Section 3(A) hereof for the balance of the 425 period.

5. The Masternak and Meyers property, and all other properties located in Section 26 south of I-94 that were excluded by the Boundary Commission in its consideration of the City's request to amend the then pending defensive petition, will be

subject to an immediate Act 425 Conditional Transfer Agreement between the City and the Township for a fifty (50) year period and such additional periods as shall be agreed upon by the parties and thereafter shall revert to the City.

A. City wastewater and water services will, of course, be available to the property. In all other respects the property will remain as though in the Township, in that the residents will be voters and electors in the Township, maintenance of the valuation will be a Township responsibility, the property will be taxable by the Township at its rates until any portion is developed for commercial, industrial or multiple family purposes, then such developed portion will be under full jurisdiction of City for the balance of the 425 period and the Township taxes and responsibility will cease and will be replaced by City taxes and service responsibility.

B. Upon transfer of full jurisdiction of any portion of the real estate to City, revenue sharing shall be as provided in Section 3(A) hereof for the balance of the 425 period.

6. The City and Township would enter into an Act 425 Conditional Transfer Agreement with respect to residential properties on Clark Street (except for the parcel owned by James Lenardson, which shall remain in the City) and residential properties on 27 Mile Road and non-residential properties on 27 Mile Road owned by Marshall Iron and Metal and the County Road Commission, which properties will be transferred to the Township for a fifty (50) year period.

A. After the foregoing period, the territory would revert to the City.

B. During the time that their property is returned to the Township jurisdiction, the owners will pay Township taxes and the City will not be obligated to furnish services other than wastewater and water under the franchise agreement and

qualified electors would vote in the Township and be considered residents and citizens of Sheridan Township.

7. The City and Township will immediately enter into an Act 425 Conditional Transfer Agreement with respect to the Niecko property on the west side of Albion, so that it can be added to Albion Industrial Park Subdivision.

A. There would be an immediate adjustment of the boundary so that the Niecko property will be included in the City of Albion for a fifty (50) year period and then remain in the City of Albion.

B. There will be no reversion to the Township and no revenue sharing.

8. All litigation between the parties shall cease immediately. The parties' attorneys are instructed to draft, sign and file the necessary documents to carry out this direction.

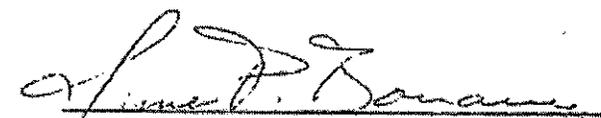
9. The City and Township, in the future, will negotiate boundary adjustments and will negotiate sharing of municipal services voluntarily, rather than proceeding unilaterally or otherwise through annexation or resolution to adjust boundaries, except by agreement of the parties.

At a regular meeting of the Albion City Council, motion was made by Council member Kommareddi, supported by Council member Gant, to adopt the above resolution.

Ayes 6

Nays 0

Date: July 15, 1991.


James P. Bonamy, City Clerk

At a regular meeting of the Sheridan Township Board, motion was made by

Trustee Harden, supported by Trustee Lopez, to adopt the
above resolution.

Ayes 5

Nays 0

Dated: July 16, 1991

Janis Arndts
Janis Arndts, Township Clerk

James F. Shankus
Supervisor

Mary P. Lopez
Treasurer

Charles W. Frederick
Trustee

John W. Harden
Trustee

- P. A. 425 AGREEMENTS -

- WATER FRANCHISE -

and

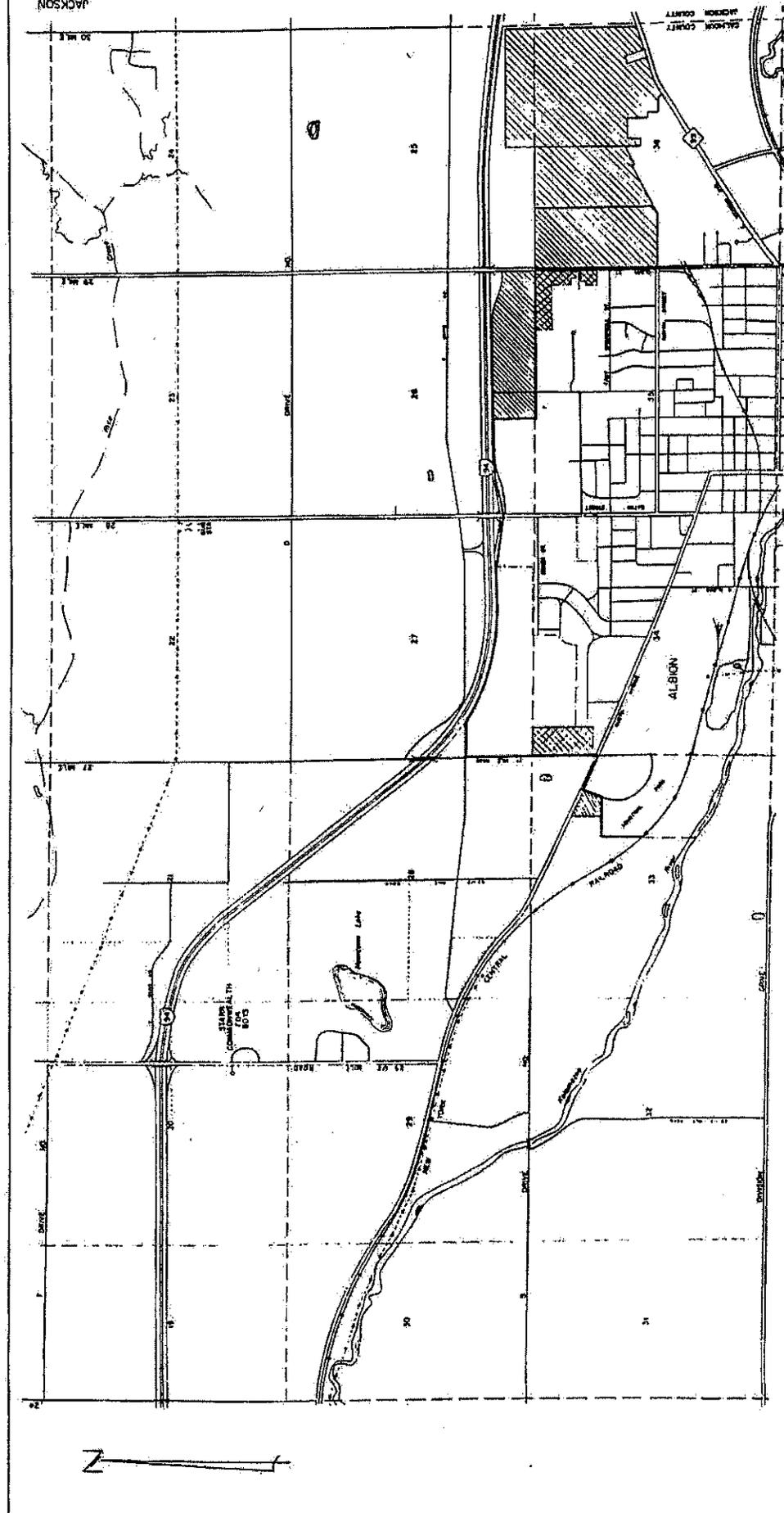
- WASTEWATER FRANCHISE -

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Passed November 18, 1991

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Effective December 19, 1991



P. A. 425 SITES
 AMBULATION AREA AS OF MAY 1, 1948
CITY OF ALBION
 CALHOUN COUNTY, MICHIGAN
 DATE: DECEMBER 12, 1958
 JOB NO. 6505

LEGEND
 [Hatched Box] LAND CONDITIONALLY TRANSFERRED FROM S-CORPUS COMPANY TO THE CITY OF ALBION
 [Cross-hatched Box] LAND CONDITIONALLY TRANSFERRED FROM THE CITY OF ALBION TO FEDERAL TRUSTEES
 [Dashed Line] NEW ALBION CITY LIMITS AS OF MAY 1948

0 500 1000 2000 3000
 SCALE
 1" = 1000'

PREPARED BY
DAVIS LAND SURVEYING
 2541 WEST ISLAND AVENUE
 BATTLE CREEK, MICHIGAN
 49813

JOINT AGREEMENT FOR CONDITIONAL TRANSFER OF BROOKS BUILDINGS
AND DONNA RABAKON PROPERTIES BETWEEN SHERIDAN TOWNSHIP AND
THE CITY OF ALBION, CALHOUN COUNTY, MICHIGAN

Agreement made this 18th day of November, 1991, between the TOWNSHIP OF SHERIDAN, a Michigan municipal corporation (hereinafter designated Township), and CITY OF ALBION, a municipal corporation, (hereinafter designated City), both located within Calhoun County, Michigan,

WITNESSETH:

WHEREAS both the Township and City are municipal corporations duly organized and acting under the laws and statutes of the State of Michigan; and

WHEREAS Act 425 of the Public Acts of 1984 (MCL 124.21, etc; MSA 5.4087(21), etc), hereinafter referred to as Act 425, authorizes and provides for the conditional transfer of property and jurisdiction over the same between municipal corporations by written agreement; and

WHEREAS there exists within both municipalities the need for programs to alleviate and prevent conditions of unemployment; to promote better improvements suitable for residential, commercial, industrial and economic development; to promote environmental protection including ground water and surface water; to promote developments incidental thereto, and to strengthen and revitalize the economy of the municipalities and the general area; and

WHEREAS it is the belief of both municipalities that greater economic development of the territory encompassed by both municipalities has been discouraged by the ill will that has developed between the municipalities as a result of past unpopular annexations and the resultant lack of cooperation between the municipalities; and

WHEREAS development in either municipality is of substantial, tangential benefit to the other municipality; and

WHEREAS, after some two years of negotiations between the governing bodies of the two municipalities, it has been determined that economic development in both municipalities would be substantially enhanced by the employment of said Act 425 and the conditional transfer of certain territory between the municipalities under appropriate agreements with respect to the jurisdiction transferred, the number of years applicable to the transfer, and the sharing of revenues between the municipalities derived from the areas transferred in accordance with Act 425; and

WHEREAS in considering the foregoing, the parties have also considered the factors set forth in Section 3 of said Act 425 including, in summary, respective populations, land uses, topography, past and probable future growth, comparative data from the territory proposed to be transferred and the remainder of the municipality thereafter, the need for organized community services, the present cost and adequacy of governmental services, the probable future needs for services, the practicability of supplying such services, the probable affects if the proposed transfer and of alternate courses of action, the probable change in taxes and tax rates in relation to benefits expected to accrue, the financial ability of each of the parties to provide and maintain such services, and the general affect upon both municipalities of the transfers as well as the relationship of the proposed transfers to existing land use plans; and

WHEREAS the parties hereto do not anticipate that any funds of the State of Michigan will be allocated to carry out this agreement in whole or in part;

NOW THEREFORE on the basis of the foregoing and the authority contained in said Act 425, it is hereby agreed by and between the parties hereto as follows:

I. CONDITIONAL TRANSFER OF BROOKS BUILDINGS AND DONNA RABAKON PROPERTIES FROM THE TOWNSHIP TO THE CITY

The territory described in Exhibit A (attached hereto and made a part hereof) located in Sheridan Township is hereby conditionally transferred from the jurisdiction of the Township to the jurisdiction of the City of Albion for the purpose of granting to the City exclusive jurisdiction over the following governmental functions within said territory during the period of this agreement and subject to the following conditions and limitation:

A. JURISDICTION TRANSFERRED

1. At such time as the aforescribed territory or any portion thereof is developed or sold to the City of Albion or any other party for commercial, industrial or multiple family purposes, such portion herein conditionally transferred to the City shall be under the full jurisdiction of the City for all municipal purposes for the balance of the period of the transfer and Township taxes and service responsibilities will thereupon terminate and be replaced by City taxes and service responsibilities. Prior to such development, such territory or portion thereof shall be under the jurisdiction of the Township for all municipal purposes including elections, taxation, assessment and other Township services, and will remain zoned as indicated in the Township's current zoning map and will not be subject to City taxation or City services responsibility except that when said property is developed or in the process of sale for developmental purposes, the City shall have immediate control of all zoning and economic development activities in accordance, however, with the Township's zoning map, as presently in effect, which shows most of the property to be zoned for heavy industrial or commercial use and a small portion to be zoned for agricultural purposes together with the City's responsibility to furnish City water and waste water services in and to the area under negotiated franchises between the Township and the City. With the written approval of both the City and

Township planning commissions, the master land use plan of the Township may be amended to permit other zoning of the territory than herein before set forth. Residents therein will be considered voters and electors of the Township until full jurisdiction has been transferred to the City.

2. During the period of the within Agreement, the City shall have authority to exercise the right of eminent domain within said territory.

3. Upon transfer of full jurisdiction to the City of said territory or any portion thereof, revenue sharing between the Township and City shall be as provided in Section A.5-9 hereof, for the balance of the period of the conditional transfer.

4. The City agrees that the City Council will consider requiring an environmental impact statement on any given project proposed for the subject territory transferred, and shall require the submission of the same if, in its sole opinion, the nature of the proposed project could adversely impact upon the environment. The City will require appropriate screening along the I-94 boundary so as to maintain a visually appropriate appearance to travelers on said highway and for safety, which screening shall be parallel to the I-94 right of way and an appropriate width as determined by the Albion City Planning Commission with the advice and consent of the Sheridan Township Planning Commission.

5. During the period of the conditional transfer, the City will annually return to the Township tax revenues derived from the transferred territory equal to the current annual millage levied within the balance of the Township applied to the State Equalized Valuation (SEV) of the territory transferred, up to a maximum of one-third of the tax revenues received by the City from its operating millage levied and collected against the transferred territory. The foregoing revenue sharing with the Township shall not be less than the equivalent of a four mill tax against the SEV of said territory as long as the City

is authorized by law and charter to levy a 12 mill tax, or more, upon the territory transferred for operating purposes.

6. In the event of state tax reform which reduces SEVs below fifty percent of true cash value, or which provide other ad valorem property tax relief, and which simultaneously provides for alternate supplemental revenue to local municipalities which is collected by the City from the aforescribed territory, the revenue sharing due the Township hereunder shall be proportionately adjusted to equate as near as possible to the sums which would be received by the Township from the City under the foregoing formula.

7. In the event tax increment financing is utilized by the City to construct required improvements within the area conditionally transferred, or the City grants an Industrial Facilities Tax Exemption Certificate for such territory or any part thereof, which actions reduce ad valorem tax revenues which otherwise would be received by the City from said territory, the revenue sharing hereinbefore specified with the Township shall be proportionately reduced during the period either of the foregoing reductions are in effect.

8. In the event any tax abatement or tax exemption affecting the property transferred is contemplated by the City Council, it shall notify the Township Clerk as an interested party of any petitions, proposed actions of the City Council, or scheduled hearings before the City Council pertinent thereto. Upon such notification, the Township shall have a reasonable opportunity as specified in the notice to express its position upon the proposal, in writing and/or in person before the City Council, depending upon the subject matter of the notice.

9. No other division of assets, liabilities or revenues between the Township and City shall result or be required because of the within conditional transfer.

B. TERM OF AGREEMENT

The within conditional transfer of territory from the Township to the City, described in Exhibit A, shall extend for a term of 50 years with an automatic extension for an additional 50 year period unless otherwise agreed upon by the Township and City governing boards. The initial and subsequent 50 year term shall end on December 31st of each such 50th year hereafter.

C. CITY OBLIGATIONS

Upon transfer of full jurisdiction to the City, the City agrees to make available to said transferred territory all city services now available to residents and property owners within the City, or which may be made so available in the future, in the same manner and subject to the same conditions and limitations as are applicable to other residents and property owners within the City. Any construction or improvements required to furnish such services including, among others, public water and sewer service, police and fire protection, shall be accomplished by the City in such reasonable time and under such reasonable conditions and limitations as are applicable throughout the existing City.

D. TERMINATION

1. In the event the City fails to comply with its obligations set forth in the within Agreement for a period of ninety (90) days following written notification from the Township of such default, the Township shall have the option of declaring a breach of the within Agreement and the return of the transferred territory to the TOWNSHIP, or of bringing other civil judicial proceedings such as mandamus, injunctive relief, declaratory judgment relief, or specific performance of the within Agreement obligations, in the appropriate judicial forum for such proceedings.

2. The within agreement may also be terminated by mutual written agreement of the municipalities signed and approved by their respective governing bodies, setting forth

the reasons for such termination and the date such termination shall take effect.

E. JURISDICTION UPON TERMINATION

1. Upon the termination of the within Agreement with respect to territory "A" by virtue of its terms or for any other cause, the territory conditionally transferred shall automatically be returned and transferred back to the Township from which it was transferred with said Township then having full and complete jurisdiction over said territory for all purposes.

2. All improvements made by the City within the territory herein conditionally transferred to the City, shall, upon termination of the within agreement, belong to and be owned by the Township free and clear of any obligation to the City except for the following:

a. In the event any such improvement is subject to an indebtedness to third parties, such indebtedness shall be assumed by the Township with continuing authority to collect the revenues securing such indebtedness in the same manner as was available to the City.

b. In the event all utility installation within said territory is a connecting link to territory within the remaining City or beyond the boundaries thereof, said utility may continue to be used by said City for such purpose. Any future repairs, replacements or maintenance of such connecting link shall be shared by the Township and City proportionate to the customers connected thereto and as may be mutually agreed to by the governing bodies of the respective municipalities.

c. In the event an improvement is a water utility or wastewater utility improvement, paid for by the City from other than revenues of the system or state or federal grants or benefited owner's contributions, the Township will have the option to purchase said improvement from the City in accord with the Grant of

Water Franchise and the Grant of Wastewater Franchise passed by the Albion City Council on November 18, 1991.

II. FORCE MAJEURE

In the event any performance required of the City or Township hereunder cannot be performed because of unforeseeable causes beyond the control of said City or Township and without its fault or negligence, such as but not limited to acts of God, riot, public enemy, federal, state, or county rules or regulations, acts of the judiciary, epidemics, severe weather or other unusual or unforeseeable causes, such non-performance shall not be a cause for the termination of the within Agreement unless such cause cannot be rectified or cured within a one year period, in which latter case the defaulting municipality may, by written notice, terminate the within Agreement and recover the territory into its jurisdiction.

III. SEVERABILITY

Should any portion of the within agreement be determined by a court of appropriate jurisdiction to be unenforceable, such determination shall not affect the remainder of said agreement and the parties hereto covenant and agree to modify such unenforceable provision to the extent possible, by written amendment to the within agreement to cause the intention of such unenforceable provision to become enforceable. Should, however, the sharing of revenues by the City be for any reason declared unenforceable, the within Agreement shall terminate only after every attempt has been made and failed to restructure the revenue sharing formula in such a manner that the adjusted formula approximately equates to the sums which would be received by the Township from the City under the foregoing formula. If no such restructure is possible, then the territory shall automatically be transferred back to the Township as hereinbefore provided with respect to any other termination.

IV. PUBLIC HEARING

The Township Board of Sheridan Township and the City Council of the City of Albion shall each hold at least one public hearing within their respective jurisdictions upon the within Agreement before executing the same, preceded by notice complying with the requirements of the Michigan Open Meetings Act.

V. REFERENDUM

Following such public hearing, if a petition signed by 20 percent or more of the registered electors residing within the territory proposed to be conditionally transferred; or, if no registered electors reside therein, signed by persons owning 50 percent or more of the conditionally transferred territory is filed with the clerk of the municipality from which the territory is proposed to be transferred within thirty days after the last of the foregoing public hearings have been held, a referendum election shall be held within that municipality on whether or not the Agreement shall be entered into by that municipality. The results of such election shall govern the validity of the Agreement. If no such petition is filed within the thirty day period, the Agreement shall be valid as executed by the parties hereto. A referendum in either the Township or City resulting in a majority voting against this Agreement shall constitute a termination of this Agreement alone.

VI. MUTUAL ACCEPTANCE

This 425 Agreement and the companion Act 425 Agreement must both be accepted by both governmental governing bodies for either to be valid

VII. FILING AND EFFECTIVE DATE

1. This Agreement has been executed after the public hearing on November 18, 1991 by the City of Albion and the Township of Sheridan. If no petition or resolution for a referendum has been filed in accordance with Section 5 of Act 425, a duplicate original of the agreement shall be filed with the Clerk of Calhoun County and with the Michigan

Secretary of State. The agreement or a copy of the Agreement certified by the county clerk or secretary of state shall be prima facia evidence of the conditional transfer of the territory herein described. The Agreement shall be effective thirty (30) days after the public hearing and upon its being filed with the county clerk and secretary of state, provided no valid referendum petition is filed within said thirty (30) day period.

2. A copy of this Agreement shall be recorded within thirty (30) days after its effective date with the Michigan State Boundary Commission, and the Calhoun County Register of Deeds for general public notification of the terms thereof.

VIII. BOUNDARY ADJUSTMENTS

In the future, the Township and the City will negotiate boundary adjustments and sharing of municipal services voluntarily and in good faith rather than proceeding unilaterally, or otherwise through annexation or resolution, to adjust such boundaries.

IX. UTILITY FRANCHISES

Hereafter the Township consents to the City providing public water and waste water services within the entire Township, utilizing the Township streets and public places for such purposes, and to doing a public water and waste water business therein and hereby grants full utility jurisdiction to said City for such purposes. The City correspondingly agrees to provide such public water and waste water services within a reasonable time from the receipt of a request for such service or services in the same manner it would provide such services within the City; provided the appropriate connecting mains and appurtenances are installed to the City boundaries as currently existing and as modified by the within conditional transfer agreement at no cost to the City; and provided further that any upgrading of the City waste water system necessary to furnish such service to Township customers which is not necessary to serve City customers is paid for by the Township. If, however, such upgrading is necessary because of obsolescence, such cost shall be born by

both municipalities in the ratio of customers demands within each municipality as recommended by a professional registered engineer agreeable to both governing bodies.

Water rates shall conform to 1917 P.A. 34, as amended, which can include a return on capital investment by the City of up to eight (8%) percent of the depreciated value of such capital investments, subject to review, if requested by either party, by a rate expert agreeable to both parties, whose expenses shall be paid by the requesting party.

General rate charges for water and waste water service shall comply with EPA requirements for operation and maintenance charges equivalent to such charges within the City plus capital charges allowed by federal and state regulations designed to ensure that each user and user class pay his or its proportionate share of the cost of the system.

Each party agrees in good faith to execute franchise agreements carrying out the forgoing outline for utility services within the Township.

X. COUNTERPARTS

This Agreement may be executed in any number of counterparts and each such counterpart shall be considered a valid original.

IN WITNESS WHEREOF the parties hereto have executed the within Agreement the day and date first above written by authority of their respective legislative bodies.

Signed in the presence of:

John H. Bauckham

Mary J. Lopez

TOWNSHIP OF SHERIDAN, a
municipal corporation,

James Shimkus
James Shimkus, Supervisor

Janice Arndts
Janice Arndts, Clerk

STATE OF MICHIGAN)
)ss.
COUNTY OF CALHOUN)

On this 18th day of November, 1991, before me a Notary Public in and for said County, appeared James Shimkus and Janice Arndts, who, being first duly sworn, did say that they are the Supervisor and Clerk of the Township of Sheridan respectively, and that said instrument was signed and sealed on behalf of said Township by authority of its duly elected officials.

John H. Bauckham
Kalamazoo Co, Mich Notary Public
acting in County of Calhoun, Michigan
My commission expires: Jan 26, 1994

CITY OF ALBION, a municipal corporation,

Ralph A. Lange
Ralph A. Lange

Nicholas J. Jacobs
Nicholas J. Jacobs, Mayor

Mittie D. Jones
Mittie D. Jones

James P. Bonamy
James P. Bonamy, Clerk

STATE OF MICHIGAN)
)ss.
COUNTY OF CALHOUN)

On this 18th day of November, 1991, before me a Notary Public in and for said County, appeared Nicholas J. Jacobs and James P. Bonamy, who, being first duly sworn, did say that they are the Mayor and Clerk of the City of Albion respectively, and that said instrument was signed and sealed on behalf of said City by authority of its duly elected Council.

Mittie D. Jones
Mittie D. Jones, Notary Public
County of Calhoun, Michigan
My commission expires: 7/13/93

Approved as to form:

John H. Bauckham
John H. Bauckham
Attorney for Sheridan Township
500 Park Building
Kalamazoo, MI 49007
616-382-4500

Charles A. Robison
Charles A. Robison
Attorney for City of Albion
P. O. Box 750
Albion, Michigan 49224
517-629-2171

Public hearing in Sheridan Township held on November 18, 1991. Public hearing in City of Albion held on November 18, 1991.

No referendum petition was received by either Sheridan Township or the City of Albion.

DESCRIPTION:

Parts of the Northwest 1/4 and the Northeast 1/4 of Section 36 and part of the Southeast 1/4 of Section 25, Town 2 South, Range 4 West, all of Sheridan Township, Calhoun County, Michigan, described as follows:

Beginning at the north 1/4 post of Section 36, Town 2 South, Range 4 West, Sheridan Township, Calhoun County, Michigan, said corner also being the south 1/4 post of Section 25 of Sheridan Township; thence N 00°-50'-31" W along the north and south 1/4 line of said Section 25 a distance of 665.30 feet to the northwest corner of the South 1/2 of the south 1/2 of the southeast 1/4 of said Section 25; thence N 89°-58'-43" E along the north line of said south 1/2 a distance of 2576.08 feet to a point 66 feet west of the east line of said section; thence S 00°-43'-57" E parallel with the east section line 666.79 feet to the south section line; thence S 01°-02'-40" E parallel to and 66 feet westerly of the east line of said section 36 a distance of 2267.16 feet to the centerline of East Michigan Avenue; thence southwesterly along said centerline on a curve to the right 178.36 feet, (radius 4297.28 feet, central angle 2°-22'-41", chord 178.34 feet, chord bearing S 71°-23'-36" W); thence S 72°-34'-56" W along said centerline 354.61 feet; thence N 14°-10'-00" W 500.00 feet; thence S 72°-34'-56" W parallel with the centerline of Michigan Avenue 170.00 feet; thence S 14°-10'-00" E 500.00 feet to said centerline; thence S 72°-34'-56" W along said centerline 309.95 feet; thence southwesterly along said centerline on a curve to the left 250.80 feet, (radius 2022.69 feet, central angle 7°-06'-16", chord 250.64 feet, chord bearing S 69°-01'-48" W) to the east and west 1/4 line of said Section 36; thence S 89°-58'-37" W along said 1/4 line 53.20 feet to the southwest corner of the east 1/2 of the northeast 1/4 of said section; thence S 00°-55'-44" E 24.99 feet to the centerline of East Michigan Avenue (BL I-94); thence southwesterly along said centerline on a curve to the left 277.94 feet, (radius 2022.69 feet, central angle 7°-52'-24", chord 277.73 feet, chord bearing S 59°-53'-12" W); thence S 55°-57'-00" W along said centerline 11.46 feet; thence N 34°-03'-00" W at right angles to said centerline 205.90 feet to the east and west 1/4 line of said section; thence S 89°-58'-37" W along said 1/4 line 300.00

TITLE REFERENCE

CONDITIONAL TRANSFER OF BROOKS BUILDINGS AND
DONNA RABAKON PROPERTIES FROM THE TOWNSHIP TO
THE CITY.

feet to the east line of Lot 51 of the Supervisor's Plat of Section 36 of Sheridan Township as recorded in Liber 9A of plats on page 07 in the Office of the Register of Deeds for Calhoun County, Michigan; thence N 02°-00'-27" W along said east line 221.98 feet to the northeast corner of said lot; thence S 89°-48'-20" W along the north line of said lot 56.50 feet; thence N 00°-48'-48" W parallel with the north and south 1/4 line of said section 368.00 feet; thence S 89°-48'-20" W 450.00 feet; thence S 00°-48'-48" E parallel to said 1/4 line 300.00 feet; thence S 89°-48'-20" W 150.00 feet to said north and south 1/4 line; thence N 00°-48'-48" W along said 1/4 line 402.30 feet to the south line of the former Lakeshore-Michigan Railroad; thence S 61°-00'-00" W along said line 379.00 feet; thence N 00°-48'-48" W parallel with the north and south 1/4 line of said section 117.77 feet to the north line of said railroad right of way; thence S 61°-00'-00" W along said line 1126.10 feet to the west line of the east 1/2 of the northwest 1/4 of said section; thence N 00°-45'-54" W along said line 2586.67 feet to the northwest corner of said east 1/2 of the northwest 1/4; thence S 89°-59'-22" E along the north section line 1324.57 feet to the place of beginning.

Containing 251.5 acres and subject to the rights of the public over that part as used for highway purposes on East Michigan Avenue and any easements of record.

TITLE REFERENCE

CONDITIONAL TRANSFER OF BROOKS BUILDINGS AND
DONNA RABAKON PROPERTIES FROM THE TOWNSHIP TO
THE CITY.

JOINT AGREEMENT FOR CONDITIONAL TRANSFER OF PROPERTY
BETWEEN SHERIDAN TOWNSHIP AND THE CITY OF ALBION,
CALHOUN COUNTY, MICHIGAN

Agreement made this 18th day of November, 1991, between the TOWNSHIP OF SHERIDAN, a Michigan municipal corporation (hereinafter designated Township), and CITY OF ALBION, a municipal corporation, (hereinafter designated City), both located within Calhoun County, Michigan,

WITNESSETH:

WHEREAS both the Township and City are municipal corporations duly organized and acting under the laws and statutes of the State of Michigan; and

WHEREAS Act 425 of the Public Acts of 1984 (MCL 124.21, etc; MSA 5.4087(21), etc), hereinafter referred to as Act 425, authorizes and provides for the conditional transfer of property and jurisdiction over the same between municipal corporations by written agreement; and

WHEREAS there exists within both municipalities the need for programs to alleviate and prevent conditions of unemployment; to promote better improvements suitable for residential, commercial, industrial and economic development; to promote environmental protection including ground water and surface water; to promote developments incidental thereto, and to strengthen and revitalize the economy of the municipalities and the general area; and

WHEREAS it is the belief of both municipalities that greater economic development of the territory encompassed by both municipalities has been discouraged by the ill will that has developed between the municipalities as a result of past unpopular annexations and the resultant lack of cooperation between the municipalities; and

WHEREAS development in either municipality is of substantial, tangential benefit to the other municipality; and

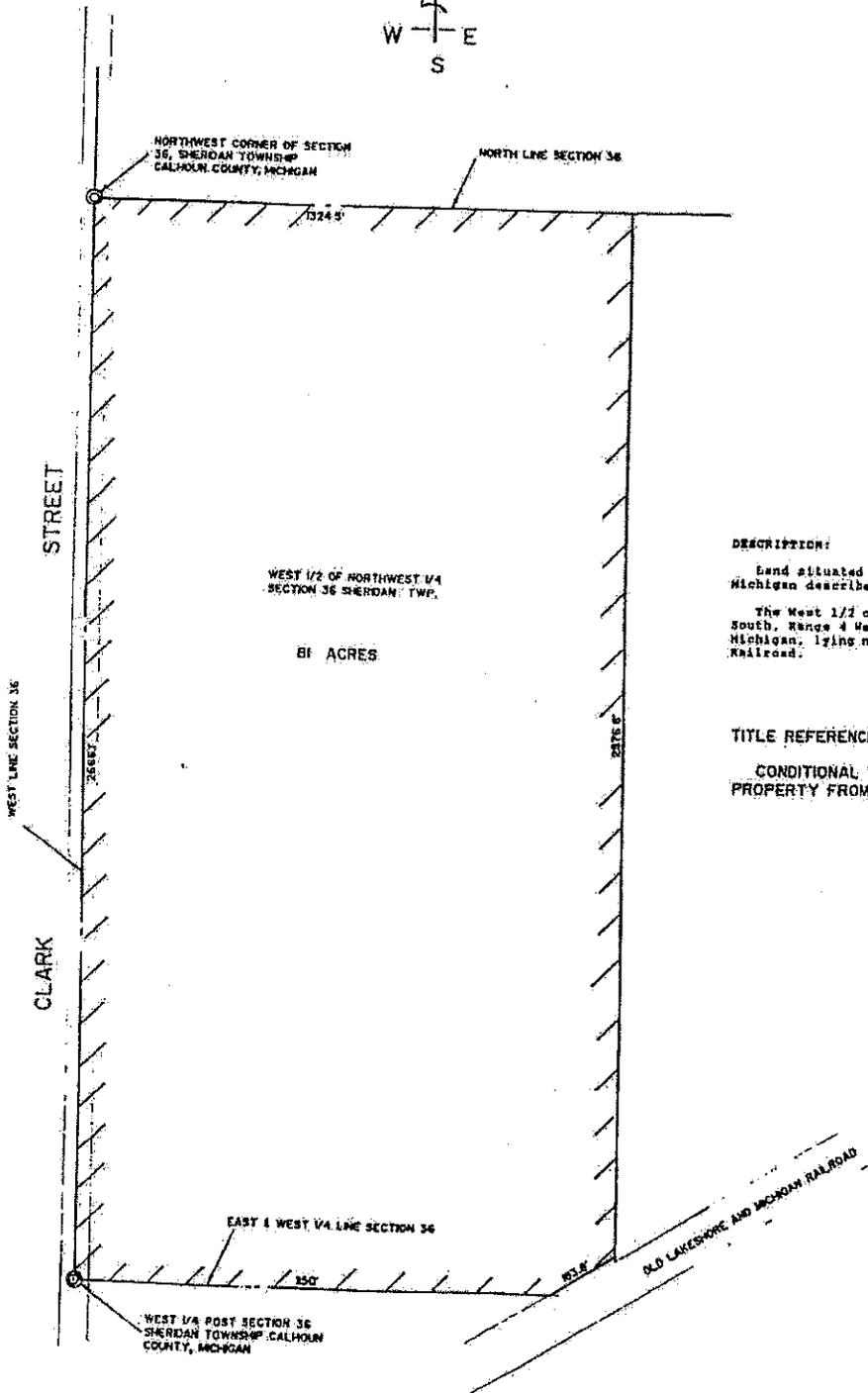
WHEREAS, after some two years of negotiations between the governing bodies of the two municipalities, it has been determined that economic development in both municipalities would be substantially enhanced by the employment of said Act 425 and the conditional transfer of certain territory between the municipalities under appropriate agreements with respect to the jurisdiction transferred, the number of years applicable to the transfer, and the sharing of revenues between the municipalities derived from the areas transferred in accordance with Act 425; and

WHEREAS in considering the foregoing, the parties have also considered the factors set forth in Section 3 of said Act 425 including, in summary, respective populations, land uses, topography, past and probable future growth, comparative data from the territory proposed to be transferred and the remainder of the municipality thereafter, the need for organized community services, the present cost and adequacy of governmental services, the probable future needs for services, the practicability of supplying such services, the probable affects if the proposed transfer and of alternate courses of action, the probable change in taxes and tax rates in relation to benefits expected to accrue, the financial ability of each of the parties to provide and maintain such services, and the general affect upon both municipalities of the transfers as well as the relationship of the proposed transfers to existing land use plans; and

WHEREAS the parties hereto do not anticipate that any funds of the State of Michigan will be allocated to carry out this agreement in whole or in part;

NOW THEREFORE on the basis of the foregoing and the authority contained in said Act 425, it is hereby agreed by and between the parties hereto as follows:

EXHIBIT A



DESCRIPTION:

Land situated in the Township of Sheridan, Calhoun County, Michigan described as:

The West 1/2 of the Northwest 1/4 of Section 36, Town 2 South, Range 4 West, Sheridan Township, Calhoun County, Michigan, lying north of the old Lakeshore and Michigan Railroad.

TITLE REFERENCE

CONDITIONAL TRANSFER OF SARAH MCKINNEY / DORRENE DERR PROPERTY FROM THE TOWNSHIP TO THE CITY.

PREPARED BY

DAVIS LAND SURVEYING

1346 WEST COLUMBIA AVENUE
BATTLE CREEK, MICHIGAN
616 963 8860

SCALE: 1 INCH IS 200 FEET

DATE: NOVEMBER 12, 1991

JOB NO. 8505

I. CONDITIONAL TRANSFER OF SARAH MCKINNEY/DORRENE DERR
PROPERTY FROM THE TOWNSHIP TO THE CITY

The territory described in Exhibit A (attached hereto and made a part hereof) located within Sheridan Township is hereby conditionally transferred from the jurisdiction of the Township to the jurisdiction of the City of Albion for the purpose of granting to the City exclusive jurisdiction over the following governmental functions within said territory and subject to the following conditions and limitations during the period of this agreement.

A. JURISDICTION TRANSFERRED

1. At such time as the aforescribed territory or any portion thereof is developed or sold for commercial, industrial or multiple family purposes, such portion herein conditionally transferred to the City shall be under the full jurisdiction of the City for all municipal purposes for the balance of the period of the transfer and Township taxes and service responsibilities will thereupon terminate and be replaced by City taxes and service responsibilities. Prior to such development, such territory or portion thereof shall be under the jurisdiction of the Township for all municipal purposes including elections, taxation, assessed valuation and other Township services, and will not be subject to City taxation or City services responsibility except with respect to City water and waste water services under negotiated franchises between the Township and the City. Residents therein will be considered voters and electors of the Township until full jurisdiction has been transferred to the City.

2. During the period of the within Agreement, the City shall have authority to exercise the right of eminent domain within said territory.

3. Upon transfer of full jurisdiction to the City, the City will annually return to the Township tax revenues derived from the transferred territory equal to the current annual millage levied within the balance of the Township applied to the State Equalized

Valuation (SEV) of the territory transferred, up to a maximum of one-third of the tax revenues received by the City from its operating millage levied and collected against the transferred territory. The foregoing revenue sharing with the Township shall not be less than the equivalent of a four mill tax against the SEV of said territory as long as the City is authorized by law and charter to levy a 12 mill tax, or more, upon the territory transferred for operating purposes.

4. In the event of state tax reform which reduces SEVs below fifty percent of true cash value, or which provide other ad valorem property tax relief, and which simultaneously provides for alternate supplemental revenue to local municipalities which is collected by the City from the aforescribed territory, the revenue sharing due the Township hereunder shall be proportionately adjusted to equate as near as possible to the sums which would be received by the Township from the City under the foregoing formula.

5. In the event tax increment financing is utilized by the City to construct required improvements within the area conditionally transferred, or the City grants an Industrial Facilities Tax Exemption Certificate for such territory or any part thereof, which actions reduce ad valorem tax revenues which otherwise would be received by the City from said territory, the revenue sharing hereinbefore specified with the Township shall be proportionately reduced during the period either of the foregoing reductions are in effect.

6. In the event any tax abatement or tax exemption affecting the property transferred is contemplated by the City Council, it shall notify the Township Clerk as an interested party of any petitions, proposed actions of the City Council, or scheduled hearings before the City Council pertinent thereto. Upon such notification, the Township shall have a reasonable opportunity as specified in the notice to express its position upon the proposal, in writing and/or in person before the City Council, depending upon the subject matter of the notice.

7. No other division of assets, liabilities or revenues between the Township and City shall result or be required because of the within conditional transfer.

B. CITY OBLIGATION

Upon the effective date of the conditional transfer of full jurisdiction to the City of all or any portion of the aforescribed territory, the City agrees to make available to said transferred territory all city services now available to residents and property owners within the City, or which may be made so available in the future, in the same manner and subject to the same conditions and limitations as are applicable to other residents and property owners within the City. Any construction or improvements required to furnish such services including, among others, public water and sewer service, police and fire protection, shall be accomplished by the City in such reasonable time and under such reasonable conditions and limitations as are applicable throughout the existing City.

C. TERM OF AGREEMENT

The within conditional transfer of territory described in Exhibit A from the Township to the City, shall extend for a term of 50 years from the date of the within agreement and for such additional periods as may be mutually agreed upon by the Township and City governing bodies of each municipality. The initial 50 year term shall end on December 31st of the 50th year hereafter.

D. TERMINATION

1. In the event the City fails to comply with its obligations set forth in the Within Agreement for a period of ninety (90) days following written notification from the Township of such default, the Township shall have the option of declaring a breach of the within Agreement and the return of the transferred territory to the Township, or of bringing other civil judicial proceedings such as mandamus, injunctive relief, declaratory judgment relief, or specific performance of the within Agreement obligations, in the

appropriate judicial forum for such proceedings.

2. The within agreement may also be terminated by mutual written agreement of the municipalities signed and approved by their respective governing bodies, setting forth the reasons for such termination and the date such termination shall take effect.

E. JURISDICTION UPON TERMINATION

1. Upon the termination of the within Agreement with respect to territory "A" by virtue of its terms or for any other cause, the territory conditionally transferred shall automatically be returned and transferred back to the Township from which it was transferred with said Township then having full and complete jurisdiction over said territory for all purposes.

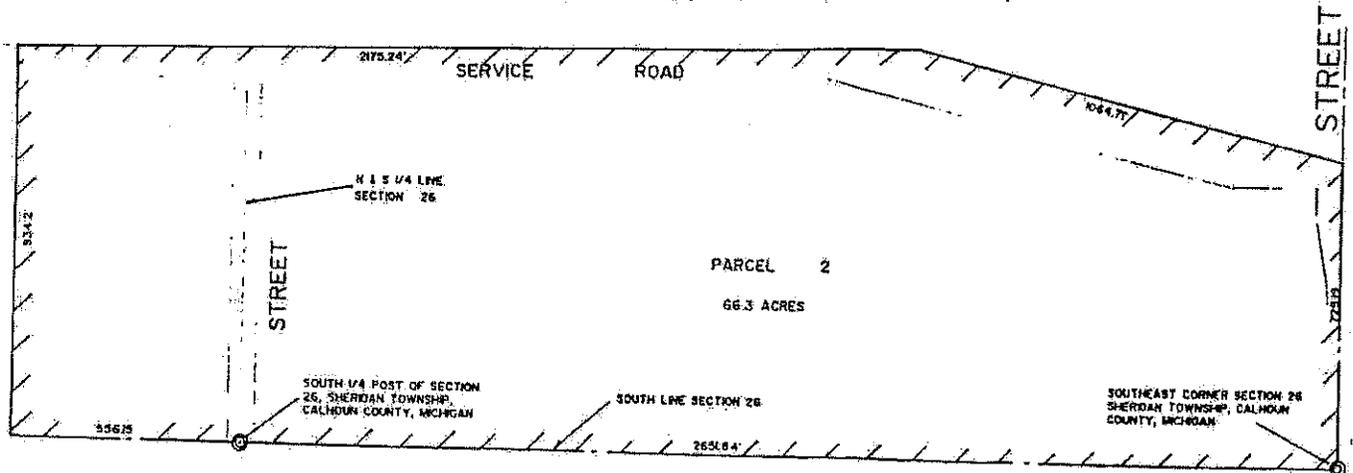
2. All improvements made by the City within the territory herein conditionally transferred to the City, shall, upon termination of the within agreement, belong to and be owned by the Township free and clear of any obligation to the City except for the following:

a. In the event any such improvement is subject to an indebtedness to third parties, such indebtedness shall be assumed by the Township with continuing authority to collect the revenues securing such indebtedness in the same manner as was available to the City.

b. In the event any utility installation within said territory is a connecting link to territory within the remaining City or beyond the boundaries thereof, said utility may continue to be used by said City for such purpose. Any future repairs, replacements or maintenance of such connecting link shall be shared by the Township and City proportionate to the customers connected thereto from each municipality and as may be mutually agreed to by the governing bodies of the respective municipalities.

EXHIBIT B

INTERSTATE HIGHWAY 1-94



Parcel No. 2

Land in the Township of Sheridan, County of Calhoun, State of Michigan, described as follows:

A parcel of land in the South 1/2 of Section 26, Town 2 South, Range 4 West, Sheridan Township, Calhoun County, Michigan, being more specifically described as beginning at the southeast corner of said Section 26; thence North 89°11'20" West along the south section line 2631.94 feet to the South quarter post of said Section 26; thence North 89°25'35" West 516.13 feet along the south line of said Section 26 to a point South 89°25'35" East 770.60 feet from the West 1/8 line of said Section 26; thence North 00°11'34" West 934.20 feet parallel with the West 1/8 line of said Section 26 to the southerly line of Highway I-94; thence North 89°14'40" East 2175.24 feet along the southerly line of Highway I-94; thence South 75°47'22" East 1064.71 feet along the southerly line of Highway I-94 to the East line of said Section 26 and the center line of 29 Mile Road; thence South 00°18'10" East 729.19 feet along the East line of said Section 26 and the center line of 29 Mile Road to the Southeast corner of said Section 26 and the point of beginning.

TITLE REFERENCE

CONDITIONAL TRANSFER OF PROPERTIES LOCATED IN SECTION 26 OF THE TOWNSHIP, SOUTH OF I-94.

c. In the event an improvement is a water utility or wastewater utility improvement, paid for by the City from other than revenues of the system or state or federal grants or benefited owner's contributions, the Township will have the option to purchase said improvement from the City in accord with the Grant of Water Franchise and the Grant of Wastewater Franchise passed by the Albion City Council on November 18, 1991.

**II. CONDITIONAL TRANSFER OF PROPERTIES LOCATED IN SECTION 26
OF THE TOWNSHIP, SOUTH OF I-94**

The territory described in Exhibit B (attached hereto and made a part hereof) located within Sheridan Township is hereby conditionally transferred from the jurisdiction of the Township to the jurisdiction of the City of Albion for the purpose of granting to the City exclusive jurisdiction over the following governmental functions within said territory and subject to the following conditions and limitations hereinafter contained.

A. JURISDICTION TRANSFERRED

1. At such time as the aforescribed territory or any portion thereof is developed or sold for commercial, industrial or multiple family purposes, such developed portion herein conditionally transferred to the City shall be under the full jurisdiction of the City for all municipal purposes for the balance of the period of the transfer, and Township taxes and service responsibilities will thereupon terminate and be replaced by City taxes and service responsibilities. Prior to such development, all of the undeveloped territory or portion thereof shall be under the jurisdiction of the Township for all municipal purposes including elections, taxation, assessed valuation and other Township services, and will not be subject to City taxation or City services responsibility except with respect to City water and waste water services under negotiated franchises between the Township and the City. Residents therein will be considered voters and electors of the Township until full

jurisdiction has been transferred to the City.

2. During the period of the within Agreement, the City shall have complete jurisdiction and full authority to exercise the right of eminent domain within said territory.

3. Upon transfer of full jurisdiction to the City of said territory or any portion thereof of the aforescribed territory, revenue sharing between the Township and City shall be as provided in Section I.A.3-7 herein, for the balance of the period of the conditional transfer.

B. CITY OBLIGATION

Upon the effective date of the conditional transfer of full jurisdiction to the City of all or any portion of the aforescribed territory, the City agrees to make available to said transferred territory all city services now available to residents and property owners within the City, or which may be made so available in the future, in the same manner and subject to the same conditions and limitations as are applicable to other residents and property owners within the City. Any construction or improvements required to furnish such services including, among others, public water and sewer service, police and fire protection, shall be accomplished by the City in such reasonable time and under such reasonable conditions and limitations as are applicable throughout the existing City.

C. TERM OF AGREEMENT

The within conditional transfer of territory, described in Exhibit B, from the Township to the City, shall extend for a term of 50 years from the date of the within agreement and for such additional periods as may be mutually agreed upon by the Township and City governing bodies of each municipality. The initial 50 year term shall end on December 31st of the 50th year hereafter.

D. TERMINATION

1. In the event the City fails to comply with its obligations set forth in the within Agreement for a period of ninety (90) days following written notification from the Township of such default, the Township shall have the option of declaring a breach of the within Agreement and the return of the transferred territory to the Township, or of bringing other civil judicial proceedings such as mandamus, injunctive relief, declaratory judgment relief, or specific performance of the within Agreement obligations, in the appropriate judicial forum for such proceedings.

2. The within agreement may also be terminated by mutual written agreement of the municipalities signed and approved by their respective governing bodies, setting forth the reasons for such termination and the date such termination shall take effect.

E. JURISDICTION UPON TERMINATION

1. Upon the termination of the within Agreement with respect to territory "B" by virtue of its terms or for any other cause, the territory conditionally transferred shall automatically be considered annexed to the City which thereafter shall have full and complete governmental jurisdiction over said territory, and all Township authority, jurisdiction and taxation shall cease.

2. All public improvements made by the City within the territory herein conditionally transferred to the City, shall, upon termination of the within agreement, belong to and be owned by the City free and clear of any obligation to the Township except for the following:

a. In the event any such improvement is subject to an indebtedness to third parties, such indebtedness shall be assumed by the City with continuing authority to collect the revenues securing such indebtedness in the same manner as was previously available.

b. In the event any utility installation within said territory is a connecting link to territory within the remaining Township or beyond the boundaries thereof, said utility may continue to be used by said Township for such purpose. Any future repairs, replacements or maintenance of such connecting link shall be shared by the Township and City proportionate to the customers connected thereto from each municipality and as may be mutually agreed to by the governing bodies of the respective municipalities.

c. In the event an improvement is a water utility or wastewater utility improvement, paid for by the Township from other than revenues of the system, state or federal grants, property owner contributions or special assessments, the City will have the option to purchase said improvement from the Township in accord with the Grant of Water Franchise and the Grant of Wastewater Franchise passed by the Albion City Council on November 18, 1991.

III. CONDITIONAL TRANSFER OF TERRITORY ON-CLARK STREET AND 27 MILE ROAD FROM THE CITY TO THE TOWNSHIP

The territory described in Exhibit C (attached hereto and made a part hereof) located within the City of Albion and recently annexed by said City, is hereby conditionally transferred from the jurisdiction of said City to the jurisdiction of Sheridan Township for the purpose of granting to the Township exclusive jurisdiction over the following governmental functions within said territory, subject to the following conditions and limitations hereinafter contained.

A. JURISDICTION TRANSFERRED

1. During the period of the conditional transfer the Township shall have full and complete governmental jurisdiction over said territory including Township taxation and governmental service obligations. Residents of said territory shall be considered electors

within the Township. The City will not be obligated to furnish any governmental services within said territory other than City water and waste water services pursuant to franchise agreements which have been or might be in the future negotiated between the Township and the City.

2. No division of assets or liabilities between the Township and the City shall result or be required because of the within conditional transfer.

B. TOWNSHIP OBLIGATION

Upon the effective date of the conditional transfer of full jurisdiction to the Township of the aforescribed territory, the Township agrees to make available to said transferred territory all Township services now available to residents and property owners within the Township, or which may be made so available in the future, in the same manner and subject to the same conditions and limitations as are applicable to other residents and property owners within the Township. Any construction or improvements required to furnish such services including, among others, public water and sewer service, police and fire protection, shall be accomplished by the Township in such reasonable time and under such reasonable conditions and limitations as are applicable throughout existing Township.

C. TERM OF AGREEMENT

The within conditional transfer of territory, described in Exhibit C, from the City to the Township, shall extend for a term of 50 years from the date of the within agreement and shall thereupon terminate on December 31 of said 50th year hereafter.

D. TERMINATION

1. In the event the Township fails to comply with its obligations set forth in the within Agreement for a period of ninety (90) days following written notification from the City of such default, the City shall have the option of declaring a breach of the within Agreement and the return of the transferred territory to the City, or of bringing other civil

judicial proceedings such as mandamus, injunctive relief, declaratory judgment relief, or specific performance of the within Agreement obligations, in the appropriate judicial forum for such proceedings.

2. The within Agreement may also be terminated by mutual written agreement of the municipalities signed and approved by their respective governing bodies, setting forth the reasons for such termination and the date such termination shall take effect.

E. JURISDICTION UPON TERMINATION

1. Upon the termination of the within Agreement with respect to territory "C" by virtue of its terms or for any other cause, the territory conditionally transferred shall automatically be returned and transferred back to the City from which it was transferred with said City having full and complete governmental jurisdiction over said territory for all purposes and all Township jurisdiction over said territory shall cease.

2. All improvements made by the Township within the territory conditionally transferred to the City shall, upon termination of the within agreement, belong to and be owned by the City, free and clear of any obligation of the City to the Township except for the following:

a. In the event any such improvement is subject to an indebtedness to third parties, such indebtedness shall be assumed by the City with continuing authority to collect the revenues securing such indebtedness in the same manner as was available to the Township.

b. In the event any utility installation within said territory is a connecting link to territory within the remaining Township or beyond the boundaries thereof, said utility may continue to be used by said Township for such purpose. Any future repairs, replacements or maintenance of such connecting link shall be shared by the Township and City proportionate to the customers connected thereto from each

municipality and as may be mutually agreed to by the governing bodies of the respective municipalities.

c. In the event the improvement is a water utility or wastewater utility improvement, paid for by the Township from other than revenues of the system, state or federal grants, property owner contributions or special assessments, the City will have the option to purchase said improvement from the Township in accord with the Grant of Water Franchise and Grant of Wastewater Franchise passed by the Albion City Council on November 18, 1991.

IV. CONDITIONAL TRANSFER OF NIECKO PROPERTY FROM THE TOWNSHIP TO THE CITY

The territory described in Exhibit D (attached hereto and made a part hereof) located within Sheridan Township is hereby conditionally transferred from the jurisdiction of the Township to the jurisdiction of the City of Albion for the purpose of granting to the City exclusive jurisdiction over the following governmental functions within said territory, subject to the following conditions and limitations hereinafter contained.

A. JURISDICTION TRANSFERRED

1. Upon the execution of the within agreement, the territory hereinbefore described shall be conditionally transferred from the Township to the City for all governmental purposes, and the jurisdiction of the Township shall cease.

2. Following transfer of said territory to the City as hereinbefore provided, the City shall have full authority to exercise the right of eminent domain within said territory.

B. CITY OBLIGATION

1. Upon the effective date of the conditional transfer of full jurisdiction to the City of said territory, the City agrees to make available to said transferred territory all city services now available to residents and property owners within the City, or which may be

made so available in the future, in the same manner and subject to the same conditions and limitations as are applicable to other residents and property owners within the City. Any construction or improvements required to furnish such services including, among others, public water and sewer service, police and fire protection, shall be accomplished by the City in such reasonable time and under such reasonable conditions and limitations as are applicable throughout existing City.

2. Since the territory described in Exhibit D is to be added to the existing Albion Industrial Park Subdivision, and revenue sharing has been otherwise provided in the within agreement between the Township and the City, the conditional transfer shall not be subject to any revenue sharing between the Township and the City.

C. TERM OF AGREEMENT

The conditional transfer of the territory described in Exhibit D from the Township to the City shall extend for a term of 50 years from the date of the within agreement and shall thereupon terminate.

D. TERMINATION

1. In the event the City fails to comply with its obligations set forth in the within Agreement for a period of ninety (90) days following written notification from the Township of such default, the Township shall have the option of declaring a breach of the within Agreement and the return of the transferred territory to the Township, or of bringing other civil judicial proceedings such as mandamus, injunctive relief, declaratory judgment relief, or specific performance of the within Agreement obligations, in the appropriate judicial forum for such proceedings.

2. The within agreement may also be terminated by mutual written agreement of the municipalities signed and approved by their respective governing bodies, setting forth the reasons for such termination and the date such termination shall take effect.

E. JURISDICTION UPON TERMINATION

1. Upon the termination of the within Agreement for any default in performance of the Agreement by the City and its failure to correct the same as herein before provided, full jurisdiction over the territory conditionally transferred shall revert to the Township and all City jurisdiction over the same shall terminate.

2. Upon termination of the within Agreement following the expiration of the 50 year term, the conditionally transferred territory shall be considered annexed to the City and the Township shall have no further jurisdiction, authority, responsibility or control over the same.

3. All public improvements made by the City within the territory herein conditionally transferred to the City, shall, upon termination of the within agreement at the end of the 50 year period, belong to and be owned by the City free and clear of any obligation to the Township. If the Agreement contained in Section (IV) should be terminated by City default as provided in paragraph D.1 of said Section (IV), all public improvements shall belong to the Township free and clear of any obligation to the City except for the following:

a. In the event any such improvement is subject to an indebtedness to third parties, such indebtedness shall be assumed by the Township with continuing authority to collect the revenues securing such indebtedness in the same manner as was available to the City.

b. In the event any utility installation within said territory is a connecting link to territory within the remaining City or beyond the boundaries thereof, said utility may continue to be used by said City for such purpose. Any future repairs, replacements or maintenance of such connecting link shall be shared by the Township and City proportionate to the customers connected thereto from each

municipality and as may be mutually agreed to by the governing bodies of the respective municipalities.

c. The provisions of paragraphs E.3a and E.3b only apply in the event of the termination of this Agreement as outlined in paragraph D.1 and D.2.

V. FORCE MAJEURE

In the event any performance required of the City or Township hereunder cannot be performed because of unforeseeable causes beyond the control of said City or Township and without its fault or negligence, such as but not limited to acts of God, riot, public enemy, federal, state, or county rules or regulations, acts of the judiciary, epidemics, severe weather or other unusual or unforeseeable causes, such non-performance shall not be a cause for the termination of the within Agreement unless such cause cannot be rectified or cured within a one year period, in which latter case the defaulting municipality may, by written notice, terminate the within Agreement and recover the territory into its jurisdiction.

VI. SEVERABILITY

Should any portion of the within agreement be determined by a court of appropriate jurisdiction to be unenforceable, such determination shall not affect the remainder of said agreement and the parties hereto covenant and agree to modify such unenforceable provision to the extent possible, by written amendment to the within agreement to cause the intention of such unenforceable provision to become enforceable. Should, however, the sharing of revenues by the City be for any reason declared unenforceable, the within Agreement shall terminate only after every attempt has been made and failed to restructure the revenue sharing formula in such a manner or fashion that the adjusted formula approximately equates to the sums which would be received by the Township from the City under the foregoing formula. If no such restructure is possible, then the territory shall

automatically be transferred back to the Township as hereinbefore provided with respect to any other termination.

VII. PUBLIC HEARING

The Township Board of Sheridan Township and the City Council of the City of Albion shall each hold at least one public hearing within their respective jurisdictions upon the within Agreement before executing the same, preceded by notice complying with the requirements of the Michigan Open Meetings Act.

VIII. REFERENDUM

Following such public hearing, if a petition signed by 20 percent or more of the registered electors residing within the territory proposed to be conditionally transferred; or, if no registered electors reside therein, signed by persons owning 50 percent or more of the conditionally transferred territory is filed with the clerk of the municipality from which the territory is proposed to be transferred within thirty days after the last of the foregoing public hearings have been held, a referendum election shall be held within that municipality on whether or not the Agreement shall be entered into by that municipality. The results of such election shall govern the validity of the Agreement. If no such petition is filed within the thirty day period, the Agreement shall be valid as executed by the parties hereto. A referendum in either the Township or City resulting in a majority voting against the Agreement shall constitute a termination of this Agreement alone.

IX. MUTUAL ACCEPTANCE

This 425 Agreement and the companion Act 425 Agreement must both be accepted by both governmental governing bodies for either to be valid.

X. FILING AND EFFECTIVE DATE

1. This Agreement has been executed after the public hearing on November 18, 1991 by the City of Albion and the Township of Sheridan. If no petition or resolution for

a referendum has been filed in accordance with Section 5 of Act 425, a duplicate original of the agreement shall be filed with the Clerk of Calhoun County and with the Michigan Secretary of State. The agreement or a copy of the Agreement certified by the county clerk or secretary of state shall be prima facia evidence of the conditional transfer of the territory herein described. The Agreement shall be effective thirty (30) days after public hearing and upon its being filed with the county clerk and secretary of state, provided no valid referendum is filed within said thirty (30) day period.

2. A copy of this Agreement shall be recorded within thirty (30) days after its effective date with the Michigan State Boundary Commission, and the Calhoun County Register of Deeds for general public notification of the terms thereof.

XI. BOUNDARY ADJUSTMENTS

In the future, the Township and the City will negotiate boundary adjustments and sharing of municipal services voluntarily and in good faith rather than proceeding unilaterally, or otherwise through annexation or resolution, to adjust such boundaries.

XII. UTILITY FRANCHISES

Hereafter the Township consents to the City providing public water and waste water services within the entire Township, utilizing the Township streets and public places for such purposes, and to doing a public water and waste water business therein and hereby grants full utility jurisdiction to said City for such purposes. The City correspondingly agrees to provide such public water and waste water services within a reasonable time from the receipt of a request for such service or services in the same manner it would provide such services within the City; provided the appropriate connecting mains and appurtenances are installed to the City boundaries as currently existing and as modified by the within conditional transfer agreement at no cost to the City; and provided further that any upgrading of the City waste water system necessary to furnish such service to Township

customers which is not necessary to serve. City customers is paid for by the Township. If, however, such upgrading is necessary because of obsolescence, such cost shall be born by both municipalities in the ratio of customers demands within each municipality as recommended by a professional registered engineer agreeable to both governing bodies.

Water rates shall conform to 1917 P.A. 34, as amended, which can include a return on capital investment by the City of up to eight (8%) percent of the depreciated value of such capital investments, subject to review by a rate expert agreeable to both parties, whose expenses shall be paid by the requesting party.

General rate charges for water and waste water service shall comply with EPA requirements for operation and maintenance charges equivalent to such charges within the City plus capital charges allowed by federal and state regulations designed to ensure that each user and user class pay his or its proportionate share of the cost of the system.

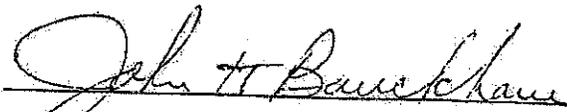
Each party agrees in good faith to execute franchise agreements carrying out the forgoing outline for utility services within the Township.

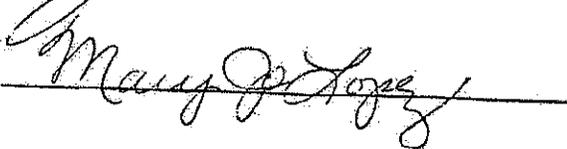
XIII. COUNTERPARTS

This Agreement may be executed in any number of counterparts and each such counterpart shall be considered a valid original.

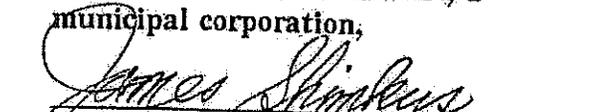
IN WITNESS WHEREOF the parties hereto have executed the within Agreement the day and date first above written by authority of their respective legislative bodies.

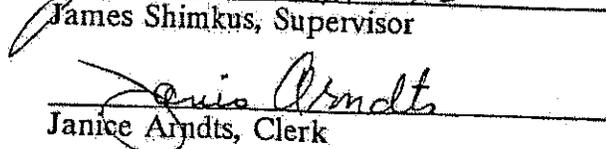
Signed in the presence of:





TOWNSHIP OF SHERIDAN, a
municipal corporation,



James Shimkus, Supervisor


Janice Arndts, Clerk

STATE OF MICHIGAN)
)ss.
COUNTY OF CALHOUN)

On this 18th day of November, 1991, before me a Notary Public in and for said County, appeared James Shimkus and Janice Arndts, who, being first duly sworn, did say that they are the Supervisor and Clerk of the Township of Sheridan respectively, and that said instrument was signed and sealed on behalf of said Township by authority of its duly elected officials.

John H. Bauckham
Kalamazoo Co, Mich Notary Public
acting in County of Calhoun, Michigan
My commission expires: Jan 20, 1994

CITY OF ALBION, a municipal corporation,

Ralph A. Lange
Ralph A. Lange
Mittie D. Jones
Mittie D. Jones

Nicholas J. Jacobs
Nicholas J. Jacobs, Mayor
James P. Bonamy
James P. Bonamy, Clerk

STATE OF MICHIGAN)
)ss.
COUNTY OF CALHOUN)

On this 18th day of November, 1991, before me a Notary Public in and for said County, appeared Nicholas J. Jacobs and James P. Bonamy, who, being first duly sworn, did say that they are the Mayor and Clerk of the City of Albion respectively, and that said instrument was signed and sealed on behalf of said City by authority of its duly elected Council.

Mittie D. Jones
Mittie D. Jones, Notary Public
County of Calhoun, Michigan
My commission expires: 7/13/93

Approved as to form:

John H. Bauckham
John H. Bauckham
Attorney for Sheridan Township
500 Park Building
Kalamazoo, MI 49007
616-382-4500

Charles A. Robison
Charles A. Robison
Attorney for City of Albion
P. O. Box 750
Albion, Michigan 49224
517-629-2171

Public hearing in Sheridan Township held on November 18, 1991. Public hearing in City of Albion held on November 18, 1991.

No referendum petition was received by either Sheridan Township or the City of Albion.

DESCRIPTION:

Land situated in the Township of Sheridan, Calhoun County, Michigan described as:

The West 1/2 of the Northwest 1/4 of Section 36, Town 2 South, Range 4 West, Sheridan Township, Calhoun County, Michigan, lying north of the old Lakeshore and Michigan Railroad.

TITLE REFERENCE

CONDITIONAL TRANSFER OF SARAH MCKINNEY / DORRENE DERR PROPERTY FROM THE TOWNSHIP TO THE CITY.

Parcel No. 2

Land in the Township of Sheridan, County of Calhoun, State of Michigan, described as follows:

A parcel of land in the South 1/2 of Section 26, Town 2 South, Range 4 West, Sheridan Township, Calhoun County, Michigan, being more specifically described as beginning at the Southeast corner of said Section 26; thence North 89°31'20" West along the south section line 2651.84 feet to the South quarter post of said Section 26; thence North 89°25'35" West 556.15 feet along the South line of said Section 26 to a point South 89°25'35" East 770.60 feet from the West 1/8 line of said Section 26; thence North 00°11'38" West 934.20 feet parallel with the West 1/8 line of said Section 26 to the Southerly line of Highway I-94; thence North 89°14'40" East 2175.24 feet along the Southerly line of Highway I-94; thence South 75°47'22" East 1064.71 feet along the Southerly line of Highway I-94 to the East line of said Section 26 and the center line of 29 Mile Road; thence South 00°18'10" East 729.19 feet along the East line of said Section 26 and the center line of 29 Mile Road to the Southeast corner of said Section 26 and the point of beginning.

TITLE REFERENCE

CONDITIONAL TRANSFER OF PROPERTIES LOCATED
IN SECTION 26 OF THE TOWNSHIP, SOUTH OF I- 94.

EXHIBIT C

TITLE REFERENCE

CONDITIONAL TRANSFER OF TERRITORY ON CLARK STREET
AND 27 MILE ROAD FROM THE CITY TO THE TOWNSHIP.

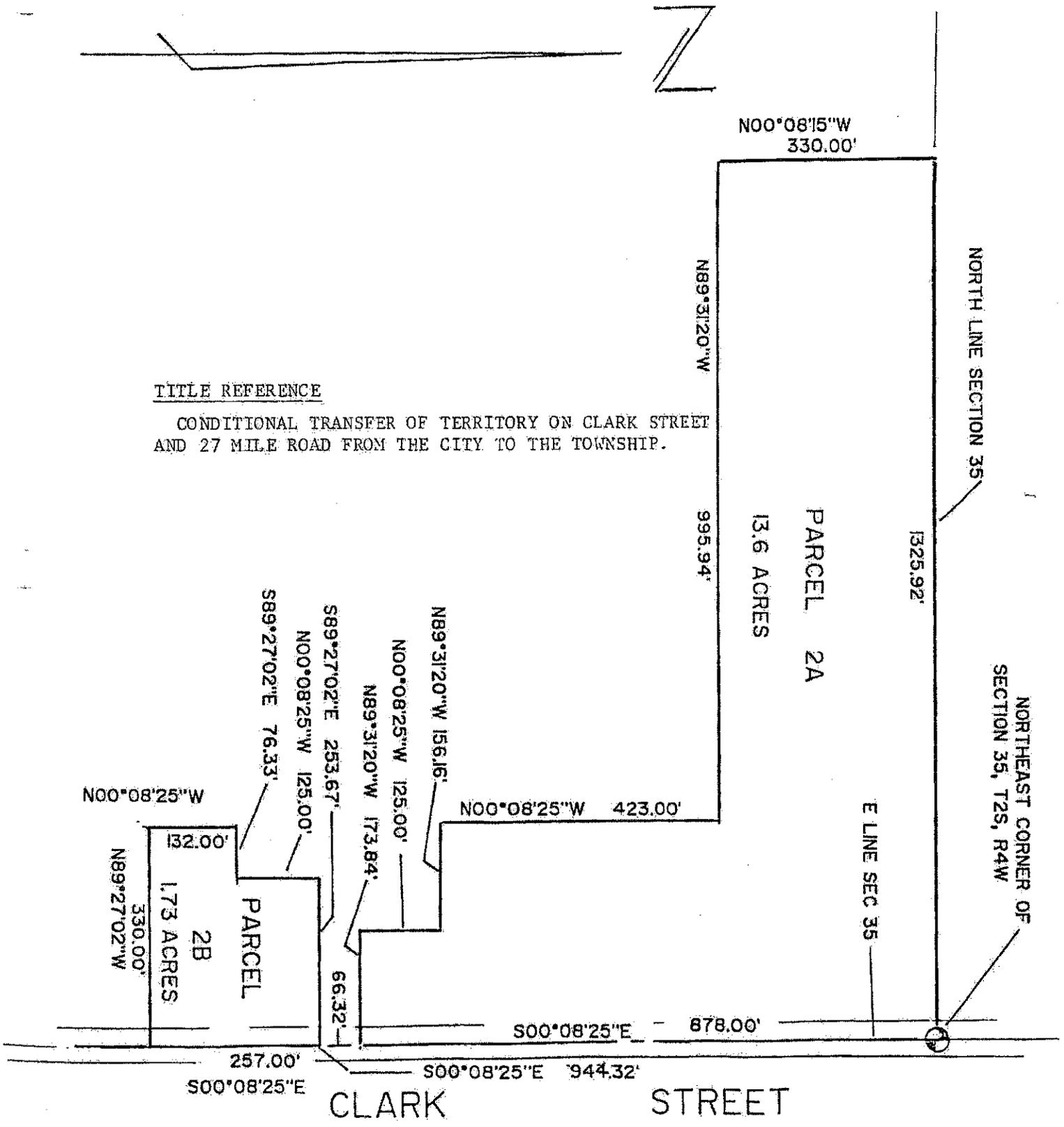
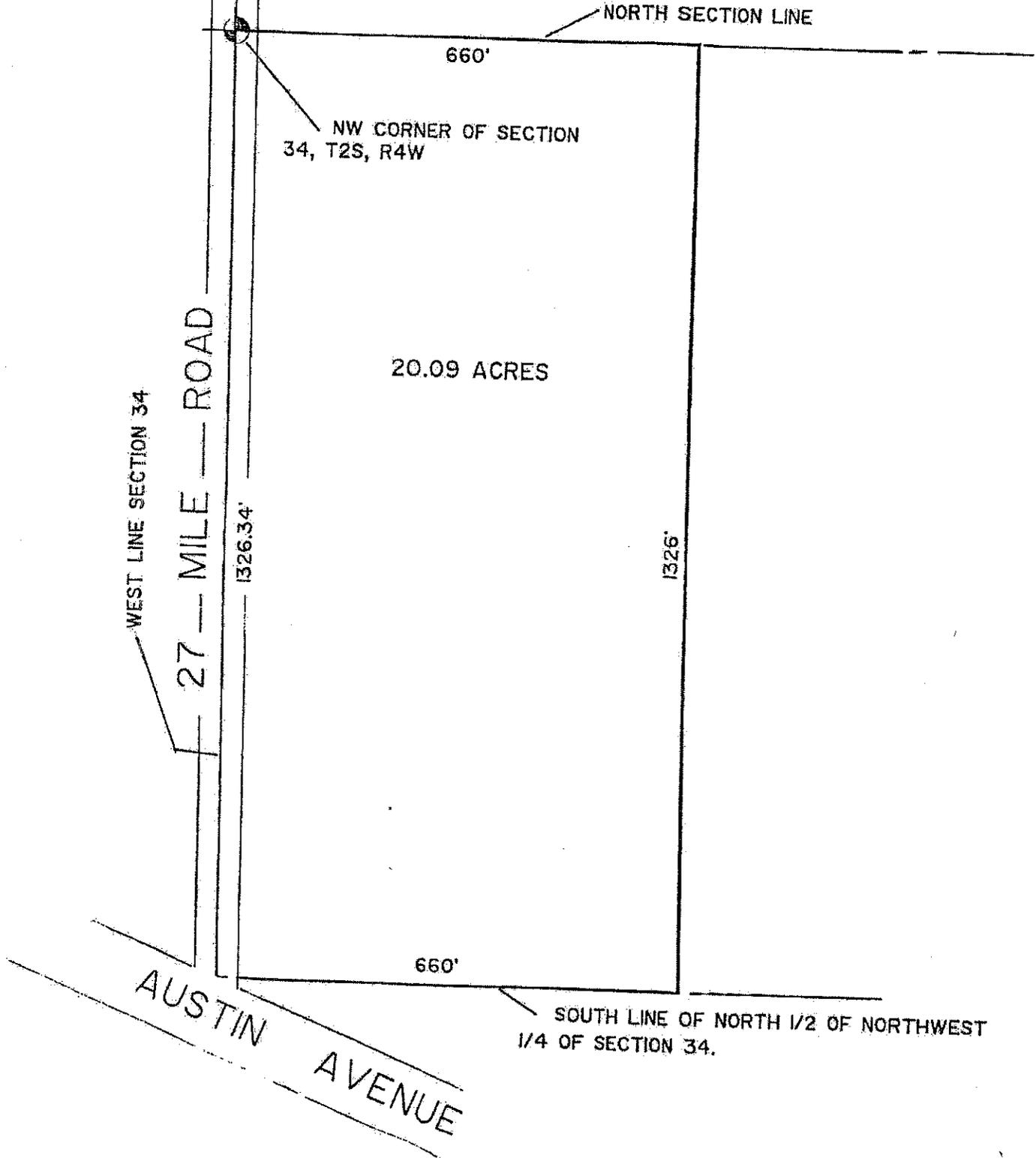


EXHIBIT C

TITLE REFERENCE

CONDITIONAL TRANSFER OF TERRITORY ON CLARK STREET
AND 27 MILE ROAD FROM THE CITY TO THE TOWNSHIP.



Parcel No. 2A

Land located in the Township of Sheridan, County of Calhoun and State of Michigan, described as follows:

A parcel of land in the Northeast 1/4 of Section 35, Town 2 South, Range 4 West, Sheridan Township, Calhoun County, Michigan, being more specifically described as beginning at the Northeast corner of said Section 35; thence South 00°08'25" East 878.00 feet along the East line of said Section 35 and the center line of 29 Mile Road; thence North 89°31'20" West 173.84 feet parallel with the North line of said Section 35; thence North 00°08'25" West 125.00 feet parallel with the East line of said Section 35; thence North 89°31'20" West 156.16 feet parallel with the North line of said Section 35; thence North 00°08'25" West 423.00 feet parallel with the East line of said Section 35; thence North 89°31'20" West 995.94 feet parallel with the North line of said Section 35 to the East 1/8 line of said Section 35; thence North 00°08'15" West 330.00 feet along the East 1/8 line of said Section 35 to the North line of said section; thence South 89°31'20" East along said north section line 1325.92 feet to the place of beginning.

Parcel No. 2B

Land located in the Township of Sheridan, County of Calhoun, and State of Michigan, described as follows:

A parcel of land in the Northeast 1/4 of Section 35, Town 2 South, Range 4 West, Sheridan Township, Calhoun County, Michigan being more specifically described as commencing at the Northeast corner of said Section 35; thence South 00°08'25" East 944.32 feet along the East line of said Section 35 and the center line of 29 Mile Road for the point of beginning of this description; thence continuing South 00°08'25" East 257.00 feet; thence North 89°27'02" West 330.00 feet; thence North 00°08'25" West 132.00 feet parallel with the East line of said Section 35; thence South 89°27'02" East 76.33 feet parallel with the North 1/8 line of said Section 35; thence North 00°08'25" West 125.00 feet parallel with the East line of said Section 35; thence South 89°27'02" East 253.67 feet parallel with the North 1/8 line of said Section 35 to the point of beginning.

TITLE REFERENCE

CONDITIONAL TRANSFER OF TERRITORY ON CLARK STREET AND 27 MILE ROAD FROM THE CITY TO THE TOWNSHIP.

EXHIBIT C

DESCRIPTION:

Land located in the Township of Sheridan, County of Calhoun, State of Michigan, described as follows:

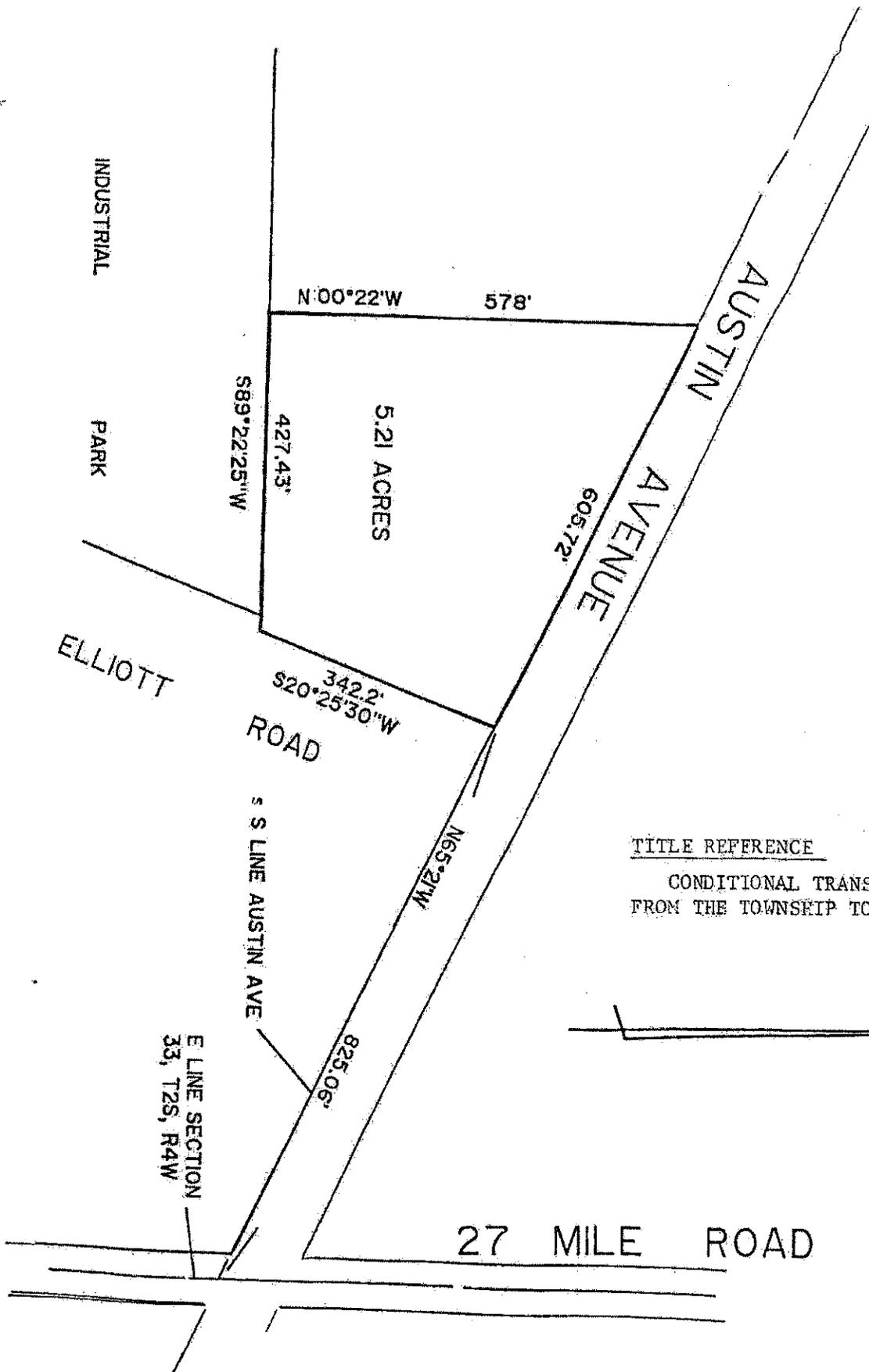
A parcel of land in the Northwest 1/4 of Section 34, Town 2 South, Range 4 West, Sheridan Township, Calhoun County, Michigan described as:

Beginning at the Northwest corner of Section 34, T2S, R4W; thence S 89°26'46" E along the north section line 660 feet; thence S 00°09'20" E parallel to the west section line 1326 feet to the south line of the North 1/2 of the Northwest 1/4 of said section; thence N 89°24'31" W along said line 660 feet to said west section line; thence N 00°09'20" W along said line 1326.34 feet to the place of beginning.

TITLE REFERENCE

CONDITIONAL TRANSFER OF TERRITORY ON CLARK STREET AND 27 MILE ROAD FROM THE CITY TO THE TOWNSHIP.

EXHIBIT D



TITLE REFERENCE

CONDITIONAL TRANSFER OF NIECKO PROPERTY FROM THE TOWNSHIP TO THE CITY.

EXHIBIT D

DESCRIPTION:

A parcel of land located in the Northeast 1/4 of Section 33, Town 2 South, Range 4 West, Sheridan Township, Calhoun County, Michigan, lying South of Old US-12 (Austin Avenue), more particularly described as follows:

Beginning at a point on the South line of Austin Avenue distant North 65°21' West 825.06 feet from the intersection of the South line of said street with the East line of said Section 33; thence South 20°25'30" West 342.2 feet; thence South 89°56'30" West to a point which is South 00°22' East and 578 feet from the South line of Austin Avenue; thence North 00°22' West 578 feet to the South line of said street; thence Southeasterly along the South line of said street 605.72 feet to the place of beginning.

TITLE REFERENCE

CONDITIONAL TRANSFER OF NIECKO PROPERTY FROM
THE TOWNSHIP TO THE CITY.

GRANT OF WATER FRANCHISE

CITY OF ALBION - TOWNSHIP OF SHERIDAN

SECTION 1 - SCOPE

The TOWNSHIP OF SHERIDAN, Calhoun County, Michigan, Grantor, hereinafter designated "TOWNSHIP", hereby grants the non-exclusive right, power and authority to the CITY OF ALBION, a municipal corporation, of Calhoun County, State of Michigan, as Grantee, hereinafter designated "CITY", to lay, construct, maintain and commercially use water mains, pipes, fittings, valves, fire hydrants and all accessory equipment and appliances for the purpose of transmitting and distributing water throughout the portion or portions of the Township of Sheridan, hereinafter designated, and to conduct a public water utility business throughout such portion or portions of the Township of Sheridan, Calhoun County, Michigan, for a period of thirty (30) years from and after the date of acceptance of this Grant by the CITY and for such additional period as may be agreed upon between the parties.

SECTION 2 - LOCATION

The portion or portions of the TOWNSHIP, herein above referred to, and for which the herein stated Grant of right, power and authority is given, comprises the entire TOWNSHIP OF SHERIDAN and all public streets, avenues, boulevards, alleys, rights-of-way, and public places now existent or which may hereafter become existent during the term of this Grant within such TOWNSHIP.

SECTION 3 - OBLIGATIONS

In consideration of the Grant herein contained, and of the rights, power and authority herein granted, all of which shall vest in the CITY for a period of thirty (30) years, as herein stated, said CITY shall faithfully perform all things required hereunder, and the CITY, by acceptance of this Grant, agrees to such terms, and such performance by the CITY shall be in lieu of all licenses, fees, rentals, taxes or charges which said TOWNSHIP, or other assessment district or governmental unit, might otherwise levy and impose.

SECTION 4 - DISTRIBUTION SYSTEM

(a) Installation

All portions of the public water distribution system installed within the TOWNSHIP shall be installed without capital expense on the part of the CITY except for water meters, water production and water storage facilities and extra size transmission mains (over twelve (12") inches in diameter) needed for general improvement of the system and not for

specific limited benefit of Township customers.

In this connection, the CITY shall have the right and authority to locate water production facilities and water storage within the TOWNSHIP in appropriately zoned locations for the benefit of the entire water system of the CITY.

When additional water production facilities, extra size (over twelve (12") inches in diameter) transmission lines and water storage must be built to cover additional demand of Township customers, the capital cost will be covered by each jurisdiction in proportion to customer demands for such additional facilities in each jurisdiction as determined by a professional registered engineer agreeable to both governments. The CITY's jurisdiction also covers P.A. 425 areas entitled Joint Agreement for Conditional Transfer of Brooks Buildings and Donna Rabakon Properties Between Sheridan Township and the City of Albion, Calhoun County, Michigan and Section IV of the Joint Agreement for Conditional Transfer of Property Between Sheridan Township and the City of Albion, Calhoun County, Michigan. Such costs may be recovered through rates and charges to customers of the system in amounts proportionate to their demand.

(b) Service Beyond Sheridan Township

The Grantee will provide, at its expense, all necessary meters for measuring water used by customers, water storage required to serve customers, extra costs of transmission lines designed to serve customers beyond TOWNSHIP boundaries and additional production facilities required to serve customers beyond TOWNSHIP boundaries.

(c) Operation

After the water distribution system or any portion thereof has been installed, the Grantee agrees to operate said system furnishing water within the TOWNSHIP in the same manner as water is furnished within the CITY to customers which are connected to the system.

The Grantee further agrees, as part of its operation, to keep the water distribution system in said area in reasonably good repair, including the maintenance and painting of fire hydrants, the repair of leaks, defects, and items of a similar nature usually associated with the maintenance and operation of a public water supply system.

The CITY shall not be responsible for the relocation of any portion of the system necessitated by unrelated construction or improvement.

SECTION 5 - SERVICE CONNECTIONS

The pipes from the water mains to the water meters including all necessary valves and accessories, hereinafter referred to as "service connections", shall be installed and

maintained under the same conditions, rules and regulations as are now or may hereafter be in effect within the CITY; and, if installed by the CITY shall be subject to the same charges as are then currently in effect within the CITY.

SECTION 6 - CUSTOMER METERS, PRODUCTION, STORAGE AND TRANSMISSION FACILITIES

At such time as this Franchise may be terminated, the TOWNSHIP may purchase the CITY's investment (if any) in such meters, storage, transmission and production facilities located within the TOWNSHIP as it then exists, for their then depreciated value, based upon a 50 year useful life. Where production, storage or transmission facilities are needed by the CITY to furnish water to CITY customers, it may retain its interest therein subject to the joint use thereof by the TOWNSHIP under terms and conditions to be negotiated between the parties.

Any major transmission lines necessary for the distribution of water by the CITY to customers beyond the boundaries of the TOWNSHIP may continue to be used for such purposes by the CITY upon the termination of the within Franchise, provided that TOWNSHIP customers then connected or who may subsequently be connected thereto may continue to receive water at the rate set forth in Section 8 of this Franchise, payable to the CITY, and the TOWNSHIP will not be required to purchase such transmission lines during such use by the CITY.

SECTION 7 - QUALITY

The installation of all mains, pipes, fittings, valves, hydrants, and other accessory equipment under this Franchise shall be done in a reasonable, workmanlike and reasonably prompt manner under the guidance and control of the TOWNSHIP and CITY, and according to the specifications of the CITY, upon proper application therefore by the Grantor to the CITY, showing the area to be serviced. In such installations, the Grantee or its agents, if performing the installation, shall not unnecessarily interfere with or obstruct the use of streets, roadways, alleys, or highway, and shall perform all work in such manner as not to unreasonably endanger persons or property.

SECTION 8 - RATES

The rates to be charged by the CITY for water service shall be based on the actual cost of service as determined under the utility basis of rate making pursuant to Act 34 of 1917 as amended, (MCL 123.141; MSA 5.2581) which includes a reasonable return on capital investments of the CITY up to 8% per annum on the depreciated value of such capital improvement to insure that each user and user class pay its proportionate share of the costs of the system. Such rates shall be subject to review, if requested by either party, by a rate expert agreeable to both parties, whose expenses shall be paid by the requesting party. The CITY may charge the TOWNSHIP an additional reasonable annual sum for

the cost of maintenance of fire hydrants and their use by the TOWNSHIP.

SECTION 9 - HYDRANTS

The CITY, from time to time, and upon request in writing of the TOWNSHIP, will at TOWNSHIP's expense install fire hydrants at locations upon mains then laid or being laid, and within the aforesaid TOWNSHIP area as requested by the TOWNSHIP in accordance with recommended fire protection standards.

SECTION 10 - ADDITIONAL TOWNSHIP CHARGES

The TOWNSHIP may make additional charges for wastewater collection and disposal services over and above those billed, collected and retained by CITY which, if assessed, shall be billed and collected by the CITY in conjunction with the CITY charges. In such event, the CITY shall be entitled to be reimbursed by the TOWNSHIP for any additional administrative costs involved in the billing and collecting of such additional charges.

SECTION 11 - DISTRIBUTION SYSTEM, APPLICATION AND CONTRACT FOR INSTALLATION

Applications by the Township for the installation of water mains and appurtenances or the removal or relocation of fire hydrants in the Township shall be made directly to the Albion City Manager. Such applications by third party customers within the Township shall be first filed with the Township for its review and approval. Following such approval, an application shall then be made by the Township for the installation directly to the Albion City Manager. Upon approval of the application by the City Manager, the Township shall have plans and specifications prepared for the project by a registered professional engineer and shall submit the same to the City Manager for City approval. Before any work or installation is commenced by the City or its contractor, payment in full of the estimated cost of the project shall be deposited with the City. Any cost overruns not included within the cost estimates or which could not reasonably have been anticipated in such estimates shall be paid to the City by the Township upon being billed therefore following the completion of the project and within 30 days following such billing. Any cost savings shall similarly be returned to the Township.

During the term of this franchise, all mains and appurtenances thereto shall be deemed to be the property of the City subject to the rights of the Township and its residents and/or property owners to the use thereof under the terms of the within franchise.

Approvals shall not be unreasonably withheld and shall be granted where the terms of the franchise are complied with and no engineering errors or miscalculations are evident.

SECTION 12 - DISTRIBUTION SYSTEM, BY WHOM INSTALLED

The distribution system, or any part thereof, may be installed at its option by the CITY or its agents; provided, however, that it has first submitted an estimate of the reasonable costs thereof which is acceptable to the TOWNSHIP, and can do the work and installation applied for by the TOWNSHIP within a reasonable time after the filing of the application with the CITY, not exceeding 12 months following such filing date. If the work cannot be done directly by the CITY itself, it shall be installed by such other qualified person or entity under contract with the Township, as is acceptable to both the TOWNSHIP and the CITY. An inspector is to be provided by the CITY if any other person or entity other than the said CITY installs such systems, and the costs of such inspector are to be included in the capital improvement costs of the project. The presence of an inspector on the job shall not relieve the contractor, if any, of any liability or responsibility for which he would otherwise be liable, without an inspector.

SECTION 13 - CONSTRUCTION AND MAINTENANCE LIABILITY

The CITY shall keep and save the TOWNSHIP free and harmless from all loss, cost and expense to which the TOWNSHIP might be subject by reason of the installation and maintenance of said water system by the CITY. In case any action is commenced against the TOWNSHIP on account of the installation or maintenance of the water system by the CITY herein contemplated, the CITY shall, upon notice, defend the TOWNSHIP and save it free and harmless from all loss, cost or damage. The liability which the CITY accepts under this paragraph is to apply to new construction and maintenance construction only and is not to be confused with Section 13, which is relative to operating liability.

SECTION 14 - OPERATING LIABILITY

The CITY will use all reasonable diligence to provide and maintain regular and uninterrupted sanitary water service through the mains installed in the aforescribed area, but shall not be liable for damages caused by contaminations or interruptions resulting from no fault or negligence of said CITY.

SECTION 15 - TOWNSHIP RULES AND REGULATIONS

The TOWNSHIP agrees to cooperate with the CITY and to pass and/or approve such rules, regulations and ordinances as may be necessary and permitted by law to protect the CITY in the operation and maintenance of the water system herein contemplated.

SECTION 16 - TERMINATION

This Grant of Franchise shall cease and be of no effect after thirty (30) days from its adoption unless, within said period, the CITY shall accept the same in writing filed with the TOWNSHIP Clerk. Such Grant of Franchise shall not be irrevocable unless it is

confirmed by not less than the majority of the electors of said TOWNSHIP voting thereon at a regular or special TOWNSHIP Election, to be held in the manner provided by law. Upon the acceptance and confirmation thereof, this Grant shall constitute an irrevocable contract between said TOWNSHIP and CITY for a period of thirty (30) years from the date of such acceptance.

Upon the termination of this Franchise, the mains and distribution system paid for by the TOWNSHIP, as provided in Section 4(a) and installed hereunder and those previously installed within the TOWNSHIP under TOWNSHIP funding, except transmission facilities, as to which separate provision has been made, shall become the exclusive property of the TOWNSHIP, without further payment therefore to said CITY.

This Franchise is hereby mutually understood and declared to be binding upon all successor governmental units of the TOWNSHIP which may, during the term hereof, become vested by law with the right to control the use of the public streets, avenues, boulevards, alleys, rights-of-way and public places hereinbefore described, and also all successor governmental units of the CITY.

SECTION 17 - OTHER AUTHORITIES

The TOWNSHIP agrees to obtain from the County Highway Commission, State Department of Transportation, or any other authority, any and all permits and rights-of-way, when and as required, in connection with the installation and/or operation of the water system subject to this Franchise.

SECTION 18 - EXTENSION

Upon the termination of this Franchise, this Agreement shall continue as a year-to-year contract under the same terms and conditions as herein contained, subject to termination by either party upon not less than two (2) years advance notice in writing to the other party.

SECTION 19 - VALIDITY

The invalidation by law or statute of any provision or provisions of this Grant of Franchise shall not affect the validity of the remaining provisions which shall continue in full force and effect.

SECTION 20 - COLLECTIONS

Water service charges shall be collected by the CITY. The rates and charges as established herein shall constitute a lien on the properties receiving water service of the same type and character as provided for water and sewage charges by provisions of Section 21 of Act 94 of the Public Acts of Michigan of 1933, as amended. Said lien may be

enforced by the TOWNSHIP for and on behalf of the CITY in the same manner that such liens are enforced under the provisions of the ordinances of the City of Albion or Township or said Act 94.

It is further understood and agreed that the CITY shall have the power to effect direct collection of the charges set forth herein, which remain due and unpaid more than 30 days, by any additional means permitted by law including among others, termination of water service to the property for which a water account has not been paid and/or under the authority of City ordinances.

If a customer fails to pay a bill within ninety (90) days of its due date, the TOWNSHIP upon being billed by the CITY for such delinquent account shall reimburse the CITY for such delinquency. Upon payment of such delinquency by the TOWNSHIP, the TOWNSHIP shall be subrogated to all claims and authority attributable to the CITY or TOWNSHIP by statute or otherwise, against the delinquent customer or the property of the customer for the recovery of such charges. The CITY shall further have full authority to collect any delinquent account from a water customer by any lawful means available by statute or otherwise to the TOWNSHIP or CITY.

SECTION 21 - ALTERATIONS AND DAMAGES

In the event any alterations in the system or damages to the system are caused by any public improvement projects undertaken or initiated by the TOWNSHIP, the TOWNSHIP shall reimburse the CITY for such damages or the expense of such alterations in the system to the extent incurred by the CITY.

IN WITNESS WHEREOF, this Agreement is signed and delivered the day and year first above written by authority of the City Commission of CITY OF ALBION given November 18, and of the TOWNSHIP OF SHERIDAN given November 18, 1991, subject to the electors, ratification thereof to make the same irrevocable if desired by the parties.

Signed in the presence of:

Ralph A. Lange
Mittie D. Jones

CITY OF ALBION,
a Michigan municipal corporation

By: Nicholas J. ...
Its Mayor

By: Janet ...
Its Clerk

TOWNSHIP OF SHERIDAN
CALHOUN COUNTY, MICHIGAN

John H. Bauckham
Charles D. Robinson

By: James Shinkus
Its Supervisor

By: Janis Arndts
Its Clerk

GRANT OF WASTEWATER FRANCHISE

CITY OF ALBION - TOWNSHIP OF SHERIDAN

THIS AGREEMENT entered into this 18th day of November, 1991, by and between the CITY OF ALBION, Calhoun County, Michigan (hereinafter referred to as "CITY") and the TOWNSHIP OF SHERIDAN, Calhoun County, Michigan (hereinafter referred to as "TOWNSHIP") both of which are units of government;

WITNESSETH:

WHEREAS, the TOWNSHIP has investigated the need for a sanitary sewer system within the TOWNSHIP to service the needs of customers within the TOWNSHIP; and

WHEREAS, the CITY has excess capacity in its sewage treatment facility which it is willing to utilize to service customers within the TOWNSHIP under the terms and conditions of the within agreement and for the mutual benefit of both units of government.

NOW, THEREFORE, in consideration of the premises it is agreed by and between the parties hereto as follows:

SECTION 1 - FRANCHISE AND CONSENT

In order for the CITY to serve customers within the TOWNSHIP with the collection and treatment of their sanitary sewage, the TOWNSHIP hereby grants to the CITY the non-exclusive right and franchise to the use of the public streets, highways, alleys, easements and public places within the TOWNSHIP for the purpose of constructing, maintaining and operating a wastewater system and doing a wastewater business therein to adequately serve wastewater customers within the TOWNSHIP and beyond, in compliance with Article XVII, Section 29 of the 1963 Michigan Constitution. Any construction accomplished by the CITY, its agents or subcontractors, within the TOWNSHIP pursuant to the within franchise shall include the obligation of restoration of all existing structures and/or improvements disturbed thereby, to a condition comparable to that existing before such construction took place.

Any such facilities constructed and installed by the CITY within the TOWNSHIP at its expense shall remain the property of the CITY during the period of the within franchise, subject to the right of the TOWNSHIP to purchase the same at the termination of the within franchise or its extension under the terms hereinafter specified. Such system shall be operated and maintained by the CITY and by no others unless authorized by said CITY. Any portion paid for by the TOWNSHIP or its customers and located within public areas within the TOWNSHIP shall also remain the property of the CITY during the period of the within franchise or its extension, and upon termination shall become the property of the TOWNSHIP without further payment to the CITY.

SECTION 2 - ACCEPTANCE AND TREATMENT

CITY AGREES to accept wastewater from TOWNSHIP customers to the best of its ability, in accordance with all its appropriate governmental permits, and to provide treatment thereof in its sewage treatment plant, subject however to any pretreatment requirements under CITY ordinances in the same manner or fashion as if the customers were located within the corporate limits of the CITY. The CITY shall operate and maintain the wastewater system within the TOWNSHIP in accordance with reasonable and workmanlike utility practices and in a manner and of a quality not less than exercised and provided within the corporate limits of the CITY.

SECTION 3 - TRANSMISSION OF WASTEWATER

The TOWNSHIP agrees to transport its wastewater to the CITY's facilities at boundary points between the CITY and TOWNSHIP established in the Utility Facilities Plan of the CITY and at locations convenient for connection of transmission mains within the TOWNSHIP. No flow rate in excess of that in the Utility Facilities Plan of the CITY shall be discharged to the CITY transmission system without prior approval of the CITY authorities. All such connections and construction within the TOWNSHIP and at CITY/TOWNSHIP boundaries shall be at no cost to the City.

In the event upgrading of the system within the CITY is required to furnish service to TOWNSHIP customers, the TOWNSHIP will be required to provide the cost of such upgrading, to the extent it is for the sole benefit of Township customers and pro rata with the City where it is also of benefit to customers within the City as recommended by a professional registered engineer agreeable to both governments.

SECTION 4 - RATES AND CHARGES

In accordance with the CITY's Water Agreement with the TOWNSHIP, the CITY will provide and maintain proper water meters for properties connected within the TOWNSHIP to the CITY's water system, to read said meters, and to use said meter information for the billing and collection of rates and charges from the CITY's sanitary sewage system. The rates and charges for the operation and maintenance of the sanitary sewer system shall be the same as collected within the CITY from comparable customers. In addition, the CITY may charge such wastewater customers within the TOWNSHIP capital costs of the CITY attributable to the wastewater service within the TOWNSHIP paid for by the CITY from other than federal and state grants or from the revenues of the wastewater system as permitted under the regulations of the U.S. ENVIRONMENTAL PROTECTION AGENCY or such other pertinent regulatory agencies as may be subsequently established by the state or federal government. Such rates and charges shall be designed to insure that every user and user class, regardless of municipal jurisdiction, pays its proportionate share of the costs of the system.

In the event the Township has any question concerning such revised charges, the Township Board may request a further review of a rate expert acceptable to both the City Council and Township Board, the expense of which shall be borne by the Township.

In the event the customer within the Township is not connected to the City's public water supply, the City shall charge a flat rate charge, based on a normal usage figure for such customer's use. If the customer is unsatisfied with the flat rate charge, the customer may have a water meter installed on their pump (or service) at the customer's expense. In such event, the sewer charge would be based upon the reading of the meter and not upon a flat rate charge. For customers where a flat rate charge is not feasible (i.e., an industrial user), a meter shall be installed on the customer's pump at the City's expense and the user charge will be based upon the reading from such meter.

If a customer fails to pay a bill within ninety (90) days of its due date, the TOWNSHIP upon being billed by the CITY for such delinquent account shall reimburse the CITY for such delinquency. Upon payment of such delinquency by the TOWNSHIP, the TOWNSHIP shall be subrogated to all claims and authority attributable to the CITY or TOWNSHIP by statute or otherwise, against the delinquent customer or the property of the customer for the recovery of such charges. The CITY shall further have full authority to collect any delinquent account from a wastewater customer by any lawful means available by statute or otherwise to the TOWNSHIP or CITY. At no time shall the rates and charges against a customer within the TOWNSHIP exceed 150 percent of such rates and charges billed to a similar customer within the CITY.

SECTION 5 - ADDITIONAL TOWNSHIP CHARGES

The TOWNSHIP may make additional charges for wastewater collection and disposal services over and above those billed, collected and retained by CITY which, if assessed, shall be billed and collected by the CITY in conjunction with the CITY charges. In such event, the CITY shall be entitled to be reimbursed by the TOWNSHIP for any additional administrative costs involved in the billing and collecting of such additional charges.

SECTION 6 - MAINTENANCE

The CITY shall provide ordinary maintenance of the wastewater collection system within the TOWNSHIP which shall include periodic cleaning of the sanitary sewers, repair of breaks and ordinary maintenance and operation of any pumping stations. The foregoing shall not require repair, replacement, or maintenance of property leads, nor any part of the system outside the public areas reserved for the public wastewater system. The cost of any major repairs required on the TOWNSHIP pumping stations shall be paid for by the TOWNSHIP. A major repair is any single repair that cost more than Three Thousand (\$3,000.00) Dollars.

SECTION 7 - CONSTRUCTION

Any proposed wastewater system within the TOWNSHIP installed by the TOWNSHIP or its agents or contractors, shall be designed by a Registered Professional Engineer whose plans and specifications shall be subject to the review and approval by the CITY acting through its Director of Public Works, and shall be equal to the standards for such construction within the CITY. Construction of the collection system shall be supervised by qualified personnel under the direction of a Professional Engineer. As built drawings and records shall be maintained by the TOWNSHIP and furnished to the CITY for its records. No extensions of the wastewater system shall be installed beyond the corporate limits of the TOWNSHIP without the prior written approval of the CITY'S authorized officials.

SECTION 8 - REGULATIONS

The TOWNSHIP shall enact such ordinances, rules and regulations as required by the CITY to assure the installation and construction of the system within the TOWNSHIP is equal to the standards in effect within the CITY and shall assist in the enforcement of the same. Any changes in federal or state law which provide for additional standards for such installation and construction shall automatically be incorporated as a part of this Agreement.

The TOWNSHIP shall also enact such ordinances, rules and regulations as required by the CITY to insure complete compliance with the CITY'S Sewer Use Ordinance, dealing especially with the CITY'S permitting process, industrial pre-treatment requirements, sewer limits, sewer use and other charges, etc. or otherwise pass legislation which will allow the CITY to enforce the requirements of their ordinance on their wastewater customers within the TOWNSHIP.

SECTION 9 - OPERATING LIABILITY

CITY will use reasonable diligence to provide uninterrupted service but does not guarantee uninterrupted service and shall not be liable for injuries or damages by such interruptions whether caused by default in original construction, cave-ins, accidents, repairs, or other cause, nor shall CITY be liable to TOWNSHIP or any customer or other person, firm, or corporation for injuries or damages of any nature caused by the use of the treatment facilities of CITY or the TOWNSHIP collection system or by interruptions therein.

SECTION 10 - INDEMNIFICATION

The TOWNSHIP agrees to save, defend, hold harmless, and indemnify the CITY, its departments, agents, officials, and employees from any liability, claim, fine, cost, or penalty of whatever form or kind, including but not limited to personal injury or property

damage caused by any act or omission of the TOWNSHIP or one or more of its officers, agents, employees, subcontractors or departments, or any act or omission of any customer or recipient of services within the TOWNSHIP.

The CITY agrees to save, defend, hold harmless, and indemnify the TOWNSHIP, its departments, agents, officials, and employees from any liability, claim, fine, cost, or penalty of whatever form or kind, including but not limited to personal injury or property damage caused by any act or omission of CITY or one or more of its officers, agents, employees, subcontractors or departments, or any act or omission of any customer or recipient of services within the CITY.

SECTION 11 - TERMINATION

This Agreement shall remain in full force and effect for not less than thirty (30) years from its effective date unless sooner terminated by consent of the parties hereto or by one party because of a breach of the other party of a material provision or undertaking herein which is not corrected within six months of notice of default, which notice shall specify the nature of the breach and how same may be corrected. After the expiration of 28 years of the 30 year period, either party may terminate the Agreement upon two (2) year's written notice to the other party.

SECTION 12 - ASSIGNMENT

The parties hereto shall have the right and authority to assign its rights, obligations and liabilities hereunder to a wastewater authority which might hereafter be created for the CITY and TOWNSHIP and any additional territory.

SECTION 13 - SAVING CLAUSE

Should any part of this Agreement be held by a court of competent jurisdiction to be illegal or unenforceable, such event shall not be deemed to automatically affect the validity of any other portion hereof, but if the ruling deprives a party of one or more substantial rights under this Agreement which completely thwarts the intent and purpose of this Agreement, this Agreement may be suspended upon six months written notice to the other party. The parties shall then negotiate for the purpose of resolving the problem and revising the contract for the benefit of the health, safety, welfare, convenience and financial stability of the parties and the community.

SECTION 14 - BINDING EFFECT

The within Agreement shall be binding upon and inure to the benefit of each of the parties hereto and their successors and assigns.

IN WITNESS WHEREOF, this Agreement is signed and delivered the day and year first above written by authority of the Albion City Council resolved on November 18, 1991, and by authority of the TOWNSHIP OF SHERIDAN Board of Trustees resolved on November 18, 1991.

Signed in the presence of:

Ralph A. Zango

Mittie D. Jones

John H. Bauckhaus
Charles A. Johnson

CITY OF ALBION,
a Michigan municipal corporation

By: Nehobid Acote
Its Mayor

By: Annus B. Berman
Its Clerk

TOWNSHIP OF SHERIDAN
CALHOUN COUNTY, MICHIGAN

By: James Shinkus
Its Supervisor

By: Jeani Bondt
Its Clerk

DESCRIPTION:

Land located in the Township of Sheridan, County of Calhoun, and State of Michigan, described as follows:

A parcel of land in the South 1/2 of Section 27 and the North 1/2 of Section 34, Town 2 South, Range 4 West, Sheridan Township, Calhoun County, Michigan, being more specifically described as beginning at the Southwest corner of said Section 27; thence North $00^{\circ}09'55''$ West 1477.78 feet along the West line of said Section 27 and the center line of 27 Mile Road to the centerline of "C" Drive North (AKA Territorial Road); thence North $89^{\circ}48'10''$ East along said centerline, 746.41 feet to the southerly Right of Way line of I-94; thence easterly along said southerly Right of Way line 3575.08 feet to the west line of the east 1/4 of the Southeast 1/4 of said Section 27; thence South $00^{\circ}08'55''$ East 851.16 feet parallel with the East line of said Section 27 to a point on the South line of said Section 27 and North $89^{\circ}26'45''$ West 1126.50 feet from the Southeast corner of said Section 27; thence North $89^{\circ}26'45''$ West 1528.08 feet along the South line of said Section 27 to the quarter post common to said Sections 27 and 34; thence South $00^{\circ}06'28''$ East 420.00 feet along the North and South 1/4 line of said Section 34 to the Westerly line of Hoaglin Drive; thence South $73^{\circ}23'32''$ West 20.00 feet along the Westerly line of Hoaglin Drive; thence Southwesterly 328.77 feet along the Westerly line of Hoaglin Drive and the arc of a 406.00 foot radius curve to the left, central angle $46^{\circ}23'49''$, long chord bearing South $49^{\circ}31'44''$ West 319.87 feet; thence Southwesterly 351.28 feet along the Westerly line of Hoaglin Drive and the arc of 660.80 foot radius curve to the left, central angle $30^{\circ}27'30''$, long chord bearing South $11^{\circ}06'17''$ West 347.16 feet; thence North $89^{\circ}24'31''$ West 1663.46 feet; thence North $00^{\circ}09'20''$ West 976.34 feet to the north line of said section; thence West 660.00 feet along the North line of said Section 34 to the West line of said Section 34 to the point of beginning.

LAND ANNEXED INTO THE CITY OF ALBION AS
OF MAY 1991 AND NOT SUBJECT TO ANY P.A. 425 AGREEMENT.

Act 425 Conditional Land Transfers

Introduction

In 1984, legislation was adopted in Michigan to promote economic development within the state by providing a method by which cities, villages, and townships may agree to engage in cooperative economic development projects for their mutual benefit. (PA 425 of 1984, MCL 124.21 et seq.)

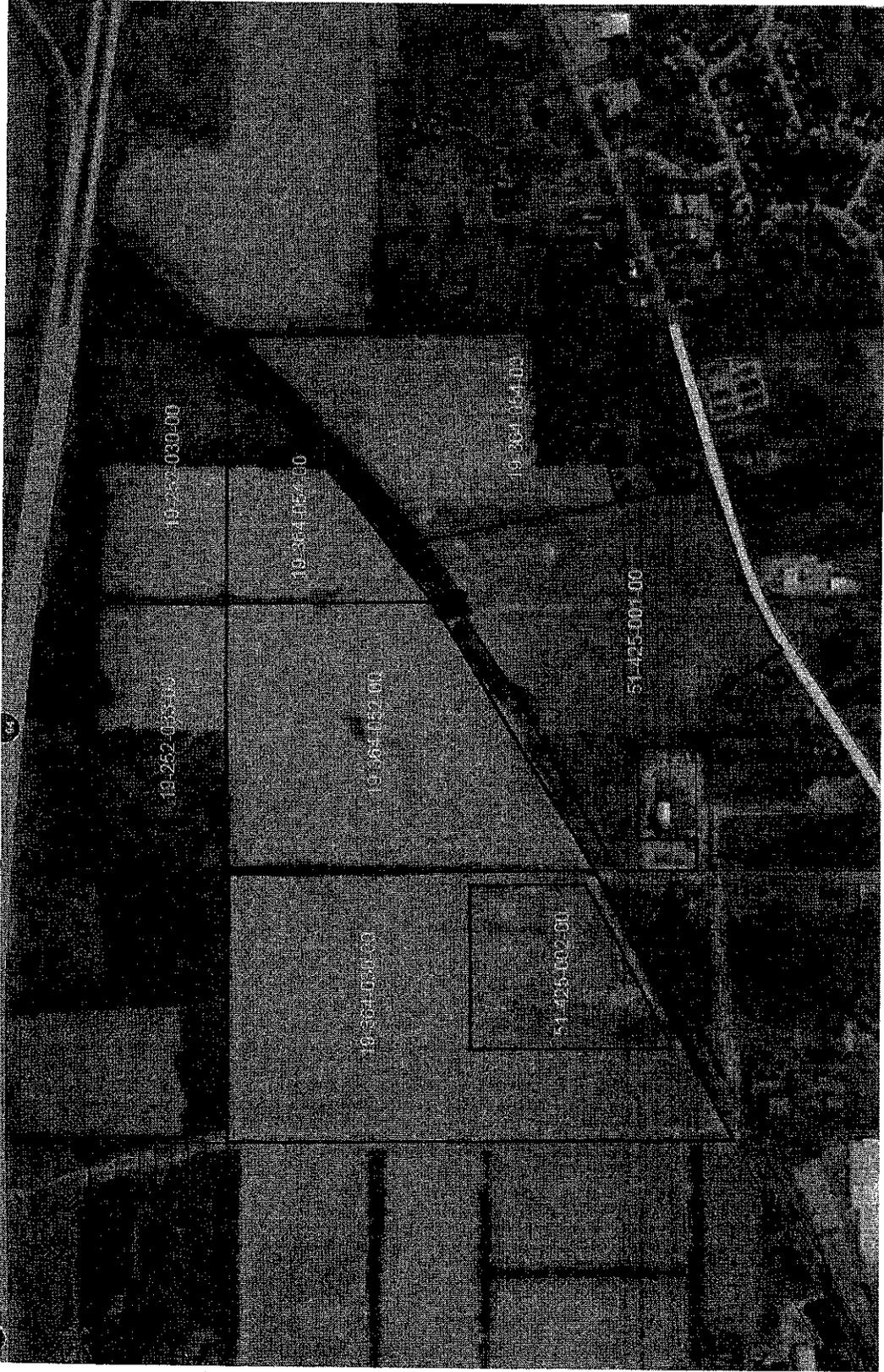
The legislation recognizes that economic growth of communities is often constrained or thwarted by lack of public infrastructure services within an area targeted for growth. A proposed area of economic growth is faced with the dilemma of investing in the development of the needed services or contracting, at a premium, for the services. The threat of annexation by an adjacent unit of government to provide the services to the proposed area of growth does little to promote cooperative economic expansion.

What are the basic provisions of Act 425?

The basic provision of an Act 425 agreement is the conditional transfer of land from one unit of government to another for a limited period of time, not to exceed 50 years. The agreement must involve an economic development project—defined by the Act as “land and existing or planned improvements suitable for use by an industrial or commercial enterprise, or housing development, or the protection of the environment, including, but not limited to, groundwater or surface water.

Requirements of an Act 425 transfer include:

1. Written agreement
2. Consideration of various factors including:
 - population density
 - land area and land uses
 - assessed valuation
 - past and probable future growth, including population increase and business, commercial, and industrial development
 - comparative data of the local units of government
 - need for organized community services
 - cost and adequacy of governmental services
 - probable change in taxes
 - financial ability of the local unit responsible for services in the area to provide and maintain those services
 - general effect on the local units of the proposed action
3. Public hearing and opportunity for referendum
4. Contractual provisions of term, authorization for sharing of taxes and revenues, methods of enforcement of contract and indication of which unit has jurisdiction upon termination of agreement



19-252-033-00

19-252-030-00

19-304-056-00

19-304-064-00

19-304-057-00

51-425-007-00

19-304-058-00

51-425-002-00

