

INTERLOCAL AND CONDITIONAL TRANSFER AGREEMENT

This agreement entered into by and between the City of Alma, a Michigan municipal corporation, of 525 E. Superior Street, Alma, Michigan 48801, (hereinafter referred to as “Alma”); the City of St. Louis, a Michigan municipal corporation, whose address is 108 West Saginaw Street, St. Louis, Michigan, 48880 (hereinafter referred to as “St. Louis”) (Alma and St. Louis shall also be referred to as the “Transferee Municipality”, “City” and “Cities”); and the Township of Pine River, a Michigan general law township with offices at 1495 W. Monroe Road, St. Louis, 48880 Michigan hereinafter referred to as “Pine River”.

WITNESSETH:

WHEREAS, the parties to this agreement are local units as that term is defined by Public Act 425 of 1984, as amended, that being MCL 124.21 et seq (“Act 425”), and

WHEREAS, Alma and St. Louis are each organized under the Home Rule Cities Act being Public Act 279 of 1909, as amended, MCL 117.1 et seq, and

WHEREAS, Pine River is a general law township organized and existing under Chapter 16 Revised Statutes of 1846 being MCL 41.1 et seq (the Township Act), and

WHEREAS, the parties are local governmental units as that term is defined by the Urban Cooperation Act of 1967, Public Act 7 of 1967, as amended by Public Act 108 of 1995, being MCL 124.501 et seq (“Act 108”), and

WHEREAS, areas within Alma, Pine River and St. Louis are proposed for future commercial or industrial development, and

WHEREAS, such development will result in increased need for public services including public water and sewer services and the upkeep and maintenance thereof, and

WHEREAS, Alma and St. Louis are seeking underground well sources of potable water for

their use, and

WHEREAS, it is anticipated that the industrial and commercial development will have substantial needs for both potable and non-potable water, and

WHEREAS, the parties anticipate substantially increased demand for housing and retail/commercial development as a direct consequence of such industrial and commercial development, and

WHEREAS, the parties recognize the additional potential benefits to be realized by each of them from increased ad valorem tax revenues or specific taxes levied in lieu of general ad valorem taxes, upon both real and personal property, and

WHEREAS, the parties recognize that the additional public services, facilities and infrastructure required for such development can and should be planned, constructed, operated, maintained and repaired most effectively and most cost efficiently through the combined efforts and cooperation of the parties, and

WHEREAS, Alma and St. Louis currently own and operate public water supply systems, and;

WHEREAS, Pine River desires that Alma and St. Louis provide water and waste water service to customers in Pine River pursuant to the terms and conditions of this Agreement, and;

WHEREAS, Alma and St. Louis are willing and capable to provide such water and waste water service to customers within Pine River pursuant to the terms and conditions of this Agreement, and;

WHEREAS, Alma, Pine River and St. Louis have a mutual desire to build a water and waste water system consistent with their present land use plans, in regard to development density, to better manage and control long term infrastructure costs to all parties, and;

WHEREAS, Alma and Pine River have previously entered into waste water service agreements on February 2, 1976, August 12, 1997 and April 30, 2003; and St. Louis and Pine River have previously entered into waste water and water service agreements on May 10, 1977, and amended on June 14, 1977, January 8, 1980, and January 8, 1997 (limited to wastewater) and October 19, 2005; , and all parties now recognize the need to alter those agreements by expanding the Pine River waste water and water service areas, and enacting new Pine River water and waste water service areas, and, to the extent appropriate, incorporating the original agreements, and any amendments, into one agreement, and;

WHEREAS, pursuant to 1984 PA 425, and 1967 PA 7, as amended and 1995 PA 108, the City Council of Alma held a public hearing on December 22, 2006 at 7:35 a.m. and the City Council of St. Louis held a public hearing on December 19, 2006 at 7:30 a.m. and Pine River Township held a public hearing on December 20, 2006 at 7:30 p.m. regarding this Agreement, notice of which was given in the manner required by law, and;

WHEREAS, the Alma City Council and St. Louis City Council and Pine River Township have each decided, by majority vote of the members duly elected and serving on each respective body, to enter into this Agreement and have authorized their respective representatives to execute this Agreement on their behalf.

NOW, THEREFORE, it is hereby agreed as follows:

**ARTICLE I. INTERLOCAL AGREEMENT:
POTABLE AND WASTE WATER SYSTEMS**

1. Service Area

The prior waste water agreements dated February 2, 1976, August 12, 1997 and April 30, 2003 between Alma and Pine River and wastewater agreements dated May 10, 1977, as subsequently amended, and October 19, 2005 between St. Louis and Pine River are incorporated by reference into this Agreement. If any provision in these prior agreements is inconsistent with the provisions of this Agreement, this Agreement shall control.

The parties have established service areas within Pine River's boundaries to which Alma or St. Louis will provide potable water and from which they will accept and treat waste water, pursuant to the terms of this Agreement. The Alma/Pine River service area is described in the map attached hereto as Exhibit A ("Alma Service Area") and the St. Louis/Pine River service area is described in the map attached as Exhibit B ("St. Louis Service Area.").

2. Request for Service

A property owner within a service area described in Article 1 of this Agreement (hereafter "Applicant") may request to be provided potable water, wastewater treatment, or both. Such request shall be made in writing addressed to either Alma in the case of the Alma Service Area or St. Louis in the case of the St. Louis Service Area at the address provided in this Agreement, with a copy to Pine River at the address provided in this Agreement. Either Alma or St. Louis shall provide the requested service, to Pine River's water and or waste water treatment system subject to the terms of this Agreement, at such time as Pine River certifies that it has extended or constructed the necessary

water and or sewer mains to the Applicant's property line. The Applicant shall pay Alma or St. Louis the prevailing tap in fee or other customary fees required for new water or sewer connections required by City residents, including for example, the curb box, yoke and meter, prior to making a new connection. The payment of this fee shall not satisfy, waive or diminish any fees, costs, assessments or other charges required to be paid by the applicant, affected property owner or other person or entity responsible to satisfy same as charged or assessed by Pine River in connection with its extension, construction or operation of the necessary water and or sewer mains. All such connections shall be inspected and approved by Alma or St. Louis prior to completion of the connection(s).

3. Construction, Maintenance, and Ownership of Infrastructure within Service Area

Pine River shall, at its sole cost and expense, construct all sewer and water mains, meters, lift stations, water towers and other facilities ("infrastructure") necessary to fulfill the terms of this Agreement within the Alma Service Area or St. Louis Service area, as the case may be. Such infrastructure shall be constructed to Alma or St. Louis's specifications. Pine River's water and waste water systems shall connect to Alma or St. Louis at points mutually agreeable to both Pine River and Alma or St. Louis with meters being installed at each point of connection to either Alma or St. Louis' existing system. Except as otherwise provided below in this section, upon completion, such Service Area infrastructure shall remain the property of the Township. Alma or St. Louis shall be responsible for the operation and maintenance of the facilities necessary for the proper, efficient and lawful operation of such facilities on the same basis, with the same regularity, and with the same quality as it maintains the infrastructure it currently owns. Alma or St. Louis shall be solely responsible for the repair, maintenance and replacement of water mains and related

infrastructure; provided, however, that the cost of replacing 24 or more continuous linear feet of water mains within Pine River shall be reimbursed to Alma or St. Louis by Pine River. Alma and St. Louis shall invoice Pine River for these replacement costs, which shall include a detail of time and material charges. Repair, replacement, and maintenance of wastewater infrastructure shall be governed by the parties' earlier agreements.

Alma or St. Louis may require Pine River to oversize or cause the over-sizing of the Pine River water and waste water lines within the applicable Service Area to permit the future use of such distribution lines for the extension of water or waste water services to persons outside Pine River, provided the City making the request pays the incremental cost of such over-sizing. The oversized infrastructure, and the capital recovery fee proceeds, shall be owned by Pine River and the applicable City, in proportion to their respective investment in the infrastructure.

Should Alma or St. Louis elect to construct water or sewer infrastructure along its boundary with the applicable Service Area it shall provide written notice of its intention to Pine River. Said notice will include the cost of the proposed infrastructure. Pine River may elect to bear one half of the cost of such infrastructure by advising the notifying City of Pine River's intent to do so, in writing, within 180 days after its receipt of the City's notification. Should Pine River fail to timely respond, and/or elect not to participate in the cost, the notifying City requesting the infrastructure may proceed with construction of the infrastructure at its own expense. The cost of construction shall be charged to connecting property owners as a capital recovery fee and shall be prorated upon a front foot basis or other method of capital cost allocation. The capital recovery fee shall be shared equally by the City requesting the infrastructure and Pine River if it has elected to bear one half of the infrastructure cost. In the absence of participation by Pine River, the requesting City shall be entitled to retain the entire capital recovery fee. At such time as the entire cost related to

construction of the new infrastructure, including financing costs, has been reimbursed by such fees, no further capital recovery fees shall be charged to applicants with respect to such infrastructure. However, the City may charge all other fees which it customarily charges to new water or waste water customers of the City.

4. Rates and Charges

Property owners within the service area connecting to Alma or St. Louis's potable and/or waste water systems shall pay commodity, ready to serve, and similar sewer rates in accordance with the parties' earlier agreements, and water rates equal to 1.25 times the rates established for the City's residents, using the same rate schedule as provided to other similar properties within the City. Alma and St. Louis shall read all water meters and bill all customers within their respective service areas with Pine River in accordance with that City's Code of Ordinances and water and waste water systems rules and regulations and procedures. Alma or St. Louis shall make available to Pine River, upon request, all records and other documents used to establish rates. With respect to bills, customers within the service area shall be subject to the same requirements and have the same accommodations as the servicing City's customers regarding time limits for payment, discounts, penalties, the resolution of disputes, disagreements or other complaints, the testing of meters for accuracy, and all other related matters. However, Alma and St. Louis may bill Pine River for any service area customer who is more than 180 days delinquent and Pine River shall promptly pay the entire delinquent amount with such penalties and interest as are charged to other customers of the City; provided, however, that the City shall have provided Pine River written notice of such nonpayment when such delinquency reaches 90 days. Upon any such payment to Alma or St. Louis by Pine River, the City shall assign all its rights to collect for the services rendered to Pine River and cooperate as necessary with Pine River's efforts to recover same from the responsible party or

parties.

If requested by Pine River, Alma and St. Louis shall add additional charges to Pine River bills which relate to bills for water and sewer service. Said request must be in the form of a resolution adopted by the Pine River Township Board. The amount collected, together with an appropriate accounting, shall be remitted by the City to Pine River within thirty (30) days of the end of each calendar quarter. With respect to the St. Louis Service Area, Pine River shall continue the current practice of billing those customers who are within the Service Area, until Pine River and St. Louis enter into an agreement which provides for billing by St. Louis.

5. Maximum Water Usage

Alma will each furnish no more than 225,000 gallons of potable water per day to the Pine River water service area. St. Louis will furnish no more than 110,000 gallons of potable water per day to the Pine River water service area. This maximum allocation shall not include water that is required for fire suppression or other emergency uses. Notwithstanding the maximum gallons specified by this provision, Pine River shall be entitled to 5% of any future increase in Alma's water treatment capacity. The cost of future expansion of or improvement to Alma's and St. Louis' treatment facilities shall be paid from revenues received for water rates, including commodity and ready to serve charges, unless the cost of improvements cannot be amortized upon terms satisfactory to Alma or St. Louis by such method; in which event Alma or St. Louis may finance such improvements using other recognized and lawful methods.

If the average daily water usage, calculated monthly, exceeds the maximum allocation, there shall be no new connections to the City where the maximum allocation has been reached until that City and Pine River have mutually determined whether the additional maximum daily water allocation can be increased, and have agreed upon the terms and conditions for said increase.

6. Delivery of Water

The water delivered to Pine River customers shall meet all applicable standards of the Michigan Department of Public Health, the Department of Environmental Quality, or any successor regulatory agency and shall be delivered with adequate pressure and sufficient quantities to meet substantial demand, provided, however, Alma and St. Louis do not guarantee uninterrupted service and are not responsible for a temporary water loss during an emergency.

In cases involving maintenance, testing, repair, replacement or installation, Alma or St. Louis will provide twenty-four (24) hours notice to Pine River of the disruption in service.

In the event Alma or St. Louis is unable, as a result of an emergency, to provide water or waste water service to Pine River customers in the quantity and/or capacity required, the quantity and/or capacity which the City can provide shall be allocated insofar as practical during such periods to Pine River customers and all customers of the City's system in equitable proportions so that all customers are subject to similar restrictions on water and waste water services.

Pine River shall not permit water supplied by either Alma or St. Louis to be mixed or mingled with water from any other source unless approved by Alma or St. Louis. Alma, St. Louis and Pine River shall guard against all forms of contamination of water supplied by both Alma and St. Louis. Each party shall immediately notify other parties to this Agreement of any water contamination of which it becomes aware, and each party, to the extent the abatement of such contamination is within their control, agrees to take or assist in all reasonable steps to correct the contamination.

7. Future Wells

Alma and/or St. Louis may drill one or more wells within Pine River's boundaries and jurisdiction for the purpose of producing potable water. Alma or St. Louis shall be solely

responsible for all expenses associated with exploration, location, analysis, drilling, and construction of such wells. Alma or St. Louis shall also be solely responsible for the entire cost of construction of such water mains and pipes necessary to connect such wells to its water treatment system. Alma or St. Louis shall be solely responsible for the cost of acquiring any property interests necessary; provided, however, that to the extent that any right of way is required from Pine River itself, it shall grant such right of way without consideration. In the event of such use of right-of-way by Alma or St. Louis, the City using the right-of-way shall restore the right-of-way including all facilities, pavement and soil located thereon in as good condition as before such use.

8. Ordinances

Alma and St. Louis have adopted ordinances governing the use of, and connection to, their wastewater and potable water systems. Such ordinances also prohibit cross connections. Pine River shall adopt ordinances incorporating the provisions of the Alma and St. Louis ordinances, such that enforcement of all ordinances shall be uniform. Pine River shall also adopt water and sewer policies and ordinances incorporating the provisions of Alma's and St. Louis' water and waste water policies. All parties shall review and amend such ordinances and policies as may be required from time to time in order to assure uniformity. Pine River agrees to enforce such ordinances within the jurisdictional limits of the Township.

9. Water Treatment

The parties recognize that decisions regarding water treatment (such as fluoridation) may be decided by the electorate of Alma and St. Louis. In such event, Pine River agrees to accept and be bound by such decisions.

10. Sewage Treatment Volume

Nothing contained herein shall be deemed to modify in any way the parties' existing

agreements regarding the volume of sewage to be treated by Alma's and St. Louis' waste water treatment facilities. Pursuant to such agreements, Alma will accept and treat 175,000 gallons per day from Pine River and St. Louis will accept and treat 84,000 gallons per day from Pine River.

11. Hydrants

The Cities shall consult with Pine River with respect to the number and location of fire hydrants in the Township service areas. The Cities shall determine the location of hydrants based upon a generally recognized standard. Pine River shall pay or cause to be paid the cost of acquisition and installation of such hydrants. Hydrants in service areas shall be installed in accordance with Alma or St. Louis's specification. For all hydrants now and hereafter located in one of the Pine River service areas, the Township shall pay either Alma or St. Louis an annual charge per hydrant equal to that City's hydrant rental fee. Such hydrants may only be used for fire protection unless prior written permission for a different use is obtained from Alma or St. Louis.

Pine River agrees to reimburse Alma or St. Louis for all reasonable costs associated with the installation of fire hydrants in service areas, when work is performed by Alma or St. Louis, on a time and materials basis. Replacement of hydrants located in the service areas that are damaged shall also be on a time and materials basis. Alma and St. Louis shall invoice the Township for these costs which shall include a detail of the time and materials charges.

ARTICLE II. CONDITIONAL TRANSFER

1. Factors Considered

Prior to the execution of this Agreement the parties have considered numerous factors including but not limited to the following:

- a. Density and composition of population;
- b. Land area and uses;
- c. Topography and natural boundaries;
- d. Assessed valuation;
- e. Drainage and soil erosion;
- f. Both proposed and possible future commercial and industrial development and growth;
- g. Residential development and growth;
- h. The ability to provide essential governmental services; and the practical effect of transferring property from one party to another including the impact on taxes and tax rates.

2. Annexation and Detachment

The parties recognize that discussions of annexation or detachment of property from one party to another can result in division, discord, and expense to all parties. The parties further recognize that proposed and future industrial and commercial development will spur growth and enhance the tax base of all the parties. The parties further recognize and acknowledge that it is in their respective interests to establish certain boundaries within which the future transfer of real property can occur without dispute.

3. Establishment and Delineation of Urban Growth Area

The parties hereby establish separate urban growth areas for Alma and St. Louis within which the transfer of real property from Pine River may occur, which are depicted in the maps attached hereto as Exhibit C and Exhibit D. (Hereafter “Growth Area”).

4. Transfer of Property

Until transferred, jurisdiction over the property within the Growth Area shall remain with Pine River.

Property within the growth area shall be transferred to the Transferee Municipality:

a. Upon the request of a property owner, of property sharing a boundary with the Transferee Municipality, provided however, such transfer shall only occur upon the approval of Alma City Commission or St. Louis’s City Council;

b. or, Upon the request of a property owner of property, sharing a boundary with the Transferee Municipality, to be provided with sewer or water service, subject to the provisions of Article I Section 2., above, provided however, that such transfer and the provision of such services shall only occur upon the approval of Alma City Commission or St. Louis’s City Council and after appropriate infrastructure is in place to facilitate such service.

The Transferee Municipality shall have the right to deny transfer and provide services if subsequent to the execution of this Agreement, Pine River has taken action which affects or limits the Transferee Municipality’s right to tax or assess the property, or to develop the subject property in a manner which is inconsistent with the cooperative planning as provided under Article III of this Agreement.

Upon such transfer, full jurisdiction of the property shall transfer to the Transferee Municipality, together with all rights-of-way adjoining the property and each shall become subject to the jurisdiction of such City for all purposes. In such event transfer will be evidenced by the filing

of a resolution of the legislative body of the Transferee Municipality certifying that it has accepted the property under the terms of this Agreement, which resolution shall legally describe the property transferred.

A property's connection to waste water and potable water systems shall be required, at the property owner's expense, when sewer and water lines are extended to the property line. However, properties already receiving sewer as of the date of this Agreement are not required to transfer into Alma or St. Louis until they also request to receive water service and share a boundary with the City.

5. Governmental Services

Upon the transfer of jurisdiction to the Transferee Municipality as provided above, the Transferee Municipality shall provide all municipal facilities and services existing at the time of transfer afforded to property owners within the city to which the transfer is made.

6. Ordinance Enforcement

Upon transfer each such property shall be subject to the enforcement of all ordinances, codes, rules and regulations in effect or subsequently enacted by the city to which it is transferred. Pine River shall grant such rights-of-way, franchises, and other permission which the Cities determined to be necessary to provide the services and facilities within the Growth Areas.

7. Zoning

Upon transfer subject to the provisions set forth above each parcel shall be subject to the Transferee Municipality's zoning ordinances as then in effect or as subsequently amended or enacted.

8. Taxation

Upon transfer as provided above, the transferred property shall be deemed to be within the Transferee Municipality's corporate limits and jurisdictions, subject to Article II, section 15, for all

purposes of taxation, including but not limited to ad valorem real and personal property taxes, specific taxes, payments in lieu of taxes, tax abatements, and tax increment financing, as provided by law.

9. Special Assessment

Property transferred pursuant to this Agreement shall be subject to the Transferee Municipality's jurisdiction for all purposes of special assessments. However, special assessments which affect the Property transferred at the time of transfer shall continue to be paid to Pine River, unless the parties otherwise agree.

10. Charges for Governmental Services

Property transferred pursuant to this Agreement shall be subject to the same charges at the same rates for governmental services as provided to other properties within the jurisdiction of the Transferee Municipality.

11. Income Taxes

For the purpose of levying and collecting any city, personal and corporate income taxes, if any, the property transferred pursuant to this Agreement shall be considered as being within the corporate limits and jurisdiction of the Transferee Municipality and the definitions of "resident" and "non-resident" set forth in the city income tax act, Act 284 of the Public Acts of 1964 as amended. MCL 141.501 et seq, shall apply to such parcels.

12. Lien

All liens provided by City Ordinance's or State Law pertaining to the provision of services and the enforcement of special assessments and ad valorem real and personal property taxes shall have the same force and affect with respect to property transferred pursuant to this Agreement as to other property within the corporate limits of the Transferee Municipality.

13. Voting

Any persons residing upon property transferred pursuant to this Agreement shall be deemed to be an elector of the Transferee Municipality and shall be entitled to vote in all of that municipality's elections.

14. Limitation on Annexation

Pursuant to Section 9 of Act 425, during the term of this Agreement no other annexation or transfer shall take place within the growth areas except as provided under this Agreement.

15. Taxes and other revenues

During the term of this Agreement, after a parcel of property which is located within the growth area is transferred to the Transferee Municipality, ad valorem taxes on real and personal property and payments in lieu of property taxes and any other taxes or revenues from the parcels transferred pursuant to this Agreement shall be shared as follows:

- a. The Transferee Municipality shall levy ad valorem real and personal property taxes on all real and personal property and payments in lieu of property taxes, and any other taxes or revenues from the transferred areas, in accordance with statutes and ordinances so providing, including the power to levy special assessments. During the term of this Agreement, by March 31st of each year the Transferee Municipality

shall remit to Pine River a total sum equivalent to the number of mills which were assessed by Pine River at the time of transfer, (one (1) mill equals \$1 per \$1000 of taxable value) (hereafter the “Pine River Millage Rate”) multiplied by the total taxable value of real and personal property within the transferred areas. The applicable millage amount attributable to personal property taxes shall be paid to Pine River within 30 days from the time said taxes are collected. Pine River’s right to receive the above tax payment is subject, however, to the following:

(1.) A proportional reduction as may be required in the event of a tax roll back pursuant to the Headlee Amendment.

(2.) In the event that a taxpayer should successfully challenge the payment of any such ad valorem tax, then Pine River, upon notice from the Transferee Municipality, shall repay it’s pro rata share of any refund amount to the City forthwith. Pine River’s obligation under this subsection shall survive the termination of this Agreement and continue until the conclusion of all pending tax appeals.

(3.) In the event that no revenue is received by the Transferee Municipality from the transferred property (including replacement revenue as provided in subparagraph (b) of this section), Pine River shall receive no payment with respect to such property.

b. If the Transferee Municipality, does not levy the same millage on the transferred property, but it receives equivalent revenue from other sources, such as income taxes, sales, value added, revenue sharing or other sources of municipal revenue, which have the effect of replacing the ad valorem tax revenue from the subject property, then, the Transferee Municipality shall annually or more frequently, within 30 days

of the receipt of such revenues, pay a portion of the replacement revenues to Pine River. The revenue received by Pine River shall be equal in proportion to the Pine River millage rate and the Transferee Municipality's millage rate which existed before the reduction of ad valorem property taxed on the subject property. The Transferee Municipality shall annually or more frequently pay to Pine River, within 30 days of the receipt of the replacement revenues.

- c. Any revenue derived from special assessments shall not be shared; provided, however, that the Transferee Municipality will collect and transmit to Pine River any installments of special assessments which were established by the Township prior to the date of the conditional transfer to the City, as those special assessments become due and payable, However, Pine River's existing or future fire or police protection or similar special assessment, shall not apply to property conditionally transferred pursuant to this Agreement. Pine River shall furnish to the Transferee Municipality all records, levies, and documents of every sort and description necessary to facilitate the collection of the foregoing special assessments by the Transferee Municipality.
- d. Subject to Article II, Section 15a all other revenue derived from the property conditionally transferred or payable on account of residents within the transferred areas, including but not limited to state or federal revenue sharing, lease payments, permits, franchise fees, license fees, inspection fees, income taxes, special assessments, charges for water, sewer or other utility services, capital charges, connection fees and tap in fees, shall be collected by and belong to the Transferee Municipality.

16. Term

The term of this Agreement shall commence upon the date of the last signatory to this Agreement and shall be for fifty (50) years. This Agreement may be extended for an additional period of fifty (50) years by mutual agreement of the Cities and Pine River. In the event both Cities do not agree to renewal, the renewal shall only be effective as between the agreeing City and Pine River should the Township also agree to renewal. The renewal shall automatically occur unless a party provides the others with written notice of intent not to renew at least sixty (60) days prior to the expiration of the initial fifty-year term. The second term shall be on the same terms and conditions as stated in this Agreement unless the parties agree otherwise in writing.

17. Termination – Rescission

This Agreement may be terminated:

- a. By the expiration of the term of this Agreement;
- b. By mutual written agreement of the parties;
- c. By a referendum of the residents of a local governmental unit that is party to this Agreement pursuant to State law, after approval of the Agreement by the governing body of the local unit of government. If this Agreement is terminated as to only one City it shall remain effective as to the remaining City and Pine River; or
- d. By operation of law should a court of competent jurisdiction order the termination of this Agreement.

18. Jurisdiction After Termination or Expiration

Upon expiration or termination of this Agreement property within the growth area which has transferred to Alma or St. Louis, pursuant to this Agreement, shall be deemed to have transferred permanently to the jurisdiction of the Transferee Municipality for all purposes. Any property within the Growth Area, which has not transferred to Alma or St. Louis, shall remain in the jurisdiction of

Pine River.

19. Modification

No party to this Agreement may unilaterally terminate this Agreement prior to the expiration of its term. This Agreement may be amended with the prior written approval of all parties. There are no third party beneficiaries to this Agreement and none are intended.

20. Continuing Responsibilities for Individual Liabilities

The Transferee Municipalities and Pine River shall each be responsible for such liabilities as may be incurred through their respective provisions of governmental services and other performances of this Agreement and each shall respond to and provide for such liabilities on the same basis as the Transferee Municipalities and Pine River do generally.

ARTICLE III. LAND USE PLANNING

The parties to this Agreement recognize that while each has its own individual characteristics and concerns regarding property use, topography, population, and other matters related to land use planning; nevertheless it is in the interest of both parties to foster a degree of uniformity in the areas of zoning and land use planning. Therefore the parties agree as follows:

1. Each of the parties will designate a member of its staff familiar with each party's planning and zoning ordinances, rules and regulations to serve on a committee regarding land use planning.
2. Such committee shall review all of the parties' ordinances, rules, regulations and requirements regarding zoning and planning.
3. Such committee shall identify areas of commonality and determine the extent to which uniformity can be acknowledged and/or established.
4. Such committee shall identify those areas and/or characteristics peculiar to each party which require separate and specific planning.
5. Such committee shall meet as frequently as it shall deem necessary in order to formulate a recommendation to the legislative bodies of each of the parties.
6. Each of the parties agrees that it will carefully consider any such recommendation. In the event that a party elects to amend its ordinance to reflect all or part of the recommendation made, it shall do so pursuant to statute or ordinance so providing and in addition to the provisions regarding notice contained therein, shall provide actual notice to the other party of the actual text of the proposed amended ordinance, rule or regulation.

ARTICLE IV. ENTIRE AGREEMENT

This agreement constitutes the entire agreement of the parties and may not be modified or amended except by the written agreement of the parties.

ARTICLE V. GOVERNING LAW

This Agreement shall be construed in accordance with the laws of the State of Michigan. The parties hereby consent to the jurisdiction and venue in the Circuit Court for the County of Gratiot with respect to all complaints, claims, demands, or other issues related to or arising from this Agreement.

ARTICLE VI. NON-ASSIGNMENT

No party of this agreement shall assign any of its rights, duties or obligations here under without the written consent of all parties.

ARTICLE VII. SEPARABILITY

In the event that any provision of this Agreement is held to be unenforceable for any reason, such holding shall not affect the viability and enforceability of the remainder of this Agreement.

ARTICLE VIII. FILING

In accordance with the law so providing this Agreement shall be filed with the Gratiot County Clerk and the Secretary of State Office of the Great Seal upon execution.

ARTICLE IX. BINDING EFFECT

This Agreement is binding upon the parties hereto their successors and assigns.

ARTICLE X. NOTICES

Any notice, demand, or communication required, permitted or desired to be given under this Agreement shall be deemed effectively given when personally delivered or mailed by first class or certified mail addressed to the then acting officials follows:

Manager or if no Manager, Clerk

City of Alma
525 E. Superior Street
Alma, Michigan 48801

Supervisor
Pine River Township
1495 W. Monroe Road
St. Louis, Michigan 48880

Manager or if no manager, Clerk
City of St. Louis
108 West Saginaw Street
St. Louis, Michigan 48880

The parties may, by written notice, designate any further or different addresses to which subsequent notices, demands, or communications may be given.

IN WITNESS WHEREOF the parties hereto have caused this instrument to be executed on the day and year first above written.

IN THE PRESENCE OF

CITY OF ALMA

By: _____

Its: Mayor

By: _____

Its: Clerk

IN THE PRESENCE OF

TOWNSHIP OF PINE RIVER

By: _____

Its: Supervisor

Its: Clerk

IN THE PRESENCE OF

CITY OF ST. LOUIS

By: _____

Its: Mayor

Its: Clerk

EXHIBIT "A"

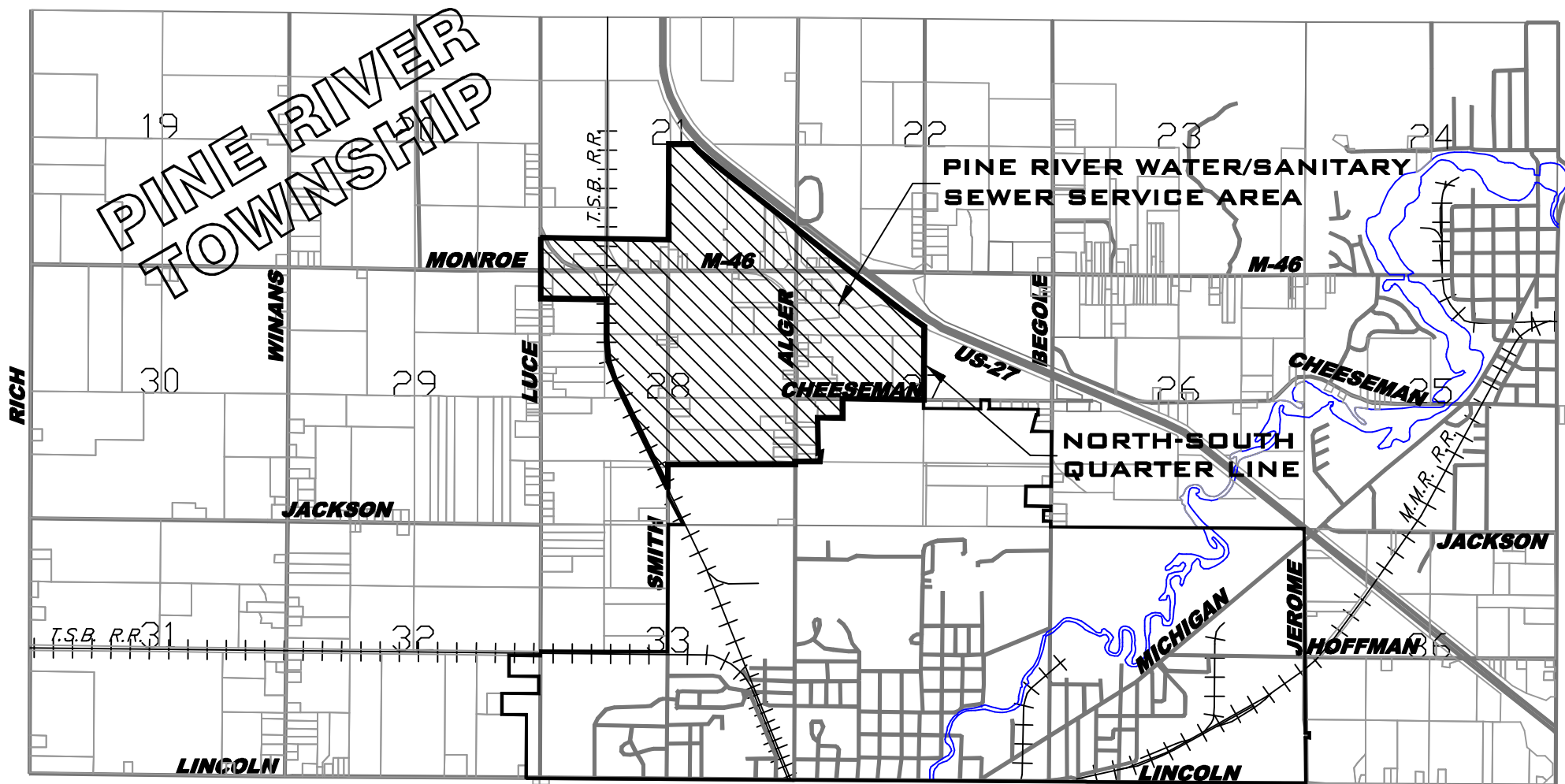


EXHIBIT "B"

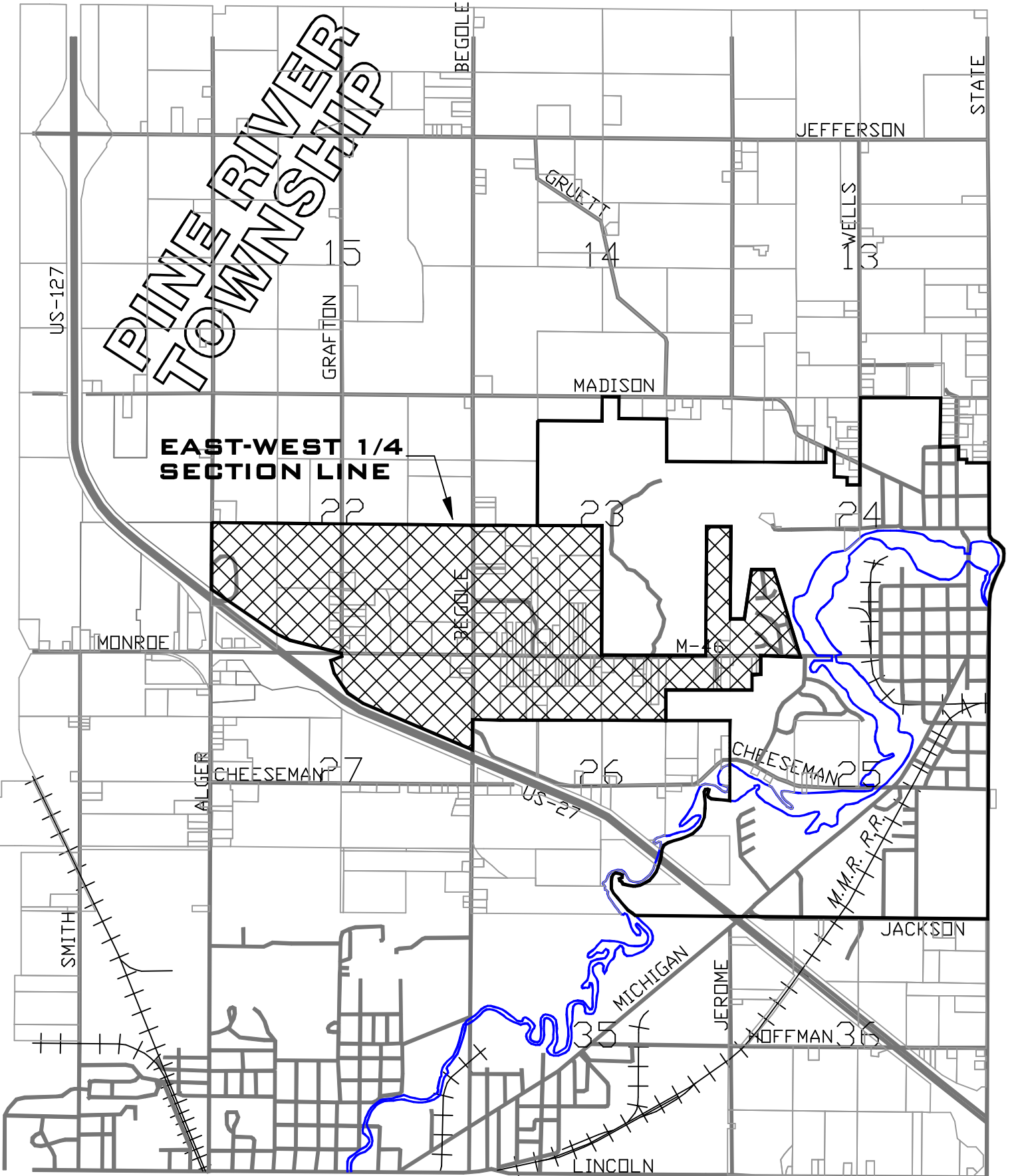


EXHIBIT "C"

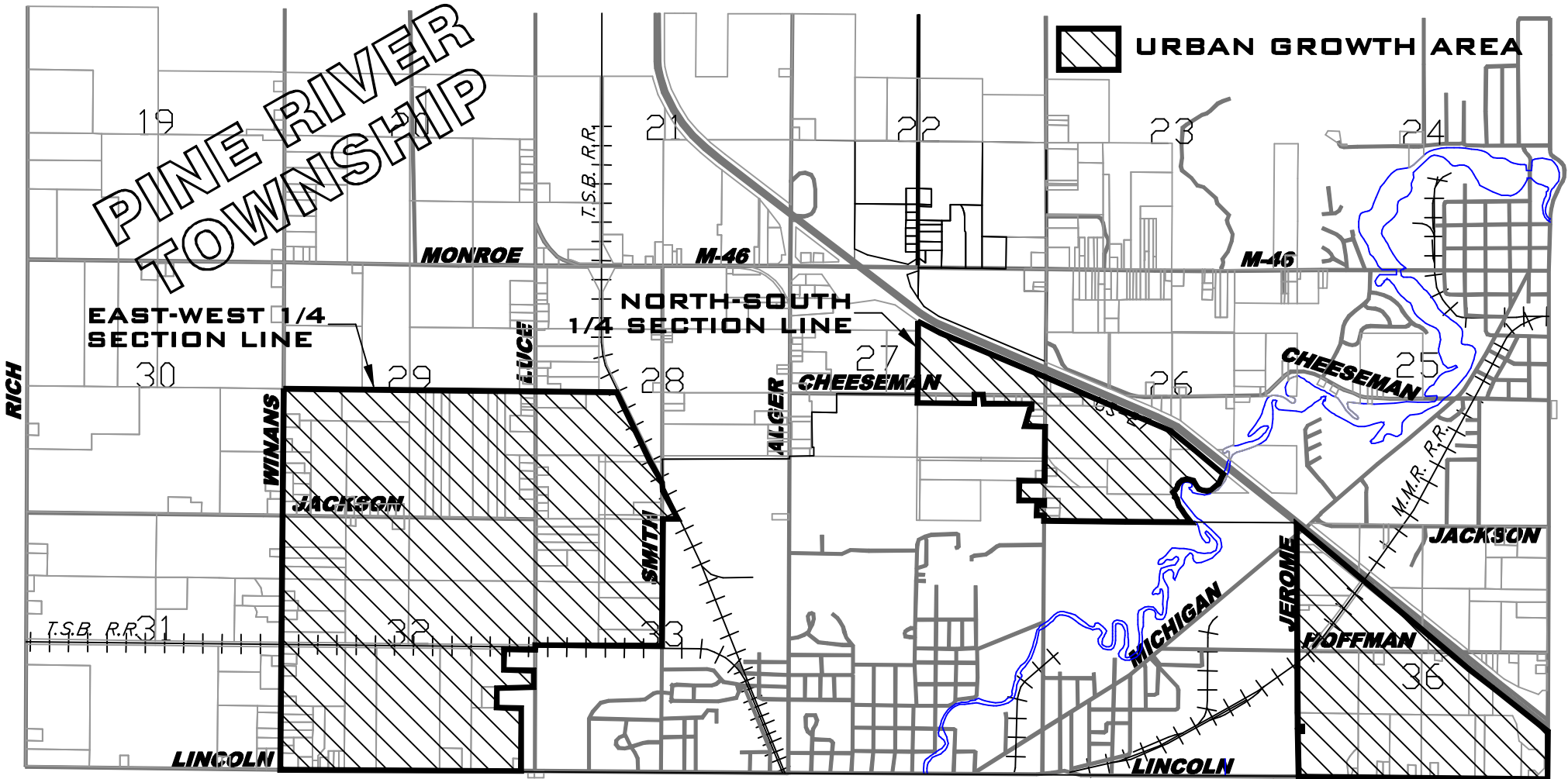


EXHIBIT "D"

