CONTRACT

THIS CONTRACT, dated for references purposes as of 12-10, 1998, is by and between the **CHARTER TOWNSHIP OF GEORGETOWN**, a Michigan charter township and public body corporate, whose address is 1515 Baldwin, Jenison, Michigan 49429 ("**Georgetown**") and the **CHARTER TOWNSHIP OF JAMESTOWN**, a Michigan charter township and public body corporate, whose address is 2380 Riley Street, Jamestown, Michigan 49427 ("**Jamestown**"), and is made with reference to the following facts and circumstances:

A. The parties have previously entered into a Joint Agreement For Conditional Transfer of Property between Jamestown Charter Township and Georgetown Charter Township, Ottawa County, Michigan dated March 14, 1994 (the "**425 Agreement**"); and

B. The parties now desire to clarify and expand the terms of the 425 Agreement.

NOW, THEREFORE, in consideration of the mutual agreements and covenants contained in the 425 Agreement, and in consideration of the mutual covenants and agreements contained in this Contract, the parties agree as follows:

Section 1. **Application**. The parties agree that the 425 Agreement shall only apply to public water and public sanitary sewer mains, lines, facilities and equipment which are connected to the Georgetown public water or public sanitary sewer systems, i.e. the 425 Agreement shall not apply to public water and public sanitary sewer mains, lines, facilities and equipment connected to the City of Hudsonville public water or public sanitary sewer systems or, in the case of water, connected by Jamestown directly to the Wyoming water line. Nonetheless, the parties may contract pursuant to a separate agreement for Georgetown to provide billing services to Jamestown with respect to public water and public sanitary sewer mains, lines, facilities and equipment that are not connected to the Georgetown public water or public sanitary sewer systems.

Section 2. **Special Assessments**. With prior mutual agreement of the parties, Jamestown shall be permitted to establish special assessment districts under 1954 PA 188, as amended, or any other applicable statute or provision of law, to provide for payment of all or part of the cost of public water and public sanitary sewer mains, lines, facilities and equipment which will be connected to the Georgetown public water or public sanitary sewer systems and which are thus subject to the 425 Agreement.

Section 3. **Ordinances**. The parties agree that Jamestown can adopt and amend from time to time public water and public sanitary sewer rate ordinances and resolutions which will

be applicable to public water and public sanitary sewer mains, lines, facilities and equipment which are connected to the Georgetown public water or public sanitary sewer systems. The parties also agree that Jamestown can enforce and collect all rates and charges provided for in such rate ordinances and resolutions, keep and retain all revenues received from the payment of the rates and charges provided for in such ordinances and resolutions not required to be paid to Georgetown pursuant to the provisions of this Contract, and avail itself to all measures provided by the Jamestown rate ordinances and resolutions, the Michigan statutes, and any applicable provision of law for the collection of delinquent rates and charges including, without limitation, placing such delinquent rates and charges on the Township property tax bill.

Section 4. 22nd Avenue Sewer. With respect to the proposed sewer trunk line in 22nd Avenue in Georgetown and Jamestown (the "**Sewer Project**") and all extensions therefrom and connections thereto in Jamestown (collectively the "**Sewer System**"), the following terms shall apply:

(a) Route. The route for the Sewer Project shall be determined by Georgetown for the portion located along the 22nd Avenue corridor; thereafter the route shall be southwesterly through Sections 3 and 4 of Jamestown Charter Township to Quincy Street at a point approximately 1/4 mile east of 32nd Avenue.

(b) Sewer Project Size. The Sewer Project size shall be determined by Georgetown but shall be large enough to accommodate flow from 2,250 residential equivalents based on the table attached to this Contract as **Exhibit B**.

(c) Easements. All easements required for the Sewer Project shall be obtained by and at the expense of Jamestown. Georgetown shall provide reasonable assistance to Jamestown in obtaining necessary easements over property located within Georgetown Charter Township including, but not limited to, using Georgetown's eminent domain power after all of Jamestown's reasonable attempts to voluntarily acquire any such easements have been exhausted. All costs incurred in obtaining easements over property located within Georgetown Charter Township, including Georgetown providing assistance, shall be considered Sewer Project costs, to be apportioned in accordance with Section 4(d), provided the maximum cost allocated to Georgetown shall not exceed $5,000.

(d) Project Cost Sharing. The cost for the construction of the Sewer Project shall be shared by Jamestown and Georgetown in accordance with the formula set forth

in attached **Exhibit A**. The bids for the Sewer Project, all engineering design and inspection fees, and all other costs directly related to the Sewer Project, shall be itemized and categorized as necessary to permit these costs to be accurately assigned to Georgetown and Jamestown respectively as is contemplated by the formula set forth in attached Exhibit A.

(e) Project Construction. Subject to the terms and conditions of this Contract, Georgetown shall acquire, construct, and complete the Sewer Project. Georgetown shall contract for the engineering and design of the Sewer Project and also for supervision of the construction of the Sewer Project. Georgetown shall take construction bids for the Sewer Project in accordance with its customary procedures and enter into construction contract(s) with the lowest responsible bidder or bidders, and obtain from the contractor(s) all necessary and proper insurance coverage and bonds. Georgetown shall use its best efforts to substantially complete the Sewer Project by October 1999 provided all easements necessary for the portion of the Sewer Project in Jamestown are obtained by Jamestown in a timely manner.

Georgetown shall obtain cost estimates for the Sewer Project from its consulting engineers and provide copies of the same to Jamestown as promptly as reasonably possible. These cost estimates will be utilized by Jamestown to determine the amount of bonds to be sold by Ottawa County on behalf of Jamestown to pay Jamestown's share of the total Sewer Project cost. These cost estimates shall include all engineering fees and charges and all other costs related to the Sewer Project which are reimbursable by Jamestown to Georgetown.

Contemporaneously with the execution and delivery of this Contract by the parties, Jamestown shall remit to Georgetown $100,000 as an advance payment by Jamestown for its share of the engineering fees and charges for the initial design and bidding of the Sewer Project. If Jamestown's share of the engineering fees and charges for the initial design and bidding of the Sewer Project exceeds $100,000, on written request by Georgetown, Jamestown shall remit to Georgetown such additional funds as are necessary so that Jamestown pays Georgetown in full for its share of the engineering fees and charges relating to the design and bidding of the Sewer Project.

On written request from Georgetown, Jamestown shall, no later than thirty (30) days after the commencement of construction of the Sewer Project, advance to

Georgetown the sum of $250,000, less any surplus remaining from the initial $100,000 advance or any other advance for engineering fees and charges made in accordance with the immediately preceding paragraph. Thereafter, and periodically during the construction of the Sewer Project, Jamestown shall, upon written request from Georgetown, advance additional funds to Georgetown so that there is a continuing advance by Jamestown to Georgetown for Jamestown's share of the Sewer Project in the amount of $250,000 provided, however, that Jamestown need make no further advances to Georgetown when the unexpended advances Jamestown currently has deposited with Georgetown equal Jamestown's estimated share of the remaining construction cost for the Sewer Project.

All requests for advances should be accompanied by an accounting or calculation describing how the amount requested for the advance has been determined. Any portion of the advances made by Jamestown to Georgetown remaining at the completion of the Sewer Project shall be remitted to Jamestown by Georgetown within thirty (30) days of the date on which the Sewer Project is completed.

Jamestown shall have the right to review the Georgetown books and records concerning the cost of the Sewer Project at Jamestown's own expense on reasonable notice and at reasonable times. During construction of the Sewer Project, Georgetown may regularly consult with and report on the progress of the Sewer Project to Jamestown.

(f) Extensions. Sewer customer connections may be made to the Sewer Project and sewer line extensions may be acquired, constructed, and connected to the Sewer Project in the same manner as Georgetown customers connect to the Georgetown sewer system.

(g) Connections and Interconnections. All sewer customers desiring to connect to the Sewer System shall comply with the connection requirements of the Georgetown Sewer Ordinance and shall pay all applicable connection charges to Jamestown. Jamestown shall collect from the sewer customer all applicable Georgetown connection charges as is provided by the applicable Georgetown sewer rate ordinance and resolution. As of the date of this Contract, the charges to be collected by Jamestown on behalf of Georgetown for all sewer customers desiring to connect to the Sewer System are as follows: Trunkage charge (presently $1,000 per unit) and connection charge

(presently $700). These charges, plus twenty (20%) percent of their total amount to cover increased administrative costs and liability risks resulting from such connections, shall be remitted to Georgetown prior to the sewer connection being completed. Once these funds are remitted to Georgetown, Georgetown shall promptly authorize the sewer connection. Jamestown shall be free to collect such other charges for a sewer connection as shall be provided by Jamestown sewer rate ordinance and resolution.

Georgetown shall have the right, but not the duty, to inspect connections to the Sewer System during and/or anytime after the completion of the connection in the same manner and at the same charges as Georgetown may impose on inspections of connections to the sanitary sewer system located within Georgetown Charter Township. Jamestown shall collect from the sewer customer any applicable Georgetown inspection fee as is provided by the applicable sewer rate ordinance and resolution. Georgetown's inspection, or decision not to inspect, any connection by a sewer customer to the Sewer System shall not constitute any assumption of liability for the design or completion of the connection.

(h) Sewer Customers. Except for the twenty (20%) percent surcharge referred to in subparagraph (f) above, Jamestown sewer customers shall be treated in the same manner as Georgetown sewer customers. To the extent permitted by law, Georgetown shall have the right to turn off the water service of any customer of the Sewer Project who has failed to make payment of sewer charges which are lawfully owing and which have not been paid in a timely manner.

(i) Usage. In recognition of the cost for the Sewer Project to be paid by Jamestown, Georgetown agrees that sewer customers located in Jamestown may connect to the Sewer System and have their wastewater treated and disposed of until such time as the sewer customers in Jamestown connected to the Sewer System equal 1,300 residential equivalent units based on the table attached to this Contract as Exhibit B. At such time as the sewer customers in Jamestown connected to the Sewer System equal 1,300 residential equivalent units based on the table attached to this Contract as Exhibit B, additional connections shall only be permitted if Jamestown pays an additional amount per residential equivalent unit to Georgetown as is necessary to finance Jamestown's share of the future M-21 lift station and force main project based on the actual cost of constructing the lift station and force main. The parties agree that because

of this additional payment, the rates and charges charged to sewer customers in Jamestown connected to the Sewer System shall not include any additional charges or amounts to be used for the M-21 lift station and force main project over and above the rates specified in the 425 Agreement. All connections to the Sewer System shall be subject to there being available treatment plant capacity. If restrictions on connections are imposed on account of a lack of available treatment plant capacity, new Georgetown and Jamestown sewer customers shall be treated in the same manner.

(j) Term. The provisions of this Section 4 shall continue in effect for so long as the Sewer System is in use. Termination of the 425 Agreement shall not cause Section 4 of this Contract to terminate and, should the 425 Agreement terminate, those provisions therein germane to the operation, maintenance, and repair of the Sewer System shall be automatically incorporated as part of Section 4 of this Contract.

Section 5. **Billing**. For sewer customers in Jamestown connected to the Sewer System, Jamestown shall bill those customers for sewer service and pay the proceeds thereof, plus the twenty (20%) percent surcharge, to Georgetown within thirty (30) days of receipt. Alternatively, Jamestown may contract with Georgetown for Georgetown to bill sewer customers located in Jamestown who are connected to the Sewer System. Georgetown reserves the right to collect the trunkage and connection charges described in Section 4(f) above and also the sewer service charges if Jamestown does not make payment to Georgetown of these charges in general conformance with the terms of this Contract provided, however, that before taking over these billing functions, Georgetown shall provide Jamestown with sixty (60) days advance written notice and the opportunity during that time period to take appropriate measures so that payments will be made to Georgetown by Jamestown in general conformance with the terms of this Contract. If Jamestown takes such action, then Jamestown shall be permitted to continue to bill for sewer service charges and also connection and trunkage charges. If Georgetown should assume responsibility for billing as provided above, it shall have the option to schedule the billing in accordance with its internal billing schedule.

Section 6. **Termination**. In the event either party fails to comply with its obligations set forth in this Contract for a period of ninety (90) days following written notice from the other party of such default, the non-defaulting party shall have the option of terminating this Contract on written notice to the defaulting party, provided, however, that if the defaulting party corrects the default within the ninety (90) day time period, or is making reasonable progress toward the

correction of the default, the Contract shall not terminate. This Contract may also be terminated by mutual written agreement of the parties. If this Contract is terminated prior to completion of the construction of the Sewer Project on account of a default by Jamestown which is not corrected as provided above, then Jamestown shall pay all costs incurred for the Sewer Project.

At any time 30 days prior to the date on which Georgetown enters into a construction contract for the acquisition and construction of the Sewer Project, Jamestown shall have the option, on written notice to Georgetown, to terminate this Contract. If Jamestown terminates this Contract pursuant to the immediately preceding sentence, then Jamestown shall pay all costs incurred for the Sewer Project.

Section 7. **Indemnification**. The indemnification provision in the 425 Agreement specifically applies to the design, construction, inspection, operation and maintenance of the Sewer System. In addition, the indemnification provision, as clarified above, shall survive the termination of the 425 Agreement.

Section 8. **Counterparts**. This Contract may be executed in any number of counterparts and each such counterpart shall be considered a valid original.

Section 9. **Severability and Termination**. Should any portion of this Contract be determined by a court of appropriate jurisdiction to be unenforceable, then Georgetown may at its sole discretion (1) elect to continue the 425 Agreement without the unenforceable portion and to modify the unenforceable provision to the extent possible, by a written amendment to this Contract, to cause the intention of the unenforceable provision to become enforceable; or (2) elect to terminate the 425 Agreement. In the event that any fee or charge provision is determined by a court of appropriate jurisdiction to be unenforceable, then the parties shall mutually agree to terminate the 425 Agreement as provided in Section 3 of the 425 Agreement unless Jamestown elects to make payment of the unenforceable charge from Jamestown's funds.

Section 10. **Binding Effect**. The covenants contained herein shall bind and the benefits and advantages shall enure to the respective successors and permitted assigns of the parties hereto.

Section 11. **Captions**. The captions or headings in this Contract are for convenience only and shall in no way define, limit, or describe the scope or intent of any provision or section of this Contract.

Section 12. **Miscellaneous**. This Contract may not be amended, changed, modified, altered, assigned, or terminated without the written consent of both parties. All exhibits attached

hereto are hereby incorporated as though fully stated herein. This Contract and all rights and obligations hereunder shall not be assignable unless both parties agree in writing to such assignment.

IN WITNESS WHEREOF, the parties have executed this Contract.

Witnesses:

CHARTER TOWNSHIP OF GEORGETOWN

By: Henry Hilbrand
Henry Hilbrand
Its Supervisor

By: R. J. Poel
R. J. Poel
Its Clerk

Dated: 12/10/98

CHARTER TOWNSHIP OF JAMESTOWN

By: Henry Edema
Henry Edema
Its Supervisor

By: Ruth Pruis
Ruth Pruis
Its Clerk

Dated: 12-10-98

m98\053.5

EXHIBIT A

Construction costs to be split as follows:

	Georgetown Township	Jamestown Township
South of Jackson Street		
Segment A	0.0%	100.0%
Segment B	3.3%	96.7%
Segment C	13.0%	87.0%
Segment D	26.7%	73.3%
Segment E	42.0%	58.0%
Segment F	45.2%	54.8%
	50.9%	49.1%

All soft costs such as engineering and administration to be split in proportion to total construction cost allocated to each Township. For example, if construction cost allocated to Georgetown Township is $300,000 and to Jamestown Township is $1,200,000, the soft costs would be split 20% to Georgetown Township and 80% to Jamestown Township.

If Jamestown elects to sell bonds, all costs of bond issuance shall be allocated to Jamestown Township.

RFF/mg
51400103/008
7/21/98

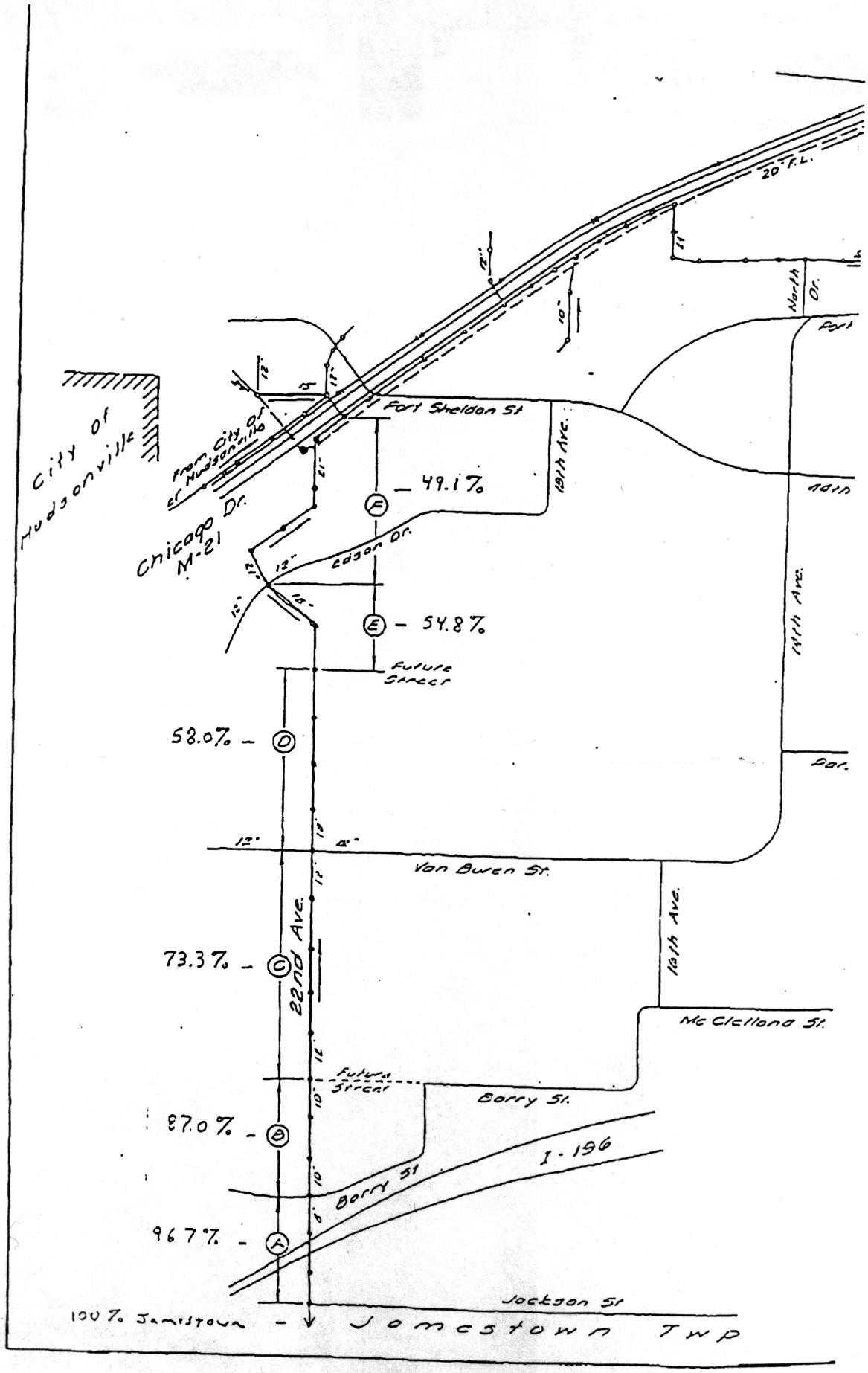
20' R.L.
North Dr.
Port
City of Hudsonville
from City of Hudsonville
Fort Sheldon St
18th Ave.
49.1%
Chicago Dr.
M-21
Edson Dr.
54.8%
Future Street
58.0%
Van Buren St.
22nd Ave.
14th Ave.
73.3%
McClelland St.
Future Street
Berry St.
87.0%
I-196
Berry St
96.7%
Jackson St
100% Jamestown
Jamestown Twp

TABLE 3

Georgetown Township
Estimated Flows in 22nd Avenue by Segments

Segment or System	Jamestown Township GPM	Jamestown Township Percentage	Georgetown Township GPM	Georgetown Township Percentage	Total GPM
A	780 **	96.7	27	3.3	807
B	780	87.0	117	13.0	897
C	780	73.3	284	26.7	1064
D	780	58.0	565	42.0	1345
E	780	54.8	643	45.2	1423
F	780	49.1	810	50.9	1590
Lift Station & Force Line	780	17.4	3720	82.6	4500

* Based on Peaking Factor of 2.5

**Based on Average Future Ultimate Flow of 450,000 G.P.D.

EXHIBIT B

SCHEDULE OF UNIT FACTORS

User	Residential Equivalent Unit Factor
Auto Dealer (sales and/or service)	1.00/premise + 0.40/1000 sf
Bakery	1.25/1000 sf
Bank	1.000/1000 sf
Bar	3.00/1000 sf
Barber Shop	1.00/shop + 1.00/1000 sf
Beauty Shop	1.00/shop + 1.00/1000 sf
Boarding House, Boarding School, Dormitory, Fraternity/Sorority etc.	1.00/premise + 0.25/bedroom
Bowling Alley (with bar and/or restaurant)	0.16/alley (bar and restaurant to be computed at their respective residential equivalent)
Car Wash	a) Manual do-it-yourself 2.50/stall b) Semi-automatic (mechanical without conveyor) 10.00/lane c) Automatic (with conveyor) 20.00/lane d) Automatic (with conveyor, conserving and recycling water) 8.00/lane
Church	0.20/1000 sf
Cleaners (pick-up only, no-on site cleaning or pressing facilities)	1.00/shop
Cleaners (cleaning and pressing facilities)	1.25/premise +1/00/1000 sf
Condominium	1.00/unit
Convalescent Home	0.22/bed
Convenience Store	1.00/1000 sf
Day Care Center	1.00/premise + 0.25/1000 sf
Drug Store	1.00/1000 sf
Factory (excludes excess industrial use)*	0.50/1000 sf
Fraternal Organization (with bar and/ or restaurant)	0.16/hall (bar and restaurant computed at their respective residential equivalent)
Funeral Home	1.42/1000 sf
Health Club	1.25/1000 sf (swimming pool to be computed at its respective residential equivalent)
Hospital	1.10/bed
Hotel, Motel	0.40/room
Laundry (self-serve)	0.54/washer
Malls (enclosed)	0.30/1000 sf (extensive water users within Mall such as restaurants and health clubs to be calculated based upon their respective equivalent)
Marina	0.10/slip
Mobile Home, Trailer Park	1.00/unit
Multiple Family Residence (Apartments)	1.00/unit

User	Residential Equivalent Unit Factor
Office Building (general)	0.40/1000 sf
Office Building (medical, dental, clinic, etc.)	1.42/1000 sf
Post Office	1.00/1000 sf
Public Institution - Others	0.75/1000 sf
Restaurant (with bar)	2.50/1000 sf (bar to be computed at its respective residential equivalent)
Restaurant (drive through only)	3.00/1000 sf
Retail Store	1.00/premise + 0.30/1000 sf
Rooming House (no meals)	0.25/bed
School	1.00/classroom (swimming pool to be computed at its respective residential equivalent)
Service Station/Auto Repair Shop	1.00/premise + 0.40/1000 sf
Single Family Residence	1.00/unit
Snack Bar, Drive-in	4.00/1000 sf
Strip Malls and Businesses with common walls	minimum of 1 per business + 0.30/1000 sf (extensive water users such as restaurants and health clubs will be calculated based upon their respective equivalent)
Supermarket, Grocery Store	1.10/1000 sf
Swimming Pool (indoor, including showers)	2.85/1000 sf (water area)
Theater - Drive-In	0.25/1000 sf (of service buildings)
Theater - Indoor	2.00/theater
Travel Trailer Parks and Campgrounds	0.20/site
Two-Family Residence	2.00/building
Utility Sub-Station	0.10/1000 sf
Veterinary Facility	1.50/premise
Veterinary Facility with Kennel	1.50/premise + 0.50/kennel
Warehouse or Storage Building	0.10/1000 sf
Waste Disposal Station	2.00/station

1) Combination uses will be computed at their combined equivalent unit factors.
2) Multiple use buildings with common walls will have trunkages calculated based upon each use.
3) The minimum residential equivalent is 1.00.
4) Trunkages will be calculated to the hundredth.
5) For customers using water for processing, and commercial or institutional facilities not covered by the residential equivalence table, the following methodology shall be used to determine the benefits.

    a) Benefits will be determined based upon the estimated peak use for the facility divided by the typical residential peak use (15 gallons per minute). Actual peak use will be determined from meter readings or by a continuous flow recorder installed and maintained by the customer for a period of up to 30 days. Adjustment of the number of benefits based upon the actual measurements will be calculated, and the trunkage, ready-to-serve, and other charges which may have been over or underbilled will be remedied. This process of actual benefit determination and remedy will occur within one year of installation of the customer meter.

    b) This methodology may be utilized in the situation where the size of the building creates a benefit calculation that is unrealistic (i.e. large building with a small amount of water/sewer usage).