

INTERLOCAL AGREEMENT
TOWNSHIPS OF ORION, OXFORD, ADDISON,
VILLAGES OF OXFORD AND LEONARD
AGREEMENT TO ESTABLISH POLLY ANN TRAILWAY MANAGEMENT COUNCIL, INC.

THIS INTERLOCAL AGREEMENT (the "Agreement") is entered into pursuant to the Urban Cooperation Act of 1967, 1967 PA 7, as amended ("Act 7"), MCL 124.501 et. seq. and Part 721 of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended ("Act 451"), MCL 324.72101 et. seq., by and between the Townships of Orion, Oxford, and Addison; the Villages of Oxford and Leonard (the "Parties"), for the purpose of establishing and providing for the powers and duties of the POLLY ANN TRAILWAY MANAGEMENT COUNCIL, INC. (the "COUNCIL"). Each of the Parties is a "governmental agency," as that term is defined in Act 451, and a "public agency," as that term is defined in Act 7, with the power to carry out the programs described in this Agreement. The Parties have each determined that the Parties will be able to provide the railway programs described in this Agreement on a more cost effective basis if the Parties carry out such programs jointly.

SECTION 1: ESTABLISHMENT AND PURPOSE

There is hereby established a separate legal entity to be known as the Polly Ann Trailway Management Council" (the "Council") for the purpose of administering this Agreement. The Council shall be a public body corporate having the powers functions and duties provided in this agreement, for the purpose of operating and maintaining that portion of 1 or more Michigan trailways located on state owned land pursuant to an agreement entered into under section 72105 of Act 451 of 1994, (MCL 324.72105) between the Michigan Department of Natural Resources (the "DNR") and the Council.

SECTION 2: MEMBERSHIP

MEMBER UNITS to the COUNCIL shall be those Parties who are signatories to this Agreement. The COUNCIL shall be considered an established public corporation when two local governments of the Parties named above have entered into this Agreement. Subsequent to the effective date of the COUNCIL, other local governments, whether or not named above, may become MEMBER UNITS by entering into this agreement. The COUNCIL may require, as a condition of membership, a fair share contribution agreement between the COUNCIL and any proposed MEMBER UNIT, if the COUNCIL determines that such agreement is necessary to provide fair allocation of costs among present and proposed MEMBER UNITS. All local governments who are signatories to this agreement shall have full MEMBER UNIT status in accordance with this agreement. This agreement and any agreement entered into or obligation incurred by any MEMBER UNIT in accordance with this agreement, shall be binding upon that MEMBER UNIT'S successor in interest, if any.

SECTION 3: GOVERNANCE

A. COUNCIL

term.

4. The Chairperson shall preside at all meetings of the COUNCIL and shall have all privileges and duties of a councilperson. The Vice Chairperson shall preside at all meetings of the COUNCIL at which the Chairperson is absent. The Secretary shall keep or cause to be made all non-financial reports, records and minutes required by this agreement or applicable law and shall be charged with assuring compliance with the Michigan Open Meetings Act and the Michigan Freedom of Information Act. The Treasurer shall have custody of all COUNCIL funds which shall be deposited, invested, and/or disbursed by the Treasurer as directed by the COUNCIL. The Treasurer shall be charged with assuring complete financial records and reports as required by this agreement or applicable law or contract provisions.

SECTION 4: MEETINGS

A. SCHEDULE/CALL OF MEETINGS

1. The COUNCIL shall meet at least quarterly and shall annually establish a regular meeting schedule which shall be posted at the offices of the MEMBER UNIT governing boards in similar form and within similar times as required by law for governmental meeting schedules.
2. Special meetings of the COUNCIL may be called by the Chairperson, or in the absence of the Chairperson, by the Vice Chairperson.

B. NOTICE

Each councilperson shall receive five (5) days written notice of all regular meetings. All notices of all meetings shall also be posted as required by the Michigan Open Meetings Act.

C. VOTING

A majority vote of the COUNCIL shall be necessary to take any official action at a regular or special meeting, provided that only those items on the agenda may be acted upon, and provided that only bills which represent budgeted expenses may be approved. A majority of the COUNCIL, appointed and serving, shall constitute a quorum in such cases.

Bills which represent expenses not previously included in the budget may only be approved by a quorum including at least one member of each governmental unit.

D. MINUTES

postage, document or accounting costs, and similar basic costs. This budget shall include personnel, engineering, legal, land purchase or lease, or any development or maintenance costs incurred or to be incurred by the COUNCIL. For the purpose of initial budget, the budget shall be as set forth in Appendix B.

C. COUNCILPERSON REIMBURSEMENT

Each councilperson may be paid a flat rate of thirty-five dollars (\$35.00) for COUNCIL meetings actually attended.

D. FINANCIAL AUDITS/REPORTS

The Treasurer shall make or cause to be made a full and complete financial report to MEMBER UNITS of all the COUNCIL'S financial transactions and affairs at the end of each financial year. Said report may include a complete audit by a certified public accountant. State and federal audit requirements shall be fully met as applicable. MEMBER UNITS shall have the right, at their expense, to conduct such additional audits as they deem necessary or appropriate.

SECTION 7: TERMINATION/DISSOLUTION

A. MEMBER UNIT TERMINATION

A MEMBER UNIT may terminate its membership by either: 1) upon ninety-(90) days written notice to the COUNCIL and termination shall be effective only upon the elapse of the ninety (90) days; or 2) upon the COUNCIL'S submission of a budget for a new fiscal year, a MEMBER UNIT, upon 60 days written notice to the COUNCIL and termination shall be effective only upon the elapse of the sixty (60) days. If a MEMBER UNIT terminates its membership, all COUNCIL land and improvements thereon within that jurisdiction shall remain property of the COUNCIL. A MEMBER UNIT terminating its membership under subsection 1 shall remain liable for all obligations incurred by it pursuant to this agreement and prior to actual termination. A MEMBER UNIT terminating its membership under subsection 2 shall remain liable for all obligations incurred by it pursuant to this agreement and prior to actual termination, but shall not be liable for financial obligations established by the COUNCIL'S new fiscal year budget request triggering the MEMBER UNIT'S termination.

B. COUNCIL DISSOLUTION

If all or all but one of the MEMBER UNITS terminates their membership, the COUNCIL shall be considered dissolved.

1. Upon dissolution, the trailways property and any improvements thereon located within the boundaries of each former MEMBER UNIT shall revert to ownership of the DNR, upon such terms and conditions as are to be agreed upon by the COUNCIL and DNR. The DNR shall be requested to uphold the following

provisions:

- a) The trailways property and the improvements thereon shall remain open for public recreational use in perpetuity;
- b) No prohibitions, impediments or blockages shall be made to the free passage on the trailways of legitimate trail users;
- c) The use of the trailways and improvements thereon shall remain subject to all applicable deed restrictions and all applicable state provisions imposed by law or contract.

SECTION 8: AMENDMENTS

This agreement may be amended in whole or in any part by the written agreement of the governing boards of all MEMBER UNITS.

SECTION 9: STATE APPROVAL

As soon as reasonably practicable after the effective date of this agreement, this agreement shall be officially submitted to the Office of the Governor for approval pursuant to the Urban Cooperation Act of 1967.

SECTION 10: APPLICABLE LAWS

The COUNCIL shall in all activities fully comply with applicable local, state and federal laws and regulations and with applicable grant conditions or contract provisions.

SECTION II: EFFECTIVE DATE

This agreement shall be in full force and effect and the COUNCIL shall be considered in effect as an operating public corporation as provided in Section 2 above, which date shall be noted as the second date in time indicated below.

IN WITNESS WHEREOF, the authorized representatives of the MEMBER UNITS have signed this agreement on the dates indicated below.

EFFECTIVE
DATE: Sept 19, 1997 BY: Andrew R. Kuski
Supervisor, Addison Township

DATE: 9/19/97 BY: Pauline Benard
Clerk, Addison Township

APPENDIX "A"

LAND DESCRIPTION

All of that property contained within the boundaries of the Grand Trunk Western Railroad Company's railroad corridor running between the center line of Indianwood Road in Section 4, T4N, R10E, Orion Township, Oakland County (RR Station 569 + 14) and the center line of Bordman Road in Section 2, T5N, R11E, Addison Township, Oakland County, also being the north line of Oakland County (RR Station No. 1208 + 16), EXCEPT that portion of this corridor that was conveyed to Koenig Coal Company in Sections 23 and 24, T5N, R10E, Oxford Township, Oakland County (between RR Station No.'s 791 + 89.9 and 848 + 69.1, All in Oakland County.