

FIRST AMENDMENT TO THE ADMINISTRATIVE SERVICES AGREEMENT

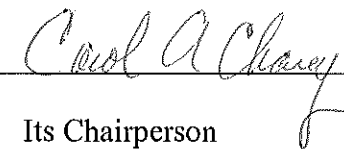
In an Agreement between the County of Muskegon and the Muskegon Area District Library Board, dated January 1, 2007, it was agreed that the County would provide accounting and payroll services to the District Library. Under the terms of the Agreement, specifically Section III "Term; Extension; Termination", the parties agree to amend that section to allow either party to terminate the Agreement upon written notice.

With the exception of this Amendment, the Agreement dated January 1, 2007 remains in full force and effect

Dated: 1/13/10

COUNTY OF MUSKEGON
By: 
County Board of Commissioners

Dated: 2/16/11

MUSKEGON AREA DISTRICT LIBRARY
By: 
Its Chairperson

**AGREEMENT FOR REIMBURSEMENT OF MOVING COSTS BETWEEN
THE MUSKEGON AREA DISTRICT LIBRARY
AND THE COUNTY OF MUSKEGON**

This Agreement which is effective July 11, 2006, by and between the Muskegon Area District Library, currently located at 97 E. Apple Avenue, Muskegon, Michigan 49442, hereinafter referred to as "Library" and the County of Muskegon, 990 Terrace Street, Muskegon, Michigan 49442, hereinafter referred to as "County".

I. PURPOSE

The purpose of this Agreement is to allow the County to provide financial assistance to the Library in order to accommodate its relocation from its current facility to a new District Library Headquarters located at 4845 Airline Road, Muskegon, Michigan 49444, and to provide the terms and conditions under which the funds will be appropriated.

II. TERMS AND CONDITIONS OF PAYMENT

It is understood and agreed by the parties to this Agreement that the payment of the funds discussed below will be contingent upon the Library vacating their current location by Tuesday, August 1, 2006, with a three (3) day grace period thereby providing that the payment is contingent upon the move being completed by Friday, August 4, 2006.

III. ISSUANCE OF PURCHASE ORDER

It is understood and agreed by the parties to this Agreement that the Library will initiate the purchase order for the moving costs associated with its relocation.

IV. PAYMENT OF MOVING COSTS

It is understood that the County may pay the Library moving costs from the Public Improvement Fund within thirty (30) days of the receipt of the invoice. Once the move is complete and an invoice properly documents the cost of the relocation, the Library will submit the invoice to the County for payment. It being further understood that the payment is contingent upon satisfaction of Section II above, and the County's satisfaction that the costs are reasonable and the relocation has taken place. The relocation to be complete, must include, but not be limited to, the removal of all furniture, equipment, shelving, both movable and fixed and all books. If Library fails to satisfy the terms of this paragraph, the County will not pay for the Library's moving costs, and these costs will remain a charge against the Library's budget.

V. AMOUNT OF MOVING COSTS

It is understood by the parties that the amount of the moving costs to relocate the Library will not exceed Twenty Seven Thousand Three Hundred and no/100 (\$ 27,300.00) Dollars.

MUSKEGON AREA DISTRICT LIBRARY

Dated: July 14, 2006

By: Theron Wierenga
Theron Wierenga, Chairman
Muskegon Area District Library Board

COUNTY OF MUSKEGON

Dated: 7-18-06, 2006

By: James J. Derezhinski
James J. Derezhinski, Chairman
Muskegon County Board of Directors

D. District Description. The district of the Muskegon Area District Library shall consist of all that territory which is, as of the Effective Date, located in the jurisdictional limits of Muskegon County except Whitehall Township and those areas located within the jurisdictional boundaries of the White Lake Community Library or the Hackley Public Library. The district of the Muskegon Area District Library is shown on Exhibit A-1.

II. DISTRICT LIBRARY BOARD

A. District Library Board; Appointment; Term. The Muskegon Area District Library shall be governed by a Board consisting of 8 members. For purposes of Board appointments, the Participating Municipalities are divided into seven (7) regions based on population (as shown on Exhibit A-2), from which appointments are made, in addition to one appointment by Muskegon County at large. Muskegon County, the City of Norton Shores (Region 1), and Muskegon Charter Township (Region 2) shall each appoint one (1) Board member. The remaining five (5) Board members shall be appointed on a rotating basis within Regions 3, 4, 5, 6 and 7 as shown on Exhibit A-2. For Regions 3 through 7, the first Participating Municipality in the order listed in Exhibit A-2 in each region shall make the initial Board appointment as set forth below. Upon the expiration of a term, the appointment from each Region of Regions 3-7 shall be made by the next Participating Municipality in the order as shown in Exhibit A-2. Upon the expiration of the term of office of a Board member appointed by a Participating Municipality in each Region of Regions 3-7, the next appointment shall be made by the next Participating Municipality in the order in each Region listed in Exhibit A-2 and the appointments within each Region shall thereafter continue to rotate in the order listed in Exhibit A-2 as provided herein. The members first appointed to the Board shall be appointed to staggered terms as follows:

<u>Participating Municipalities</u>	<u>Term Expires</u>
Muskegon County (At Large)	December 31, 2006
City of Norton Shores (Region 1)	December 31, 2006
Muskegon Charter Township (Region 2)	December 31, 2007
City of Muskegon Heights (Region 3)*	December 31, 2008
Fruitport Charter Township (Region 4)*	December 31, 2007
Egelston Township (Region 5)*	December 31, 2008
City of North Muskegon (Region 6)*	December 31, 2007
Dalton Township (Region 7)*	December 31, 2008

**These appointments are rotated within each region as provided above and Exhibit A-2.*

As staggered terms expire as provided above, Board members appointed by Muskegon County (at large), the City of Norton Shores (Region 1), Muskegon Charter Township (Region 2), and by the Participating Municipalities within Regions 3-7 on a rotating basis, shall be appointed for a term of three (3) years commencing January 1. In the event of a vacancy on the Board, the Participating Municipality that made the appointment for that term of office shall appoint a Board member to fill the vacancy for the unexpired term. An appointment to fill a vacancy shall be made by

the Participating Municipality within 30 days of such vacancy or as soon thereafter as the Participating Municipality can complete the appointment process.

B. District Library Board; General Powers. The Board shall be authorized and empowered to:

- (a) Establish, maintain, and operate public libraries for the district;
- (b) Exclusively control the expenditure of money deposited into the district library fund;
- (c) Appoint and remove officers from among its members;
- (d) Appoint and remove a librarian and necessary assistants and fix their compensation;
- (e) Acquire real or personal property for use for library purposes by purchase, land contract, installment purchase contract, lease with or without option to purchase, or title retaining contract;
- (f) Erect buildings;
- (g) Supervise and control district library property;
- (h) Enter into a contract to receive library-related service from or give library-related service to a library or municipality within or without the district;
- (i) Adopt bylaws and regulations, not inconsistent with Act 24, governing the board and the district library;
- (j) Propose and levy upon approval of the electors a tax for support of the district library, as provided in Act 24;
- (k) Borrow money pursuant to the district library financing act, 1988 PA 265, as amended;
- (l) Issue bonds pursuant to the district library financing act, 1988 PA 265, as amended;
- (m) Accept gifts, grants, donations, and bequests for the district library;
- (n) Do any other thing necessary for conducting the district library service, the cost of which shall be charged against the district library fund; and
- (o) Perform any other acts authorized by law.

C. Expenses; Compensation. The Board may reimburse a Board member for necessary expenses and may compensate Board members for attending meetings as provided in Section 12(2) of Act 24.

III. DISTRICT LIBRARY FINANCIAL SUPPORT

- A. Termination Unless Millage Approval. This Agreement shall terminate and the Muskegon Area District Library shall be abolished effective December 31, 2006, unless on or before November 30, 2006, the electors of the Library District approve a district library tax at the rate of not less than 0.5 mills. In the event that this Agreement terminates pursuant to this Section, all net assets of the Muskegon Area District Library (including, but not limited to, all real property and personal property transferred pursuant to Section IV of this Agreement) shall be returned and transferred to Muskegon County and public library service shall be provided to the residents of the district by the re-establishment, effective January 1, 2007, of the Muskegon County Library, the organization of which shall be the same as it existed on the day prior to the Effective Date of this Agreement (provided, however, that the County reserves all rights regarding the operation and funding of the re-established County Library). In such event, Muskegon County shall assume all liabilities of the Muskegon Area District Library and shall defend, indemnify, and hold harmless the other Participating Municipalities from any liabilities of the former Muskegon Area District Library.
- B. District Library Board; Budget. The fiscal year of the Muskegon Area District Library shall be from January 1 through December 31 (unless revised by the District Library Board) provided that the first fiscal year of the Library shall be a partial fiscal year from the Effective Date through December 31, 2005. The Board shall annually determine the budget for the Muskegon Area District Library. Funds necessary for the operation of the Muskegon Area District Library shall be derived from the following sources:
- a) State aid
 - b) Penal fines
 - c) Gifts, grants, donations and bequests, if any
 - d) District library millage
 - e) Appropriations pursuant to this District Library Agreement
 - f) Any other lawful sources of funding

From the Effective Date of this Agreement until September 30, 2006, Muskegon County shall support the District Library by paying to the District Library the sum of \$300,000. The County shall pay such amount in a lump sum not later than October 15, 2005.

If a District Library millage is approved by District Library voters on or before August 31, 2006, Muskegon County shall support the operation of the District

Library on an interim basis for the County's 2007 Fiscal Year (October 1, 2006 – September 30, 2007) by paying the lump sum amount of \$300,000 not later than October 15, 2006, subject, however, to the obligation of the District Library to reimburse the County for such amount without interest when revenues are received from the December 1, 2006 levy of the District Library millage. The \$300,000 amount provided by the County shall be reimbursed by the District Library from District Library millage revenues as soon as possible and in no event later than June 30, 2007.

If a District Library millage is not approved by District Library voters on or before August 31, 2006, Muskegon County shall support the District Library on an interim basis for the County's 2007 Fiscal Year by paying the lump sum amount of \$300,000 not later than October 15, 2006, subject, however, to the obligation of the District Library to reimburse the County for such amount without interest if a District Library millage is approved by District Library voters after September 1, 2006 but before November 30, 2006 and such millage is levied on December 1, 2006. In such event, the \$300,000 amount provided by the County shall be reimbursed by the District Library from District Library millage revenues as soon as possible and in no event later than June 30, 2007. If a District Library millage is not approved by District Library voters on or before November 30, 2006, the District Library shall be abolished and the Muskegon County Library shall be re-established as provided in Section III.A. of this Agreement.

In addition to the amounts referenced above, the County shall advance funds to the District Library in an amount necessary for the District Library to meet its cash flow obligations prior to February 28, 2007 subject, however, to the obligation of the District Library to repay the County for such advances together with interest at the Federal Reserve prime rate until such advances are returned to the County.

Participating Municipalities which as of the Effective Date of this Agreement are parties to an Intergovernmental Agreement ("Intergovernmental Agreements") with Muskegon County (by and through the Muskegon County Library Board) shall continue to fulfill their obligations so long as the Intergovernmental Agreements are in effect.

Except as otherwise provided above, the Participating Municipalities shall have no obligation to appropriate funds for the support of the Muskegon Area District Library. Nothing in this Agreement shall be construed to prohibit voluntary appropriations to the Muskegon Area District Library by a Participating Municipality. To the extent any moneys or property from any source whatsoever are received by any Participating Municipality designated for the operation and administration of library services or the acquisition of books and equipment, or real or other personal property for library use, such Participating Municipality shall transfer such moneys or property upon receipt thereof to the Muskegon Area District Library.

IV. TRANSFER OF PROPERTY AND EMPLOYEES

- A. Transfer of Personal Property. Upon the Effective Date of this Agreement, and contingent upon agreement by the Muskegon Area District Library Board to undertake the obligations specified in the Library Management Contract and the Property Transfer Agreement, substantially in the form attached to this Agreement as Exhibits B and C, respectively, Muskegon County and the Muskegon County Library shall transfer the personal property identified in the Property Transfer Agreement to the Muskegon Area District Library, in the manner and subject to the terms and conditions specified in the Property Transfer Agreement.
- B. Lease of Library Building. Upon the Effective Date of this Agreement and contingent upon the agreement of the Muskegon Area District Library Board to undertake the obligations in the Library Management Contract and Property Transfer Agreement, Muskegon County shall lease certain premises to the Muskegon Area District Library for its headquarters in accordance with the Lease attached to the Property Transfer Agreement as Schedule 2 to Exhibit C.
- C. Branch Facilities. Participating Municipalities with branches of the Muskegon County Library System shall retain ownership of branch library facilities unless otherwise agreed by a Participating Municipality and the Muskegon Area District Library.
- D. Transfer of Library Funds. Within 15 days after the Effective Date of this Agreement, and contingent upon the agreement of the Muskegon Area District Library Board to undertake the obligations in the Library Management Contract and Property Transfer Agreement, Muskegon County and the Muskegon County Library Board shall transfer the balance of the Muskegon County Library fund as of the Effective Date of this Agreement to the district library fund of the Muskegon Area District Library.
- E. Assignment of Contracts. On or before the Effective Date of this Agreement and contingent upon the agreement of the Muskegon Area District Library Board to undertake the obligations in the Library Management Contract and the Library Property Transfer Agreement, Muskegon County and the Muskegon County Library shall assign to the Muskegon Area District Library all right, title and interest in and to all County Library contracts including, but not limited to, those contracts described on Exhibit D attached hereto, by executing the Assignment of Library Contracts attached as Exhibit D. The Participating Municipalities acknowledge and agree that the Muskegon Area District Library is the assignee of the County and the County Library for the Intergovernmental Agreements.
- F. Assumption of Liabilities; Indemnification. As of the Effective Date of this Agreement, the Muskegon Area District Library assumes all responsibility for operation and management of the properties conveyed herein for library purposes. The Muskegon Area District Library assumes all liability, indebtedness and expenses for operation, maintenance, and improvements of the library facilities together with all claims arising on or after the Effective Date of this Agreement from the operation

of the Library. The Muskegon Area District Library shall defend, indemnify and hold harmless the Participating Municipalities from all claims and liabilities arising out of the operation, maintenance, and improvement of the Muskegon Area District Library pursuant to this Agreement.

- G. Employees. During the period from the Effective Date of this Agreement until December 31, 2006 (the "Interim Period"), Muskegon County shall continue to employ persons assigned to the operation of the Muskegon County Library, and shall lease such employees to the Muskegon Area District Library in accordance with the Library Agreement for Lease of County Employees attached as Exhibit E.
- H. Library Dissolution. As of the Effective Date of this Agreement, the Muskegon County Library is hereby dissolved, subject to Section III.A. of this Agreement.

V. MISCELLANEOUS

- A. Term. This Agreement shall remain in effect unless and until all but one of the Participating Municipalities withdraws from the Muskegon Area District Library pursuant to Section V.B. below or this Agreement terminates pursuant to Section III. A. above. Upon termination of this Agreement and dissolution of the District Library, the assets of the Muskegon Area District Library shall be distributed as provided in Section V.B. below.
- B. Withdrawal. A Participating Municipality may withdraw pursuant to the procedures set forth in Section 24 of Act 24 provided, however, that any resolution to withdraw before December 31, 2014 shall be null and void. In the event that a later withdrawal by a Participating Municipality that does not cause the termination of this Agreement pursuant to Section V.A. above, the withdrawing Participating Municipality shall not be entitled to any assets, and all assets of the Muskegon Area District Library shall remain the property of the Muskegon Area District Library. In the event of a later withdrawal of a Participating Municipality that causes the termination of this Agreement pursuant to Section V.A. above, the assets of the Muskegon Area District Library shall be distributed to Muskegon County for the re-establishment of the Muskegon County Library and Muskegon County shall assume all liabilities of the former Muskegon Area District Library.
- C. Amendment. This Agreement shall not be amended except by written agreement approved by the legislative bodies of at least two-thirds (2/3) of the Participating Municipalities. Notwithstanding the foregoing, until December 31, 2006, this Agreement shall not be amended except by the written amendment approved by the Muskegon County Board of Commissioners and at least 2/3 of the other Participating Municipalities.
- D. Governing Law. This Agreement shall be interpreted in accordance with the law of the State of Michigan.

E. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed and all of which shall constitute one and the same agreement, and the signature of any party to any counterpart shall be deemed a signature to the Agreement and may be appended to any other counterpart.

Participating Municipalities:

MUSKEGON COUNTY

Dated: 06/30/05

By: *Bill Gilt*

Its: Board Chairman

By: *Harold D. Buie*

Its: County Clerk

BLUE LAKE TOWNSHIP

Dated: _____

By: _____

Its: _____

By: _____

Its: _____

CASNOVIA TOWNSHIP

Dated: _____

By: _____

Its: _____

By: _____

Its: _____

Participating Municipalities:

MUSKEGON COUNTY

DATED _____

By: _____

Its: _____

By: *Walter O'Brien*

Its: _____

DATED _____

BLUE LAKE TOWNSHIP

By: *Donald Studaven*

DONALD STUDA VEN

Its: SUPERVISOR

By: *Fred E. Arbogast Sr.*

FRED E. ARBOGAST SR.

Its: CLERK

DATED _____

CASNOVIA TOWNSHIP

By: _____

Its: _____

By: _____

Its: _____

DATED _____

CEDAR CREEK TOWNSHIP

By: _____

Its: _____

By: _____

Its: _____

E. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed and all of which shall constitute one and the same agreement, and the signature of any party to any counterpart shall be deemed a signature to the Agreement and may be appended to any other counterpart.

Participating Municipalities:

MUSKEGON COUNTY

Dated: _____

By: _____

Its: _____

By: *Maureen O'Brien*

Its: _____

BLUE LAKE TOWNSHIP

Dated: _____

By: _____

Its: _____

By: _____

Its: _____

CASNOVIA TOWNSHIP

Dated: June 13, 2005

By: *Eldon Clough*

Its: SUPERVISOR

By: *Carl Van Loan*

Its: CLERK

CEDAR CREEK TOWNSHIP

Dated: May 23, 2006

By: Quaine Hawkins

Its: Clerk

By: James Muston

Its: Supervisor

DALTON TOWNSHIP

Dated: _____

By: _____

Its: _____

By: _____

Its: _____

EGELSTON TOWNSHIP

Dated: _____

By: _____

Its: _____

By: _____

Its: _____

FRUITLAND TOWNSHIP

Dated: _____

By: _____

Its: _____

By: _____

Its: _____

CEDAR CREEK TOWNSHIP

Dated: _____

By: _____

Its: _____

By: _____

Its: _____

DALTON TOWNSHIP

Dated: June 13, 2005

By: Scott Hladik

Its: Supervisor

By: Mary Ellen Sheppard

Its: Clerk

EGELSTON TOWNSHIP

Dated: _____

By: _____

Its: _____

By: _____

Its: _____

FRUITLAND TOWNSHIP

Dated: _____

By: _____

Its: _____

By: _____

Its: _____

CEDAR CREEK TOWNSHIP

Dated: _____

By: _____

Its: _____

By: _____

Its: _____

DALTON TOWNSHIP

Dated: _____

By: _____

Its: _____

By: _____

Its: _____

EGELSTON TOWNSHIP

Dated: 6-06-05

By: Vicky L. Jensen

Its: Supervisor

By: Joan J. Raap

Its: Clerk

FRUITLAND TOWNSHIP

Dated: _____

By: _____

Its: _____

By: _____

Its: _____

CEDAR CREEK TOWNSHIP

Dated: _____

By: _____

Its: _____

By: _____

Its: _____

DALTON TOWNSHIP

Dated: _____

By: _____

Its: _____

By: _____

Its: _____

EGELSTON TOWNSHIP

Dated: _____

By: _____

Its: _____

By: _____

Its: _____

FRUITLAND TOWNSHIP

Dated: _____

By: Gregory R. Boughton

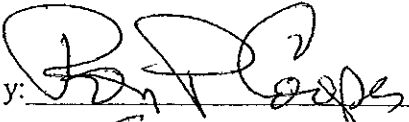
Its: Supervisor

By: Paul Beard, Clerk

Its: Clerk

FRUITPORT CHARTER TOWNSHIP

Dated: June 14, 2005

By: 

Its: Supervisor

By: Carol Hulka

Its: clerk

VILLAGE OF FRUITPORT

Dated: _____

By: _____

Its: _____

By: _____

Its: _____

HOLTON TOWNSHIP

Dated: _____

By: _____

Its: _____

By: _____

Its: _____

LAKETON TOWNSHIP

Dated: _____

By: _____

Its: _____

By: _____

Its: _____

VILLAGE OF
FRUITPORT ~~CHARTER TOWNSHIP~~

Dated: 6-20-2005

By: Ken Johnston

Its: PRESIDENT

By: Carolyn Alexander

Its: CLERK

VILLAGE OF FRUITPORT

Dated: _____

By: _____

Its: _____

By: _____

Its: _____

HOLTON TOWNSHIP

Dated: _____

By: _____

Its: _____

By: _____

Its: _____

LAKETON TOWNSHIP

Dated: _____

By: _____

Its: _____

By: _____

Its: _____

FRUITPORT CHARTER TOWNSHIP

Dated: _____

By: _____

Its: _____

By: _____

Its: _____

VILLAGE OF FRUITPORT

Dated: _____

By: _____

Its: _____

By: _____

Its: _____

HOLTON TOWNSHIP

Dated: 6-14-05

By: Mickey Noble

Its: Supervisor

By: Melanie Johnson

Its: Clerk

LAKETON TOWNSHIP

Dated: _____

By: _____

Its: _____

By: _____

Its: _____

FRUITPORT CHARTER TOWNSHIP

Dated: _____

By: _____

Its: _____

By: _____

Its: _____

VILLAGE OF FRUITPORT

Dated: _____

By: _____

Its: _____

By: _____

Its: _____

HOLTON TOWNSHIP

Dated: _____

By: _____

Its: _____

By: _____

Its: _____

LAKETON TOWNSHIP

Dated: _____

By: *[Handwritten Signature]*

Its: Supervisor

By: *[Handwritten Signature]*

Its: *[Handwritten Signature]*

CITY OF MONTAGUE

Dated: 6-8-05

By: Henry E. Peslufe

Its: Mayor

By: Susanne M. Krawczyk

Its: Deputy Clerk

MONTAGUE TOWNSHIP

Dated: _____

By: _____

Its: _____

By: _____

Its: _____

MOORLAND TOWNSHIP

Dated: _____

By: _____

Its: _____

By: _____

Its: _____

CITY OF MUSKEGON HEIGHTS

Dated: _____

By: _____

Its: _____

By: _____

Its: _____

CITY OF MONTAGUE

Dated: _____

By: _____

Its: _____

By: _____

Its: _____

MONTAGUE TOWNSHIP

Dated: June 14 2005

By: Jeff King

Its: Supervisor

By: Walter Warrs

Its: Clerk

MOORLAND TOWNSHIP

Dated: _____

By: _____

Its: _____

By: _____

Its: _____

CITY OF MUSKEGON HEIGHTS

Dated: _____

By: _____

Its: _____

By: _____

Its: _____

CITY OF MONTAGUE

Dated: _____

By: _____

Its: _____

By: _____

Its: _____

MONTAGUE TOWNSHIP

Dated: _____

By: _____

Its: _____

By: _____

Its: _____

MOORLAND TOWNSHIP

Dated: 6/2/05

By: Ch. E. Kuyper

Its: Supervisor

By: Kimberly Bergman

Its: Clerk

CITY OF MUSKEGON HEIGHTS

Dated: _____

By: _____

Its: _____

By: _____

Its: _____

CITY OF MONTAGUE

Dated: _____

By: _____

Its: _____

By: _____

Its: _____

MONTAGUE TOWNSHIP

Dated: _____

By: _____

Its: _____

By: _____

Its: _____

MOORLAND TOWNSHIP

Dated: _____

By: _____

Its: _____

By: _____

Its: _____

CITY OF MUSKEGON HEIGHTS

Dated: June 13, 2005

By: *Richard R. Walker*

Its: Mayor

By: *Melvin C. Bews II*

Its: City Manager

MUSKEGON CHARTER TOWNSHIP

Dated: June 7, 2005

By: Patrick Jordan

Its: Supervisor

By: James E. Ruh

Its: clerk

CITY OF NORTH MUSKEGON

Dated: _____

By: _____

Its: _____

By: _____

Its: _____

CITY OF NORTON SHORES

Dated: _____

By: _____

Its: _____

By: _____

Its: _____

RAVENNA TOWNSHIP

Dated: _____

By: _____

Its: _____

By: _____

Its: _____

MUSKEGON CHARTER TOWNSHIP

Dated: _____

By: _____

Its: _____

By: _____

Its: _____

CITY OF NORTH MUSKEGON

Dated: 6-20-05

By: Cl. West

Its: MAYOR

By: Ron Marie Bedler

Its: CLERK

CITY OF NORTON SHORES

Dated: _____

By: _____

Its: _____

By: _____

Its: _____

RAVENNA TOWNSHIP

Dated: _____

By: _____

Its: _____

By: _____

Its: _____

MUSKEGON CHARTER TOWNSHIP

Dated: _____

By: _____

Its: _____

By: _____

Its: _____

CITY OF NORTH MUSKEGON

Dated: _____

By: _____

Its: _____

By: _____

Its: _____

CITY OF NORTON SHORES

Dated: June 8, 2005 _____

By: Nancy Crandall

Its: Mayor

By: Sybil A Fuller

Its: City Clerk

RAVENNA TOWNSHIP

Dated: _____

By: _____

Its: _____

By: _____

Its: _____

MUSKEGON CHARTER TOWNSHIP

Dated: _____

By: _____

Its: _____

By: _____

Its: _____

CITY OF NORTH MUSKEGON

Dated: _____

By: _____

Its: _____

By: _____

Its: _____

CITY OF NORTON SHORES

Dated: _____

By: _____

Its: _____

By: _____

Its: _____

RAVENNA TOWNSHIP

Dated: June 28, 2005

By: Penny J. Sherman

Its: Clerk

By: [Signature]

Its: Supervisor

CITY OF ROOSEVELT PARK

Dated: June 27, 2005

By: Robert D Young

Its: Mayor

By: Marcia Seal

Its: City Clerk

SULLIVAN TOWNSHIP

Dated: _____

By: _____

Its: _____

By: _____

Its: _____

WHITE RIVER TOWNSHIP

Dated: _____

By: _____

Its: _____

By: _____

Its: _____

The District Library Agreement is approved and accepted by the Muskegon County Library Board:

MUSKEGON COUNTY LIBRARY

Dated: _____

By: _____

Its: _____

By: _____

Its: _____

CITY OF ROOSEVELT PARK

Dated: _____

By: _____

Its: _____

By: _____

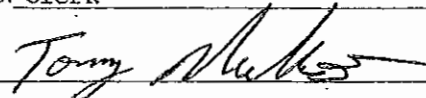
Its: _____

SULLIVAN TOWNSHIP

Dated: July 5, 2005

By: 

Its: Clerk

By: 

Its: Supervisor

WHITE RIVER TOWNSHIP

Dated: _____

By: _____

Its: _____

By: _____

Its: _____

The District Library Agreement is approved and accepted by the Muskegon County Library Board:

MUSKEGON COUNTY LIBRARY

Dated: _____

By: _____

Its: _____

By: _____

Its: _____

CITY OF ROOSEVELT PARK

Dated: _____

By: _____

Its: _____

By: _____

Its: _____

SULLIVAN TOWNSHIP

Dated: _____

By: _____

Its: _____

By: _____

Its: _____

WHITE RIVER TOWNSHIP

Dated: June 14, 2005

By: Mike Cokerill

Its: Supervisor

By: Jaylene Peterson

Its: Clerk

The District Library Agreement is approved and accepted by the Muskegon County Library Board:

MUSKEGON COUNTY LIBRARY

Dated: _____

By: _____

Its: _____

By: _____

Its: _____

CITY OF ROOSEVELT PARK

Dated: _____

By: _____

Its: _____

By: _____

Its: _____

SULLIVAN TOWNSHIP

Dated: _____

By: _____

Its: _____

By: _____

Its: _____

WHITE RIVER TOWNSHIP

Dated: _____

By: _____

Its: _____

By: _____

Its: _____

The District Library Agreement is approved and accepted by the Muskegon County Library Board:

MUSKEGON COUNTY LIBRARY

Dated: June 6, 2005

By: James P. Hill

Its: Chair

By: W. Wisore

Its: Secretary

EXHIBIT A-2

**REGIONS FOR APPOINTMENT OF BOARD MEMBERS PURSUANT TO
PARAGRAPH II.A OF THE DISTRICT LIBRARY AGREEMENT**

REGION 1

City of Norton Shores*

REGION 2

Muskegon Charter Township*

REGION 3

Muskegon Heights, City of
Roosevelt Park, City of

REGION 4

Fruitport Charter Township
Ravenna Township
Fruitport, Village of
Casnovia Township

REGION 5

Egelston Township
Cedar Creek Township
Moorland Township
Sullivan Township

REGION 6

North Muskegon, City of
Fruitland Township
Holton Township
Laketon Township

REGION 7

Dalton Township
Blue Lake Township
Montague, City of
Montague Township
White River Township

*The appointments in Regions 1 and 2 do not rotate.

EXHIBIT B

LIBRARY MANAGEMENT CONTRACT

THIS AGREEMENT, entered into as of the 1st day of October, 2005, (the "Effective Date"), by and between Muskegon County (the "County") and the Muskegon Area District Library (the "Library"), a district library established pursuant to the District Library Establishment Act, 1989 PA 24, as amended.

WITNESSETH:

WHEREAS, the Library has been established for the purpose of operating a public library in the Library's district pursuant to a certain District Library Agreement (the "District Library Agreement") entered into by and among Muskegon County and 21 other Participating Municipalities; and

WHEREAS, the parties to this Agreement desire to cooperate in administering the operation and maintenance of the Library during the "Interim Period", as that term is defined in the District Library Agreement, for the purposes of providing uninterrupted library service to the residents of the Library district; and

WHEREAS, the parties desire to enter into a contract whereby, during the Interim Period, the County will provide personnel and fiscal agency services to the Library.

NOW, THEREFORE, in consideration of the mutual promises and covenants hereinafter set forth, it is mutually agreed as follows:

1. The County is hereby recognized as the Fiscal Agent with respect to the operation and maintenance of the Library.
2. The County hereby agrees to act as Fiscal Agent, and to perform the duties of Fiscal Agent described in this Agreement and in the statutes, rules, regulations and court decisions applicable to the operation of the Library, subject to the following conditions:
 - a. As Fiscal Agent, the County shall carry out its obligations under this Agreement using the same degree of care and skill it would use in the conduct of its own affairs.
 - b. The County shall not be responsible for any statement, warranty or representation made by the Library to the public during the administration of library services.
 - c. As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper, or proceeding, the County shall, in performing its function as Fiscal Agent, be entitled to rely on a certificate signed by a duly authorized representative of the Library as sufficient

evidence of the facts described in such instrument, paper, proceeding or certificate.

- d. The County shall have the right, but not the obligation, to demand from the Library with respect to any application for reimbursement or payment any showing, certificate, opinion, appraisal or other information as a condition of disbursement or payment of Library moneys to the Library as the County may reasonably determine is necessary.
 - e. Except as expressly provided in the District Library Agreement or Exhibits thereto, no provision of this Agreement shall be deemed to require the County to expend or risk its own funds or otherwise to incur any financial liability in the performance of its duties under this Agreement.
3. During the term of this Agreement, the County shall:
- a. Hold all funds of the Library, including payments of state aid, penal fines, appropriations, and other revenues (other than petty cash in the amount of not to exceed \$500 which shall be held by the Library), in a separate fund on the accounts of the County entitled "District Library Fund". All earnings from investments of moneys on deposit in the District Library Fund pending disbursement shall be credited to and retained within the District Library Fund. Upon termination of this Agreement as provided in Paragraph 5 below, the balance of the District Library Fund shall be transferred to the Library.
 - b. Process all written requests for reimbursement or payment from the Library from moneys on deposit in the District Library Fund.
 - c. Retain copies of all written requests for reimbursement or payment from the Library, including, copies of all invoices, receipts for payment, executed contracts for goods or materials for which the Library is being paid or reimbursed, and any other documentation required by the Library or by the County's independent auditor.
 - d. Provide monthly written reports as to the status of the Library budget, including, but not limited to, the aggregate principal amount of all requests for disbursement submitted to the County to date, the aggregate principal amount of all reimbursements received by the County on behalf of the Library to date, the aggregate principal amount of all reimbursements remitted by the County to the Library to date, and any other information which the Library or the County may reasonably require.
 - e. Provide to the Library within 180 days of the end of the County's fiscal year an audited financial statement of the County containing as a separately audited fund the Library budget paid for by the Library.

4. The Library shall pay the County's administrative fee for central support services (such as telephone, motor pool, insurance, human resources, treasurer, purchasing, payroll, information systems, etc. but excluding building space costs which are covered by the Lease attached as Schedule 2 to Exhibit C) pursuant to the methodology of the County's Cost Allocation Plan, consistent with the past practice for the former Muskegon County Library, provided, however, that the Library shall not be required to pay any such fee after the date of termination of this Agreement as provided in paragraph 6 below. In exchange for the Library's payment of the County's administrative fee, the County shall provide the same level of central support services as provided to the former Muskegon County Library.
5. The County agrees to provide all library personnel necessary, including a Director, for the proper functioning of the Library pursuant to the Library Agreement for Lease of County Employees attached as Exhibit E to the District Library Agreement.
6. This Agreement shall terminate on the last day of the Interim Period, as defined in Section IV.G. of the District Library Agreement, unless extended by mutual agreement.

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

MUSKEGON COUNTY

By: Bill Gill

Its: Chair

By: Karen D. Bue

Its: County Clerk

MUSKEGON AREA DISTRICT LIBRARY

By: John W. Wajda

Its: Chair

By: Robert W. Wajda

Its: Secretary

EXHIBIT C

PROPERTY TRANSFER AGREEMENT

THIS AGREEMENT is effective as of the 1st day of October, 2005, by and between MUSKEGON COUNTY (the "County"), the MUSKEGON COUNTY LIBRARY (the "Former Library"), and the MUSKEGON AREA DISTRICT LIBRARY, a district library established pursuant to the District Library Establishment Act, (the "District Library").

WHEREAS, the District Library was established by agreement effective October 1, 2005, (the "District Library Agreement") entered into by and among Muskegon County and 21 other Participating Municipalities to provide library services in the District Library boundaries, as set forth in Exhibit A of the District Library Agreement.

WHEREAS, the County has operated a public library known as the Muskegon County Library (the "Former Library"); and

WHEREAS, to effectuate the purposes of the District Library Agreement, it is necessary for the County to lease real property and transfer personal property to the District Library as set forth in this Agreement.

THEREFORE, in consideration of the premises, the County, the Former Library, and the District Library agree as follows:

1. The County shall close the fiscal year of the Former Library as of the Effective Date of the District Library Agreement.
2. Subject to the conditions specified in this Property Transfer Agreement, and pursuant to the Bill of Sale attached hereto as Schedule 1 as of the Effective Date of the District Library Agreement, the County and the Former Library shall transfer all the tangible and intangible personal property of the Former Library to the District Library. The County, the Former Library, and the District Library shall execute the Bill of Sale attached as Schedule 1. In addition, the County shall transfer the certificates of title to the District Library for the following vehicles: 1) 2004 Ford van (VIN-1FB5531L84HA90197) and 2) Bookmobile truck (VIN-1FDXF46F91EC39191).
3. Upon the Effective Date of this Agreement, the County shall lease a portion of the building and premises at 97 E. Apple, City of Muskegon, to the District Library pursuant to the Lease substantially in the form attached as Schedule 2 attached hereto.
4. The District Library accepts the assignment of library contracts pursuant to Section IV.D. of the District Library Agreement and shall execute the Assignment of Library Contracts attached thereto as Exhibit D. The District Library hereby assumes and agrees to indemnify the County against all such contractual obligations, including contingent liabilities, of or incurred by the Former Library. The liabilities assumed shall include amounts owed by the Former Library to the County under any of those contractual obligations.

5. The District Library shall, at its own cost, defend, indemnify and hold the Participating Municipalities in the District Library Agreement and their officers, agents and employees (the "Indemnified Persons") harmless from all claims and liabilities arising out of the operation, maintenance, and improvement of the Muskegon Area District Library in accordance with Section IV.F. of the District Library Agreement.

6. In the event of failure by either party to perform its obligations under this Agreement, the other party shall have the power to seek such remedies as shall be available to it at law or in equity, including actions for mandamus.

IN WITNESS WHEREOF, the County, Former Library, and the District Library have executed this Property Transfer Agreement as of the date first indicated above by and through their respective duly authorized representatives.

WITNESS:

Mary Villanueva

Mary Villanueva

AWinsore

AWinsore

AWinsore

Brenda Hall

MUSKEGON COUNTY

By: Bill Gell

Its: Chair

By: Karen D. Burr

Its: County Clerk

MUSKEGON AREA DISTRICT LIBRARY

By: John Wujala

Its: Chair

By: Richard Waker

Its: Secretary

MUSKEGON COUNTY LIBRARY

By: Rosalind G. Ford

Its: Vice-Chairman

By: AWinsore

Its: Secretary

SCHEDULE 1 TO EXHIBIT C

BILL OF SALE

This Bill of Sale ("Bill of Sale") is made as of October 1, 2005, between Muskegon County, the Muskegon County Library (collectively "Seller") and the Muskegon Area District Library, a district library established pursuant to the District Library Establishment Act ("Purchaser").

For \$1.00 and other valuable consideration, Seller transfers and conveys to Purchaser all of Seller's right, title and interest in and to all of the tangible and intangible personal property used by Seller in providing public library services, including, without limitation, all of the personal property located in or used in connection with the Muskegon County Library at library headquarters or in the nine branches of the County Library, and all books, records, reports, documents, instruments and agreements evidencing, detailing or pertaining to any of the personal property, and the Seller's rights therein, the vehicles identified in paragraph 2 of the Property Transfer Agreement, and the Wells Cargo trailer for the Bookmobile. None of the personal property is subject to any claim, lien, encumbrance or interest of any kind or nature except for those items listed under "Equipment Rent/Revolving" on Exhibit D-1 for which there are ongoing payment obligations.

Except as expressly provided herein, Seller makes the transfer under this Bill of Sale without any representation, warranty or guaranty, whether express, implied or statutory, including any warranty of condition, merchantability, habitability or fitness for a particular use or purpose. This transfer is made as is, where is, and with all faults.

Purchaser accepts delivery of the personal property and assumes all risk of loss and responsibility for the performance and compliance with any contractual agreement or undertaking related to any of the personal property or any of the Seller's rights therein.

This Bill of Sale is made as of the date first above written.

WITNESSES:

May Villanueva

May Villanueva

MUSKEGON COUNTY

By: Bill Gill

Its: Chair

By: Karen Owen

Its: County Clerk

Ewinsove

Brenda Hall

Ewinsove

Ewinsove

MUSKEGON COUNTY LIBRARY

By: Gasalind Y. Ford

Its: Vice-Chairman

By: Ewinsove

Its: Secretary

MUSKEGON AREA DISTRICT LIBRARY

By: John Wingo

Its: Chairman

By: Richard Walker

Its: Secretary

SCHEDULE 2 TO EXHIBIT C

LEASE

THIS LEASE is made as of October 1, 2005, by and between Muskegon County, hereinafter designated as the Landlord, and the Muskegon Area District Library, hereinafter designated as the Tenant.

1. **Description and Term.** In consideration of the rents described below and the covenants and agreements to be performed by the Tenant, and the Landlord under this Lease, the Landlord leases to the Tenant, and the Tenant leases from the Landlord, a portion of the building (an estimated 4,118 square feet) and premises (including the common areas shown on Schedule 2-A to Exhibit C (consisting of bathrooms, janitor room, mechanical areas, corridors, and vestibules), 2 parking spaces and the existing bookmobile parking space) located at 97 E. Apple in the City of Muskegon, County of Muskegon, Michigan, and additional parking spaces in the County parking lot at the northeast corner of Pine Street and Delaware Avenue, as more particularly described on attached Schedule 2-A to Exhibit C (collectively the "Premises"). It is the intent of this Lease that the Premises leased to the Tenant shall be the same portion of the building (including common areas) and premises (including parking spaces) occupied or utilized by the former Muskegon County Library. In addition, the Tenant shall have the same rights to reserve and use the conference room shown on Schedule 2-A to Exhibit C and the meeting rooms in the Training Center at 133 E. Apple Avenue as enjoyed by the former Muskegon County Library. The term of this Lease shall commence on October 1, 2005 and shall extend until December 31, 2010, unless terminated prior thereto as provided in this Lease. Notwithstanding any other provision of this Lease, this Lease shall automatically terminate upon the termination of the District Library Agreement for the Muskegon Area District Library. In addition, the Tenant may terminate this Lease upon 90 days written notice to Landlord.

2. **Rent.** In consideration of this Lease, the Tenant shall pay \$1.00 per annum; shall provide public library services; and shall provide the Landlord the right of access set forth in Paragraph 7. In addition, the Tenant shall pay the cost of utilities and maintenance of the Premises as allocated to the Tenant and other occupants of the building at 97 E. Apple consistent with the County's past practice for "Building Rental" with respect to the former Muskegon County Library based upon the Tenant's occupancy of 40.74% of the total space of the building and premises.

3. **Tenant and Landlord Responsibilities.** Without limiting the foregoing, the Tenant and Landlord agree as follows:

- (a) The Tenant shall accept the Premises "as is and with all faults"
- (b) The Tenant shall pay for its proportionate share of all utilities and maintenance as provided in paragraph 2.
- (c) The Tenant shall not perform or permit any acts or carry on any practices which may injure the building and structures on the Premises. The Landlord shall

keep the Premises clean and free from rubbish, dirt, snow and ice, to the extent practicable at all times and in full compliance with all applicable laws and ordinances.

(d) The Landlord shall maintain the Premises and all fixtures and equipment therein, including all plumbing, sprinkler, heating, air-conditioning, electrical, gas, security and safety and like fixtures and equipment, all window glass, ceilings, doors and door frames, windows and window frames of the Premises in good repair and condition, and shall make all repairs, replacements and upgrades to such fixtures and equipment.

(e) The Tenant shall be responsible for the risk of loss of all the personal property on the Premises and shall provide fire and extended coverage insurance on the personal property located in the Premises in amounts reasonably deemed adequate by the Tenant to fully insure the personal property. It is understood and agreed that if the personal property on the Premises as of the Effective Date of the District Library Agreement is damaged or destroyed in whole or in the part by fire or other casualty during the term hereof, the Tenant will repair and restore the same to good tenantable condition with reasonable dispatch based solely upon the amount of insurance proceeds by the Tenant to cover such casualty. As used in this Lease, "personal property" shall mean all books, collections, materials, equipment, furniture, and any other tangible personal property of the Tenant.

(f) The Landlord shall maintain the interior wall coverings and floor coverings in good repair and shall replace such wall and floor coverings at its own expense as needed.

(g) The Landlord shall be solely responsible for the provision, maintenance and repair of any exterior and interior signs relating to the use of the Premises.

(h) The Landlord shall maintain the roof, structural supports, exterior and interior walls, floors, walkways, sidewalks, grounds, landscaping and parking lots in good condition.

(i) The Landlord shall at all times during the term of this Lease keep the Premises insured against loss or damage caused by fire, with extended coverage, boiler and machinery insurance, water damage and windstorm damage, in an amount not less than one hundred percent (100%) of the full insurable value as determined from time to time. The term "full insurable value" means actual replacement cost without deduction for physical depreciation.

(j) The Tenant shall indemnify and hold harmless the Landlord against any and all personal injury that occurs on the Premises except to the extent caused by the acts or omissions of the Landlord.

(k) The Tenant shall not make structural alterations or improvements to the Premises without the prior written approval of the Landlord which shall not be

unreasonably withheld. The Tenant may make non-structural alterations (including signage) at its sole cost and expense.

4. **Assignment.** The Tenant covenants not to assign or transfer this Lease under any circumstances without the prior written consent of the Landlord.

5. **Use and Occupancy.** It is understood and agreed between the parties hereto: (a) that the Premises during the term of this Lease shall be used and occupied for providing public library headquarters and for no other purpose or purposes without the written consent of the Landlord; (b) upon discontinuance of the use of the Premises for public library headquarters purposes, this Lease shall forthwith terminate and possession shall be returned to the Landlord; (c) that the Tenant will not use or permit or suffer the use of the Premises for any purpose in violation of any federal or state law, municipal ordinance or regulation; and (d) that on any breach of this agreement the Landlord may at its option terminate this Lease forthwith and re-enter and repossess the leased Premises.

6. **Fire.** It is understood and agreed that if the Premises are damaged or destroyed in whole or in part by fire or other casualty during the term hereof, the Landlord will repair and restore the same with reasonable dispatch, unless otherwise agreed by the parties, based solely upon the amount of insurance proceeds received by the Landlord to cover such casualty. The Tenant shall remove its damaged goods, wares, equipment and/or property within a reasonable time to permit the repair and restoration.

7. **Access to Premises.** During the term of this Lease, the Landlord shall have the right to enter upon the Premises at all reasonable hours for the purpose of inspecting the same.

8. **Quiet Enjoyment.** The Landlord covenants that the said Tenant, on payment of all the aforesaid installments and performing all the covenants aforesaid, shall and may peacefully and quietly have, hold and enjoy the Premises as provided in this Lease for the term aforesaid.

9. **Remedies.** If the Tenant shall breach or fail to perform any of the promises and agreements in this Lease, and such failure shall continue, without commencement and diligent pursuit of remedial action, for sixty (60) days after written notice from Landlord, Landlord may commence such performance at Tenant's cost and expense or terminate this Lease and reenter and repossess the Premises.

10. **Remedies Not Exclusive.** It is agreed that each and every of the rights, remedies and benefits provided by this Lease shall be cumulative, and shall not be exclusive of any other said rights, remedies and benefits or of any other rights, remedies and benefits allowed by law or equity.

11. **Waiver.** A waiver of any covenant or condition by the Landlord shall not be construed as a waiver of a further breach of the same covenant or condition.

12. **Notices.** Whenever notice of any kind is required under this Lease, it shall be deemed sufficient notice and service thereof if such notice is in writing addressed to the

applicable party at its last known post office address and deposited in the mail with postage prepaid.

IN WITNESS WHEREOF, the parties have executed this Lease by the signature of the duly authorized officers of the parties as of October 1, 2005

WITNESSES:

Mary Villanueva

Mary Villanueva

E Winsche

E Winsche

MUSKEGON COUNTY

By: Bill Gill

Its: Chair

By: Karen D. Bue

Its: County Clerk

MUSKEGON AREA DISTRICT LIBRARY

By: John Winger

Its: Chloe

By: Richard J. Wink

Its: Secretary

SCHEDULE 2-A TO EXHIBIT C

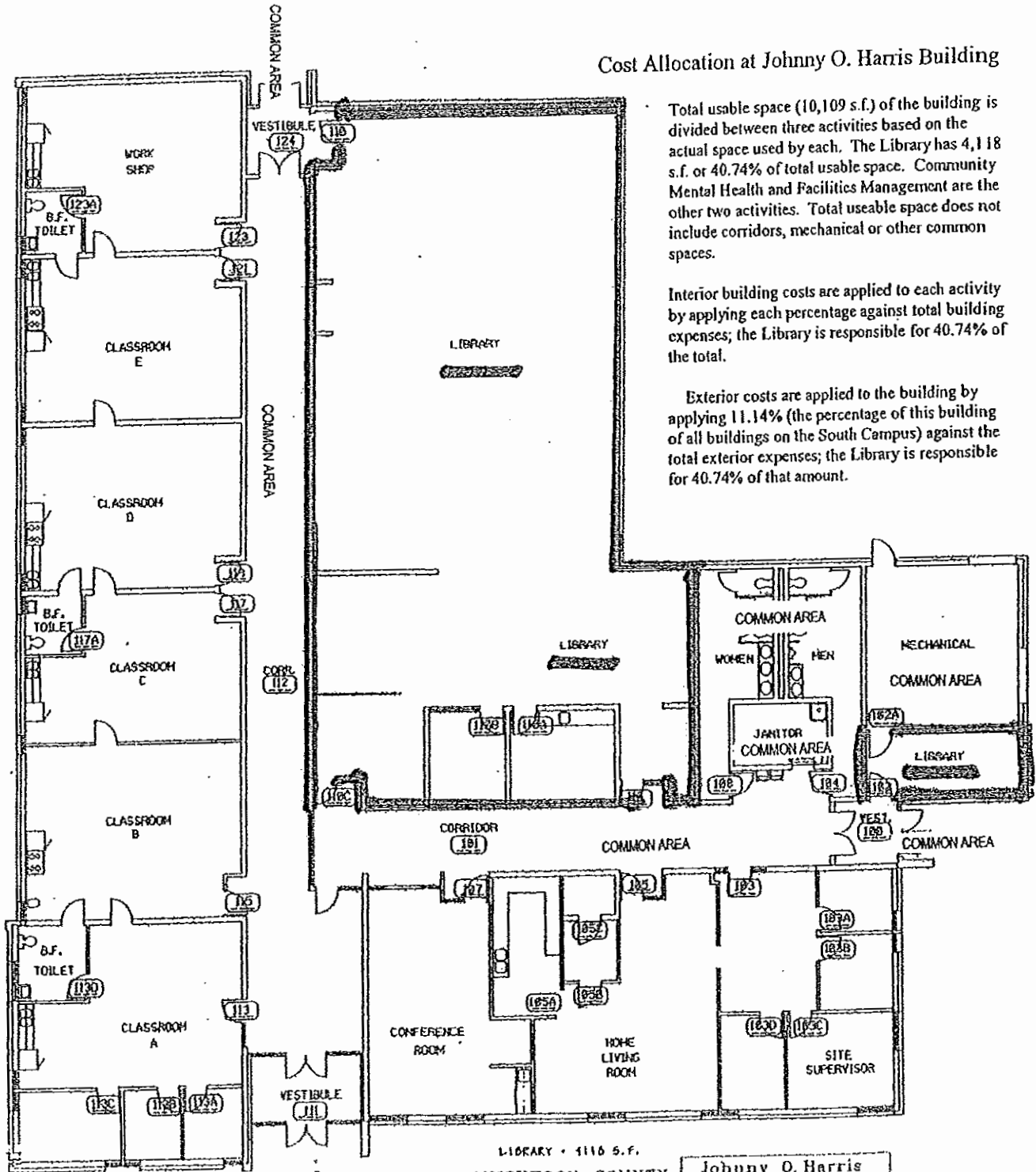
DESCRIPTION

Cost Allocation at Johnny O. Harris Building

Total usable space (10,109 s.f.) of the building is divided between three activities based on the actual space used by each. The Library has 4,118 s.f. or 40.74% of total usable space. Community Mental Health and Facilities Management are the other two activities. Total useable space does not include corridors, mechanical or other common spaces.

Interior building costs are applied to each activity by applying each percentage against total building expenses; the Library is responsible for 40.74% of the total.

Exterior costs are applied to the building by applying 11.14% (the percentage of this building of all buildings on the South Campus) against the total exterior expenses; the Library is responsible for 40.74% of that amount.



Library	4,118 s.f.	40.74%
CMH	5,469 s.f.	54.10%
FM	522 s.f.	5.16% (Meeting Room)
TOTAL	10,109 s.f.	100.00%

LIBRARY • 4,118 S.F.
MUSKEGON COUNTY
 South Campus
 NOT TO SCALE
 NOT FOR CONSTRUCTION

Johnny O. Harris
 DEPT OF EMPLOYMENT & TRAINING
 Facilities Management

SCHEDULE 2-B TO EXHIBIT C

DESCRIPTION

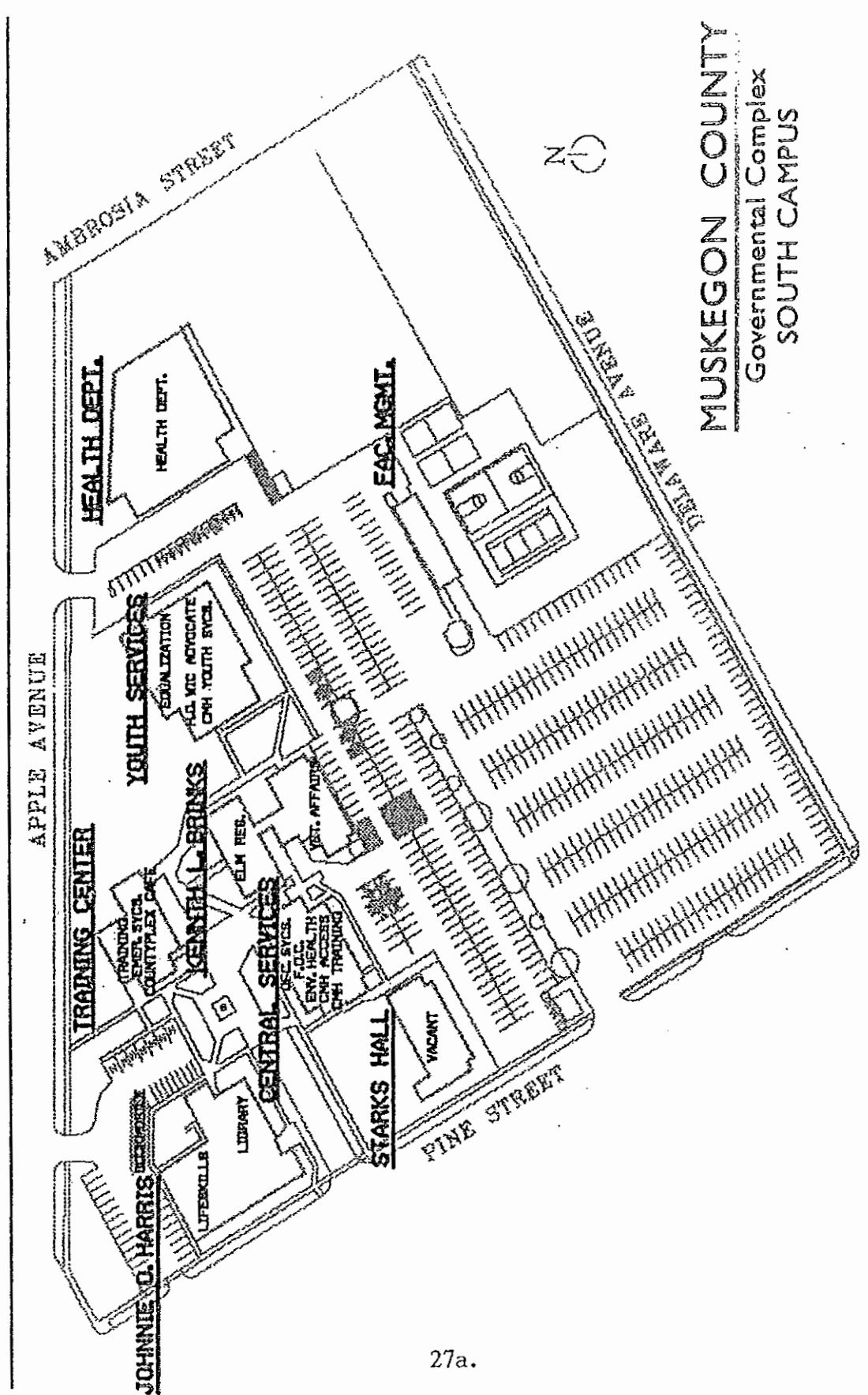


EXHIBIT D
ASSIGNMENT OF LIBRARY CONTRACTS

THIS ASSIGNMENT, made as of this 1st day of October, 2005, from MUSKEGON COUNTY, and the MUSKEGON COUNTY LIBRARY, to the MUSKEGON AREA DISTRICT LIBRARY, a Michigan district library established pursuant to 1989 PA 24, as amended.

FOR VALUABLE CONSIDERATION, receipt of which is acknowledged, Muskegon County and the Muskegon County Library hereby assign to the Muskegon Area District Library, as of the date provided below, all of the County's right, title, interest in and to all contracts and agreements of or relating to the Muskegon County Library including, without limitation, the contracts identified on Exhibit D-1 attached hereto.

This Assignment shall be effective as of October 1, 2005. This Assignment is made in fulfillment of Section IV.E. of the District Library Agreement.

This Assignment shall inure to the benefit of, and be binding upon, Muskegon County and the Muskegon Area District Library and their respective successors and assigns.

IN WITNESS WHEREOF, Muskegon County, the Muskegon County Library, and the Muskegon Area District Library have executed this Assignment as of this 1st day of October, 2005.

MUSKEGON COUNTY

By: *Bell Gidd*

Its: *Chair*

By: *Karen D. Bue*

Its: *County Clerk*

Date: *9/20/05*

MUSKEGON COUNTY LIBRARY

By: *Opalind Y. Ford*

Its: *Vice-Chairman*

By: *G. Winsore*

Its: *Secretary*

Date: *Aug 1, 2005*

MUSKEGON AREA DISTRICT LIBRARY

By: *John Winge*

Its: *Chair*

By: *Ruhel J. Wale*

Its: *Secretary*

EXHIBIT D-1

LIBRARY CONTRACTS

IOS Capital for:

8 copiers at branch locations

1 copier at Library HQ

Intergovernmental Agreements with:

Dalton Twp/Reeths Puffer Schools

Egelston Twp

Fruitport Twp/Fruitport Village

Holton Twp

Montague City (Salary reimbursement paid by Montague Twp/White River Twp)

Muskegon Heights City

Norton Shores City

North Muskegon City

Ravenna Twp

Equipment Rent/Revolving

2 Panasonic Toughbooks, last payment May 2006

Integrated Library System, last payment September 2006

Data Network, last payment May 2006

Lakeland Library Cooperative

Reimbursement for Delivery Services in Muskegon County

Member and Services Agreement

Network Agreement

Voice Over Internet Protocol (VOIP) Telephone System and Fiber Optic Lines.

The County intends to install the VOIP Telephone System and Fiber Optic Lines prior to the Effective Date of the District Library Agreement and to allocate to the Muskegon County Library its share of the capital cost on a uniform basis with the other County departments to be paid over five (5) years. The Library shall assume and pay the cost allocated to the former Muskegon County Library for so long as the Lease attached as Schedule 2 to Exhibit C of the District Library remains in effect. The Library shall have no further obligation for payment after the expiration or termination of the Lease unless the Library transfers the System to a new headquarters location in which event the Library's obligation shall continue until the Library's cost share is fully paid.

EXHIBIT E

LIBRARY AGREEMENT FOR LEASE OF COUNTY EMPLOYEES

THIS AGREEMENT, effective as of the 1st day of October, 2005 (the "Effective Date"), by and between MUSKEGON COUNTY ("County") and the MUSKEGON AREA DISTRICT LIBRARY (the "Library"), a district library established pursuant to the District Library Establishment Act.

RECITALS:

The Library has been established for the purpose of operating a public library in the Library's district pursuant to a District Library Agreement entered into by Muskegon County and 21 other Participating Municipalities.

The parties to this Agreement desire to cooperate in administering the operation of the Library during the "Interim Period", as that term is defined in Section IV.G of the District Library Agreement, to provide uninterrupted library service to the residents of the District Library district.

The Library desires, during the Interim Period, to contract with the County to provide certain County employees to staff the District Library.

AGREEMENT

The parties mutually agree as follows:

1. **Provision of County Employees.** During the term of this Agreement, the County agrees to provide all personnel necessary for the proper functioning of the Library, including a Director, as requested by the Library, subject to paragraph 4. All County employees who are assigned as library personnel as of the Effective Date of the District Library Agreement will be allowed to continue their employment at the library facilities of the Library, subject to rights and responsibilities under the County's personnel policies and any collective bargaining agreement covering these employees. However, if sufficient funding is not available, or becomes unavailable, to continue the Library's reimbursement of the County for the costs of employment of all employees originally provided to the Library as of the Effective Date of the District Library Agreement, the Library may so notify the County and may request a reduction in the personnel provided to the Library. In such event, County employees assigned to the Library are subject to the lay-off provisions of County personnel policies and any applicable collective bargaining agreements.
2. **Filling Vacancies.** The Library Director may request the County to process and assign County employees to fill vacant positions in accordance with the County Personnel Rules and collective bargaining agreements, if applicable. The County will process and assign to the Library those employees selected for hire by the Library Director, subject to paragraph 4.

3. **Employee Insurance and Benefits.** The County agrees to maintain in effect all insurance and benefit coverages for the employees assigned to the Library as are provided or required for other County employees, either under statute, County policy, or bargaining agreement. This shall include but not be limited to coverage for general liability to third parties for the acts or omissions of the employees and workers disability compensation insurance.
4. **Reimbursement for County Employees.** The Library shall reimburse the County for all associated payroll costs for the County employees assigned to the Library. Payroll costs shall include, but not be limited to, wages, salaries, and all fringe benefit costs, including workers' compensation, unemployment compensation, medical and life insurance premiums, pension and other related costs properly allocated to these employees. Where an employee is assigned for less than a full calendar month, the cost of monthly premiums or payments shall be prorated accordingly.

The Library shall provide the County with a weekly summary of the hours worked for each County employee provided to the Library. The County shall invoice the Library after each pay period for the actual wages and benefits expended during that pay period. The Library shall review and act on the invoice at its next regularly scheduled Board meeting, but in no event more than 30 days after receipt of the invoice from the County.

5. **Personnel Policies and Bargaining Agreements.** County employees assigned to the Library, including the Director, shall be subject to all applicable County personnel policies in effect during their assignment. The County employees assigned to the Library who are covered by the County's collective bargaining agreement with the Teamsters Local Union No. 214, shall remain subject to and covered by the terms of that agreement during their assignment.

As of the Effective Date of the District Library Agreement, the County has provided the Library with a copy of all applicable County personnel policies and collective bargaining agreements now in effect. The County will provide the Library with a copy of any new or amended personnel policies or collective bargaining agreements applicable to the County employees assigned to the Library.

6. **Supervision of Employees.** The Library Director shall supervise and be responsible for discipline (up to and including discharge of employees assigned to the Library), subject to County personnel policies and any collective bargaining agreement applicable to Library employees.
7. **Board Authority.** The Library Director shall be a County Employee. During the term of this Agreement, the District Library Board shall be responsible for the direct supervision and evaluation of the Library Director. If discipline or removal is deemed necessary, the District Library Board will implement the action to the extent permissible under law and the County personnel policies applicable to the Library Director.

Further, the District Library Board, through the Director, shall have the authority to direct the County employees assigned to the Library in terms of the work assignments, schedules, discipline, removal from Library service, and other aspects of performing their duties to the extent that it is not inconsistent with any collective bargaining agreement.

8. **Director's Responsibility.** With respect to the operation of the Library (including, but not limited to, the day to day operation of the Library within policies to be established by the District Library Board), the Director shall be responsible to the District Library Board. To the extent policies set by the District Library Board conflict with the County personnel policies, County personnel policies shall prevail.
9. **Lawful Conduct.** The Library and the County each agree that it will take no action with respect to County employees assigned to the Library which would violate the County personnel policies, applicable collective bargaining agreements or applicable employment or anti-discrimination laws.
10. **Notice of Discontinuation.** At least 30 days before the end of the "Interim Period" as defined in Section IV.G. of the District Library Agreement, the County shall give notice to all County employees currently assigned to the Library that the County will cease providing employees to the Library at the end of the Interim Period. The County shall be responsible for honoring any rights that the employees may have under the County's personnel policies and any collective bargaining agreement. Any employee who receives a notice described hereinabove, shall, within five (5) days, give notice to the Library that they do not want to transition from County employment to employment with the District Library. Their status to continue County employment at that point shall be subject to the applicable lay-off provisions of the County personnel policies and/or applicable collective bargaining agreements.
11. **Offer of Employment.** To the best of its ability, the Library shall offer employment to each County employee who received notice under paragraph 10 above, commencing on the day after the end of the Interim Period, in accordance with the following:
 - a. The Library agrees that those individuals who accept the employment offer as of the day after the end of the Interim Period shall retain such seniority rights as are provided by the County as of the end of the Interim Period. It is understood, however, that the factors affecting reduction in personnel in a district library are based on demand for public library service and availability of funding.
 - b. The Library further agrees to offer these former County employees substantially the same seniority credits and benefits, including accrued sick leave, annual leave, insurance, and pension coverages as they had at the time they left the County's employment. The Library shall provide its own insurance and pension plan separate from the County's plans.
 - c. **Accrued Sick Leave and Annual Leave Benefits.** The County will transfer to the Library, on behalf of the affected employees, an amount of time equal to one

hundred percent (100%) of their accrued, but unused annual leave and sick leave benefits, which shall become an unfunded liability.

12. **Pension Liability.** The County and Library mutually agree that the MERS-covered, leased Library employees shall be separated from the County's MERS Plan, and all active employees leased to the Library under this Agreement shall continue their participation in MERS with the Library as an independent MERS participating municipality. The Library will provide not less than the same MERS benefit coverage for employees previously covered under the County's MERS program, including all accrued prior service in the employ of the County. The County shall transfer to the Library all actuarial accrued benefit liabilities for the MERS-covered Library employees, together with market assets equal to not less than the funded level for the division (or divisions) from which those employees are transferred (as determined by MERS in the County's latest annual actuarial valuation). Following the transfer, the Library shall be exclusively responsible for the funding of all MERS benefits for all Library employees, and the County shall not. This paragraph shall be implemented at the end of the Interim Period pursuant to a Joint Transfer Agreement Concerning MERS Assets and Liabilities, which document shall be drafted by MERS and approved by the County and Library.
13. **Retirees' Health Insurance.** The County will transfer the pro rata share of assets of the County's retiree health insurance plan attributable to the liabilities of the employees who transfer to active employment with the Library at the end of the Interim Period to a new retirees health insurance plan maintained by the Library. The value of the assets will be determined at the close of the Interim Period. This pro rata share of assets will be transferred as soon as practical following the close of the Interim Period. The pro rata share will be the fraction whose numerator is the actuarial liability for the employees who transfer to the employment with the Library immediately after the close of the Interim Period and whose denominator is the actuarial liability for all active County employees, employees transferring to employment with the Library, deferred vested former employees, retirees, and other beneficiaries of the retirees' health insurance plan (the total of all actuarial liabilities of the retirees' health insurance plan). The ratio of liabilities will be determined as of the actuarial valuation date coincident with or immediately preceding the close of the Interim Period.
14. **Transition Liability.** The Library shall defend, indemnify and hold harmless the County, and its officers, agents, and employees, against all claims brought by County employees arising from or relating to the execution, delivery and fulfillment of this Agreement. This obligation shall survive the termination of the Agreement.
15. **Access to Information.** Either party shall have the right, but not the obligation, to demand from the other party with respect to any application for reimbursement or payment any showing, certificate, opinion, appraisal or other information as a condition of disbursement or payment of Library moneys as either may reasonably determine is necessary.
16. **Indemnification.** Except as expressly provided in the District Library Agreement or Exhibits thereto, no provision of this Agreement shall be deemed to require the

County to expend or risk its own funds or otherwise to incur any financial liability in the performance of its duties under this Agreement. Accordingly, the Library shall defend, indemnify and hold harmless the County, and its officers, agents, and employees, against all claims or liabilities arising from this Agreement, or brought by County employees assigned to the Library pursuant to this Agreement. However, each party shall remain responsible for its own actions, and indemnify and hold the other harmless for any claims or damages that arise from claims made by employees that arise out of its own actions. These obligations shall survive the termination of this Agreement.

17. **Remedies.** In the event of failure by either party to perform its obligations under this Agreement, the other party shall have the power to seek such remedies as shall be available to it at law or in equity, including actions for mandamus. However, the party claiming a breach of the agreement must give the other party written notice of the alleged breach and a reasonable opportunity to cure before seeking legal recourse. A reasonable time shall not require more than 30 days.

18. **Duration.** This Agreement shall commence on the Effective Date of the District Library Agreement and terminate with the last day of the "Interim Period." The obligation to reimburse the County for the cost incurred for employees provided through the end of the "Interim Period" survives this Agreement.

MUSKEGON COUNTY

By: Bell Gill

Its: Chair

By: Karen D. Buro

Its: County Clerk

Date: 9/20/05

MUSKEGON AREA DISTRICT LIBRARY

By: John Wing

Its: Chair

By: Rubik Waker

Its: Secretary

Date: October 5, 2005