

**URBAN COOPERATION AGREEMENT BETWEEN  
THE SUPERIORLAND LIBRARY COOPERATIVE AND MEMBER LIBRARIES**

AN AGREEMENT made this **21st day of March 2008**, by and between the Superiorland Library Cooperative, a Michigan Library Cooperative, (“SLC”) and the Dickinson County Library, a County Library, the Peter White Public Library, a 1891 PA 254 library, and the West Iron District Library, a district Library, (“Libraries”).

WHEREAS, SLC is a library cooperative established pursuant to the State Aid to Public Libraries Act, 1977 PA 89 (“State Aid Act”); and

WHEREAS, the West Iron District Library is a district library established pursuant to the District Library Establishment Act, 1989 PA 24, (“DLEA”); and

WHEREAS, the Dickinson County Library is a county library established pursuant to the County Libraries Act, 1917 PA 138 (“County Library Act”); and

WHEREAS, the Peter White Public Library is a library established pursuant to 1891 PA 254; and

WHEREAS, SLC has the authority pursuant to Section 14 of State Aid Act to acquire real property; and

WHEREAS, SLC owns property located at 1615 Presque Isle and 1617 Presque Isle, Marquette, Michigan (“Property”); and

WHEREAS, the Upper Peninsula Region of Library Cooperation, Inc. (“UPRLC”) is a non-profit corporation that owns and operates a shared automation system(s), technical support and training services; and

WHEREAS, pursuant to a contract with UPRLC, SLC manages the shared automation system(s) and provides technical support and training services at the Property and the shared automation system(s), technical support and training services is used by all libraries that are members of SLC and/or UPRLC (“Member Libraries”); and

WHEREAS, SLC desires to cooperate with the Libraries to ensure the continued service of the shared automation system(s), technical support and training services at the Property; and

WHEREAS, pursuant to Section 12 of the DLEA, the West Iron District Library has the exclusive control over the expenditure of library funds and the authority to 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; and

WHEREAS, pursuant to Section 4(4) of the County Library Law, a county library has the authority to do anything necessary for the conducting of the county library service; and

WHEREAS, pursuant to 1891 PA 254, the Peter White Public Library is a body corporate with the authority to hold property and expend public funds; and

WHEREAS, pursuant to the Urban Cooperation Act, 1967 PA 7 (“Act 7”), any public agency of the state may jointly exercise any power, privilege or authority that agencies share in common and might each exercise separately; and

WHEREAS, the Parties are all public agencies under Act 7 and have authority to own property and to operate an automated system(s), technical support and training services for services such as circulation records; and

WHEREAS, the Parties desire to ensure the continued operation of the shared automation system(s), technical support and training services by providing a location for the automation system(s), technical support and training services and to establish a separate entity to administer and execute operation of the shared agreement; and

WHEREAS, the SLC and the Libraries have determined it is in their best interest to execute this Agreement.

THEREFORE, the parties agree as follows:

## **I. ESTABLISHMENT**

A. **Purpose.** The purpose of this Agreement is to establish an agreement for the ownership and management of the Property in order to ensure the central location and continued operation of a shared automation system(s), technical support and training services for Member Libraries.

B. **Effective Date of this Agreement.** The Effective Date of this Agreement shall be March 21, 2008.

C. **Establishment of NMLN Board.** The Parties hereby establish a separate legal entity called the Northern Michigan Library Network (“NMLN”) to administer and execute this Agreement. The NMLN shall not be operated for profit and no portion of NMLN’s earnings shall inure to the benefit of the Parties. NMLN shall be a public body for the purposes of Act 7 and shall have the right to sue or be sued in the name of the NMLN.

1. **Membership.** The Parties shall appoint members to the NMLN Board. The NMLN Board shall consist of seven (7) Board Members. All NMLN Board Members shall be appointed as set forth below:

a. *SLC shall appoint two Board Members.* Of the two Board Members initially appointed by SLC, one shall serve a three (3) year term and one shall serve a two (2) year term beginning on the Effective Date of this Agreement.

- b. *The Peter White Public Library Board shall appoint two Board Members. Of the two Board Members originally appointed by the Peter White Public Library, one shall serve a two (2) year term and one shall serve a one (1) year term beginning on the Effective Date of this Agreement.*
- c. *The Dickinson County Library shall appoint two Board Members. Of the two Board Members initially appointed by Dickinson County Library, one shall serve a three (3) year term and one shall serve a one (1) year term beginning on the Effective Date of this Agreement.*
- d. *The West Iron District Library shall appoint one Board Member. The Board Member initially appointed by the West Iron District Library shall have a one (1) year term beginning on the Effective Date of this Agreement.*

- 2. Vacancies. A vacancy shall occur if a Board Member resigns, dies, or is removed. The Party that appointed the Board Member whose position has become vacant shall appoint a replacement within two (2) months of the vacancy and such replacement shall serve until the end of the term of the Board Member being replaced. In the event no such replacement shall have been appointed by the appropriate Party at the end of the two-month period, the NMLN Board shall have the power to appoint such replacement, whose term shall extend to the end of the term of the NMLN Board Member being replaced.
- 3. Terms. After the initial terms of office identified in Section 1 above, all terms shall be four (4) years. All terms of office begin on the Effective Date of this Agreement.
- 4. Removal. Each Board Member of the NMLN Board may be removed by the appointing party at will.
- 5. Authority. The Board shall have the following authority:
  - a. Enter into contracts in the name of the NMLN.
  - b. Acquire, construct, manage, lease, maintain, or operate buildings, works, or improvements.
  - c. Acquire, hold, lease or dispose of Property subject to the terms of this Agreement.

- d. Incur debts, liabilities, or obligations that, except as expressly authorized by the Parties, do not constitute the debts, liabilities, or obligations of any of the Parties.
  - e. Cooperate with a public agency, an agency or instrumentality of that public agency, or another legal or administrative entity created by that public agency under Act 7.
  - f. Do anything necessary to assist SLC and Member Libraries in providing a shared automation system(s), technical support and training services as directed by the Parties.
6. **Membership of NMLN Board if SLC does Not Exist.** If at any point during the term of this Agreement, SLC is dissolved or ceases to exist for any reason, the NMLN Board shall be reduced to five (5) Board Members with the appointments made by the remaining parties as provided for in this Section 1.

## II. FUNDING

- A. **Contributions of Personal Property.** SLC shall transfer the personal property attached as Exhibit A to this Agreement (“SLC Personal Property”) as part of its financial contribution to this Agreement as provided for in the Bill of Sale attached as Schedule 1 of Exhibit B to this Agreement.
- B. **Contributions of Real Property.** SLC shall also transfer the Property as provided for in the Quit Claim deed attached as Schedule 2 of Exhibit B to this Agreement.
- C. **Grants-In-Aid Or Other Assistance.** Any Party to this Agreement may receive grants-in-aid and other assistance fund from the United States Government, the State of Michigan, or Canada and transfer such funds to NMLM for use in carrying out the purposes of this Agreement.
- D. **Additional Contributions.** As permitted by Section 12 of Act 7, any Party may appropriate funds and may sell, lease, give, or otherwise supply to NMLN any personnel, services, facilities, property or funds to NMLN for the purpose of this Agreement that may be within its legal power to furnish. NMLN may accept any gift, contribution or other funding authorized by law.

### III. DUTIES OF THE BOARD

- A. **Management of Real Property.** The NMLN Board agrees to operate and manage the Property to facilitate the continued operation of the shared automation system(s), technical support and training services.
- B. **Lease the Real and Personal Property to SLC.** As long as SLC remains in existence, NMLN shall be required to enter into a lease of the real and personal property substantially in the form attached as Exhibit C with SLC so that SLC may still use the real and personal Property for SLC's operations subject to the terms of the Lease.
- C. **Library Records.** The NMLN Board shall act as an agent for the SLC and the Member Libraries for the purposes of the Michigan Library Privacy Act. The NMLN Board shall not release any "library record" as defined under the Michigan Library Privacy Act, MCL 397.601 *et seq.*, except in compliance with Federal or Michigan law, including but not limited to the Michigan Library Privacy Act.

### IV. TERM AND TERMINATION

- A. **Term.** The term of the Agreement shall be fifty (50) years from the Effective date of this Agreement.
- B. **Termination.** This Agreement shall terminate if 1) all but one party withdraws from the Agreement as provided in Section VI A. below; 2) the Parties mutually agree to terminate the Agreement; or 3) NMLN becomes bankrupt or insolvent.

### V. OPERATIONS

- A. **Fiscal Year.** Unless otherwise changed by the NMLN Board after the Effective Date of the Agreement, the fiscal year of NMLN shall be the annual period commencing October 1 and ending the following September 30 provided that the initial fiscal year shall commence the Effective Date of this Agreement and shall end on September 30, 2008.
- B. **Fiscal Agency Agreement.** Upon the Effective Date of the Agreement, SLC shall enter into a Fiscal Agency Agreement with NMLN substantially in the form as provided in Exhibit D.
- C. **Audit.** The NMLN shall have its financial records audited annually. Copies of the Audit shall be sent to the parties after completion.
- D. **Indemnification and Other Obligations of the Board.** As a condition of the transfer of property to NMLN, the NMLN Board shall be required to indemnify the Parties against all claims, demands, actions, citations or legal proceedings

arising from or relating to the management by the NMLN Board of the Property after the Effective Date of this Agreement and shall be required to obtain insurance coverage in amounts reasonably determined by the Parties to meet such liabilities. Such insurance policies shall name the Parties as an additional insured party. The SLC shall be required to notify NMLN of any and all pending, probable or threatened claims, demands, actions, citations or legal proceedings that arise on or before the effective date of the Agreement (“Pre-Existing Claims”) and SLC shall indemnify the NMLN and the NMLN Board against Pre-Existing Claims.

E. **Board Member Liability.** No Board Member of NMLN shall be personally liable to NMLN, the Parties or the Member Libraries for monetary damages for breach of the director's fiduciary duty; provided, however, this provision shall not eliminate or limit the liability of a Board Member for any of the following:

1. A breach of the Board Member's duty of loyalty to NMLN or the Member Libraries;
2. Acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of the law;
3. Board members who vote for, or concur in, any of the following NMLN Actions are jointly and severally liable to NMLN for the benefit of its creditors or NMLN Member Libraries, to the extent of any legally recoverable injury suffered by such persons as a result of the action but not to exceed the amount unlawfully paid or distributed:
  - a. Distribution of assets contrary to this Agreement;
  - b. Distribution of assets as provided in Section VI. C without paying, or adequately providing for, all known debts, obligations, and liabilities of NMLN.
  - c. Making of a loan to a Board Member, NMLN Member Library, or employee of NMLN contrary to law.

However, a Board Member is not liable under this Section V.F.3.c if the Board Member discharged the duties of that position in good faith and with that degree of diligence, care, and skill which an ordinarily prudent person would exercise under similar circumstances in a like position. In discharging the duties, the Board Member, when acting in good faith, may rely upon the opinion of counsel for NMLN, upon the report of an independent appraiser selected with reasonable care by the NMLN Board, or upon financial statements of NMLN represented to the Board Member as correct by the Chairperson or Board Member of the NMLN having charge of its books or account, or as stated in a written report by an

independent public or certified public accountant or firm of accountants fairly to reflect the financial condition of the NMLN.

4. A transaction from which the Board Member derived an improper personal benefit;
5. An act or omission occurring before the effective date of this Agreement; or,
6. An act of omission that is grossly negligent.

F. **Privileges, Immunities and Obligations.** As provided in Section 9 of Act 7, the Parties acknowledge as follows:

1. All of the privileges and immunities from liability, and exemptions from laws, ordinances and rules, and all pensions, relief, disability, workmen's compensation and other benefits which apply to the activity of officers, agency, or employees of any Party or employees of any Party when performing their respective functions within the territorial limits for their respective agencies shall apply to the same degree and extent to the performance of such functions and duties of such officers, agents or employees extraterritorially under the provisions of this Agreement.
2. This Agreement does not relieve a Party of any obligation or responsibility imposed upon it by law except to the extent of actual and timely performance thereof by 1 or more of the Parties to the Agreement or NMLN, in which case the performance may be offered in satisfaction of the obligation or responsibility.

## VI. DISSOLUTION AND DISTRIBUTIONS.

- A. **Withdrawal.** Any Party to this Agreement may withdraw by resolution of its governing board. Unless only one (1) party remains, NMLN shall not be dissolved and the withdrawing Party is not entitled to any distribution of assets. Withdrawal of a Party will not affect that Party's contract for services with the SLC or the NMLN Board.
- B. **Dissolution.** The NMLN will be dissolved if all but one (1) Party withdraws or if the Agreement is terminated pursuant to Section IV.B above.
- C. **Distribution of Assets.** In the event NMLN is dissolved, all tangible and intangible assets of the NMLN shall be transferred to SLC. If the NMLN is dissolved and SLC does not exist at the time of dissolution, all assets of NMLN shall be distributed as determined by the NMLN Board.

**VII. MISCELLANEOUS**

- A. **Remedies.** In the event of failure by any of the Parties to perform its obligations under this Agreement, the other Parties, and each of them separately, shall have the power to seek such remedies as shall be available to them at law or in equity, including actions for mandamus.
  
- B. **Amendment.** This Agreement may be amended in writing upon the consent of the governing bodies of the Parties.
  
- C. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Michigan.
  
- D. **Severability.** If any clause, provision or section of this Agreement shall be ruled invalid or unenforceable by any court of competent jurisdiction, the invalidity or unenforceability of such clause, provision or section shall not affect any of the remaining clauses, provisions or sections.
  
- E. **Execution in 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 and may be appended to any other counterpart.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed as of the date first written above.

SUPERIORLAND LIBRARY COOPERATIVE

DICKINSON COUNTY LIBRARY

By: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

PETER WHITE PUBLIC LIBRARY

WEST IRON DISTRICT LIBRARY

By: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_



## LIST OF PERSONAL PROPERTY

### **Furniture & Fixtures & Electronics**

Acme 820 compact shelving  
(18 g steel with carriages)

**Dell OptiPlex 210L Pentium 4  
521/2.8,1M**

**Inspiron 6000 Laptop for Wireless Lab**

**Inspiron 6000 Laptop for Wireless Lab**

Dell Pentium 4 520/2.8GHZ PC

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Dell Pentium 4 520/2.8GHZ PC

Dell Pentium 4 520/2.8GHZ PC

Gateway Pentium 800 PC

Xerox Document Center (used)

Mitsubishi XL8U LCD

SmartBoard SB540CT w/software

Dell Laptops 221 4823

Dell Laptops 221 4823

Dell Laptops 221 4823

Dell Laptops 221 4823

Dell Laptops 221 4823

Dell Laptops 221 4823

Dell Laptops 221 4823

Dell Laptops 221 4823

Microtek ScanMaker 9800LX

Mitsubishi air conditioners

Shawns office- MS09TW

main room PUG24CKB

main room PUG24CKB

Mitsubishi MS17 Ductless AC

entrance

Carrier 58SXC080 furnace

Trane TUX080C942D furnace

Video conference equipment

Navitar Digital Doc Cam X-15 NTSC

Polycom Viewstation FX H.323

Polycom Quad BRI w/cable

Spectrum Rollabout cart double

AMX VPXpress VPT-CP

Axcent 3 Controller

Security alarm system

Large Print Collection 7,000 books

## **EXHIBIT B**

### **PROPERTY TRANSFER AGREEMENT**

**THIS AGREEMENT** is effective as of the **27** day of **March**, 2008, by and between the SUPERIORLAND LIBRARY COOPERATIVE, hereinafter SLC, and the NORTHERN MICHIGAN LIBRARY NETWORK, hereinafter NMLN.

WHEREAS, the SLC is a public library cooperative established by PA 89, 1977 whose board has the authority to manage and control the cooperative's funds and property; and,

WHEREAS, the NMLN is a public agency whose board has the authority to acquire, hold, lease, or dispose of Property; and,

WHEREAS, the SLC and NMLN share a common purpose of providing shared automation system(s) with technical support and training to libraries in the SLC; and,

WHEREAS, the SLC owns Personal Property described in Exhibit A of the Urban Cooperation Agreement that is used in the provision of shared automation system(s) with technical support and training; and,

WHEREAS, SLC owns clear title to Real Property that is the headquarters for the shared automation system(s), technical support and training services. The legal description for this Property at 1615 and 1617 Presque Isle Avenue, Marquette, MI follows:

**1617 Presque Isle Avenue Legal Description:**

Lot 36 of Ayer's Addition to the City of Marquette, Except the South 1 foot of the East 100 feet of said parcel, City of Marquette, County of Marquette, Michigan.

**1615 Presque Isle Avenue Legal Description:**

The South 1.0' of the East 100' of Lot 36, the east 100' of Lot 37, the North 1 / 2 of Lots 46 and 47 of Ayer's Addition, plus a 12' easement over the West 12' of the South 1 / 2 of Lot 46. Part of the SE 1 / 4 of the NW 1 / 4 Sec. 14, 148N-R25W, City of Marquette, Michigan.

WHEREAS, to accomplish the purposes of the Northern Michigan Library Network Agreement, it is necessary for the SLC to transfer Personal Property listed in Exhibit A and the Real Property at 1615 and 1617 Presque Isle Avenue to the NMLN as set forth in this Agreement.

THEREFORE, the SLC and NMLN agree as follows:

1. As provided in Section II. A of the Interlocal Government Agreement, the SLC shall transfer certain personal property to the NMLN that is described in Exhibit A. SLC and NMLN shall execute the Bill of Sale attached as Schedule 1 of Exhibit B.
2. As provided in Section II.B of the Interlocal Government Agreement, the SLC shall transfer certain real property pursuant to the Quit Claim Deed attached as Schedule 2 of Exhibit B.

3. The Northern Michigan Library Network shall, at its own cost, defend, indemnify and hold the Parties in the Interlocal Government Agreement and their officers, agents and employees harmless from all claims and liabilities arising out of the operation, maintenance, and improvement of the Northern Michigan Library Network.
4. In the event of failure by either party to perform its obligations under the Interlocal Government 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 Superiorland Library Cooperative and the Northern Michigan Library Network have executed this Property Transfer Agreement as of the date first indicated above by and through their respective duly authorized representatives.

**SUPERIORLAND LIBRARY COOPERATIVE**

Dated: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

**NORTHERN MICHIGAN LIBRARY NETWORK**

Dated: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

**SCHEDULE 1 TO EXHIBIT B**

**BILL OF SALE**

This Bill of Sale is made as of **March 27, 2008** between the **SUPERIORLAND LIBRARY COOPERATIVE** (“Seller”) and the **NORTHERN MICHIGAN LIBRARY NETWORK**, an interlocal government network established pursuant to the Urban Cooperation Act, 1967, (“Purchaser”)

For 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 library services, including, without limitation, all of the books, furniture, equipment, and other personal property located in or used in connection with the Seller’s library cooperative located at 1615 Presque Isle Avenue, Marquette, Michigan, 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 personal property transferred to the Purchaser shall include, without limitation, the items listed in Exhibit A attached hereto. None of the personal property is subject to any claim, lien, encumbrance or interest of any kind or nature.

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.

**SUPERIORLAND LIBRARY COOPERATIVE**

By: \_\_\_\_\_

Its: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

**NORTHERN MICHIGAN LIBRARY NETWORK**

By: \_\_\_\_\_

Its: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

**SCHEDULE 2 TO EXHIBIT B**

**QUIT CLAIM DEED**

## **EXHIBIT C**

### **LEASE**

THIS LEASE is made as of March 27, 2008, by and between the **NORTHERN MICHIGAN LIBRARY NETWORK**, hereinafter designated as the LESSOR, and the **SUPERIORLAND LIBRARY COOPERATIVE**, hereinafter designated as the LESSEE.

**Description and Term.** In consideration of the rents described below and the covenants and agreements to be performed by the LESSEE and the LESSOR under this Lease, the LESSOR leases to the LESSEE, and the LESSEE leases from the LESSOR, the Premises, in the County of Marquette, Michigan, known as 1615 Presque Isle Avenue and 1617 Presque Isle Avenue, Marquette, Michigan, and certain Personal Property described in Exhibit A of the Interlocal Government Agreement, for a term beginning from and after March 27, 2008, and ending on March 27, 2028.

#### **A. AGREEMENTS OF LESSEE. LESSEE agrees:**

1. To pay the LESSOR rent of \$1.00 per annum, in consideration of this Lease.
2. To accept the Premises and Personal Property “as is and with all faults.”
3. To pay all real estate taxes, building insurance, and maintenance on the property in addition to rent.
4. To be responsible for all costs associated with repairs or replacement of the structural building elements of the property. LESSEE shall keep the roof of the building and the basic structure in good repair. The LESSEE shall be responsible for the costs of replacing the heating and cooling systems, or any component parts thereof, if the parties mutually agree that such a replacement is required.
5. To be responsible for all property management and repairs, including without limitation all grounds maintenance throughout the year and to keep all public access ways in a safe condition.
6. To pay all charges for electric, heat, water, and any other utility furnished to the premises. The LESSOR shall be responsible for garbage pickup service at its expense.
7. To use the premises for lawful purposes only and for no purpose deemed in any way to be hazardous. LESSEE shall use and occupy the premises for any purpose authorized by law and the premises shall be used for no other purpose. LESSOR represents that the premises may lawfully be used for such purpose.
8. To keep the premises in as good repair as the same shall be at the inception of this lease, reasonable wear and tear excepted, but shall not permit any condition to exist that would be contrary to Section 5.

9. To permit LESSOR or LESSOR'S agents to enter said premises at any reasonable hour for the purpose of examining or exhibiting the same or for making repairs or alterations thereto.
10. Not to assign or sublease the premises without the written permission of the LESSOR; provided, however, The Upper Peninsula Region of Library Cooperation, Inc. ("UPRLC") shall be permitted to utilize said premises in accordance with the attached Operations Agreement.
11. Not to perform or permit any acts or carry on any practices which may injure the building on the Premises.
12. Not to enter into any contract for repair, construction or improvement of any part of the premises without insuring that no mechanic's or materialman's lien shall be filed against the premises, including but not limited to timely payment of all charges of contractors and material suppliers and obtaining waivers of lien. LESSEE agrees that such work shall be performed only by licensed and insured contractors except that with LESSOR'S prior written approval, LESSEE or its employees may perform such work if it is performed in a good and workmanlike manner.

Failure of the LESSOR to strictly enforce the provisions herein shall not be deemed as a waiver.

13. During the term of this lease agreement and for any further time that LESSEE shall hold the demised premises, LESSEE shall obtain and maintain at its expense the following types and amounts of insurance:
  - a. **Fire and Casualty Insurance.** LESSEE shall keep the building and improvements on the premises insured against loss or damage by fire, with all standard extended coverage that may be required by any first mortgage. The insurance shall be in an amount equal to at least 80% of insurable value, excluding the cost of land. LESSEE shall provide fire and extended coverage on the personal property in Exhibit A in amounts deemed adequate by the LESSOR. "Personal property" in this context shall mean books, equipment, furniture or other tangible personal property of the LESSOR.
  - b. **Personal Injury and Property Damage Insurance.** Insurance against liability for bodily injury and property damage and machinery insurance, all to be in amounts and in forms of insurance policies as may from time to time be required by LESSOR, shall be provided by LESSEE.
  - c. **Contents.** The LESSEE shall be solely responsible for insuring the contents of the buildings and LESSOR shall not be liable to LESSEE, or any other persons, for loss to contents of the buildings.



- d. **Workmen's Compensation and Employer's Liability Insurance.** The LESSEE shall obtain and maintain workmen's compensation insurance as required by law.
- e. **General Liability Insurance.** The LESSEE shall obtain and maintain general liability insurance, insuring against damage to the general public, business invitees on the premises, and all other persons. The minimum such coverage shall be \$1,000,000.
- f. **Other Insurance.** LESSEE shall provide and keep in force other insurance in amounts that may from time to time be required by LESSOR against other insurable hazards as are commonly insured against for the type of business activity that LESSEE will conduct and consistent with the practice of the business in which LESSEE is engaged.
- g. **All Insurance** provided by LESSEE as required by this section shall be carried in favor of LESSOR and LESSEE as their respective interests may appear. In the case of insurance against damage to the Premises by fire or other casualty, the policy shall provide that loss, if any shall be adjusted with and be payable to the LESSOR. If requested by LESSOR, any insurance against fire or casualty shall provide that loss shall be payable to the holder under a standard mortgage clause. All insurance shall be written with responsible companies rated A- or better that LESSOR shall approve. The policies shall be held by the LESSOR; or, when appropriate, by the holder of the mortgage, in which case copies of the policies or certificates of insurance shall be delivered by LESSEE to LESSOR within five (5) business days of the beginning of the lease period. All policies shall require ten (10) day written notice by registered mail to LESSOR of any cancellation or change affecting any interest of LESSOR.

**B. AGREEMENTS OF LESSOR.** LESSOR agrees:

1. To allow the LESSEE to make such alterations, additions or improvements as are reasonable and necessary for LESSEE's purposes at LESSEE's expense after first obtaining LESSOR's written permission therefore, which permission shall not be unreasonably withheld. This includes any interior and exterior changes; e.g., painting, décor, fixtures, etc.
2. That all fixtures erected or attached to the premises by the LESSEE may be removed by said LESSEE prior to the expiration of this lease provided LESSEE is not in default in his performance herein and provided, further, that said removal does not permanently damage the premises.

### C. MUTUAL AGREEMENTS.

1. LESSOR and the LESSEE shall have the right to terminate this lease agreement, provided that notice of such contemplated termination shall be given, in writing, to the LESSEE or to the LESSOR at least one hundred twenty (120) days prior to the time fixed for vacation of the premises.
2. In the event LESSEE is dissolved, notwithstanding anything contrary herein, LESSOR agrees that UPRLC shall have thirty (30) days from the date of dissolution of LESSEE to provide written notice to LESSOR of its intent to assume the terms of this lease agreement as the lessee.
3. If during the term of this lease the premises shall be sold or destroyed by fire, the elements, or any other cause, this lease shall cease and become null and void as of the date of said sale or destruction and rent shall be prorated in accordance therewith. If the premises shall be substantially damaged by the aforesaid causes but capable of repair in a reasonable time and without substantial interference with the operation of the LESSEE's business, LESSOR shall have the option to repair said premises with an adjustment in rent for the nature, extent and duration of repairs undertaken. LESSOR is not responsible for any loss of business that LESSEE may have for any reason at any time.
4. The agreements, conditions and undertakings herein shall be binding on the heirs, executor, successors and assigns of the parties hereto.
5. Each of the following events shall constitute a default or breach of this lease agreement by LESSEE
  - a. If LESSEE, while in possession, shall dissolve, become insolvent, or reorganize.
  - b. If LESSEE shall fail to perform or comply with any of the terms or conditions of this lease agreement and if the nonperformance shall continue for a period of ten (10) days after notice of nonperformance given by LESSOR to LESSEE or, if the performance cannot be reasonably completed within the ten (10) day period or, if LESSEE has not in good faith commenced performance within the ten (10) day period or has not proceeded diligently to completion of performance.
  - c. If LESSEE shall vacate or abandon the demised premises.
  - d. If this lease agreement or the estate of LESSEE under this lease agreement shall be transferred to or pass to or devolve on any other person or party except in a manner permitted in this lease agreement.
  - e. If LESSEE uses or permits the premises or land to be used as a residence or storage by anyone who is not a party to this lease.

6. In the event of any default under this lease agreement, as set forth above, the rights of LESSOR shall be as follows:
  - a. LESSOR shall have the right to cancel and terminate this lease agreement, as well as all of the right, title, and interest of LESSEE under this lease agreement, by giving to LESSEE not less than fifteen (15) days notice of the cancellation and termination. On expiration of the time fixed in the notice, this lease agreement and the right, title, and interest of LESSEE under this lease agreement, shall terminate in the same manner and with the same force and effect, except as to LESSEE's liability, as if the date fixed in the notice of cancellation and termination were the end of the term originally set forth in this lease agreement.
  - b. LESSOR may elect, but shall not be obligated, to make any payment required of LESSEE in this lease agreement or comply with any agreement, term, or condition required by this lease agreement to be performed by LESSEE. LESSOR shall have the right to enter the demised premises for the purpose of correcting or remedying any such default and to remain until the default has been corrected or remedied, but any expenditure for the correction by LESSOR shall not be deemed to waive or release the default of LESSEE or the right of LESSOR to take any action as may be otherwise permissible under this lease agreement in the case of any default.
7. It is further agreed that in the event of holdover, this lease shall become a month-to-month lease and any right of LESSEE as set forth above concerning notice to vacate shall be null and void. The terms of the holdover lease shall be controlled by this lease agreement and all Michigan statutory provisions concerning month-to-month leases shall govern the LESSEE/LESSOR relationship.
8. It is specifically declared that time is of the essence in all provisions of this lease agreement.
9. This Agreement, including the terms and conditions, represents the entire agreement between the parties and there are no other agreements either written or oral between them. This Agreement shall be amended only by written agreement signed by both parties. This lease agreement shall be construed and enforced in accordance with the laws of the State of Michigan, and if Michigan's laws or regulations are more stringent than the forms of this agreement, then Michigan law or rule of law shall govern.
10. If two or more persons execute this Agreement as LESSOR or LESSEE, their obligations hereunder shall be joint and several.
11. If any provision of this Agreement is invalid or unenforceable under applicable law, then it is, to that extent, deemed omitted and the remaining provisions will continue in full force and effect.

12. It is agreed that each and every of the rights, remedies and benefits provided by this Lease shall not 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.
13. A waiver of any covenant or condition by the LESSOR shall not be construed as a waiver of a further breach of the same covenant or condition.
14. Whenever notice of any kind if 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 paid.

IN WITNESS WHEREOF, the parties have executed this Lease by the signature of the duly authorized officers of the parties.

**WITNESSES:**

**NORTHERN MICHIGAN LIBRARY NETWORK**

\_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

\_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

**SUPERIORLAND LIBRARY COOPERATIVE**

\_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

\_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

## EXHIBIT D

### FISCAL AGENCY CONTRACT

THIS AGREEMENT, entered into as of **March 21, 2008** (the "Effective Date"), by and between **NORTHERN MICHIGAN LIBRARY NETWORK** (the "NMLN"), a public body established pursuant to 1967 PA 7, and **SUPERIORLAND LIBRARY COOPERATIVE** (the "SLC"), a public library cooperative established pursuant to 1977 PA 89. WHEREAS, the NMLN has been established for the purpose of managing and operating shared automation system(s) with technical support and training for public libraries pursuant to a certain Interlocal Government Agreement (the "Agreement"); and

WHEREAS, as a party to the Agreement, SLC desires to cooperate in administering the operation and maintenance of the NMLN, for the purposes of providing automated library services, technical support and training; and

WHEREAS, the parties desire to enter into a contract whereby the SLC will provide fiscal agency services to the NMLN.

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

1. The SLC is hereby recognized as the Fiscal Agent with respect to the operation and maintenance of the NMLN.
2. The SLC 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 NMLN, subject to the following conditions:
  - a. As Fiscal Agent, the SLC 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 SLC shall not be responsible for any statement, warranty or representation made by the NMLN to the public relating to 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 SLC shall, in performing its function as Fiscal Agent, be entitled to rely on a certificate signed by a duly authorized representative of the NMLN as sufficient evidence of the facts described in such instrument, paper, proceeding or certificate.

- d. The SLC shall have the right, but not the obligation, to demand from the NMLN 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 NMLN moneys to the NMLN as the SLC may reasonably determine is necessary.
  - e. Except as expressly otherwise provided in the Agreement or Exhibits thereto, no provision of this Fiscal Agency Agreement shall be deemed to require the SLC to expend or risk its own funds or otherwise to incur any financial liability in the performance of its duties under this Agreement, unless otherwise agreed to in writing.
  - f. The Fiscal Agent agrees to follow all applicable laws relating to the investment of public funds, including but not limited to the Investment of Surplus Funds Act, 1943 PA 20.
3. During the term of this Agreement, the SLC shall:
- a. Hold all funds of the NMLN in a separate fund on the accounts of the SLC entitled "NMLN Fund." All earnings from investments of moneys on deposit in the NMLN Fund pending disbursement shall be credited to and retained within the NMLN Fund. Upon termination of this Agreement as provided in Paragraph 4 below, the balance of the NMLN Fund shall be transferred to the NMLN.
  - b. Process all written requests for reimbursement or payment from the NMLN from moneys on deposit in the NMLN Fund, upon receipt of written evidence of approval by NMLN of such payment.
  - c. Retain copies of all written requests for reimbursement or payment from the NMLN, including, copies of all invoices, receipts for payment, executed contracts for goods or materials for which the NMLN is being paid or reimbursed, and any other documentation required by the NMLN or by the SLC's independent auditor.
  - d. Provide monthly written reports as to the status of the NMLN budget, including, but not limited to, the aggregate principal amount of all requests for disbursement submitted to the SLC to date, the aggregate principal amount of all reimbursements received by the SLC on behalf of the NMLN to date, the aggregate principal amount of all reimbursements remitted by the SLC to the NMLN to date, and any other information which the NMLN or the SLC may reasonably require.

- e. Provide all management reports regarding NMLN transactions to NMLN's independent auditor so that the NMLN Fund can be audited annually pursuant to the Agreement.
4. This Fiscal Agency Agreement may be terminated upon written notice by either party at any time. Upon termination, SLC will turn over all NMLN records to NMLN.

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

**SUPERIORLAND LIBRARY COOPERATIVE**

By: \_\_\_\_\_

Its: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

**NORTHERN MICHIGAN LIBRARY NETWORK**

By: \_\_\_\_\_

Its: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_