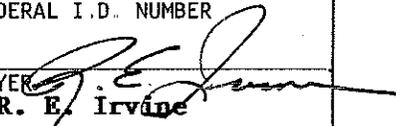


STATE OF MICHIGAN
 DEPARTMENT OF MANAGEMENT AND BUDGET
 OFFICE OF PURCHASING
 P.O. BOX 30026, LANSING, MICHIGAN 48909

DECEMBER 11, 1990

CHANGE NOTICE NO. 1
 TO
 CONTRACT AGREEMENT NO. 7708

between
 THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR		TELEPHONE	
IRON RIVER TOWNSHIP (#46146) ATTN: TOWNSHIP CLERK 102 MCNUTT ROAD IRON RIVER, MI 49935		(906) 265-3403	
		FEDERAL I.D. NUMBER	
		BUYER 	
		R. E. Irvine	
COMMODITY #4462	BID LIST #9963		
SANITARY SEWER AGREEMENT FOR IRON COUNTY CORRECTIONAL CAMP			
CONTRACT PERIOD		From: SEPTEMBER 9, 1990	To: SEPTEMBER 9, 2010
TERMS	NET 30 Days	SHIPMENT	N/A
F.O.B.	N/A	SHIPPED FROM	N/A

CHANGE(S): The purpose of this Change Notice is to add projected waste treatment costs to the contract price in order to arrive at a total estimated cost for the contract period.

ESTIMATED CONTRACT COST:

1st Year (Construction Only):
 Construction: \$ 804,295.00
 Waste treatment (see para. 8 of agreement, for approximately 5 months, of operation at minimum population of 240 persons;
 \$2,275.00/mo. - \$935.00 fee reduction/mo. x 5 months) = \$ 6,700.00
 ESTIMATED TOTAL YEAR 1: \$ 810,995.00

Years 2 through 10:
 Waste treatment (at minimum population of 240 persons;
 \$2,275.00/mo. - \$935.00 fee reduction/mo. x 12 months = \$16,080.00/yr. x 9 yrs.) = \$ 144,720.00

Years 11 through 20:
 Waste treatment (at minimum population of 240 persons;
 \$2,275.00/mo. x 12 months - \$27,300.00/yr. x 10 yrs.) = \$ 273,000.00

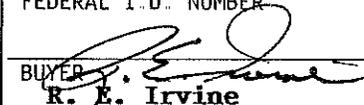
TOTAL ESTIMATED COST OF CONTRACT = \$1,228,715.00

STATE OF MICHIGAN
 DEPARTMENT OF MANAGEMENT AND BUDGET
 OFFICE OF PURCHASING
 P.O. BOX 30026, LANSING, MICHIGAN 48909

NOVEMBER 14, 1990

NOTICE
 OF
 CONTRACT AGREEMENT NO. 7708

between
 THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR		TELEPHONE	
IRON RIVER TOWNSHIP (46146)		(906) 265-3403	
102 MCNUIT ROAD		FEDERAL I.D. NUMBER	
IRON RIVER, MI 49935		 BUYER R. E. Irvine	
COMMODITY #4462		BID LIST #9963	
SANITARY SEWER AGREEMENT			
CONTRACT PERIOD		From: SEPTEMBER 9, 1990 To: SEPTEMBER 9, 2010	
TERMS	Net 30 Days	SHIPMENT	N/A
F.O.B.	N/A	SHIPPED FROM	N/A

THE TERMS AND CONDITIONS OF THIS CONTRACT ARE THOSE OF THE ATTACHED FOUR (4) PAGE CONTRACT AGREEMENT DATED SEPTEMBER 9, 1990 AND CONSISTING OF SEVENTEEN (17) NUMBERED PARAGRAPHS. IN THE EVENT OF ANY CONFLICT BETWEEN THE SPECIFICATIONS, TERMS AND THE CONDITIONS INDICATED BY THE STATE AND THOSE INDICATED BY THE CONTRACTOR, THOSE OF THE STATE TAKE PRECEDENCE.

ESTIMATED CONTRACT COST: 1ST YEAR: (CONSTRUCTION ONLY) \$804,295.00

SANITARY SEWER AGREEMENT
IRON COUNTY, MICHIGAN

THIS AGREEMENT, made this 9th day of September, 1990, under authority of 1984 P.A. 431; MCL 18.1101; MSA 3.516 (101) by and between IRON RIVER TOWNSHIP, hereinafter referred to as the TOWNSHIP, and the STATE OF MICHIGAN, hereinafter referred to as the STATE.

WITNESSETH:

WHEREAS, the TOWNSHIP is the owner and operator of a sewer system in the County of Iron, State of Michigan, and is engaged in the collection of sanitary waste in Iron River Township, State of Michigan; and

WHEREAS, the STATE desires to discharge sanitary waste into the TOWNSHIP collection system as required for the Iron County Correctional Camp; and

WHEREAS, the TOWNSHIP desires to provide said sanitary waste collection system (hereinafter referred to as the SYSTEM) as required by the STATE for the Iron County Correctional Camp Facility (hereinafter referred to as the FACILITY); and

WHEREAS, the TOWNSHIP is unable to secure and to provide said collection system within the time schedule required for needed STATE use; and

WHEREAS, the STATE has, under authority of 1987 P.A. 134, appropriated monies which may be used to cover the cost for the plan review, design, permits, inspection fees and construction of the proposed sewer mains from the TOWNSHIP's existing sewer mains along Gibbs City Road, Iron Lake Road, and Gendron Road (the ROUTE) to the FACILITY;

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

1. The TOWNSHIP shall within twenty-one (21) days of execution of this Agreement engage the services of a consulting engineering firm for the design and administration of the construction of sewer mains, which shall be owned and maintained by the TOWNSHIP. No later than ten (10) days after receipt of all bids, the TOWNSHIP shall notify the STATE of the cost of the proposed construction.

2. The TOWNSHIP shall have the right to reject any and all bids received and, further, shall have the right to waive any defect or irregularity in any bid received, however, the TOWNSHIP will award only to the lowest responsive bidder.

3. The STATE shall pay the TOWNSHIP for all reasonable design and construction engineering services as well as the actual construction cost of the sewer mains incurred by the

TOWNSHIP and normal legal costs associated with same and not including costs involving litigation.

4. It is understood and agreed that the TOWNSHIP or their consultants will inspect the sewer mains and facilities during construction for the purpose of insuring a uniform standard of construction and to avoid any damage arising from inferior material or workmanship in component parts, and to assure compliance with the approved plans and specifications.

5. Upon the TOWNSHIP's acceptance of the completed work each month, the TOWNSHIP shall furnish to the STATE a statement of all current costs of said project. Upon approval by the STATE of the aforesaid statement of costs submitted by the TOWNSHIP, the STATE shall pay the TOWNSHIP each month for the sewer main constructed, engineering services, and other actual costs, less any previous payment.

6. The contract amounts for the work described in paragraphs 1, 3, 4, and 5 herein may be revised only under the following conditions:

a. The TOWNSHIP advises the STATE, in writing, of the revised cost of the work and the reasons necessitating such changes, and

b. The STATE agrees, in writing, to such additional cost by authorizing the TOWNSHIP to issue a change order to the contractor.

c. If the change is necessitated as a result of an emergency immediately endangering life or property, and prior authorization by the STATE for such change will jeopardize life or property, the TOWNSHIP may proceed with the work without prior STATE authorization, but shall advise the STATE of the additional cost and receive authorization as soon as possible.

d. The STATE'S payment to the TOWNSHIP for the cost of additional authorized work will be made upon the STATE'S receipt of an itemized accounting of the cost together with appropriate supporting data. The STATE will also pay the TOWNSHIP for associated engineering and legal fees providing the change was not initiated due to negligent error or omission in the original contract documents.

7. The engineer has estimated the project cost to be Eight Hundred Four Thousand Two Hundred Ninety-Five Dollars (\$804,295.00), based on estimated physical construction costs including surveys, plans, specifications, materials, equipment, normal legal and administration, right-of-way acquisition, and complete engineering including inspection and supervision (as per Attachment "A").

8. The TOWNSHIP will bill the STATE on or before the 1st day of each month for waste collected and treated during the preceding month. Such billing will apply a formula of "equivalent residential hookups". The formula will divide the highest population of residents and employees at the FACILITY during the preceding month, by the number of people served by an average residential hookup. The quotient will be multiplied by the monthly rate charged for residential hookups, equaling the STATE's monthly bill. The average number of people served by a residential hookup is agreed to be 2.64. Initial and minimum billing to the STATE shall be based on a population of 240 persons. The monthly rate charged for residential users is \$25.00, on the date hereof. Based thereon, the STATE's monthly base charge will be \$2,275.00 ($240 \div 2.64 = 91 \times 25 = \$2,275$). The FACILITY populations will be reported to the TOWNSHIP monthly with the payment for the preceding month's service. The TOWNSHIP will apply the foregoing formula based on population increases. The parties recognize that the TOWNSHIP does not now have metered sewage flow for existing hookups. Should the TOWNSHIP institute metering, the billing formula described above will be modified to bill the STATE based on actual flow. As a single high-volume user, the STATE will receive a reduction of Nine Hundred Thirty-Five Dollars (\$935.00) in the monthly base charge for a period of ten (10) years.

9. Nothing herein shall restrict the TOWNSHIP's rights to increase monthly sewer rates to all users, including the STATE.

10. The TOWNSHIP shall use reasonable diligence and care to provide a regular and uninterrupted treatment of sanitary waste from the FACILITY. The TOWNSHIP shall not be liable for any failure, interruption, or any loss or damages resulting therefrom occasioned in whole or in part by any cause beyond the control of the TOWNSHIP.

11. The TOWNSHIP may issue rules and regulations pertaining to the quality of the sanitary waste from the FACILITY. The STATE agrees to abide by the same standards as those applying to the residents of the TOWNSHIP.

12. No failure or delay in performance of this Agreement by either party shall be deemed to be a breach thereof when such failure or delay is occasioned by or due to any Act of God, wars, riots, epidemics, explosions, sabotage, breakage or accidents to machinery or lien of pipe, the binding order of any court or

governmental authority, or any other cause not within the control of the party claiming failure or delay in performance.

13. This contract may not be assigned by either party without the written consent of the other.

14. Any waiver by either party of any terms of this contract shall not act as a waiver of any other term of the contract.

15. If any provision of this contract shall become void or unenforceable, the remainder of this contract shall remain ~~void~~ ^{VALID 25.11.90}

16. The STATE may, by giving the TOWNSHIP thirty (30) days written notice, terminate this contract in whole or in part any time, either for the STATE's convenience or because of the failure of the TOWNSHIP to fulfill its contract obligation under this Agreement. Upon receipt of such notice, the TOWNSHIP shall immediately discontinue all services affected, unless the notice directs otherwise. If the termination is solely for the convenience of the STATE, the STATE agrees to pay the TOWNSHIP for its reasonable, necessary and documented expenses incurred in connection with this project up to the date of termination.

17. This Agreement shall be in full force and effect for a period of twenty (20) years. The parties hereunto will extend this Agreement on a year-to-year basis unless re-negotiated by mutual consent.

This Agreement is signed by the Director of Purchasing, Department of Management and Budget, STATE OF MICHIGAN, and IRON RIVER TOWNSHIP, pursuant to the State Administrative Board approval.

Witnessed by:

Madeline Davidson
John A. [unclear]

IRON RIVER TOWNSHIP

James Spicer
by: James Spicer, Supervisor
Joan Luhtanen
by: Joan Luhtanen, Clerk

Witnessed by:

Carolyn K. Phillips
CAROLYN K. PHILLIPS
NOTARY PUBLIC - EATON COUNTY, MICH.
MY COMMISSION EXPIRES 02-22-04

STATE OF MICHIGAN

William S. Warstler
by: WILLIAM S. WARSTLER
Director, Purchasing Division

STEVE J POLICH P C
ATTORNEYS AT LAW
P O BOX 522
IRON RIVER MICHIGAN
49935
TELEPHONES
906 / 265-9938
905 / 265-3356



August 1, 1990

Steve Polich
Iron River Township Attorney
433 Third Avenue
Iron River, MI 49935

Steve:

Enclosed find a preliminary cost estimate to construct a sanitary sewer system to serve the proposed prison, near Iron Lake.

This estimate is made from U.S.G.S. maps and casual site visits. It is based on actual construction costs in this area and should be accurate for preliminary budget purposes. I'm sure you realize, it is not however, equal to a detailed study which would include soil borings, water table data, detailed topography, etc.

I have also examined the existing township sanitary lines and find the system capable of accommodating the present prison proposal.

We could begin topography and alignment surveys immediately after executing a contract. Within four weeks we would be complete and 25% complete with final design. After eight weeks we would have a preliminary final design and begin final preparations on permits and pre-bidding. At fourteen weeks we would have final approved plans for bidding and construction.

Thank you for your courtesy and consideration.

Sincerely,

Doug Goriesky, P.E.

Attachment "A"

**IRON RIVER TOWNSHIP
SANITARY SEWER SYSTEM
CONSTRUCTION COST 1990**

PROPOSED BY: DOUG GORIESKY, P.E.

1. Clear and Grub Right-of-Way 12 acres @ 1500.00 =	\$ 18,000.00
2. 13,900'-8" PVC Sewer 8-10' Dp. @ 14.00 =	194,600.00
3. 6,600'-8" PVC Sewer 10-12' Dp. @ 16.00 =	105,600.00
4. 70 Manholes 8-10' Dp. @ 1,100.00 =	77,000.00
5. Excess Manhole Depth 120 VF @ 54.00 =	6,750.00
6. Jacked River Crossing LS =	9,500.00
7. 6500' Forcemain @ 19.00 =	123,500.00
8. Packaged Lift Station LS =	65,000.00
9. Back up Controls and Equipment LS=	8,500.00
10. Road & Driveway Crossing Restoration 20 @ 400.00 =	8,000.00
11. 12 Acres - Seed, Mulch, Fertilize @ 1,000.00 =	12,000.00
Sub Total =	<u>\$628,450.00</u>
+ 10% Contingency =	62,845.00
Total Construction Cost =	<u>\$691,295.00</u>
 Legal & Administration =	 \$ 38,250.00
Right-of-Way Acquisition =	5,000.00
Project Inspection/Supervision	21,000.00
Engineering =	48,750.00
	<u>\$113,000.00</u>
 Total Construction =	 <u>\$804,295.00</u>

