DRAFT
12-13-07 SBC

STATE OF MICHIGAN

DEPARTMENT OF LABOR & ECONOMIC GROWTH

BEFORE THE STATE BOUNDARY COMMISSION

In the matter of:

Boundary Commission
Docket #06-AP-4

The proposed annexation of certain territory in Breitung Township to the City of Iron Mountain, Dickinson County.

SUMMARY OF PROCEEDINGS
FINDINGS OF FACT AND CONCLUSIONS OF LAW

SUMMARY OF PROCEEDINGS

1. On November 13, 2006, a petition designated as Docket #06-AP-4 was filed with the State Boundary Commission requesting the annexation of certain territory in Breitung Township to the City of Iron Mountain, as described in Attachment A.

2. On March 22, 2007, the State Boundary Commission held an adjudicative meeting to determine the legal sufficiency of the petition. The Commission unanimously determined the petition to be legally sufficient.

3. On August 16, 2007, at an adjudicative meeting, a public hearing was scheduled for October 25, 2007, to receive testimony. However, on October 16, 2007, the involved parties requested that the date of this public hearing be postponed to allow time for the municipalities to execute a proposed conditional transfer of property agreement and file it with the Secretary of State.

4. On October 16, 2007, the public hearing was re-scheduled for December 6, 2007, to receive testimony in the event that the conditional transfer of property agreement was not executed and filed.

5. On November 5, 2007, a conditional transfer of property agreement, pursuant to 1984 PA 425, executed between the City of Iron Mountain and Breitung Township, was filed with the Secretary of State, Office of the Great Seal (Attachment B). The territory described in the 425 Agreement includes all of the same territory that is described for annexation in Boundary Commission Docket #06-AP-4.

6. On December 13, 2007, at an adjudicative meeting, the State Boundary Commission unanimously voted to approve a motion to recommend that the Director of the Department of Labor & Economic Growth deny the annexation.

7. On December 13, 2007, at an adjudicative meeting, the State Boundary Commission unanimously voted to adopt the Summary of Proceedings, Findings of Fact and Conclusions of Law, and to recommend that the Director of the Department of Labor & Economic Growth sign the attached Order to deny the subject annexation.

FINDINGS OF FACT

1. A conditional transfer of property agreement, pursuant to 1984 PA 425, executed between the City of Iron Mountain and Breitung Township, was filed with the Secretary of State, Office of the Great Seal on November 5, 2007, and designated as OGS Job Number 07-423 (Attachment B).

2. The territory described in the 425 Agreement includes all of the same territory that is described for annexation in Boundary Commission Docket #06-AP-4.

3. Section 9 of Public Act 425 states that "while a contract under this act is in effect, another method of annexation or transfer shall not take place for any portion of an area transferred under the contract."

CONCLUSIONS OF LAW

1. The Findings of Fact in this docket support the unanimous recommendation of the Boundary Commission that the Director of the Department of Labor & Economic Growth sign the attached Order to deny the subject annexation on the ground that all of the territory described for annexation in Docket #06-AP-4 is also the subject of a conditional transfer of property agreement pursuant to 1984 PA 425.

_____
Kenneth VerBurg, Chairman

December 13, 2007

STATE OF MICHIGAN

DEPARTMENT OF LABOR & ECONOMIC GROWTH

BEFORE THE STATE BOUNDARY COMMISSION

In the Matter of:

Boundary Commission Docket #06-AP-4

The proposed annexation of certain territory in Breitung Township to the City of Iron Mountain, Dickinson County.

FINAL ORDER

IT IS ORDERED THAT the annexation of territory petitioned in State Boundary Commission Docket # 06-AP-4, as described in Attachment A, is denied.

IT IS ORDERED THAT this denial is based on a conditional transfer of property agreement, pursuant to 1984 PA 425, executed between the City of Iron Mountain and Breitung Township, being filed with the Secretary of State, Office of the Great Seal on November 5, 2007, and designated as OGS Job Number 07-423 (Attachment B). The territory described in the 425 Agreement includes all of the same territory that is described for annexation in Boundary Commission Docket #06-AP-4. Section 9 of Public Act 425 states that "while a contract under this act is in effect, another method of annexation or transfer shall not take place for any portion of an area transferred under the contract."

IT IS FURTHER ORDERED THAT the State Boundary Commission shall transmit a copy of this Order and the attached Summary of Proceedings, Findings of Fact and Conclusions of Law to the clerks of the City of Iron Mountain, Breitung Township, and Dickinson County.

_____
Keith W. Cooley, Director
Michigan Department of Labor & Economic Growth

_____
Date

Attachment A

Part of Government Lot Two (2) of Section Nineteen (19), Township 40 North, Range 30 West, County of Dickinson, State of Michigan described as follow:

Beginning at the Northeast corner of Section 19, T.40N.-R.30W; thence running South 3° 15' 24" West along the East line of Section 19 for a distance of 1354.69 feet to the Southeast corner of Government Lot 2; thence running South 89° 59' West along the South line of Government Lot 2 for a distance of 988.02 feet to a point on the Easterly line of U.S. Highway No. 2; thence running North 22° 57'12" West along said line for a distance of 351.78 feet; thence running North 67° 02'48" East for a distance of 75.00 feet; thence running North 3° 16'12" West for a distance of 533.0 feet; thence running North 61°30'14" East for a distance of 465.16 feet; thence running North 25° 32' West for a distance of 274.32 feet; thence running South 89°52' East for a distance of 872.95 feet to the Point of Beginning. (+/- 31.5 Acres)

Also

The Entire Northwest Quarter of the Northwest Quarter (NW 1/4 X NW 1/4) of Section Twenty (20), Township 40 North, Range 30 West, Dickinson County, Michigan. (+/- 40.57 Acres)

Attachment B

STATE OF MICHIGAN
TERRI LYNN LAND, SECRETARY OF STATE
DEPARTMENT OF STATE
LANSING

RECEIVED
DEPT. OF LABOR & ECONOMIC GROWTH
NOV 28 2007
STATE BOUNDARY COMMISSION

November 13, 2007

Jordan Stanchina
City of Iron Mountain Clerk
501 S. Stephenson Ave.
Iron Mountain, MI 49801-3424

RE: JC Development Property listed in Exhibit B

Dear Mr. Stanchina:

This letter serves to acknowledge the Office of the Great Seal's receipt on November 2, 2007 of the filing of the conditional transfer of property pursuant to Public Act 425 of 1984, as amended, from Breitung Township to the City of Iron Mountain. The receipt date is the effective date of this boundary change. This filing has been designated as Job Number 07-423.

All property descriptions for any boundary changes are reviewed by the Michigan Department of Transportation (MDOT), and then published annually in the Michigan Public and Local Acts manual. If any property description is found inaccurate by MDOT, this office will contact you at that time and request a corrected description, which will not impact the effective date of the boundary change.

*****No further acknowledgment will be sent*****

Sincerely,

Debbie Anchak

Debbie Anchak, Analyst
Legal Policy and Procedures Section
517-335- 7293

cc: Breitung Township Clerk
Dickinson County Clerk
Michigan Department of Labor and Economic Growth, State Boundary Commission
Michigan Department of Labor and Economic Growth, Liquor Control Commission
Michigan Department of Labor and Economic Growth, Office of Land Survey and Remonumentation
Michigan Department of Information Technology, Center for Geographic Information
Michigan Department of Treasury, Office of Revenue and Tax Analysis
Michigan Department of Transportation, Bureau of Transportation Planning
U.S. Bureau of the Census
Office of the Great Seal Job Number: 07-423

Job Number: 07-423
Resolution Number NA

CITIES
Dickinson County

In the matter of the conditional transfer of certain property located in Breitung Township to City of Iron Mountain. Conditionally transfered in accordance with the provisions of Public Act 425 of 1984, as amended the following described property:

Part of Government Lot Two (2) of Section Nineteen (19), Township 40 North, Range 30 West, County of Dickinson, State of Michigan described as follow:

Beginning at the Northeast corner of Section 19, T.40N.-R.30W; thence running South 3° 15' 24" West along the East line of Section 19 for a distance of 1354.69 feet to the Southeast corner of Government Lot 2; thence running South 89° 59' West along the South line of Government Lot 2 for a distance of 988.02 feet to a point on the Easterly line of U.S. Highway No. 2; thence running North 22° 57'12" West along said line for a distance of 351.78 feet; thence running North 67° 02'48" East for a distance of 75.00 feet; thence running North 3° 16'12" West for a distance of 533.0 feet; thence running North 61°30'14" East for a distance of 465.16 feet; thence running North 25° 32' West for a distance of 274.32 feet; thence running South 89°52' East for a distance of 872.95 feet to the Point of Beginning. (+/- 31.5 Acres)

Also

The Entire Northwest Quarter of the Northwest Quarter (NW 1/4 X NW 1/4) of Section Twenty (20), Township 40 North, Range 30 West, Dickinson County, Michigan. (+/- 40.57 Acres)

(CONTINUED ON NEXT PAGE)

(CONTINUED FROM PREVIOUS PAGE)

1 NW ¼ of SE 1/4
2 NE ¼
3 LEGAL DESCRIPTION
JC DEVELOPMENT PROPERTY

A parcel of land located in the Southwest one-quarter (SW 1/4) of the Southeast one-quarter (SE 1/4) of Section 32, Town 40 North, Range 30 West, Breitung Township, Dickinson County, Michigan. Being more particularly described as follows:

Commencing at the Southeast corner of said Section 32, T40N-R30W; thence N00°46'02"W, along the East line of said Section 32, a distance of 1,314.83 feet to the South one-sixteenth (S 1/16) corner of said Section 32; thence S88°57'58"W, along the South one-sixteenth (S 1/16) line of said Section 32, a distance of 1,310.60 feet to the Southeast one-sixteenth (SE 1/16) corner of said Section 32 and the POINT OF BEGINNING.

Thence S00°22'36"E, along the East one-sixteenth (E 1/16) line of said Section 32, a distance of 672.15 feet to the North right-of-way line of U.S. 2 (150' wide); thence N86°54'38"W, along said right-of-way line, a distance of 820.52 feet; thence N00°13'04"W, a distance of 638.16 feet to the South one-sixteenth (S 1/16) line of said Section 33; thence S89°16'56"E, along the South one-sixteenth (S 1/16) line of said Section 32, a distance of 817.40 feet to the Southeast one-sixteenth (SE 1/16) corner of said Section 32 and the POINT OF BEGINNING.

The above described parcel contains 12.31 acres more or less and is subject to any and all reservations, restrictions, easements and prior conveyances of record.

All above are in Section 32, T40N, R30W, Dickinson County, Michigan

(CONTINUED ON NEXT PAGE)

(CONTINUED FROM PREVIOUS PAGE)

Parent Parcel
A parcel of land situated in the Township of Breitung, County of Dickinson, and State of Michigan:
The West 500 feet of the Southwest Quarter (1/4) of the Southeast Quarter (1/4), North of the North right of way line of Highway US-2, of Section 32, Township 40 North, Range 30 West, Breitung Township, Dickinson County, Michigan, more particularly described as:

Commencing at the South Quarter (1/4) corner of Section 32, Town 40 North, Range 30 West, thence N 00°37'46" W along the North-South quarter line of said section, 732.06 feet to the North right of way line of Highway US-2 (150 feet wide) and the Point of Beginning; thence continuing N 00°37'46" W along said North-South quarter line, 608.91 feet; thence N 89°13'12" E, 496.49 feet to a 3/4" iron bar; thence S 00°43'11" E, 638.25 feet to the North right of way line of Highway US-2; thence N 87°24'15" W, along said North right of way line, 498.29 feet to the North-South quarter line of Section 32 and the Point of Beginning containing 7.11 acres. Subject to all exceptions, restrictions, reservations, and conditions contained in prior conveyances of record.

Parcel 1
A parcel of land situated in the Township of Breitung, County of Dickinson, and State of Michigan:
Part of the Southwest Quarter (1/4) of the Southeast Quarter (1/4), North of the North right of way line of Highway US-2, of Section 32, Township 40 North, Range 30 West, Breitung Township, Dickinson County, Michigan, more particularly described as:

Commencing at the South Quarter (1/4) corner of Section 32, Town 40 North, Range 30 West, thence N 00°37'46" W along the North-South quarter line of said section, 732.06 feet to the North right of way line of Highway US-2 (150 feet wide) and the Point of Beginning; thence continuing N 00°37'46" W along said North-South quarter line, 215.04 feet; thence N 89°20'11" E, 252.81 feet; thence S 00°16'43" W, 229.26 feet to the North right of way line of Highway US-2; thence N 87°24'15" W, along said North right of way line, 249.57 feet to the North-South quarter line of Section 32 and the Point of Beginning containing 1.28 acres. Subject to all exceptions, restrictions, reservations, and conditions contained in prior conveyances of record.

Parcel 2
A parcel of land situated in the Township of Breitung, County of Dickinson, and State of Michigan:
Part of the Southwest Quarter (1/4) of the Southeast Quarter (1/4), of Section 32, Township 40 North, Range 30 West, Breitung Township, Dickinson County, Michigan, more particularly described as:

Commencing at the South Quarter (1/4) corner of Section 32, Town 40 North, Range 30 West, thence N 00°37'46" W along the North-South quarter line of said section, 732.06 feet to the North right of way line of Highway US-2 (150 feet wide); thence continuing N 00°37'46" W along said North-South quarter line, 215.04 feet to the Point of Beginning; thence continuing N 00°37'46" W along said North-South quarter line, 393.87 feet; thence N 89°13'12" E, 496.49 feet to a 3/4" iron bar; thence S 00°43'11" E, 411.33 feet; thence S 89°11'34" W, 244.60 feet; thence N 00°16'43" E, 17.07 feet; thence S 89°20'11" W, 252.81 feet to the North-South quarter line of Section 32 and the Point of Beginning containing 4.59 acres. Subject to all exceptions, restrictions, reservations, and conditions contained in prior conveyances of record.

Parcel 3
A parcel of land situated in the Township of Breitung, County of Dickinson, and State of Michigan:
Part of the Southwest Quarter (1/4) of the Southeast Quarter (1/4), North of the North right of way line of Highway US-2, of Section 32, Township 40 North, Range 30 West, Breitung Township, Dickinson County, Michigan, more particularly described as:

Commencing at the South Quarter (1/4) corner of Section 32, Town 40 North, Range 30 West, thence N 00°37'46" W along the North-South quarter line of said section, 732.06 feet to the North right of way line of Highway US-2 (150 feet wide); thence S 87°24'15" E along said North right of way line, 249.57 feet to the Point of Beginning; thence N 00°16'43" E, 212.19; thence N 89°11'34" E, 244.60 feet; thence S 00°43'11" E, 226.92 feet to the North right of way line of Highway US-2; thence N 87°24'15" W, along said North right of way line, 248.71 feet to the Point of Beginning containing 1.24 acres. Subject to a 30 foot wide easement for ingress and egress described as:

Commencing at the South Quarter (1/4) corner of Section 32, Town 40 North, Range 30 West, thence N 00°37'46" W along the North-South quarter line of said section, 732.06 feet to the North right of way line of Highway US-2 (150 feet wide); thence S 87°24'15" E along said North right of way line, 249.57 feet to the Point of Beginning; thence N 00°16'43" E, 212.19; thence N 89°11'34" E, 30.01 feet; thence S 00°16'43" W, 213.98 feet to the North right of way line of Highway US-2; thence N 87°24'15" W, along said North right of way line, 30.02 feet to the Point of Beginning.

Also subject to all exceptions, restrictions, reservations, and conditions contained in prior conveyances of record.

Record of proceedings filed in the Office of the Secretary of State November 2, 2007
****

Job Number 07-423

RECEIVED and FILED
NOV - 2 2007
DICKINSON COUNTY CLERK

RECEIVED/FILED
MICHIGAN DEPT. OF STATE
2007 NOV 5 PM 1:22
OFFICE OF THE CREATOR

AGREEMENT FOR CONDITIONAL TRANSFER OF PROPERTY BY AND BETWEEN CITY OF IRON MOUNTAIN AND THE TOWNSHIP OF BREITUNG AREA I

THIS AGREEMENT, made this 30th day of October, 2007, between the **CITY OF IRON MOUNTAIN**, a Michigan municipal corporation, with its principal office located at 501 S. Stephenson Avenue, Iron Mountain, Michigan 49801-3424 (the "City") and **BREITUNG TOWNSHIP**, a Michigan municipal corporation, with its principal office located at 3850 Menominee Avenue, Quinnesec, Michigan 49876 (the "Township").

WHEREAS, Article VII, Section 28 of the Michigan Constitution of 1963, specifically authorizes two or more governmental units to enter into contractual undertakings or agreements with one another for the joint administration, sharing of costs and responsibilities or transferring to another of any of the functions, powers, or responsibilities which each would have the power to perform separately; and

WHEREAS, Act 425 of the Public Acts of 1984 (MCL 124.21, et seq), hereinafter referred to Act 425, enables the City and the Township to conditionally transfer property for the purpose of an economic development project, calling for the sharing of taxes and other revenues designated by the city and the Township, pursuant to a written contract ("Act 425 Agreement") setting forth the development, methods, effects of expiration, termination or non-renewal agreed to by the City and the Township provided said project is developed in compliance with the provisions of Act 425; and

WHEREAS, the City and the Township desire to enter into an Act 425 Agreement to provide for and to promote the economic development of a certain property located in the Township for the mutual benefit of the citizens of both the City and the Township.

NOW, THEREFORE, it is agreed by the parties hereto as follows:

ARTICLE I
GENERAL PROVISIONS

1.1 Purpose. The purpose of this Agreement is to provide for the conditional transfer and economic development of certain land shown on a plat map attached as Exhibit A (the "Transferred Property"). This Agreement provides for the conditional transfer to the City of the Transferred Property so that it will come within the corporate boundaries of the City and under the jurisdiction of the City for all purposes permitted by the Home Rule Cities Act. Such conditional transfer is made and this Agreement is approved by the City and the Township solely for accommodating the development of the Transferred Property for an economic development project as contemplated by Act 425.

1.2 Legal Description of Transferred Property. The Transferred Property shown on the plat map attached hereto as Exhibit A is legally described in the attached Exhibit B. Said property shall hereinafter be referred to as the "Property" or the "Transferred Property."

1.3 Consideration. The consideration for the entry into this Agreement is set forth in the mutual covenants written here below including, but not limited to the conditional transfer of the Property to the City for the term of this Agreement or any renewal and the Township's right to receive an annual payment from the City throughout the life of this Agreement.

1.4 Term. This Agreement shall remain in effect until November 1, 2020, or until the Township has received twelve (12) full annual payments of property tax sharing as provided by Article IV below. This Agreement shall not be terminated during its initial term and shall not be renewed beyond its initial term.

1.5 Transfer of Employees. Except as otherwise provided herein, there shall be no transfer of any employees from either party under this Agreement. The employees of the City shall operate within the boundaries of the Transferred Property during the term of this Agreement as if the Property were within the permanent boundaries of the City, and shall be supervised and paid by the City.

1.6 Equipment. There will be no sale, transfer or disposal of real property, facilities or equipment or other personal property under this Agreement. The City shall use its own equipment and materials necessary to carry out the purposes of this Agreement without affecting any transfer of ownership.

1.7 Financing. The City shall remain responsible for payment of the salaries and benefits of any of its employees performing any municipal function under this Agreement within the Transferred Property. The Township shall have no responsibility to finance any public works projects or other projects within the Transferred Property unless otherwise agreed to in writing by both parties.

1.8 Cooperation. The City and the Township agree that they will cooperate with each other in the performance of any action required hereunder, pursuant to the terms herein, or required of them by Act 425, to make this Agreement legally binding in a professional and efficient manner.

1.9 Meetings. The City and the Township agree to meet once every five (5) years during the term of this Agreement to review and discuss potential amendments to this Agreement that may become necessary or advisable as a result of changes in the law or circumstances.

ARTICLE II
CONDITIONAL TRANSFER OF PROPERTY

2.1 Conditional Transfer. The property owners of the Transferred Property or other interested parties with the Property owners' consent have requested water or sewer services to build a new economic development project or to improve an existing development as permitted under Act 425; and the City finds that (1) it has the capacity to provide such service to that Property, (2) there is sufficient private funding or mutually agreed upon public financing to run the water or sewer main to the Property, and (3) the Property owners are able to pay the cost of

service laterals and all of the applicable fees and charges to connect the Property to the water and/or sewer systems. The City shall provide such water and/or sewer service in return for the conditional transfer of said Property from the jurisdiction of the Township to City jurisdiction pursuant to this Agreement.

ARTICLE III
TRANSFER OF JURISDICTION

3.1 Conditional Transfer of Jurisdiction. Upon the effective date of this Agreement, as defined in Article VI, the City shall provide to the Transferred Property all municipal services now made available to residents and property owners within current City boundaries, or which may be made available within the City in the future in the same manner and subject to the same conditions and limitations as are applicable to other residents and property owners within the City. The City shall assume full authority and municipal jurisdiction over said Property as though the Transferred Property were a part of the City itself. The City shall have the right and duty to exercise all of its municipal powers permitted under the Home Rule Cities Act over the Transferred Property.

3.2 Jurisdiction Upon Expiration of the Agreement. Upon expiration of the term of this Agreement, the Transferred Property shall remain within the jurisdictional boundaries of the City for all purposes.

ARTICLE IV
SHARING OF REVENUES

4.1 Tax Sharing. The City shall, during the term of this Agreement, annually pay to the Township that portion of the ad valorem real and personal property tax revenues received by the City from the Transferred Property calculated as follows:

(a) On or before October 30 of each calendar year, beginning in 2009 and continuing through 2020, the City shall annually pay to the Township a sum equal to the total millage as is then currently levied by the Township, up to the statutory maximum allowed, multiplied by the taxable value of all property within the Transferred Property area, including the taxable value of the land as well as the value of any improvements, both real and personal, contained within the Transferred Property as finally equalized as of December 31 of the preceding calendar year by the Iron Mountain City Assessor.

(b) In the event there is a change in the state law which either reduces or increases the amount of or the method of levying personal or property taxes collected within the Transferred Property or which provides for an alternate source of revenue to local municipalities, the payment calculated in Section 4.1(a) shall be replaced or adjusted to provide the Township the same proportion of total revenues derived by the City from or with respect to the Transferred Property as would have been paid under the formula in Section 4.1(a) and under present state law.

(c) The property tax sharing payments provided in Section 4.1(a) are the only revenues and/or fees the City shall share with the Township from the Transferred Property. These revenues are in lieu of any and all other payments or fees from the Transferred Property which the Township might otherwise be entitled to except for this Agreement.

(d) The tax sharing provided for herein shall expire with the expiration of this Agreement.

4.2 Annual Report/Accounting. The City shall provide an annual report to the Township describing on a parcel-by-parcel basis the annual assessed value of all the parcels within the Transferred Property as carried on the City property tax rolls. The City shall also provide the Township with the calculations used by the Treasurer's office describing how each year's payment of property tax sharing was determined.

4.3 Tax Exemptions and Abatements.

(a) Tax Abatements. Upon receipt of any request for tax abatement from property owners of the Transferred Property, the City shall give the Township written notice of the time and date for the public hearing at which said tax abatement request shall be considered. If the City approves the abatement and the abatement is approved by the state tax commission, such abatement shall not reduce the amount of property tax sharing due to the Township under Section 4.1(a) above.

(b) Statutory Exemptions. If a tax exemption is permitted by code or statute for religious, charitable, educational institutions or hospitals, etc., the parties will share equally in the potential loss of taxes resulting from such exemption.

(c) Tax Increment Captures. If the City creates a district or authority within or including the Transferred Property for the purpose of tax increment financing, by whatever method or statute authorizing such district, such authority or district shall not be permitted to capture any portion of the annual property tax sharing payments due to the Township under Section 4.1(a) above.

4.4 Gifts, Grants, Assistance Funds, or Bequests. The Transferred Property shall be treated as being within the jurisdiction of the City for purposes of gifts, grants, assistance funds, bequests, or other funds received from any private or public source given to the Transferred Property, an activity performed within the Transferred Property, the occupancy of the Transferred Property, or for any other reason arising from the existence or jurisdiction over the Transferred Property, such gifts being distributed to City alone and not shared with the Township.

4.5 Extent of Tax Revenues Shared. No other revenues, assets or liabilities shall be shared between the parties hereto or as a result of this Agreement.

ARTICLE V
REPRESENTATIONS AND WARRANTIES

5.1 Findings. The City, by action of its City Council in approving this Agreement and the Township, by action of its Township Board in approving this Agreement, have made the following required statutory findings and representations:

(a) Authority. This Agreement has been authorized and is made pursuant to the current provisions of Act 425, as well as the general authority of each of the parties under the enabling statutes creating and empowering their existence.

(b) Local Units. The city is organized as a municipal government under the Home Rule Cities Act, Act 279 of PA 1909, as amended (MCL 117.1 et seq.); and the Township is organized and exists pursuant to Mich Const 1963, Article VII, Section 17 and the Charter Township Act, as amended, MCL 42.1 et seq. Both municipalities are "local units" as defined by Act 425.

(c) Considered Factors. Both the City and the Township have, as required by Act 425, considered certain factors prior to entering into this Agreement, including the following:

(i) Composition of the population; population density, land area and land uses; assessed valuation; topography, natural boundaries and drainage basins; part and probable future growth, including population increase and business, commercial and industrial development in the conditionally transferred area; and the comparative data for the township and the portions of the Township remaining after the transfer of the conditionally transferred area.

(ii) Need for organized community services; the present costs and adequacy of governmental services in the conditionally transferred area; the probable future need for services in the conditionally transferred area; the practicability of supplying such services to the conditionally transferred area and or the remaining portions of the Township; the probable change in taxes and tax rate in the conditionally transferred area in relation to the benefits expected to accrue from such transfer; and the financial ability of the City to provide and maintain water, sanitary sewer, trash disposal, electric service, and governmental services in the conditionally transferred area.

(d) Public Hearings. Pursuant to Act 425, the City Council held a public hearing on this Agreement on September 24, 2007, at 6:30 p.m. and the Township Board held a Public Hearing on this Agreement on September 24, 2007, at 7:00 p.m., at which time the conditional transfer the Transferred Property was fully discussed along with the

with the potential property tax sharing. Notice of said public hearings was given pursuant to the Open Meetings Act, Act 267 of P.A. 1976, as amended.

(e) Majority Vote. The members of City Council and the members of the Township Board each have adopted a resolution by majority vote of their members elected to approve this Agreement and authorize their respective representatives to execute it.

(f) Referendum. Neither the City Council nor the Township Board adopted a resolution calling for a referendum and more than the thirty (30) day referendum period under the Act has elapsed since the public hearings before the City Council and the Township Board. Neither the City Clerk, the Township Clerk nor the County Clerk have received a petition calling for a referendum of this Agreement; or, if such referendum was petitioned for within the 30 days, said election has been held and the majority vote in that election approved the adoption of this Agreement.

(g) Pledge of Revenues. The Township represents and warrants that it has not pledged any revenue from and has not represented to any obligees, lenders, bond holders or creditors that it is dependent upon or anticipating certain revenues, not going to be provided under this Agreement, from the Transferred Property, to meet any obligations of the Township or entity created by the Township.

ARTICLE VI
EFFECTIVE DATE

6.1 Effective Date. This Agreement shall be effective (the "Effective Date") as of the day and date of the fully executed and certified copy of this Agreement is filed with the County Clerk for the County of Dickinson and with the Office of the Great Seal of the Secretary of State of the State of Michigan, this Agreement cannot be filed and become effective until either (1) after the expiration of the thirty (30) day Act 425 referendum period, or, (2) if a referendum has been held, the filing shall take place only upon approval of this Agreement by a majority of the voters in said referendum.

ARTICLE VII
RESCISSION

7.1 Rescission. This Agreement may be rescinded and declared null and void if within thirty (30) days of the last public hearing at which this Agreement was approved by either party, a petition is signed by a minimum of 20% or more of the registered electors residing within the Property, or, if no registered electors reside within the Property, a petition signed by persons owning 50% or more of the Property, is filed with the Township Clerk, the referendum vote was held a majority of the electors in the Township voted against entering into this Agreement.

ARTICLE VIII
TERMINATION

8.1 Default. In the event the City fails to comply with its obligations set forth in the Agreement for a period of sixty (60) days following written notification of such default, the Township shall have the option of declaring a breach of the Agreement and file a claim for arbitration of the dispute under Article IX below.

8.2 Status of Improvements. In the event the Agreement is terminated prior to the agreed term for whatever reason, and the Transferred Property shall be returned to the jurisdiction of the Township, all electric, sewer and water infrastructure improvements and appurtenances thereto made by the City within the Property shall remain under ownership and jurisdiction of the City and the City shall be able to continue to operate in the Township right-of-ways pursuant to the franchise granted herein. The Township shall adopt a water and sewer ordinance identical to the City, appointing the City as the enforcing agent of these utility ordinances. The Township shall at its option be entitled to acquire the sewer and water infrastructure improvements within the Transferred Area at the City's duly booked costs of those improvements. It the Township elects not to acquire ownership of such infrastructure, the City shall have the authority to approve all connections to the utilities and shall retain the right to deny connection for any reason in their sole discretion including but not limited to lack of capacity and cost of providing the service.

ARTICLE IX
ENFORCEMENT

9.1 Enforcement. If any dispute arises hereunder between the parties concerning any duty, cost, right or obligation hereunder, the parties agree to submit said dispute to binding arbitration pursuant to Michigan law.

ARTICLE X
MISCELLANEOUS

10.1 Notices. Any notice, demand or communication required, permitted, or desired to be given under this Agreement shall be deemed effectively given when personally delivered or mailed by prepaid certified mail, return receipt requested, addressed as follows:

Supervisor, Breitung Charter Township
3850 Menominee Avenue
Quinnesec, MI 49876

Clerk, City of Iron Mountain
501 South Stephenson Avenue
Iron Mountain, MI 49801-3424

10.2 Governing Law. This Agreement has been executed and delivered in and shall be interpreted, construed and enforced pursuant to and in accordance with the laws of the State of Michigan. All duties and obligations of the parties created hereunder are performable in Dickinson County, Michigan and Dickinson County, Michigan shall be the venue for any arbitration between the parties that may be brought in connection with or arise out of or by reason of this Agreement.

10.3 Assignment. No assignment of this Agreement or the rights and obligations hereunder shall be valid without the specific written consent of both parties hereto.

10.4 Waiver of Breach. The waiver by either party of a breach or violation of any provision of this Agreement shall not operate as, or be construed to be, a waiver of any subsequent breach of the same or other provision hereof.

10.5 Gender and Number. Whenever the context hereof requires, the gender of all words shall include the masculine, feminine and neuter, and the number of all words shall include the singular and plural.

10.6 Severability. In the event any provision of this Agreement is held to be unenforceable for any reason, the unenforceability thereof shall not affect the remainder of this Agreement, which shall remain in full force and effect and enforceable in accordance with its terms.

10.7 Article and Other Headings. The Article and other headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

10.8 Amendments and Contract Execution. This Agreement may be amended by mutual agreement of the parties. This Agreement and amendments thereto shall be in writing and executed in multiple copies. Each copy shall be deemed an original, but all copies together shall constitute one and the same instrument.

10.9 Entire Agreement. This Agreement supersedes all previous or contemporaneous contracts and constitutes the entire agreement between the parties. Neither party shall be entitled to benefits other than those specified herein. No oral statements or prior or contemporaneous written material not specifically incorporated herein shall be of any force and effect, and both parties specifically acknowledge, in entering into and executing this Agreement, they rely solely upon the representations and agreement contained in the Agreement and no others. This Agreement may not be amended except in writing signed by the parties following public hearings before and resolutions adopted by the Township Board and the City Council.

10.10 Counterparts. This Agreement may be executed in any number of counterparts and each such counterpart shall be considered valid original.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above by authority of the respective City Council and Township Board.

Signed in the presence of:

BREITUNG TOWNSHIP

By: _____
Denny Olson, Supervisor

By: _____
Samantha Coron, Clerk

STATE OF MICHIGAN)
) SS.
COUNTY OF DICKINSON)

On this 2nd day of November, 2007, Denny Olson personally appeared before me in his capacity as Supervisor of Breitung Charter Township, and Samantha Coron, in her capacity as Clerk of Breitung Charter Township, both of whom did sign and agree to the terms of this Agreement on behalf of Breitung Township.

_____
Nanette M Jackson, Notary Public
Dickinson County, Michigan
Acting in Dickinson County
My Commission expires: 9/14/2012

Signed in the presence of:

CITY OF IRON MOUNTAIN

By: _____
Ken Housignant, Mayor

By: _____
Jordan Stanchina, City Clerk

STATE OF MICHIGAN)
) SS.
COUNTY OF DICKINSON)

On this 2nd day of November 2007, Ken Tousignant personally appeared before me in his capacity as Mayor of the City of Iron Mountain, and Jordan Stanchina, in her capacity as Clerk of the City of Iron Mountain, both of whom did sign and agree to the terms of this Agreement on behalf of the City of Iron Mountain.

Nanette M Jackson, Notary Public
Dickinson County, Michigan
Acting in Dickinson County
My Commission expires: 9/14/2012

Public hearing in Breitung Township held September 24, 2007.

Public hearing in the City of Iron Mountain held September 24, 2007.

No referendum petition was received by City of Iron Mountain.

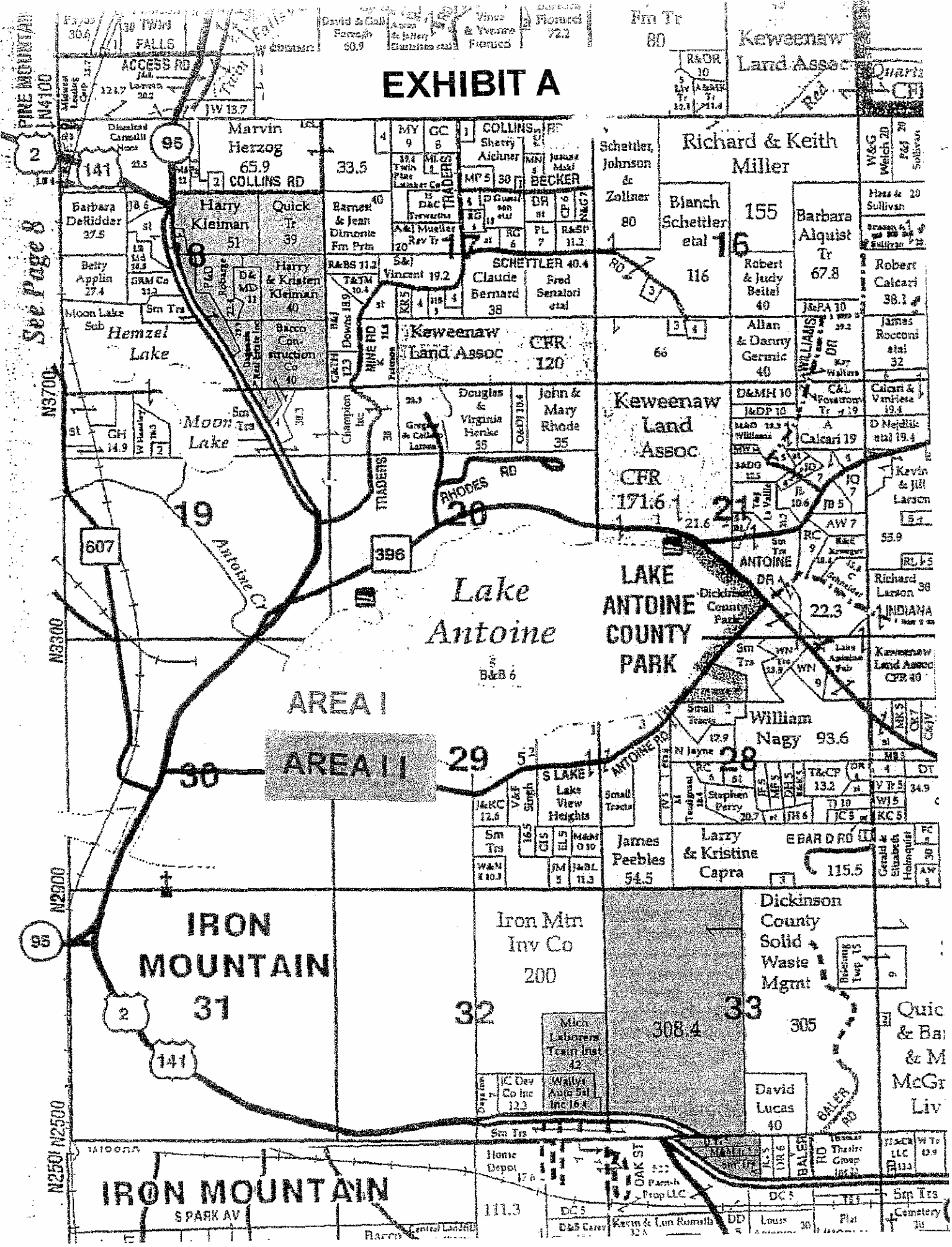
No referendum petition was received by Breitung Township.

Drafted by:

William B. Beach, Esq.
MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.
150 W. Jefferson, Suite 2500
Detroit, MI 48226
(313 496-7617)

S:\151\TWP\BREITUNG\Area 1 Agreement3.DOC

EXHIBIT A



See Page 8
PINE MOUNTAIN
N4100
N3700
N3300
N2900
N2500
N2501
Marvin Herzog 65.9
COLLINS RD
Harry Kleiman 51
Quick Tr 39
Barbara DeRidder 37.5
Betty Applin 27.4
Harry & Kristen Kleiman 40
Moon Lake Sub
Hemzel Lake
Moon Lake
Barco Construction Co 40
Barnest & Jean Dimonte Fm Prtn
Claude Bernard 38
Fred Senatori etal
Schettler, Johnson & Zollner 80
Richard & Keith Miller 155
Blanch Schettler etal 116
Barbara Alquist Tr 67.8
Robert & Judy Beitel 40
Robert Calcari 38.1
Allan & Danny Germic 40
James Rocconi etal 32
Keweenaw Land Assoc CFR 120
Keweenaw Land Assoc CFR 171.6
Douglas & Virginia Henke 35
John & Mary Rhode 35
Keweenaw Land Assoc
Calcari 19
Kevin & Jill Larson
Richard Larson 38
Keweenaw Land Assoc CFR 40
RHODES RD
Antoine Cr
Lake Antoine
LAKE ANTOINE COUNTY PARK
Dickinson County Park
AREA I
AREA II
William Nagy 93.6
Lake View Heights
James Peebles 54.5
Larry & Kristine Capra
E BAR D RD
IRON MOUNTAIN 31
Iron Mtn Inv Co 200
Dickinson County Solid Waste Mgmt 305
Mich Laborers Train Inst 42
IC Dev Co Inc 12.3
Wallys Auto Sal Inc 16.4
David Lucas 40
BALER RD
Home Depot 17.6
IRON MOUNTAIN
S PARK AV
111.3
Kevin & Lon Romath
Cemetery
Fm Tr 80
Keweenaw Land Assoc

EXHIBIT B

The territory proposed to be annexed to the City of Iron Mountain, Michigan is described as follows:

Part of Government Lot Two (2) of Section Nineteen (19), Township 40 North, Range 30 West, County of Dickinson, State of Michigan described as follow:

Beginning at the Northeast corner of Section 19, T.40N.-R.30W; thence running South 3° 15' 24" West along the East line of Section 19 for a distance of 1354.69 feet to the Southeast corner of Government Lot 2; thence running South 89° 59' West along the South line of Government Lot 2 for a distance of 988.02 feet to a point on the Easterly line of U.S. Highway No. 2; thence running North 22° 57'12" West along said line for a distance of 351.78 feet; thence running North 67° 02'48" East for a distance of 75.00 feet; thence running North 3° 16'12" West for a distance of 533.0 feet; thence running North 61°30'14" East for a distance of 465.16 feet; thence running North 25° 32' West for a distance of 274.32 feet; thence running South 89°52' East for a distance of 872.95 feet to the Point of Beginning. (+/- 31.5 Acres)

Also

The Entire Northwest Quarter of the Northwest Quarter (NW 1/4 X NW 1/4) of Section Twenty (20), Township 40 North, Range 30 West, Dickinson County, Michigan. (+/- 40.57 Acres)

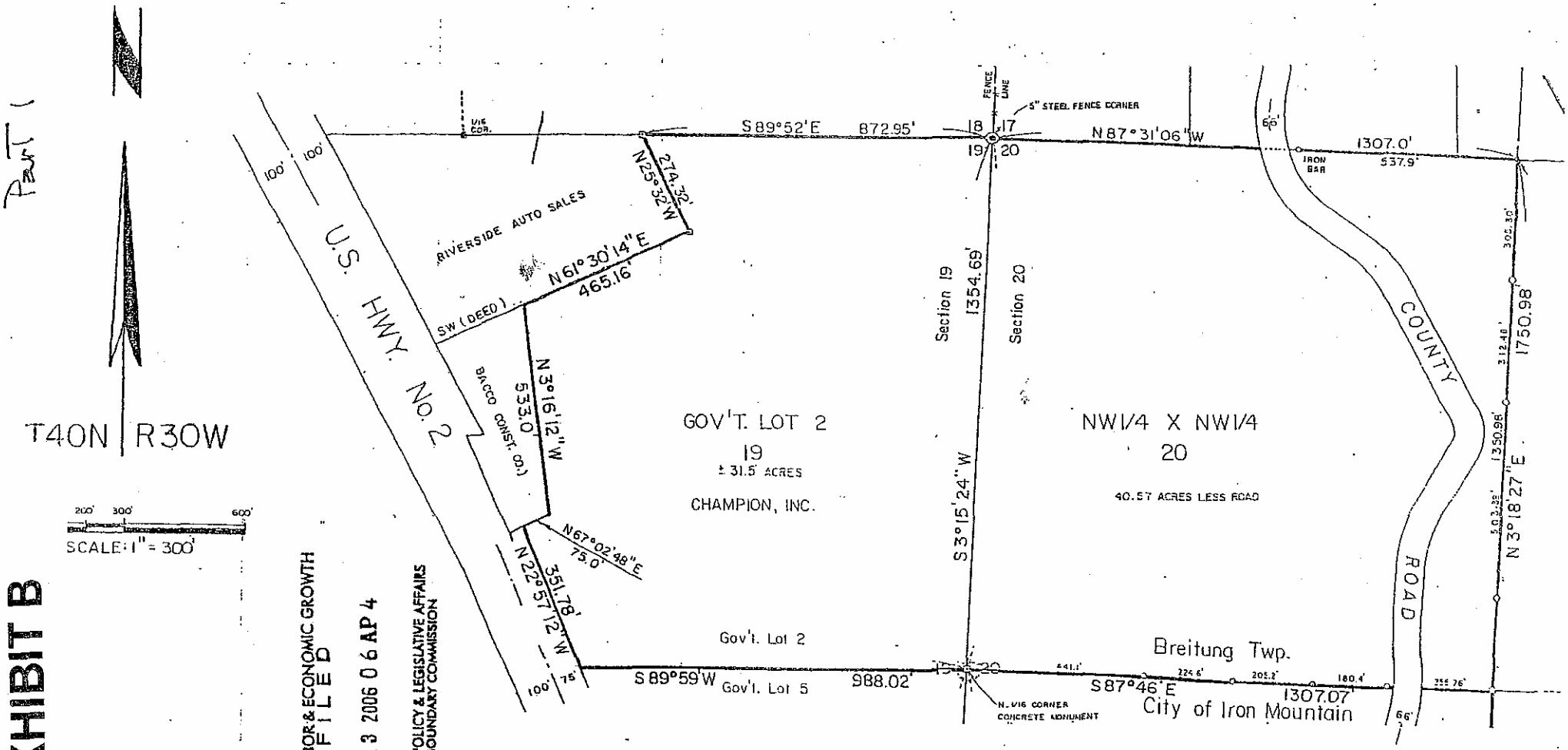
DEPT. OF LABOR & ECONOMIC GROWTH
FILED

NOV 13 2006 06 AP 4

OFFICE OF POLICY & LEGISLATIVE AFFAIRS
STATE BOUNDARY COMMISSION

Part 1

EXHIBIT B



DEPT. OF LABOR & ECONOMIC GROWTH
FILED
NOV 13 2006 06 AP 4
OFFICE OF POLICY & LEGISLATIVE AFFAIRS
STATE BOUNDARY COMMISSION

REFERENCE MAP

CHAMPION INC. LANDS

SECTIONS 19 & 20, T.40N. – R.30W.
DICKINSON COUNTY, MICHIGAN

SCALE: 1" = 300' OCTOBER 28, 2006

PREPARED BY: PERKINS LAND SURVEYING
IRON MOUNTAIN, MICHIGAN 49801

STATE OF MICHIGAN
ROBERT E. PERKINS
No. 12027
PROFESSIONAL SURVEYOR

EXHIBIT B

The territory proposed to be annexed to the City of Iron Mountain is described as follows:

DEPT. OF LABOR & ECONOMIC GROWTH
FILED

APR 30 2007 07 AP 4

OFFICE OF POLICY & LEGISLATIVE AFFAIRS
STATE BOUNDARY COMMISSION

1 NW ¼ of SE 1/4
2 NE ¼
3 **LEGAL DESCRIPTION**
JC DEVELOPMENT PROPERTY

A parcel of land located in the Southwest one-quarter (SW 1/4) of the Southeast one-quarter (SE 1/4) of Section 32, Town 40 North, Range 30 West, Breitung Township, Dickinson County, Michigan. Being more particularly described as follows:

Commencing at the Southeast corner of said Section 32, T40N-R30W; thence N00°46'02"W, along the East line of said Section 32, a distance of 1,314.83 feet to the South one-sixteenth (S 1/16) corner of said Section 32; thence S88°57'58"W, along the South one-sixteenth (S 1/16) line of said Section 32, a distance of 1,310.60 feet to the Southeast one-sixteenth (SE 1/16) corner of said Section 32 and the POINT OF BEGINNING.

Thence S00°22'36"E, along the East one-sixteenth (E 1/16) line of said Section 32, a distance of 672.15 feet to the North right-of-way line of U.S. 2 (150' wide); thence N86°54'38"W, along said right-of-way line, a distance of 820.52 feet; thence N00°13'04"W, a distance of 638.16 feet to the South one-sixteenth (S 1/16) line of said Section 33; thence S89°16'56"E, along the South one-sixteenth (S 1/16) line of said Section 32, a distance of 817.40 feet to the Southeast one-sixteenth (SE 1/16) corner of said Section 32 and the POINT OF BEGINNING.

The above described parcel contains 12.31 acres more or less and is subject to any and all reservations, restrictions, easements and prior conveyances of record.

All above are in Section 32, T40N, R30W, Dickinson County, Michigan

PETITIONED TERRITORY

SBC DOCKET #07-AP-4

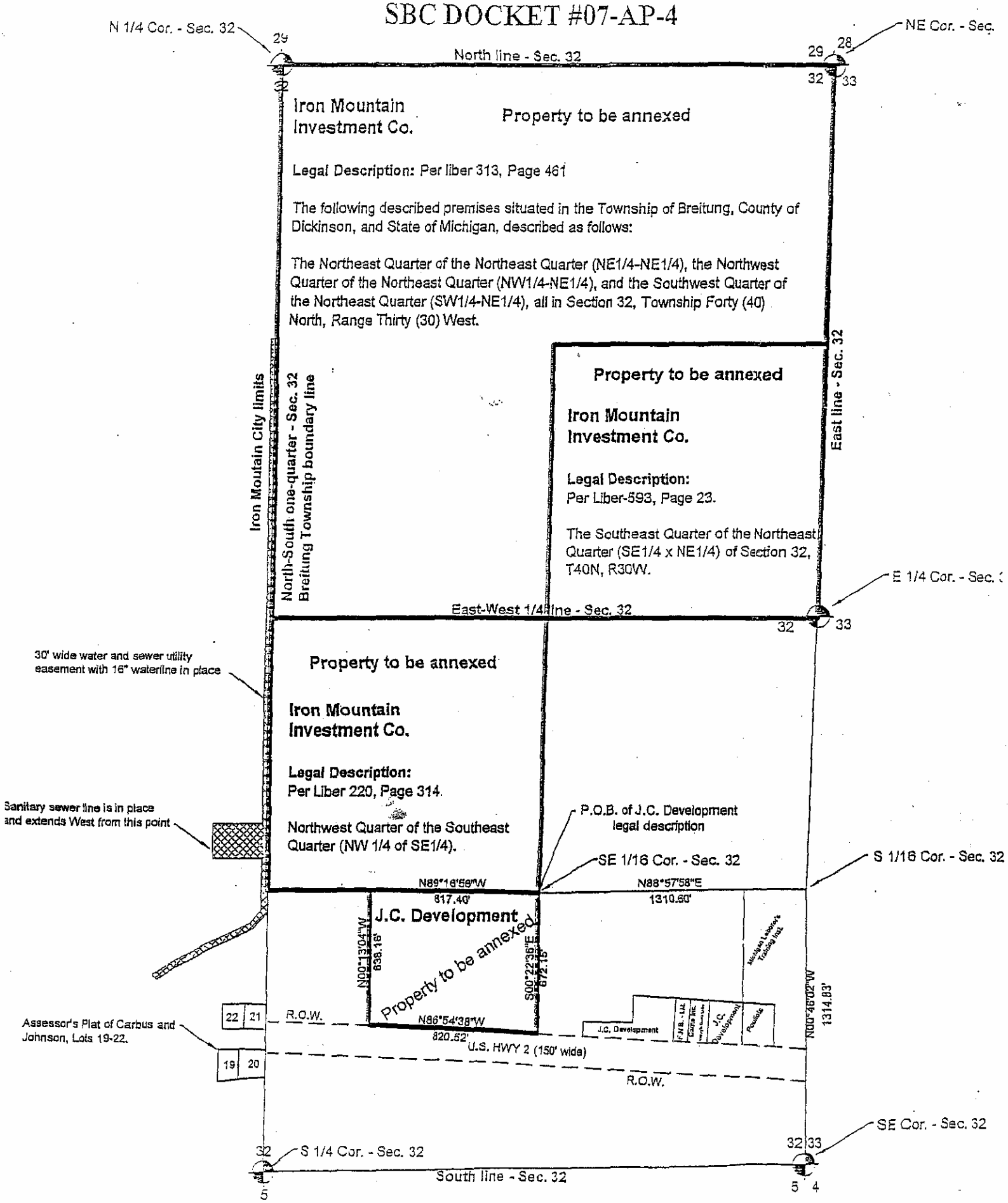


EXHIBIT B

EXHIBIT B

The territory proposed to be annexed to the City of Iron Mountain is described as follows:

Parent Parcel
A parcel of land situated in the Township of Breitung, County of Dickinson, and State of Michigan:
The West 500 feet of the Southwest Quarter (1/4) of the Southeast Quarter (1/4), North of the North right of way line of Highway US-2, of Section 32, Township 40 North, Range 30 West, Breitung Township, Dickinson County, Michigan, more particularly described as:

Commencing at the South Quarter (1/4) corner of Section 32, Town 40 North, Range 30 West, thence N 00°37'46" W along the North-South quarter line of said section, 732.06 feet to the North right of way line of Highway US-2 (150 feet wide) and the Point of Beginning; thence continuing N 00°37'46" W along said North-South quarter line, 608.91 feet; thence N 89°13'12" E, 496.49 feet to a 3/4" iron bar; thence S 00°43'11" E, 638.25 feet to the North right of way line of Highway US-2; thence N 87°24'15" W, along said North right of way line, 498.29 feet to the North-South quarter line of Section 32 and the Point of Beginning containing 7.11 acres. Subject to all exceptions, restrictions, reservations, and conditions contained in prior conveyances of record.

Parcel 1
A parcel of land situated in the Township of Breitung, County of Dickinson, and State of Michigan:
Part of the Southwest Quarter (1/4) of the Southeast Quarter (1/4), North of the North right of way line of Highway US-2, of Section 32, Township 40 North, Range 30 West, Breitung Township, Dickinson County, Michigan, more particularly described as:

Commencing at the South Quarter (1/4) corner of Section 32, Town 40 North, Range 30 West, thence N 00°37'46" W along the North-South quarter line of said section, 732.06 feet to the North right of way line of Highway US-2 (150 feet wide) and the Point of Beginning; thence continuing N 00°37'46" W along said North-South quarter line, 215.04 feet; thence N 89°20'11" E, 252.81 feet; thence S 00°16'43" W, 229.26 feet to the North right of way line of Highway US-2; thence N 87°24'15" W, along said North right of way line, 249.57 feet to the North-South quarter line of Section 32 and the Point of Beginning containing 1.28 acres. Subject to all exceptions, restrictions, reservations, and conditions contained in prior conveyances of record.

Parcel 2
A parcel of land situated in the Township of Breitung, County of Dickinson, and State of Michigan:
Part of the Southwest Quarter (1/4) of the Southeast Quarter (1/4), of Section 32, Township 40 North, Range 30 West, Breitung Township, Dickinson County, Michigan, more particularly described as:

Commencing at the South Quarter (1/4) corner of Section 32, Town 40 North, Range 30 West, thence N 00°37'46" W along the North-South quarter line of said section, 732.06 feet to the North right of way line of Highway US-2 (150 feet wide); thence continuing N 00°37'46" W along said North-South quarter line, 215.04 feet to the Point of Beginning; thence continuing N 00°37'46" W along said North-South quarter line, 393.87 feet; thence N 89°13'12" E, 496.49 feet to a 3/4" iron bar; thence S 00°43'11" E, 411.33 feet; thence S 89°11'34" W, 244.60 feet; thence N 00°16'43" E, 17.07 feet; thence S 89°20'11" W, 252.81 feet to the North-South quarter line of Section 32 and the Point of Beginning containing 4.59 acres. Subject to all exceptions, restrictions, reservations, and conditions contained in prior conveyances of record.

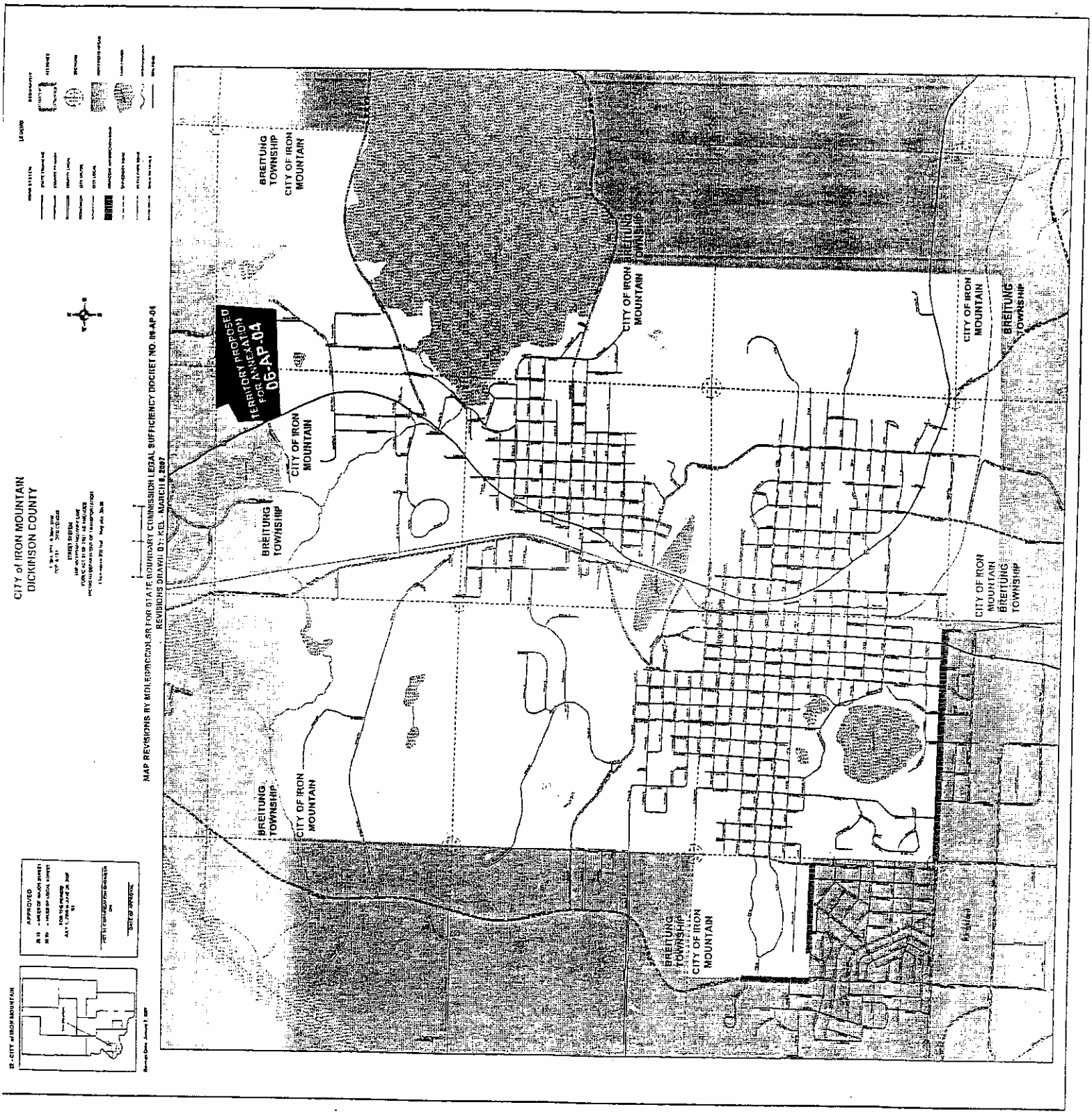
Parcel 3
A parcel of land situated in the Township of Breitung, County of Dickinson, and State of Michigan:
Part of the Southwest Quarter (1/4) of the Southeast Quarter (1/4), North of the North right of way line of Highway US-2, of Section 32, Township 40 North, Range 30 West, Breitung Township, Dickinson County, Michigan, more particularly described as:

Commencing at the South Quarter (1/4) corner of Section 32, Town 40 North, Range 30 West, thence N 00°37'46" W along the North-South quarter line of said section, 732.06 feet to the North right of way line of Highway US-2 (150 feet wide); thence S 87°24'15" E along said North right of way line, 249.57 feet to the Point of Beginning; thence N 00°16'43" E, 212.19; thence N 89°11'34" E, 244.60 feet; thence S 00°43'11" E, 226.92 feet to the North right of way line of Highway US-2; thence N 87°24'15" W, along said North right of way line, 248.71 feet to the Point of Beginning containing 1.24 acres. Subject to a 30 foot wide easement for ingress and egress described as:

Commencing at the South Quarter (1/4) corner of Section 32, Town 40 North, Range 30 West, thence N 00°37'46" W along the North-South quarter line of said section, 732.06 feet to the North right of way line of Highway US-2 (150 feet wide); thence S 87°24'15" E along said North right of way line, 249.57 feet to the Point of Beginning; thence N 00°16'43" E, 212.19; thence N 89°11'34" E, 30.01 feet; thence S 00°16'43" W, 213.98 feet to the North right of way line of Highway US-2; thence N 87°24'15" W, along said North right of way line, 30.02 feet to the Point of Beginning.

so subject to all exceptions, restrictions, reservations, and conditions contained in prior conveyances of record.

EXHIBIT B


CITY of IRON MOUNTAIN
DICKINSON COUNTY
MAP REVISIONS BY MDLEG/BCC/DLSR FOR STATE BOUNDARY COMMISSION LEGAL SUFFICIENCY DOCKET NO. 06-AP-04
REVISIONS DRAWN BY: KEL - MARCH 8, 2007
TERRITORY PROPOSED FOR ANNEXATION 06-AP-04
BREITUNG TOWNSHIP
CITY OF IRON MOUNTAIN
APPROVED

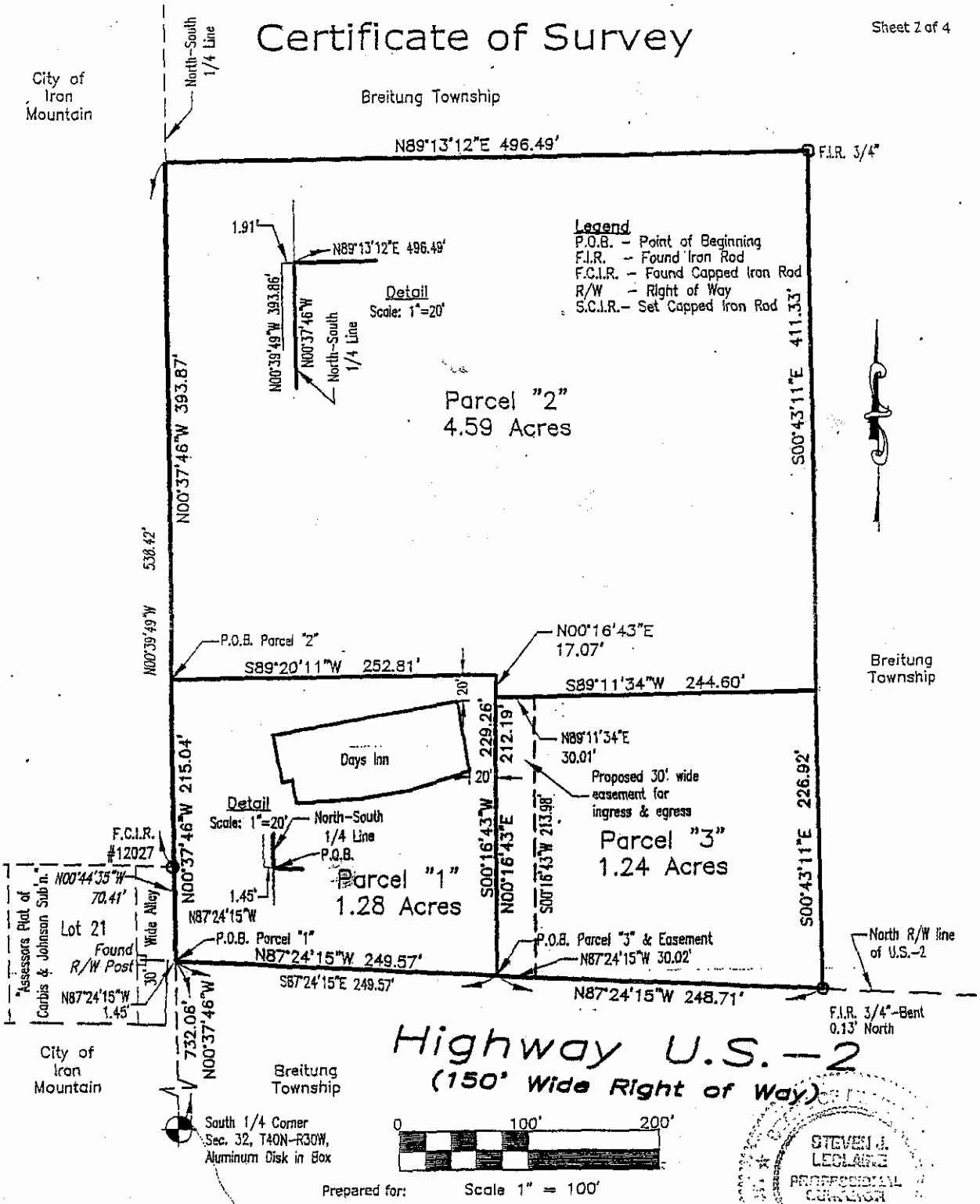
Part I (a)

EXPANDED TERRITORY
SBC DOCKET #07-AP-4

EXHIBIT B

Certificate of Survey

Sheet 2 of 4



STEVEN J. LECLAIRE
PROFESSIONAL SURVEYOR
No. 46675

Steven J. LeClaire, PS #46675

MOYLE Construction Inc.

46702 Highway M-26
PO Box 399
Houghton, MI 49931
Phone (906) 482-3000
Fax (906) 482-3087

I hereby certify that I have surveyed and mapped the land above platted and/or described on September 27, 2006, that the error of closure of the unadjusted field measurements was 1:93,169, and that the requirements of P.A. 132 of 1970 have been complied with.

Client: Breitung Township

Job No.: 4081

Date: 9-27-06

Scale: 1"=100'