





Council Chamber
Hillsdale City Hall
97 N. Broad Street
Hillsdale, MI 49242

January 21, 2013
7:00 p.m.
(517)437-6441
www.cityofhillsdale.org


CITY COUNCIL AGENDA

CITY OF HILLSDALE
REGULAR MEETING


1. **Call to Order and Pledge of Allegiance**
2. **Roll Call**
3. **Approval of Agenda**
4. **Public Comments on Agenda Items**
5. **Consent Agenda**
 - A. Approval of Bills from January 3, 2013: Claims of \$58,902.84 Payroll of \$96,455.60
Invoice and Approval Summary of 1/3/13 
Invoice and Approval Summary of 1/3/13 PT.2 
 - B. Committee Reports (Pending Approval):
 1. TIFA Minutes of December 13, 2012
Minutes 12/13/12 
 2. BPU Minutes of January 8, 2013

Minutes 1/8/13 


3. Finance Minutes of January 7, 2013

Minutes 1/7/13 


- C. Council Minutes of January 7, 2013

Minutes 1/7/13 


- D. Knights of Columbus Tootsie Roll Fundraiser

Fundraiser Letter 

- E. Resolution establishing City Council meeting schedule

2013 City Council Meeting Schedule (Resolution) 

- F. Financial Reports of December 2012

Financial Report PT. 1 

Financial Report PT. 2 

**6. Communications/
Petitions**

**7. Introduction and Adoption of Ordinance/Public
Hearing**

**8. Unfinished
Business**

- A. Local Streets
Maintenance

- B. Code
Enforcement

Report for December 2012 

Report Photos for December 2012 


Police Report for December 2012 

9. **Old
Business**


10. **New
Business**

A. Award of Bid - Industrial Park
Farmland

Award of Bid - City Manager Memo 

Summary of Bids 

Lease Agreement 


Lease Agreement Exhibits 


B. MDOT
Resolution

MDOT Resolution - City Manager Memo 


MDOT Resolution 

C. Domestic Harmony
Contract


Domestic Harmony Contract- City Manager Memo 

Domestic Harmony Contract 


D. Hydro Power Purchase Agreement
(Resolution)

City Manager Memo 

MSCPA Memo 

Hydro Power Purchase Agreement 

Hydro Direct Agreement 

Hydro Power Purchase Agreement Resolution 

11. **Miscellaneous**
12. **General Public
Comment**
13. **Adjournment**

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Fund Department	GL Number Abbrev	Vendor Name Invoice Description	Check Number	Invoice Number	Due Date	Amount
Fund: GENERAL FUND						
Dept: 101-000.000-214.750						
	DUE TO IMP	PAYROLL ACCOUNT PAYROLL FOR 1/3/13	365		01/03/2013	71,212.66
				Total		71,212.66
Dept: CITY MANAGER						
101-172.000-715.000	HEALTH AND	SUN LIFE ASSURANCE COMPANY DEC INS. COVERAGE	70155	20894 12/12	01/03/2013	13.60
101-172.000-715.000	HEALTH AND	SUN LIFE ASSURANCE COMPANY JANUARY INS COVERAGE 2013	70155	20894 1/13	01/03/2013	13.60
101-172.000-721.000	DISABILITY	SUN LIFE ASSURANCE COMPANY DEC INS. COVERAGE	70155	20894 12/12	01/03/2013	55.00
101-172.000-721.000	DISABILITY	SUN LIFE ASSURANCE COMPANY JANUARY INS COVERAGE 2013	70155	20894 1/13	01/03/2013	55.00
101-172.000-726.000	SUPPLIES	CURRENT OFFICE SOLUTIONS CALENDAR REFILL	70124	176602	01/03/2013	15.79
101-172.000-726.000	SUPPLIES	STOCKHOUSE CORPORATION PAPER	70153	48732	01/03/2013	140.67
				Total CITY MANAGER		293.66
Dept: ADMINISTRATIVE SERVICES						
101-175.000-801.000	CONTRACTUA	HILLSDALE DAILY NEWS IND PK FARMLAND BID AD	70132	78845	01/03/2013	100.00
101-175.000-801.000	CONTRACTUA	NONIK TECHNOLOGIES, INC. IT SUPPORT AGREEMENT	70146	5161	01/03/2013	1,540.00
101-175.000-955.125	MISC-FLOWR	CITY OF HILLSDALE PETTY CASH	70123		01/03/2013	55.00
101-175.000-955.125	MISC-FLOWR	MARY A. HOUCHEN HOLIDAY RECEPTION CATERING	70140		01/03/2013	500.00
				Total ADMINISTRATIVE SERVICES		2,195.00
Dept: ASSESSING DEPARTMENT						
101-209.000-715.000	HEALTH AND	SUN LIFE ASSURANCE COMPANY DEC INS. COVERAGE	70155	20894 12/12	01/03/2013	13.60
101-209.000-715.000	HEALTH AND	SUN LIFE ASSURANCE COMPANY JANUARY INS COVERAGE 2013	70155	20894 1/13	01/03/2013	13.60
101-209.000-721.000	DISABILITY	SUN LIFE ASSURANCE COMPANY DEC INS. COVERAGE	70155	20894 12/12	01/03/2013	40.65
101-209.000-721.000	DISABILITY	SUN LIFE ASSURANCE COMPANY JANUARY INS COVERAGE 2013	70155	20894 1/13	01/03/2013	40.65
				Total ASSESSING DEPARTMENT		108.50
Dept: CITY CLERK DEPARTMENT						
101-215.000-715.000	HEALTH AND	SUN LIFE ASSURANCE COMPANY DEC INS. COVERAGE	70155	20894 12/12	01/03/2013	6.80
101-215.000-715.000	HEALTH AND	SUN LIFE ASSURANCE COMPANY JANUARY INS COVERAGE 2013	70155	20894 1/13	01/03/2013	6.80
101-215.000-721.000	DISABILITY	SUN LIFE ASSURANCE COMPANY DEC INS. COVERAGE	70155	20894 12/12	01/03/2013	14.91
101-215.000-721.000	DISABILITY	SUN LIFE ASSURANCE COMPANY JANUARY INS COVERAGE 2013	70155	20894 1/13	01/03/2013	14.91
101-215.000-905.000	PUBLISHING	HILLSDALE DAILY NEWS PUBLIC NOTICE- MIN 11-19-12	70132	78841	01/03/2013	75.25
101-215.000-905.000	PUBLISHING	HILLSDALE DAILY NEWS PUBLIC NOTICES 11-5-12 MINUTES	70132	78838	01/03/2013	75.25
101-215.000-905.000	PUBLISHING	HILLSDALE DAILY NEWS PUBLIC NOTICE 10-15-12 MINUTES	70132	78735	01/03/2013	75.25
				Total CITY CLERK DEPARTMENT		269.17
Dept: FINANCE DEPARTMENT						
101-219.000-715.000	HEALTH AND	SUN LIFE ASSURANCE COMPANY DEC INS. COVERAGE	70155	20894 12/12	01/03/2013	6.80
101-219.000-715.000	HEALTH AND	SUN LIFE ASSURANCE COMPANY JANUARY INS COVERAGE 2013	70155	20894 1/13	01/03/2013	6.80
101-219.000-721.000	DISABILITY	SUN LIFE ASSURANCE COMPANY DEC INS. COVERAGE	70155	20894 12/12	01/03/2013	22.84
101-219.000-721.000	DISABILITY	SUN LIFE ASSURANCE COMPANY JANUARY INS COVERAGE 2013	70155	20894 1/13	01/03/2013	22.84
101-219.000-801.000	CONTRACTUA	MUNICIPAL ADVISORY COUNCIL OVERLAPPING DEBT	70145	903450F	01/03/2013	100.00
				Total FINANCE DEPARTMENT		159.28

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Fund Department () at	GL Number Abbrev	Vendor Name Invoice Description	Check Number	Invoice Number	Due Date	Amount
Fund: GENERAL FUND						
Dept: CITY TREASURER 101-253.000-715.000	HEALTH AND	SUN LIFE ASSURANCE COMPANY DEC INS. COVERAGE	70155	20894 12/12	01/03/2013	6.80
101-253.000-715.000	HEALTH AND	SUN LIFE ASSURANCE COMPANY JANUARY INS COVERAGE 2013	70155	20894 1/13	01/03/2013	6.80
101-253.000-721.000	DISABILITY	SUN LIFE ASSURANCE COMPANY DEC INS. COVERAGE	70155	20894 12/12	01/03/2013	7.28
101-253.000-721.000	DISABILITY	SUN LIFE ASSURANCE COMPANY JANUARY INS COVERAGE 2013	70155	20894 1/13	01/03/2013	7.28
				Total CITY TREASURER		28.16
Dept: BUILDING AND GROUNDS						
101-265.000-726.000	SUPPLIES	HEFFERNAN SOFT WATER SERVICE WATER	70131	49733	01/03/2013	9.50
101-265.000-801.000	CONTRACTUA	CINTAS CORPORATION RUGS FOR CITY HALL	70122	351626571	01/03/2013	20.00
101-265.000-801.000	CONTRACTUA	CAROL HAWKES CLEANING CITY HALL	70130	12506	01/03/2013	633.00
101-265.000-801.000	CONTRACTUA	MANPOWER OF LANSING TEMP EMPLOYEES W/E 12/16/12	70138	25006922	01/03/2013	211.86
101-265.000-801.000	CONTRACTUA	MANPOWER OF LANSING TEMP EMPLOYEES W/E 12/23/12	70138	250322418	01/03/2013	111.49
101-265.000-801.000	CONTRACTUA	RYAN & BRADSHAW RPR DPS GARAGE HEATER	70150	45162	01/03/2013	142.00
101-265.000-920.000	UTILITIES	BOARD OF PUBLIC UTILITIES UTILITY LSERVICE FOR DEC 2012	70120		01/03/2013	1,347.07
101-265.000-925.000	TELEPHONE	AT&T TELEPHONE SERVICE FOR DEC 2012	70117	517437098312 1/13	01/03/2013	264.60
101-265.000-930.000	REPAIRS &	GELZER & SON INC. FASTENERS	70128	A19949	01/03/2013	17.19
				Total BUILDING AND GROUNDS		2,756.71
Dept: PARKING LOTS						
101-266.000-801.000	CONTRACTUA	MANPOWER OF LANSING TEMP EMPLOYEES W/E 12/16/12	70138	25006922	01/03/2013	61.33
101-266.000-801.000	CONTRACTUA	MANPOWER OF LANSING TEMP EMPLOYEES W/E 12/23/12	70138	250322418	01/03/2013	33.45
101-266.000-920.000	UTILITIES	BOARD OF PUBLIC UTILITIES UTILITY LSERVICE FOR DEC 2012	70120		01/03/2013	282.20
				Total PARKING LOTS		376.98
Dept: CEMETERIES						
101-276.000-801.000	CONTRACTUA	MANPOWER OF LANSING TEMP EMPLOYEES W/E 12/16/12	70138	25006922	01/03/2013	55.75
101-276.000-801.000	CONTRACTUA	MANPOWER OF LANSING TEMP EMPLOYEES W/E 12/23/12	70138	250322418	01/03/2013	44.61
101-276.000-920.000	UTILITIES	BOARD OF PUBLIC UTILITIES UTILITY LSERVICE FOR DEC 2012	70120		01/03/2013	27.64
				Total CEMETERIES		128.00
Dept: AIRPORT						
101-295.000-810.000	DUES AND S	M.A.A.E. MEMBERSHIP DUES	70135	13-220	01/03/2013	70.00
101-295.000-920.000	UTILITIES	BOARD OF PUBLIC UTILITIES UTILITY LSERVICE FOR DEC 2012	70120		01/03/2013	702.32
101-295.000-920.000	UTILITIES	SPRATT'S LP GAS FOR FURNACE	70151	27739	01/03/2013	328.50
101-295.000-925.000	TELEPHONE	AT&T TELEPHONE SERVICE FOR DEC 2012	70117	517437098312 1/13	01/03/2013	160.95
101-295.000-925.000	TELEPHONE	AT&T TELEPHONE SERVICE FOR DEC 2012	70117	517439429112 1/13	01/03/2013	49.89
101-295.000-930.000	REPAIRS &	GODFREY BROTHERS, INC. Tractor Repairs + Maintenance	70129	W10696	01/03/2013	634.42
101-295.000-930.000	REPAIRS &	SPRATT'S SERVICE CALL/TOW EQUIPMENT	70151	149582	01/03/2013	50.00
				Total AIRPORT		1,996.08
Dept: POLICE DEPARTMENT						
101-301.000-715.000	HEALTH AND	SUN LIFE ASSURANCE COMPANY DEC INS. COVERAGE	70155	20894 12/12	01/03/2013	108.80
101-301.000-715.000	HEALTH AND	SUN LIFE ASSURANCE COMPANY JANUARY INS COVERAGE 2013	70155	20894 1/13	01/03/2013	108.80

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Fund Department	GL Number Abbrev	Vendor Name Invoice Description	Check Number	Invoice Number	Due Date	Amount
Fund: GENERAL FUND						
Dept: POLICE DEPARTMENT						
101-301.000-721.000	DISABILITY	SUN LIFE ASSURANCE COMPANY DEC INS. COVERAGE	70155	20894 12/12	01/03/2013	291.56
101-301.000-721.000	DISABILITY	SUN LIFE ASSURANCE COMPANY JANUARY INS COVERAGE 2013	70155	20894 1/13	01/03/2013	291.56
101-301.000-726.000	SUPPLIES	C M P DISTRIBUTOR, INC. AMMUNITION	70121	34891	01/03/2013	1,735.00
101-301.000-726.000	SUPPLIES	CURRENT OFFICE SOLUTIONS FILES/POAPER/STAPLER/PENS	70124	176138	01/03/2013	207.55
101-301.000-726.000	SUPPLIES	HILLSDALE DAILY NEWS AD RE DON'T DRINK & DRIVE	70132	105310-03 1/12	01/03/2013	25.00
101-301.000-742.000	CLOTHING /	C M P DISTRIBUTOR, INC. MAGAZINE POUCH	70121	34875	01/03/2013	48.95
101-301.000-742.000	CLOTHING /	CITY OF HILLSDALE PETTY CASH	70123		01/03/2013	50.00
101-301.000-742.000	CLOTHING /	GALL'S, INC. CLOTHING - RATHBUN	70127	279549	01/03/2013	112.47
101-301.000-742.000	CLOTHING /	NYE UNIFORM COMPANY CLOTHING - DECK	70147	402991	01/03/2013	48.63
101-301.000-742.000	CLOTHING /	SUD-Z CLEANERS DRY CLEANING	70154	SU1747 1/13	01/03/2013	96.22
101-301.000-801.000	CONTRACTUA	AT & T MOBILITY NETWORK ACCESS FEE	70116	287243202540X12252012	01/03/2013	105.89
101-301.000-860.000	TRANSPORTA	CITY OF HILLSDALE PETTY CASH	70123		01/03/2013	22.04
101-301.000-861.000	TRAINING &	MACOMB COMMUNITY COLLEGE REGISTRATION FEE/DOTY	70136	3699139	01/03/2013	400.00
101-301.000-861.005	STATE TRAI	MICH. ASSOC. CHIEFS OF POLI REGISTRATION FEE/GUTOWSKI	70142		01/03/2013	255.00
				Total POLICE DEPARTMENT		3,907.47
FIRE DEPARTMENT						
101-336.000-715.000	HEALTH AND	SUN LIFE ASSURANCE COMPANY DEC INS. COVERAGE	70155	20894 12/12	01/03/2013	34.00
101-336.000-715.000	HEALTH AND	SUN LIFE ASSURANCE COMPANY JANUARY INS COVERAGE 2013	70155	20894 1/13	01/03/2013	34.00
101-336.000-721.000	DISABILITY	SUN LIFE ASSURANCE COMPANY DEC INS. COVERAGE	70155	20894 12/12	01/03/2013	62.85
101-336.000-721.000	DISABILITY	SUN LIFE ASSURANCE COMPANY JANUARY INS COVERAGE 2013	70155	20894 1/13	01/03/2013	62.85
101-336.000-726.000	SUPPLIES	BEAVER RESEARCH COMPANY CLEANING SUPPLIES	70119	188882	01/03/2013	135.00
101-336.000-726.000	SUPPLIES	CITY OF HILLSDALE PETTY CASH	70123		01/03/2013	56.63
101-336.000-726.000	SUPPLIES	GELZER & SON INC. FASTENERS-ANCHORS	70128	C32902	01/03/2013	22.16
101-336.000-726.000	SUPPLIES	MARKET HOUSE CLEANING SUPPLIES	70139	87915	01/03/2013	21.96
101-336.000-742.000	CLOTHING /	NYE UNIFORM COMPANY CLOTHING - PRESSLER	70147	402390	01/03/2013	91.13
101-336.000-801.000	CONTRACTUA	CINTAS CORPORATION CONTRACTUAL LINEN SERVICE	70122	351625951	01/03/2013	5.71
101-336.000-801.000	CONTRACTUA	CINTAS CORPORATION CONTRACTUAL LINEN SERVICE	70122	351626570	01/03/2013	13.40
101-336.000-920.000	UTILITIES	BOARD OF PUBLIC UTILITIES UTILITY LSERVICE FOR DEC 2012	70120		01/03/2013	557.58
				Total FIRE DEPARTMENT		1,097.27
Dept: PUBLIC SERVICES DEPARTMENT						
101-441.000-715.000	HEALTH AND	SUN LIFE ASSURANCE COMPANY DEC INS. COVERAGE	70155	20894 12/12	01/03/2013	13.60
101-441.000-715.000	HEALTH AND	SUN LIFE ASSURANCE COMPANY JANUARY INS COVERAGE 2013	70155	20894 1/13	01/03/2013	13.60
101-441.000-721.000	DISABILITY	SUN LIFE ASSURANCE COMPANY DEC INS. COVERAGE	70155	20894 12/12	01/03/2013	38.18
101-441.000-721.000	DISABILITY	SUN LIFE ASSURANCE COMPANY JANUARY INS COVERAGE 2013	70155	20894 1/13	01/03/2013	38.18
101-441.000-726.000	SUPPLIES	CURRENT OFFICE SOLUTIONS BINDERS	70124	61269	01/03/2013	11.76
101-441.000-726.000	SUPPLIES	GELZER & SON INC. ANCHORS	70128	C33329	01/03/2013	7.78

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Fund Department	GL Number Abbrev	Vendor Name Invoice Description	Check Number	Invoice Number	Due Date	Amount
Fund: GENERAL FUND						
Dept: PUBLIC SERVICES DEPARTMENT						
101-441.000-726.000	SUPPLIES	GELZER & SON INC.	70128	C33516	01/03/2013	102.94
101-441.000-726.000	SUPPLIES	WRECKING BAR, SHOVE, HAMMER	70131	49733	01/03/2013	14.25
101-441.000-742.000	SUPPLIES	HEFFERNAN SOFT WATER SERVICE	70122	49733	01/03/2013	43.24
101-441.000-801.000	CLOTHING /	CINTAS CORPORATION	70122	351625959	01/03/2013	35.86
101-441.000-801.000	CONTRACTUA	RUGS/UNIFORMS - DPS	70122	351625959	01/03/2013	22.30
101-441.000-801.000	CONTRACTUA	CINTAS CORPORATION	70138	25006922	01/03/2013	44.60
101-441.000-801.000	CONTRACTUA	RUGS/UNIFORMS - DPS	70138	250322418	01/03/2013	489.27
101-441.000-920.000	UTILITIES	MANPOWER OF LANSING	70120		01/03/2013	172.22
101-441.000-920.000	UTILITIES	TEMP EMPLOYEES W/E 12/16/12	70143	4614348-3 1/13	01/03/2013	21.00
101-441.000-920.000	UTILITIES	TEMP EMPLOYEES W/E 12/23/12	70123		01/03/2013	
101-441.000-955.588	MISC-CDL	BOARD OF PUBLIC UTILITIES				
		UTILITY LSERVICE FOR DEC 2012				
		MICHIGAN GAS UTILITIES				
		11/2012 GAS UTILITY - DPS				
		CITY OF HILLSDALE				
		PETTY CASH				

						Total PUBLIC SERVICES DEPARTMENT
						1,068.78
Dept: STREET LIGHTING						
101-448.000-920.202	UTILITIES	BOARD OF PUBLIC UTILITIES	70120		01/03/2013	5,387.50
101-448.000-920.203	UTILITIES	UTILITY LSERVICE FOR DEC 2012	70120		01/03/2013	209.54
		BOARD OF PUBLIC UTILITIES				-----
		UTILITY LSERVICE FOR DEC 2012				Total STREET LIGHTING
						5,597.04
Dept: PARKS						
101-756.000-801.000	CONTRACTUA	MANPOWER OF LANSING	70138	25006922	01/03/2013	161.68
101-756.000-801.000	CONTRACTUA	TEMP EMPLOYEES W/E 12/16/12	70138	250322418	01/03/2013	22.30
101-756.000-801.000	CONTRACTUA	MANPOWER OF LANSING	70120	250322418	01/03/2013	274.97
101-756.000-920.000	UTILITIES	TEMP EMPLOYEES W/E 12/23/12				-----
		BOARD OF PUBLIC UTILITIES				Total PARKS
		UTILITY LSERVICE FOR DEC 2012				458.95

						Fund Total
						91,653.71
Fund: MAJOR ST./TRUNKLINE FUND						
Dept:						
202-000.000-214.750	DUE TO IMP	PAYROLL ACCOUNT	365		01/03/2013	5,030.30
		PAYROLL FOR 1/3/13				-----
						Total
						5,030.30
Dept: STREET SURFACE						
202-450.000-801.000	CONTRACTUA	MANPOWER OF LANSING	70138	25006922	01/03/2013	89.20
202-450.000-801.000	CONTRACTUA	TEMP EMPLOYEES W/E 12/16/12	70138	250322418	01/03/2013	89.20
		MANPOWER OF LANSING				-----
		TEMP EMPLOYEES W/E 12/23/12				Total STREET SURFACE
						178.40
Dept: R.O.W. MAINTENANCE						
202-460.000-801.000	CONTRACTUA	MANPOWER OF LANSING	70138	25006922	01/03/2013	72.47
202-460.000-801.000	CONTRACTUA	TEMP EMPLOYEES W/E 12/16/12	70138	250322418	01/03/2013	50.18
		MANPOWER OF LANSING				-----
		TEMP EMPLOYEES W/E 12/23/12				Total R.O.W. MAINTENANCE
						122.65
Dept: TRUNKLINE R.O.W. MAINTENANCE						
202-460.500-801.000	CONTRACTUA	MANPOWER OF LANSING	70138	25006922	01/03/2013	5.57
		TEMP EMPLOYEES W/E 12/16/12				-----
						Total TRUNKLINE R.O.W. MAINTENANCE
						5.57
Dept: TREES						
202-470.000-801.000	CONTRACTUA	MANPOWER OF LANSING	70138	250322418	01/03/2013	50.18
		TEMP EMPLOYEES W/E 12/23/12				-----
						Total TREES
						50.18
Dept: DRAINAGE						

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Fund: MAJOR ST./TRUNKLINE FUND						
Dept: DRAINAGE 202-480.000-801.000	CONTRACTUA	MANPOWER OF LANSING TEMP EMPLOYEES W/E 12/23/12	70138	250322418	01/03/2013	44.60
				Total DRAINAGE		44.60
Dept: TRAFFIC 202-490.000-801.000	CONTRACTUA	MANPOWER OF LANSING TEMP EMPLOYEES W/E 12/16/12	70138	25006922	01/03/2013	11.15
202-490.000-801.000	CONTRACTUA	MANPOWER OF LANSING TEMP EMPLOYEES W/E 12/23/12	70138	250322418	01/03/2013	11.15
202-490.000-920.000	UTILITIES	BOARD OF PUBLIC UTILITIES UTILITY LSERVICE FOR DEC 2012	70120		01/03/2013	369.34
				Total TRAFFIC		391.64
Dept: TRUNKLINE TRAFFIC 202-490.500-801.000	CONTRACTUA	MANPOWER OF LANSING TEMP EMPLOYEES W/E 12/16/12	70138	25006922	01/03/2013	11.14
202-490.500-920.000	UTILITIES	BOARD OF PUBLIC UTILITIES UTILITY LSERVICE FOR DEC 2012	70120		01/03/2013	378.70
				Total TRUNKLINE TRAFFIC		389.84
Dept: WINTER MAINTENANCE 202-500.000-801.000	CONTRACTUA	MANPOWER OF LANSING TEMP EMPLOYEES W/E 12/16/12	70138	25006922	01/03/2013	55.76
202-500.000-801.000	CONTRACTUA	MANPOWER OF LANSING TEMP EMPLOYEES W/E 12/23/12	70138	250322418	01/03/2013	44.60
				Total WINTER MAINTENANCE		100.36
				Fund Total		6,313.54
FUND LOCAL ST. FUND						
Dept: 203-000.000-214.750	DUE TO IMP	PAYROLL ACCOUNT PAYROLL FOR 1/3/13	365		01/03/2013	2,378.62
				Total		2,378.62
Dept: STREET SURFACE 203-450.000-801.000	CONTRACTUA	MANPOWER OF LANSING TEMP EMPLOYEES W/E 12/16/12	70138	25006922	01/03/2013	33.45
203-450.000-801.000	CONTRACTUA	MANPOWER OF LANSING TEMP EMPLOYEES W/E 12/23/12	70138	250322418	01/03/2013	161.68
				Total STREET SURFACE		195.13
Dept: R.O.W. MAINTENANCE 203-460.000-801.000	CONTRACTUA	MANPOWER OF LANSING TEMP EMPLOYEES W/E 12/23/12	70138	250322418	01/03/2013	11.15
				Total R.O.W. MAINTENANCE		11.15
Dept: DRAINAGE 203-480.000-801.000	CONTRACTUA	MANPOWER OF LANSING TEMP EMPLOYEES W/E 12/23/12	70138	250322418	01/03/2013	86.40
				Total DRAINAGE		86.40
Dept: TRAFFIC 203-490.000-801.000	CONTRACTUA	MANPOWER OF LANSING TEMP EMPLOYEES W/E 12/23/12	70138	250322418	01/03/2013	44.60
				Total TRAFFIC		44.60
Dept: WINTER MAINTENANCE 203-500.000-801.000	CONTRACTUA	MANPOWER OF LANSING TEMP EMPLOYEES W/E 12/16/12	70138	25006922	01/03/2013	11.14
203-500.000-801.000	CONTRACTUA	MANPOWER OF LANSING TEMP EMPLOYEES W/E 12/23/12	70138	250322418	01/03/2013	39.02
				Total WINTER MAINTENANCE		50.16
				Fund Total		2,766.06
Fund: RECREATION FUND						
Dept:						

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Fund Department	GL Number Abbrev	Vendor Name Invoice Description	Check Number	Invoice Number	Due Date	Amount
Fund: RECREATION FUND						
Dept: 208-000.000-214.750	DUE TO IMP	PAYROLL ACCOUNT PAYROLL FOR 1/3/13	365		01/03/2013	2,031.18
				Total		2,031.18
Dept: RECREATION DEPARTMENT 208-751.000-715.000	HEALTH AND	SUN LIFE ASSURANCE COMPANY DEC INS. COVERAGE	70155	20894 12/12	01/03/2013	6.80
208-751.000-715.000	HEALTH AND	SUN LIFE ASSURANCE COMPANY JANUARY INS COVERAGE 2013	70155	20894 1/13	01/03/2013	6.80
208-751.000-721.000	DISABILITY	SUN LIFE ASSURANCE COMPANY DEC INS. COVERAGE	70155	20894 12/12	01/03/2013	9.69
208-751.000-721.000	DISABILITY	SUN LIFE ASSURANCE COMPANY JANUARY INS COVERAGE 2013	70155	20894 1/13	01/03/2013	9.69
				Total RECREATION DEPARTMENT		32.98
				Fund Total		2,064.16
Fund: TAX INCREMENT FINANCE ATH.						
Dept: CAPITAL OUTLAY 247-900.000-801.000	CONTRACTUA	MT ENGINEERING, LLC TIFA - DAWN THEATER DRAINAGE	70144	1201-4	01/03/2013	82.00
				Total CAPITAL OUTLAY		82.00
				Fund Total		82.00
Fund: LIBRARY FUND						
Dept: 271-000.000-214.750	DUE TO IMP	PAYROLL ACCOUNT PAYROLL FOR 1/3/13	365		01/03/2013	4,290.90
				Total		4,290.90
Dept: LIBRARY 271-790.000-715.000	HEALTH AND	SUN LIFE ASSURANCE COMPANY DEC INS. COVERAGE	70155	20894 12/12	01/03/2013	13.60
271-790.000-715.000	HEALTH AND	SUN LIFE ASSURANCE COMPANY JANUARY INS COVERAGE 2013	70155	20894 1/13	01/03/2013	13.60
271-790.000-721.000	DISABILITY	SUN LIFE ASSURANCE COMPANY DEC INS. COVERAGE	70155	20894 12/12	01/03/2013	28.18
271-790.000-721.000	DISABILITY	SUN LIFE ASSURANCE COMPANY JANUARY INS COVERAGE 2013	70155	20894 1/13	01/03/2013	28.18
271-790.000-726.000	SUPPLIES	HEFFERNAN SOFT WATER SERVICE WATER	70131	49733	01/03/2013	9.50
271-790.000-726.000	SUPPLIES	MAID FOR YOU Custodial Svc & Supplies	70137	688	01/03/2013	79.00
271-790.000-726.000	SUPPLIES	WALMART COMMUNITY LIBRARY SUPPLIES	70159	688	01/03/2013	37.47
271-790.000-726.003	SUPPLIES -	NONIK TECHNOLOGIES, INC. PORT ADAPTERS/CABLE	70146	4613	01/03/2013	25.43
271-790.000-726.003	SUPPLIES -	NONIK TECHNOLOGIES, INC. 2 computer monitors	70146	5170	01/03/2013	290.26
271-790.000-801.000	CONTRACTUA	MAID FOR YOU Custodial Svc & Supplies	70137	5166	01/03/2013	520.00
271-790.000-801.000	CONTRACTUA	CINTAS CORPORATION Library Floor mats	70122	688	01/03/2013	28.66
271-790.000-801.000	CONTRACTUA	CINTAS CORPORATION Library Floor mats	70122	351625953	01/03/2013	27.30
271-790.000-801.000	CONTRACTUA	NONIK TECHNOLOGIES, INC. Avalon Monitor	70146	351623388	01/03/2013	100.00
271-790.000-801.000	CONTRACTUA	WOODLANDS LIBRARY COOPERATI 1st qtr OD Subsc.	70160	5158	01/03/2013	248.25
271-790.000-920.000	UTILITIES	BOARD OF PUBLIC UTILITIES UTILITY LSERVICE FOR DEC 2012	70120	5227	01/03/2013	1,026.90
271-790.000-920.000	UTILITIES	MICHIGAN GAS UTILITIES Utilities - Gas	70143	46149327-4 1/13	01/03/2013	431.76
				Total LIBRARY		2,908.09
				Fund Total		7,198.99

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Fund: BOND AND INTEREST REDEM. FUND						
Dept: DEBT SERVICE-INDUSTRIAL PARK # 362-910.000-991.000	DEBT SERVI	MI ECONOMIC DEVELOPMENT CORP. CDBG LOAN PAYOFF	70141		01/03/2013	28,000.00
Total DEBT SERVICE-INDUSTRIAL PARK #						28,000.00
Fund Total						28,000.00
Fund: AIRPORT IMPROVEMENT FUND						
Dept: CAPITAL OUTLAY 481-900.000-801.481	CONTR-AWOS	STATE OF MICHIGAN>>> AWPS/WSI MAINTENANCE JULY-SEPT	70152	348780	01/03/2013	952.95
Total CAPITAL OUTLAY						952.95
Fund Total						952.95
Fund: DIAL-A-RIDE FUND						
Dept: 588-000.000-214.750	DUE TO IMP	PAYROLL ACCOUNT PAYROLL FOR 1/3/13	365		01/03/2013	5,639.92
Total						5,639.92
Dept: DIAL-A-RIDE 588-588.000-715.000	HEALTH AND	SUN LIFE ASSURANCE COMPANY DEC INS. COVERAGE	70155	20894 12/12	01/03/2013	24.82
588-588.000-715.000	HEALTH AND	SUN LIFE ASSURANCE COMPANY JANUARY INS COVERAGE 2013	70155	20894 1/13	01/03/2013	24.82
588-588.000-721.000	DISABILITY	SUN LIFE ASSURANCE COMPANY DEC INS. COVERAGE	70155	20894 12/12	01/03/2013	49.13
588-588.000-721.000	DISABILITY	SUN LIFE ASSURANCE COMPANY JANUARY INS COVERAGE 2013	70155	20894 1/13	01/03/2013	49.13
588-588.000-726.000	SUPPLIES	HEFFERNAN SOFT WATER SERVICE WATER	70131	49737	01/03/2013	9.50
588-588.000-730.000	VEH./EQUIP	HOEKSTRA TRANSPORTATION, INC. DOOR SHOCK GAS - DART	70133	CI0107539	01/03/2013	53.32
588-588.000-900.000	PRINTING	ARROW SWIFT PRINTING DAIL A RIDE TICKETS	70115	126417	01/03/2013	351.85
588-588.000-905.000	PUBLISHING	HILLSDALE DAILY NEWS AD FOR P-TIME DART DRIVER	70132	78780	01/03/2013	157.55
588-588.000-920.000	UTILITIES	BOARD OF PUBLIC UTILITIES UTILITY LSERVICE FOR DEC 2012	70120		01/03/2013	428.95
588-588.000-920.000	UTILITIES	MICHIGAN GAS UTILITIES GAS UTILITY FOR DART	70143	4611064-9 1/13	01/03/2013	40.53
588-588.000-925.000	TELEPHONE	AT&T TELEPHONE SERVICE FOR DEC 2012	70117	517437338512 1/13	01/03/2013	79.77
588-588.000-955.588	MISC-CDL	CITY OF HILLSDALE PETTY CASH	70123		01/03/2013	47.00
Total DIAL-A-RIDE						1,316.37
Fund Total						6,956.29
Fund: PUBLIC SERVICES INV. FUND						
Dept: 633-000.000-214.750	DUE TO IMP	PAYROLL ACCOUNT PAYROLL FOR 1/3/13	365		01/03/2013	36.31
Total						36.31
Dept: PUBLIC SERVICES INVENTORY 633-233.000-726.000	SUPPLIES	DORNBOS SIGN & SAFETY INC PARKING LOT SIGNS - OVERNIGHT	70125	60949	01/03/2013	160.19
Total PUBLIC SERVICES INVENTORY						160.19
Fund Total						196.50
Fund: REVOLVING MOBILE EQUIP. FUND						
Dept: 640-000.000-214.750	DUE TO IMP	PAYROLL ACCOUNT PAYROLL FOR 1/3/13	365		01/03/2013	2,771.76

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Fund: REVOLVING MOBILE EQUIP. FUND						
Dept:						
						Total
						2,771.76
Dept: MOBILE EQUIPMENT MAINTENANCE						
640-444.000-715.000	HEALTH AND	SUN LIFE ASSURANCE COMPANY DEC INS. COVERAGE	70155	20894 12/12	01/03/2013	13.60
640-444.000-715.000	HEALTH AND	SUN LIFE ASSURANCE COMPANY JANUARY INS COVERAGE 2013	70155	20894 1/13	01/03/2013	13.60
640-444.000-721.000	DISABILITY	SUN LIFE ASSURANCE COMPANY DEC INS. COVERAGE	70155	20894 12/12	01/03/2013	30.31
640-444.000-721.000	DISABILITY	SUN LIFE ASSURANCE COMPANY JANUARY INS COVERAGE 2013	70155	20894 1/13	01/03/2013	30.31
640-444.000-726.000	SUPPLIES	BARTLETT ARBORIST SUPPLY WIRE RAISING TOOLS	70118	3579	01/03/2013	323.22
640-444.000-726.000	SUPPLIES	ELECTRICAL TERMINAL INC. SUPPLIES FOR GARAGE	70126	124825	01/03/2013	194.35
640-444.000-726.000	SUPPLIES	GELZER & SON INC. BOLTS	70128	A20025	01/03/2013	10.50
640-444.000-726.000	SUPPLIES	JACKSON TRUCK SERVICE INC. BRAKE CLEANER	70134	PC01231601:001	01/03/2013	73.68
640-444.000-726.000	SUPPLIES	PERFORMANCE AUTOMOTIVE VALVE CORE TOOL	70149	1049649	01/03/2013	1.79
640-444.000-726.000	SUPPLIES	PERFORMANCE AUTOMOTIVE SNOWBROOM	70149	1049572	01/03/2013	11.59
640-444.000-726.000	SUPPLIES	PERFORMANCE AUTOMOTIVE SNOWBRUSH	70149	1049571	01/03/2013	11.79
640-444.000-730.000	VEH./EQUIP	GODFREY BROTHERS, INC. HOSE & FITTINGS FOR #17	70129	S58314	01/03/2013	212.26
640-444.000-730.000	VEH./EQUIP	JACKSON TRUCK SERVICE INC. FILTERS, WIPER BLADES	70134	PC01231464	01/03/2013	73.21
640-444.000-730.000	VEH./EQUIP	JACKSON TRUCK SERVICE INC. FILTERS	70134	PC01231498:001	01/03/2013	32.02
640-444.000-730.000	VEH./EQUIP	PERFORMANCE AUTOMOTIVE SPRING NUTS	70149	1049118	01/03/2013	4.99
640-444.000-730.000	VEH./EQUIP	PERFORMANCE AUTOMOTIVE FUEL FORMULA	70149	1049262	01/03/2013	56.06
640-444.000-730.000	VEH./EQUIP	SPRATT'S 2CYL OIL, CHAINS	70151	149461	01/03/2013	153.93
640-444.000-730.000	VEH./EQUIP	TSC STORES BOLTS & NUTS FOR #20	70158	300153986	01/03/2013	14.41
640-444.000-730.000	VEH./EQUIP	TRUCK & TRAILER SPECIALTIES REV CYL BUSHING	70157	C3554	01/03/2013	447.06
640-444.000-730.000	VEH./EQUIP	TRUCK & TRAILER SPECIALTIES DUAL FLO VALVE	70157	C35480	01/03/2013	292.62
640-444.000-730.301	POLICE VEH	PERFORMANCE AUTOMOTIVE WIPER BLADES FOR #2-5	70149	1049368	01/03/2013	13.78
640-444.000-742.000	CLOTHING /	CINTAS CORPORATION RUGS/UNIFORMS - DPS	70122	351625959	01/03/2013	14.89
640-444.000-801.000	CONTRACTUA	CINTAS CORPORATION RUGS/UNIFORMS - DPS	70122	351625959	01/03/2013	22.87
640-444.000-801.000	CONTRACTUA	MARKET HOUSE UPS SHIPPING - RTRN PART	70139	88389	01/03/2013	24.57
640-444.000-801.301	POLICE VEH	PARNEY'S CAR CARE SERVICE REPAIR - UNIT 2-2	70148	83284	01/03/2013	25.00
640-444.000-801.301	POLICE VEH	TEAM HILLSDALE CHRYSLER SERVICE REPAIRS - UNIT 2-2	70156	7038	01/03/2013	251.70
640-444.000-920.000	UTILITIES	BOARD OF PUBLIC UTILITIES UTILITY LSERVICE FOR DEC 2012	70120		01/03/2013	468.88
640-444.000-920.000	UTILITIES	MICHIGAN GAS UTILITIES 11/2012 GAS UTILITY - DPS	70143	4614348-3 1/13	01/03/2013	172.22
						Total MOBILE EQUIPMENT MAINTENANCE
						2,995.21
						Fund Total
						5,766.97
DPS LEAVE AND BENEFITS FUND						
699-000.000-214.750	DUE TO IMP	PAYROLL ACCOUNT PAYROLL FOR 1/3/13	365		01/03/2013	3,063.95
						Total
						3,063.95
Dept: PUBLIC SERVICES DEPARTMENT						

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Fund Department (nt)	GL Number Abbrev	Vendor Name Invoice Description	Check Number	Invoice Number	Due Date	Amount
Fund: DPS LEAVE AND BENEFITS FUND						
Dept: PUBLIC SERVICES DEPARTMENT						
699-441.000-715.000	HEALTH AND	SUN LIFE ASSURANCE COMPANY DEC INS. COVERAGE	70155	20894 12/12	01/03/2013	54.40
699-441.000-715.000	HEALTH AND	SUN LIFE ASSURANCE COMPANY JANUARY INS COVERAGE 2013	70155	20894 1/13	01/03/2013	54.40
699-441.000-721.000	DISABILITY	SUN LIFE ASSURANCE COMPANY DEC INS. COVERAGE	70155	20894 12/12	01/03/2013	117.26
699-441.000-721.000	DISABILITY	SUN LIFE ASSURANCE COMPANY JANUARY INS COVERAGE 2013	70155	20894 1/13	01/03/2013	117.26
Total PUBLIC SERVICES DEPARTMENT						343.32
Fund Total						3,407.27
Grand Total						155,358.44

VENDOR APPROVAL SUMMARY REPORT
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Vendor Name	Vendor Number	Description	Check Amount	Hand Check Amount
ARROW SWIFT PRINTING	0008	DAIL A RIDE TICKETS	351.85	0.00
AT & T MOBILITY	1965	NETWORK ACCESS FEE	105.89	0.00
AT&T	0048	TELEPHONE SERVICE FOR DEC 2012	555.21	0.00
BARTLETT ARBORIST SUPPLY	0611	WIRE RAISING TOOLS	323.22	0.00
BEAVER RESEARCH COMPANY	2491	CLEANING SUPPLIES	135.00	0.00
BOARD OF PUBLIC UTILITIES	0013	UTILITY LSERVICE FOR DEC 2012	11,950.86	0.00
C M P DISTRIBUTOR, INC.	1300	AMMUNITION	1,783.95	0.00
CINTAS CORPORATION	0020	Library Floor mats	211.93	0.00
CITY OF HILLSDALE	0015	PETTY CASH	251.67	0.00
CURRENT OFFICE SOLUTIONS	0035	FILES/POAPER/STAPLER/PENS	235.10	0.00
DORNBOS SIGN & SAFETY INC	2170	PARKING LOT SIGNS - OVERNIGHT	160.19	0.00
ELECTRICAL TERMINAL INC.	3097	SUPPLIES FOR GARAGE	194.35	0.00
GALL'S, INC.	2158	CLOTHING - RATHBUN	112.47	0.00
GELZER & SON INC.	0027	BOLTS	160.57	0.00
GODFREY BROTHERS, INC.	2132	HOSE & FITTINGS FOR #17	846.68	0.00
CAROL HAWKES	1288	CLEANING CITY HALL	633.00	0.00
HEFFERNAN SOFT WATER SERVICE	3248	WATER	42.75	0.00
HILLSDALE DAILY NEWS	0034	AD FOR P-TIME DART DRIVER	508.30	0.00
HOEKSTRA TRANSPORTATION, INC.	3955	DOOR SHOCK GAS - DART	53.32	0.00
JACKSON TRUCK SERVICE INC.	0086	BRAKE CLEANER	178.91	0.00
M.A.A.E.	1306	MEMBERSHIP DUES	70.00	0.00
MACOMB COMMUNITY COLLEGE	2548	REGISTRATION FEE/DOTY	400.00	0.00
MAID FOR YOU	2046	Custodial Svc & Supplies	599.00	0.00
MANPOWER OF LANSING	3088	TEMP EMPLOYEES W/E 12/23/12	1,692.01	0.00
MARKET HOUSE	0164	UPS SHIPPING - RTRN PART	46.53	0.00
MARY A. HOUCHEM	4114	HOLIDAY RECEPTION CATERING	500.00	0.00
MI ECONOMIC DEVELOPMENT CORP.	0173	CDBG LOAN PAYOFF	28,000.00	0.00
MICH. ASSOC. CHIEFS OF POLI	2290	REGISTRATION FEE/GUTOWSKI	255.00	0.00
MICHIGAN GAS UTILITIES	0081	Utilities - Gas	816.73	0.00
MENGINEERING, LLC	1690	TIFA - DAWN THEATER DRAINAGE	82.00	0.00
MUNICIPAL ADVISORY COUNCIL	1859	OVERLAPPING DEBT	100.00	0.00
NONIK TECHNOLOGIES, INC.	1392	2 computer monitors	1,955.69	0.00
NYE UNIFORM COMPANY	0092	CLOTHING - DECK	139.76	0.00
PARNEY'S CAR CARE	2412	SERVICE REPAIR - UNIT 2-2	25.00	0.00
PAYROLL ACCOUNT	0242	PAYROLL FOR 1/3/13	0.00	96,455.60
PERFORMANCE AUTOMOTIVE	0961	WIPER BLADES FOR #2-5	100.00	0.00
RYAN & BRADSHAW	0056	RPR DPS GARAGE HEATER	142.00	0.00
SPRATT'S	0088	2CYL OIL, CHAINS	532.43	0.00
STATE OF MICHIGAN>>>	3571	AWPS/WSI MAINTENANCE JULY-SEPT	952.95	0.00
STOCKHOUSE CORPORATION	0111	PAPER	140.67	0.00
SUD-Z CLEANERS	1067	DRY CLEANING	96.22	0.00
SUN LIFE ASSURANCE COMPANY	1239	JANUARY INS COVERAGE 2013	2,170.12	0.00
TEAM HILLSDALE CHRYSLER	0162	SERVICE REPAIRS - UNIT 2-2	251.70	0.00
TRUCK & TRAILER SPECIALTIES	0442	DUAL FLO VALVE	739.68	0.00
TSC STORES	0771	BOLTS & NUTS FOR #20	14.41	0.00
WALMART COMMUNITY	3104	LIBRARY SUPPLIES	37.47	0.00
WOODLANDS LIBRARY COOPERATI	0064	1st qtr OD Subsc.	248.25	0.00
Grand Total:			58,902.84	96,455.60

Tax Increment Finance Authority



CITY OF HILLSDALE

Minutes

December 13, 2012

Meeting Called to Order by *Chairman Sumnar*: 7:45 A.M.

Members present: Eric Moore, Chris Wingate, Chris Sumnar, Tim Dixon, Saul Giminez, and Mike Parney.

Members Absent: Kathy Newell, John Spiteri, Mike Harner and Deb Kamen.

Also present: Mary Wolfram- EDC Director and Katy Price- City Admin Assistant.

Consent Agenda: Minutes from Regular Meeting October 11, 2012.

Motion to approve by Dixon. *Support Moore. Approved.*

Public Comment: None

New Business:

- A. Market Study: Susan King from Hillsdale College Marketing Department offer marketing services for businesses to do a marketing survey similar to a questionnaire for a small cost. Wolfram states the TIFA Board will get access to Hillsdale College's data with working with King's class that otherwise board would never get. The TIFA Board would be able to design the survey however it wants. The Board would be paying for hard cost, mailing, etc, no cost for services. Typically studies are 1000 surveys, could be split 500 for Hillsdale College 500 for the Hillsdale community. Dixon suggests having the class do two studies one for the college and one for the community. Dixon believes there should be a study done to find out how to create a destination city as that is what the strategic plan is for downtown Hillsdale.
- Motion* to do two separate studies specific to the college activities and what they bring into the community, 2nd motion is how to create a destination city and what to look for, and fund up to \$1500 to have these marketing studies done. *Support Moore 2nd Parney.* In favor-6 Opposed- 0, Motion **Approved**.

B. Façade Grant Committee;

1. Robert & Susan Cline, 92 N Broad St, /old Salvation Army Bldg. Mr. Cline has already made some improvements before applying for the grant. Some concerns are the

stack stone siding that will be used versus the brick to match the Historical look of Downtown Hillsdale. Wolfram believes the Board should inquire and see why Mr. Cline is choosing to go with stack stone. Also, Cline should give another estimate because the current estimate is from his own company, Willowbrook Interiors.

Motion by Wingate to approve up to \$10,000. Amend motion by Dixon to approve up to \$10,000 but with further review from committee for another proposal and the use of stack stone.

C. 2013 Meeting Dates:

Discussion on moving the Meeting dates to the 2nd Tuesday of the month. Parney stated Tuesday would work great for him, as he has other meetings on Thursday mornings.

Motion to move the 2013 meeting dates to the 2nd Tuesday of the month. Ayes- 6 Nays- 0 Motion **Approved**.

D. MSHDA Rental Rehab:

Discussion to refer to Façade Committee to consider this program in their proposal. Wolfram suggests purchasing buildings and developing them, through Rental Rehab. After 5 years of renting you can turn building into whatever you choose. Wingate adds you have to be careful with the type of low income rentals you choose, it can be destructive as well as structure could be destroyed. Sumnar asks about other state wide programs their might be besides Rental Rehab. Parney states he is not in favor of low income rentals.

Refer the Rental Rehab program to the Target Development Committee for the next meeting in February.

IV. Old Business

A. Drainage issue/Dr. Horton Reimbursement;

Dr. Jeffrey Horton has submitted paid bills for \$1,321.00 for work that he had done to improve the drainage problem that exists behind his building and others. He installed a brick wall to retain and channel water above his property and installed a drain in the alley to catch the runoff and send it to a City storm sewer located between the Bridal Aisle and Volume I books.

Minutes from previous TIFA meetings indicate that the Board had approved a 50% reimbursement for work which had been approved by MT Engineering. Matt Taylor has reviewed this recent work by Dr. Horton which accomplishes some of the original plan, but not all.

Dixon does not think TIFA should pay at all. If TIFA reimburses this work and it causes flooding somewhere else, on another building owner's property, the City may be liable for damages. Parney states drains are the City issues, should go to Council or the Street Dept., not TIFA Board.

Motion to pay 50% of the \$1321.00 cost. Pay \$650 for the drainage problem.
Supported by Moore, 2nd by Parney.

3-Ayes 3-Nays

Motion Denied. No Payment.

B. Mitchell Research Center Update:
Going good.

C. Committee Reports:

Subcommittees to meet before February meeting and come up with different ideas on new projects. The strategic plan is most important.

Wolfram would like to preserve the look of downtown Hillsdale. Suggests guidelines and language to be added for preservation in the TIFA guidelines. Refer to Façade Grant Committee.

Target Development Committee;

\$150 Application to the Michigan Restaurant Association to fill out and get access to different restaurants and emails. Funds available.

Motion to adjourn meeting, support by Parney, 2nd by Dixon. All in favor.

Meeting Adjourned; 8:55 A.M.

Next regular scheduled meeting: February 12, 2013.

Respectfully submitted by: Katy Price

January 8, 2013
45 Monroe Street
Hillsdale MI 49242

The regular Hillsdale Board of Public Utilities meeting was called to order at 7:00 p.m. by Mr. Jack Bierl, President of the Board.

Board Members Present: , Mr. Duke Anderson, Mr. John Waldvogel, Mr. Craig Connor, Mr. Dan Moore & Mr. Bierl.

Board Members Absent:

Others Present Were: Don Reid, Hillsdale Daily News; Mary Wolfram, Hillsdale Policy Group; Nate Rusk, Water & Wastewater Deputy Director; Linda Brown, City Manager; Eric Macy, Nonik Technologies; Sue Smith, Economic Development Partnership; Rick Rose, Director; and Annette Kinney, Secretary to the Board.

Moved by Mr. Anderson, seconded by Mr. Connor, approve the minutes of the December 11, 2012 regular meeting and record in the official minute book.

Motion carried by unanimous voice vote.

Claims Drawn on the Operations & Maintenance Fund:

A CLEAN START	600.00
AFLAC	710.54
AKER KENNETH D	55.00
ALPHA ENGINEERING	14,234.50
AMERICAN COPPER &	685.09
AMERICAN ELEC POWER	3,726.80
AT&T	3,151.99
AUTO VALUE	4.19
AUTOMOTIVE SERVICE	180.72
BCBS	32,847.42
BEEBE WILLIAM L	127.92
BRADLEY J MARTIN	36.27
BRONNER'S	2,312.26
CAMBRIA TOOL	855.00
CASE RICHARD T	34.00

CHAMPION INC	649.71
CHEMICAL SERVICES, INC	3,528.00
CINTAS LOCATION	2,303.24
CITY OF HILLSDALE	36,112.53
COLE WILLIAM G	3.31
COMMUNITY ACTION AGENCY	2,714.63
COUNTY NATIONAL BANK	250.00
CURRENT OFFICE	435.31
DAVID BEEM	450.00
DILLON'S ENVIRONMENT	3,750.00
DISTRICT COURT	900.00
DOUG'S REPAIR SERVICE, INC	1,106.86
DUBOIS TRUCKING	255.00
FELKEY RICHARD A	34.00
FLEIS & VANDENBRINK	6,637.80
GILL, CRAIG	1,800.00
GLOBAL ENVIRONMENTAL	600.00
GLUCK NORRI	3.46
GODFREY BROTHERS, INC	79.50
GRINDSTAFF JAMES D	5.39
HACH COMPANY	856.92
HARRIS COMPUTER	5,875.00
HILLSDALE COUNTY	1,633.00
HILLSDALE DAILY NEWS	272.48
HILLSDALE ELKS #1575	1,359.05
HILLSDALE HARDWARE	593.07
HILLSDALE HIGH - FOOT	100.00
HILLSDALE ROTARY	200.00
HYDRO DESIGNS	1,333.00
IBEW	717.15
JACK DOHENY SUPPLIES	1,515.57
JUNIOR ACHIEVEMENT	150.00
K & B ASPHALT	750.00
KEN STILLWELL	354.63
KRUM PUMP	1,445.65
MARKET HOUSE	247.88
MB3 CONSULTING, LLC	2,692.00
MENCO CORPORATION	182.42
MI DEPT OF TREASURY	360.00
MICHIGAN GAS	3,107.74
MICHIGAN MUNICIPAL	4,998.00
MISS DIG SYSTEM, INC	809.56
MODERN WASTE SYSTEMS	170.00

MSCPA	2,667.67
MUNICIPAL SUPPLY CO	192.62
NONIK TECHNOLOGIES	5,920.00
PARNEYS CAR CARE INC	30.45
PAULSON RAY A	56.00
PERFORMANCE AUTO	110.91
POWER LINE SUPPLY	4,151.08
PURCHASE POWER	4,347.70
PVS TECHNOLOGIES	3,597.63
REPUBLIC WASTE	226.21
RESCO ELECTRIC	362.25
RUPERT'S CULLIGAN	24.00
S.D. MYERS	3,672.00
SAFETY SYSTEMS, INC.	165.00
SMITH & LOVELESS	262.53
STANLEY JOYCE	31.44
STOCKHOUSE COMPUTER	51.00
STUMP'S TRUCK	203.62
THE WATER STORE	10.00
TODAY'S DISTRIBUTOR	1,200.00
TREQ HUSSEIN SALEH DHAIF ALLAH	3.00
TRIMATRIX LAB	65.00
UIS PROGRAMMABLE	2,073.13
USABLUBOOK	4,078.40
UTILITY SCIENCES	7,000.00
VERMEER	27,000.00
WATKINS OIL COMPANY	2,778.47
WCSR	1,262.50
WHITE'S WELDING	380.00
WIL-MAC SALES	1,368.14

Total	224,194.31
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Moved by Mr. Connor, supported by Mr. Moore, to approve the above bills for December in the amount of \$224,194.31.

Roll Call: Unanimous. Motion Carried.

Moved by: Mr. Waldvogel, supported by Mr Anderson, to approve the MSCPA bill for November usage in the amount of \$778,928.07.

Roll Call: Unanimous. Motion Carried.

Items:

1. Resolution Approving Hydro-Electric Power Purchase

As the needs for renewable energy have taken center stage and fossil fuels continue to be under a cloud of CO2 and other problematic substances, the MSCPA is in the position to take advantage of a reasonably priced in-state hydro resource.

MSCPA received a proposal for a 20 year PPA covering energy, capacity, and renewable energy credits at a fixed price of \$49 per MWh over the life of the agreement. This would be output from a 5.75 MWh hydro located in the upper peninsula.

Moved by Mr. Moore, seconded by Mr. Waldvogel, to approve the Resolution Approving the Hydro-Electric Power Purchase Agreement and Related Matters and request Council to do the same.

Roll Call: Unanimous. Motion Carried.

2. Funding of EDP

Sue Smith, Economic Development Partnership, presented an update of the activity of the EDP over the last year. The EDP is requesting funding of \$15,000 again this year.

Moved by Mr. Moore, seconded by Mr. Waldvogel, to approve funding of \$15,000 to the Economic Development Partnership.

Roll Call: Unanimous. Motion Carried.

Information:

Miscellaneous:

The Board received various Department reports.

Board Member Roundtable:

Opportunity for General Public to Address the Board:

There being no further business to come before the Board, President Bierl declared the meeting adjourned at 7:50 p.m.

Annette Kinney
Secretary to the Board

City of Hillsdale
Finance Committee Meeting Minutes
Monday, January 7, 2013
2nd Floor Conference Room
Hillsdale City Hall
6:30 PM

Call to Order: 6:35 p.m. by Chairperson Scott Sessions

Present:

Finance Committee Councilpersons: Mary Beth Bail, Scott Sessions, City Manager Linda Brown, and Director Bonnie Tew Finance

Absent: Councilperson Sally Kinney

Public: Councilperson Ruth Brown

There was no public discussion.

Invoices and vendor approval for checks printed on January 3, 2013 were reviewed and discussed by the committee. Explanation provided by Director, Bonnie Tew Finance or:

\$508.30 Hillsdale Daily News (Police Department, Administration Services, City Clerk Department, and Dial-A-Ride). These costs were paid to Hillsdale Daily News for council minutes, notices on 10/15/2012, 11/5/2012, 11/19/2012, Ad for part-time Dial-A-Ride driver, Industrial Park farm land lease, and Police Department "Don't drink and drive."

\$351.85 To Arrow Swift Printing (Dial-A-Ride). These costs were paid to Arrow Swift Printing for Dial-A-Ride tickets to buy a ride on Dial-A-Ride.

\$28,000.00 To Michigan Economic Development Corp. (Debt Services-Industrial Park). These costs were paid Michigan Economic Development Corp. for final payment on CDBG Loan payoff.

\$53.32 To Hoekstra Transportation, Inc. (Dial-A-Ride). These costs were paid to Hoekstra Transportation, Inc. for Door Shock Gas - Dart, Dial-A-Ride parts.

Motion made by Councilperson Bail to recommend approval of bills to Council; 2nd by Councilperson Sessions. Ayes:2 Nays: 0

Motion by Councilperson Bail to adjourn the meeting, 2nd by Councilperson Sessions.
Meeting adjourned: 6:48 p.m.

Respectfully submitted by: Chairperson Sessions

Council Chambers
Hillsdale City Hall
97 N. Broad St.
Hillsdale, MI 49242

January 7, 2013
7:00 p.m.
(517)437-6441
www.cityofhillsdale.org

CITY COUNCIL MINUTES
City of Hillsdale
Regular Meeting

Call to Order and Pledge of Allegiance

Mayor Pro Tem Brian Watkins opened the meeting at 7:00 pm with the pledge of allegiance.

Roll Call

Mayor Pro Tem Brian Watkins informed the council that Councilperson Kinney and Mayor Moon contacted him and will be unable to attend the meeting. Councilperson Brown made a motion to excuse Mayor Doug Moon and Councilperson Sally Kinney. The Motion was supported by Councilperson Sullivan.

All ayes.

Motion Passed

The meeting was called to order with the following Council members present: Council members Casey Sullivan and Brian Watkins representing Ward One; Council members Ruth Brown representing Ward Two; Council members Scott Sessions and Mary Wolfram representing Ward 3; Council member William Arnold and Mary Beth Bail representing Ward 4.

Also present were City Clerk Julie Kast, Russ Martin-WCSR, Lew Loren-City Attorney, Linda Brown-City Manager, Alexis Kozub, Eric Macy – Nonik Technologies, Matt Durr-Hillsdale Daly News, Eldonna Bernath, Amy England, Joseph Kempa.

Approval of Agenda

A motion was made by Council person Sessions supported by Council person Brown to approve the Agenda.

All Ayes

Motion Carried.

Public Comments on Agenda Items

None.

Consent to



Knights of Columbus

MSGR. HARDY COUNCIL, No. 8391
11 N. Broad Street
Hillsdale, Michigan 49242

January 9, 2013

Honorable Mayor Doug Moon
City Manager ~~Michael Mitchell~~
Hillsdale City Council Members
Hillsdale City Hall
Hillsdale, MI 49242

Dear Mayor Moon,

Starting on Friday, March 22nd through Sunday, March 24th, the Knights of Columbus Monsignor Hardy Council of Hillsdale will participate in the 32nd Annual Tootsie Roll Drive to raise funds for the Mentally Impaired Children and Citizens of Hillsdale County.

Monies are solicited in front of retail establishments who have granted permission to our organization. A Tootsie Roll candy is given to each donor for their contribution. The amount of the donation is strictly up to the donor. We will be soliciting funds in front of Market House, and Wal Mart.

80% of the monies raised, less cost of product, supplies, and printing is retained in Hillsdale County for distribution to various agencies engaged in Mental Retardation Programs.

For the last 23 years our council has raised and distributed over \$61,000 to organizations such as Greenfield School ISD, Key Opportunities, Hillsdale County Association for the Handicapped, Special Olympics, St. Francis Camp, Proud Equestrians, and the Drop In Center.

In the past you have graciously granted us permission to solicit such funds in front of these establishments. Once again we are hoping that you will be kind enough and permit us to conduct this years "Tootsie Roll Drive" in the City.

Respectfully Requested,

John Ruden, Chairman
408 Evans Street
Jonesville, MI 49250
517-849-9693

RESOLUTION # _____

WHEREAS, according to the Hillsdale City Charter the City Council shall provide by resolution a statement indicating the time, place and frequency of the Council meetings, and

WHEREAS, the City Council hereby declares its schedule;

NOW, THEREFORE, BE IT RESOLVED that the Hillsdale City Council declares that its 2013 meetings shall be at 7:00 p.m. (unless otherwise noted herein) in Council Chambers on the 3rd Floor of City Hall on the following dates:

January 7, 2013	July 1, 2013
January 21, 2013	July 15, 2013
February 4, 2013	August 5, 2013
February 18, 2013	August 19, 2013
March 4, 2013	September 3, 2013
March 18, 2013	September 16, 2013
April 1, 2013	October 7, 2013
April 15, 2013	October 21, 2013
May 6, 2013	November 4, 2013
May 20, 2013	November 12, 2013 *
June 3, 2013	December 2, 2013
June 17, 2013	December 16, 2013

*Charter required meeting following election 8:00 p.m.

Douglas G. Moon, Mayor

ATTEST:

Julie Kast, Clerk

REVENUE/EXPENDITURE REPORT
DECEMBER 2012

Hillsdale City Offices

For the Period: 7/1/2012 to 12/31/2012

Fund: 101 - GENERAL FUND

Revenues

	Original Bud.	Amended Bud.	YTD Actual	CURR MTH	Encumb. YTD	UnencBal	% Bud
Dept. 000.000	4,036,670.00	4,036,670.00	2,828,200.21	215,841.69	0.00	1,208,469.79	70.1
Revenues	4,036,670.00	4,036,670.00	2,828,200.21	215,841.69	0.00	1,208,469.79	70.1

Expenditures

CITY COUNCIL	29,945.00	29,945.00	12,904.57	4,537.24	0.00	17,040.43	43.1
CITY MANAGER	202,835.00	202,835.00	94,571.87	16,522.30	0.00	108,263.13	46.6
ECONOMIC DEVELOPMENT	60,520.00	60,520.00	30,844.89	12,864.97	0.00	29,675.11	51.0
ADMINISTRATIVE SERVICES	228,500.00	228,500.00	78,435.05	6,761.16	0.00	150,064.95	34.3
ELECTIONS	16,765.00	16,765.00	9,117.35	873.39	0.00	7,647.65	54.4
ASSESSING DEPARTMENT	145,920.00	145,920.00	65,073.20	10,434.56	0.00	80,846.80	44.6
CITY CLERK DEPARTMENT	76,765.00	76,765.00	39,696.21	7,451.07	0.00	37,068.79	51.7
FINANCE DEPARTMENT	100,605.00	100,605.00	49,027.95	13,192.70	0.00	51,577.05	48.7
CITY TREASURER	120,965.00	120,965.00	48,088.98	3,652.80	89.47	72,786.55	39.8
BUILDING AND GROUNDS	111,305.00	111,305.00	53,899.19	11,909.76	42.52	57,363.29	48.5
PARKING LOTS	30,505.00	30,505.00	5,046.11	2,054.24	0.00	25,458.89	16.5
CEMETERIES	108,535.00	108,535.00	68,043.92	5,714.28	0.00	40,491.08	62.7
AIRPORT	91,010.00	91,010.00	46,953.93	13,401.61	0.00	44,056.07	51.6
POLICE DEPARTMENT	1,307,930.00	1,307,930.00	644,088.64	120,863.42	57.50	663,783.86	49.2
FIRE DEPARTMENT	471,210.00	471,210.00	321,927.50	36,422.05	230.00	149,052.50	68.4
CODE ENFORCEMENT	8,465.00	8,465.00	70.13	33.99	0.00	8,394.87	0.8
PLANNING DEPARTMENT	8,150.00	8,150.00	2,629.35	0.00	0.00	5,520.65	32.3
PUBLIC SERVICES DEPARTMENT	290,395.00	290,395.00	138,739.54	18,547.87	0.00	151,655.46	47.8
STREET LIGHTING	65,500.00	65,500.00	25,220.38	5,393.07	0.00	40,279.62	38.5
PARKS	149,155.00	149,155.00	73,154.55	10,181.81	0.00	76,000.45	49.0
TRANSFERS TO OTHER FUNDS	575,355.00	575,355.00	149,994.47	85,000.00	0.00	425,360.53	26.1
Expenditures	4,200,335.00	4,200,335.00	1,957,527.78	385,812.29	419.49	2,242,387.73	46.6

Net Effect for GENERAL FUND
Change in Fund Balance: -163,665.00 -163,665.00 870,672.43 -169,970.60 419.49 -1,033,917.94 -531.7

Fund: 202 - MAJOR ST./TRUNKLINE FUND

Revenues

REVENUE/EXPENDITURE REPORT
DECEMBER 2012

Hillsdale City Offices

For the Period: 7/1/2012 to 12/31/2012
Fund: 202 - MAJOR ST./TRUNKLINE FUND
Revenues

	Original Bud.	Amended Bud.	YTD Actual	CURR MTH	Encumb. YTD	UnencBal	% Bud
Dept: 000.000	460,300.00	460,300.00	152,816.90	34,991.20	0.00	307,483.10	33.2
Revenues	460,300.00	460,300.00	152,816.90	34,991.20	0.00	307,483.10	33.2

Expenditures

ADMINISTRATIVE SERVICES	91,500.00	91,500.00	14,523.33	3,227.01	0.00	76,976.67	15.9
ADMIN. SERVICES - TRUNKLINE	3,000.00	3,000.00	612.46	266.01	0.00	2,387.54	20.4
STREET SURFACE	77,170.00	77,170.00	17,226.46	6,719.35	0.00	59,943.54	22.3
TRUNKLINE SURFACE	11,775.00	11,775.00	1,356.07	138.28	0.00	10,418.93	11.5
R.O.W. MAINTENANCE	69,655.00	69,655.00	79,776.17	2,880.90	0.00	-10,121.17	114.5
TRUNKLINE R.O.W. MAINTENANCE	9,130.00	9,130.00	2,305.69	122.19	0.00	6,824.31	25.3
TREES	45,080.00	45,080.00	19,446.82	2,974.15	0.00	25,633.18	43.1
TRUNKLINE TREES	745.00	745.00	106.10	74.55	0.00	638.90	14.2
DRAINAGE	35,830.00	35,830.00	6,944.19	1,553.88	0.00	28,885.81	19.4
TRUNKLINE R.O.W. DRAINAGE	5,100.00	5,100.00	0.00	0.00	0.00	5,100.00	0.0
TRAFFIC	49,655.00	49,655.00	23,079.75	2,528.69	0.00	26,575.25	46.5
TRUNKLINE TRAFFIC	6,550.00	6,550.00	2,082.15	586.86	0.00	4,467.85	31.8
WINTER MAINTENANCE	83,000.00	83,000.00	11,312.73	11,312.73	0.00	71,687.27	13.6
TRUNKLINE WINTER MAINTENANCE	22,625.00	22,625.00	2,618.52	2,618.52	0.00	20,006.48	11.6
Expenditures	510,815.00	510,815.00	181,390.44	35,003.12	0.00	329,424.56	35.5

Net Effect for MAJOR ST./TRUNKLINE FUND
Change in Fund Balance:

Fund: 203 - LOCAL ST. FUND

Revenues

Dept: 000.000	298,730.00	298,730.00	72,518.07	10,615.90	0.00	226,211.93	24.3
Revenues	298,730.00	298,730.00	72,518.07	10,615.90	0.00	226,211.93	24.3

Expenditures

ADMINISTRATIVE SERVICES	13,500.00	13,500.00	4,751.81	1,061.59	0.00	8,748.19	35.2
STREET SURFACE	70,340.00	70,340.00	39,705.77	12,075.18	0.00	30,634.23	56.4
R.O.W. MAINTENANCE	69,635.00	69,635.00	37,331.15	3,290.87	0.00	32,303.85	53.6
TREES	57,320.00	57,320.00	18,616.68	2,462.02	0.00	38,703.32	32.5

REVENUE/EXPENDITURE REPORT
DECEMBER 2012

Hillsdale City Offices

For the Period: 7/1/2012 to 12/31/2012	Original Bud.	Amended Bud.	YTD Actual	CURR MTH	Encumb. YTD	UnencBal	% Bud
Fund: 203 - LOCAL ST. FUND							
Expenditures							
DRAINAGE	22,385.00	22,385.00	3,962.19	1,239.22	0.00	18,422.81	17.7
TRAFFIC	18,105.00	18,105.00	6,007.43	1,193.23	0.00	12,097.57	33.2
WINTER MAINTENANCE	47,445.00	47,445.00	4,631.75	4,631.75	0.00	42,813.25	9.8
Expenditures	298,730.00	298,730.00	115,006.78	25,973.86	0.00	183,723.22	38.5
Net Effect for LOCAL ST. FUND	0.00	0.00	-42,488.71	-15,357.96	0.00	42,488.71	0.0
Change in Fund Balance:			-42,488.71				
Fund: 208 - RECREATION FUND							
Revenues							
Dept: 000.000	124,165.00	124,165.00	46,604.00	12,520.00	0.00	77,561.00	37.5
Revenues	124,165.00	124,165.00	46,604.00	12,520.00	0.00	77,561.00	37.5
Expenditures							
RECREATION DEPARTMENT	124,165.00	124,165.00	54,682.75	11,168.20	0.00	69,482.25	44.0
Expenditures	124,165.00	124,165.00	54,682.75	11,168.20	0.00	69,482.25	44.0
Net Effect for RECREATION FUND	0.00	0.00	-8,078.75	1,351.80	0.00	8,078.75	0.0
Change in Fund Balance:			-8,078.75				
Fund: 244 - ECONOMIC DEVELOPMENT CORP FUND							
Revenues							
Dept: 000.000	20,150.00	20,150.00	102.77	14.40	0.00	20,047.23	0.5
Revenues	20,150.00	20,150.00	102.77	14.40	0.00	20,047.23	0.5
Expenditures							
ECONOMIC DEVELOPMENT	51,000.00	51,000.00	480.00	0.00	0.00	50,520.00	0.9
Expenditures	51,000.00	51,000.00	480.00	0.00	0.00	50,520.00	0.9
Net Effect for ECONOMIC DEVELOPMENT CORP FUND	-30,850.00	-30,850.00	-377.23	14.40	0.00	-30,472.77	1.2
Change in Fund Balance:			-377.23				
Fund: 247 - TAX INCREMENT FINANCE ATH.							
Revenues							
Dept: 000.000	124,500.00	124,500.00	125,637.58	58.17	0.00	-1,137.58	100.9
Revenues	124,500.00	124,500.00	125,637.58	58.17	0.00	-1,137.58	100.9
Expenditures							
CAPITAL OUTLAY	100,000.00	100,000.00	16,486.48	0.00	0.00	83,513.52	16.5
Expenditures	100,000.00	100,000.00	16,486.48	0.00	0.00	83,513.52	16.5
Net Effect for TAX INCREMENT FINANCE ATH.	24,500.00	24,500.00	109,151.10	58.17	0.00	-84,651.10	445.5
Change in Fund Balance:			109,151.10				

REVENUE/EXPENDITURE REPORT
DECEMBER 2012

Hillsdale City Offices

For the Period: 7/1/2012 to 12/31/2012

	Original Bud.	Amended Bud.	YTD Actual	CURR MTH	Encumb. YTD	UnencBal	% Bud
Fund: 265 - DRUG FORFEITURE/GRANT FUND							
Revenues							
Dept: 000.000	1,000.00	1,000.00	0.00	0.00	0.00	1,000.00	0.0
Revenues	1,000.00	1,000.00	0.00	0.00	0.00	1,000.00	0.0
Expenditures							
POLICE DEPARTMENT	1,000.00	1,000.00	0.00	0.00	0.00	1,000.00	0.0
Expenditures	1,000.00	1,000.00	0.00	0.00	0.00	1,000.00	0.0
Net Effect for DRUG FORFEITURE/GRANT FUND	0.00	0.00	0.00	0.00	0.00	0.00	0.0
Change in Fund Balance:			109,151.10				
Fund: 271 - LIBRARY FUND							
Revenues							
Dept: 000.000	272,955.00	272,955.00	154,012.31	14,444.28	0.00	118,942.69	56.4
Revenues	272,955.00	272,955.00	154,012.31	14,444.28	0.00	118,942.69	56.4
Expenditures							
LIBRARY	221,185.00	221,185.00	99,498.40	17,977.02	1,159.34	120,527.26	45.5
LIBRARY - CHILDREN'S AREA	12,000.00	12,000.00	7,439.72	674.19	320.92	4,239.36	64.7
Expenditures	233,185.00	233,185.00	106,938.12	18,651.21	1,480.26	124,766.62	46.5
Net Effect for LIBRARY FUND	39,770.00	39,770.00	47,074.19	-4,206.93	1,480.26	-5,823.93	114.6
Change in Fund Balance:			47,074.19				
Fund: 274 - POLICE PUBLIC RELATIONS FUND							
Revenues							
Dept: 000.000	7,000.00	7,000.00	4,143.66	0.00	0.00	2,856.34	59.2
Revenues	7,000.00	7,000.00	4,143.66	0.00	0.00	2,856.34	59.2
Expenditures							
POLICE DEPARTMENT	7,000.00	7,000.00	2,613.30	388.60	0.00	4,386.70	37.3
Expenditures	7,000.00	7,000.00	2,613.30	388.60	0.00	4,386.70	37.3
Net Effect for POLICE PUBLIC RELATIONS FUND	0.00	0.00	1,530.36	-388.60	0.00	-1,530.36	0.0
Change in Fund Balance:			1,530.36				
Fund: 362 - BOND AND INTEREST REDEM. FUND							
Revenues							
Dept: 000.000	28,000.00	28,000.00	24,994.47	0.00	0.00	3,005.53	89.3
Revenues	28,000.00	28,000.00	24,994.47	0.00	0.00	3,005.53	89.3
Expenditures							
DEBT SERVICE-INDUSTRIAL PARK #	28,000.00	28,000.00	0.00	0.00	0.00	28,000.00	0.0

REVENUE/EXPENDITURE REPORT
DECEMBER 2012

Hillsdale City Offices

For the Period: 7/1/2012 to 12/31/2012	Original Bud.	Amended Bud.	YTD Actual	CURR MTH	Encumb. YTD	UnencBal	% Bud
Fund: 362 - BOND AND INTEREST REDEM. FUND							
Expenditures	28,000.00	28,000.00	0.00	0.00	0.00	28,000.00	0.0
Net Effect for BOND AND INTEREST REDEM. FUND	0.00	0.00	24,994.47	0.00	0.00	-24,994.47	0.0
Change in Fund Balance:			24,994.47				
Fund: 401 - CAPITAL IMPROVEMENT FUND							
Revenues							
Dept: 000.000	237,750.00	237,750.00	18,862.75	6,148.75	0.00	218,887.25	7.9
Revenues	237,750.00	237,750.00	18,862.75	6,148.75	0.00	218,887.25	7.9
Expenditures							
CEMETERIES	16,500.00	16,500.00	0.00	0.00	0.00	16,500.00	0.0
SIDEWALKS	110,000.00	110,000.00	121,245.26	501.45	0.00	-11,245.26	110.2
MAJOR STREET RECONSTRUCTION	410,000.00	410,000.00	136,030.93	3,690.71	0.00	273,969.07	33.2
INDUSTRIAL PARK EXPANSION-MRF	0.00	0.00	148,486.15	0.00	0.00	-148,486.15	0.0
DRAINAGE	100,000.00	100,000.00	69,822.08	0.00	0.00	30,177.92	69.8
PARKS	6,250.00	6,250.00	3,675.00	0.00	0.00	2,575.00	58.8
CAPITAL OUTLAY	165,000.00	165,000.00	60,639.65	1,726.15	5,580.00	98,780.35	40.1
Expenditures	807,750.00	807,750.00	539,899.07	5,918.31	5,580.00	262,270.93	67.5
Net Effect for CAPITAL IMPROVEMENT FUND	-570,000.00	-570,000.00	-521,036.32	230.44	5,580.00	-43,383.68	92.4
Change in Fund Balance:			-521,036.32				
Fund: 408 - FIELDS OF DREAMS							
Revenues							
Dept: 000.000	20,500.00	20,500.00	1,535.89	-129.49	0.00	18,964.11	7.5
Revenues	20,500.00	20,500.00	1,535.89	-129.49	0.00	18,964.11	7.5
Expenditures							
RECREATION DEPARTMENT	20,500.00	20,500.00	609.00	0.00	0.00	19,891.00	3.0
Expenditures	20,500.00	20,500.00	609.00	0.00	0.00	19,891.00	3.0
Net Effect for FIELDS OF DREAMS	0.00	0.00	926.89	-129.49	0.00	-926.89	0.0
Change in Fund Balance:			926.89				
Fund: 409 - STOCK'S PARK							
Revenues							
Dept: 000.000	20,050.00	20,050.00	20,140.84	3,168.51	0.00	-90.84	100.5
Revenues	20,050.00	20,050.00	20,140.84	3,168.51	0.00	-90.84	100.5
Expenditures							
PARKS	20,050.00	20,050.00	11,034.05	7,258.00	0.00	9,015.95	55.0

REVENUE/EXPENDITURE REPORT
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Hillsdale City Offices

For the Period: 7/1/2012 to 12/31/2012	Original Bud.	Amended Bud.	YTD Actual	CURR MTH	Encumb. YTD	UnencBal	% Bud
Fund: 409 - STOCK'S PARK							
Expenditures	20,050.00	20,050.00	11,034.05	7,258.00	0.00	9,015.95	55.0
Net Effect for STOCK'S PARK	0.00	0.00	9,106.79	-4,089.49	0.00	-9,106.79	0.0
Change in Fund Balance:			9,106.79				
Fund: 471 - LIBRARY IMPROVEMENT FUND							
Revenues							
Dept: 000.000	1,000.00	1,000.00	1,352.00	0.00	0.00	-352.00	135.2
Revenues	1,000.00	1,000.00	1,352.00	0.00	0.00	-352.00	135.2
Expenditures							
LIBRARY	1,000.00	1,000.00	1,068.81	5.00	0.00	-68.81	106.9
Expenditures	1,000.00	1,000.00	1,068.81	5.00	0.00	-68.81	106.9
Net Effect for LIBRARY IMPROVEMENT FUND	0.00	0.00	283.19	-5.00	0.00	-283.19	0.0
Change in Fund Balance:			283.19				
Fund: 481 - AIRPORT IMPROVEMENT FUND							
Revenues							
Dept: 000.000	146,995.00	146,995.00	119,405.50	58,099.66	0.00	27,589.50	81.2
Revenues	146,995.00	146,995.00	119,405.50	58,099.66	0.00	27,589.50	81.2
Expenditures							
CAPITAL OUTLAY	139,940.00	139,940.00	53,111.05	20,398.23	0.00	86,828.95	38.0
Expenditures	139,940.00	139,940.00	53,111.05	20,398.23	0.00	86,828.95	38.0
Net Effect for AIRPORT IMPROVEMENT FUND	7,055.00	7,055.00	66,294.45	37,701.43	0.00	-59,239.45	939.7
Change in Fund Balance:			66,294.45				
Fund: 496 - THREE MEADOWS DEVELOPMENT							
Expenditures							
CAPITAL OUTLAY	0.00	0.00	422.81	0.00	0.00	-422.81	0.0
Expenditures	0.00	0.00	422.81	0.00	0.00	-422.81	0.0
Net Effect for THREE MEADOWS DEVELOPMENT	0.00	0.00	-422.81	0.00	0.00	422.81	0.0
Change in Fund Balance:			-422.81				
Fund: 588 - DIAL-A-RIDE FUND							
Revenues							
Dept: 000.000	320,690.00	320,690.00	96,582.48	12,790.10	0.00	224,107.52	30.1
Revenues	320,690.00	320,690.00	96,582.48	12,790.10	0.00	224,107.52	30.1
Expenditures							
ADMINISTRATIVE SERVICES	50,000.00	50,000.00	0.00	0.00	0.00	50,000.00	0.0
DIAL-A-RIDE	270,690.00	270,690.00	126,692.21	19,448.29	0.00	143,997.79	46.8

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Hillsdale City Offices

For the Period: 7/1/2012 to 12/31/2012	Original Bud.	Amended Bud.	YTD Actual	CURR MTH	Encumb. YTD	UnencBal	% Bud
Fund: 588 - DIAL-A-RIDE FUND							
Expenditures	320,690.00	320,690.00	126,692.21	19,448.29	0.00	193,997.79	39.5
Net Effect for DIAL-A-RIDE FUND	0.00	0.00	-30,109.73	-6,658.19	0.00	30,109.73	0.0
Change in Fund Balance:			-30,109.73				
Fund: 633 - PUBLIC SERVICES INV. FUND							
Revenues							
Dept: 000.000	207,755.00	207,755.00	43,433.65	13,906.38	0.00	164,321.35	20.9
Revenues	207,755.00	207,755.00	43,433.65	13,906.38	0.00	164,321.35	20.9
Expenditures							
PUBLIC SERVICES INVENTORY	207,755.00	207,755.00	25,722.57	121.67	0.00	182,032.43	12.4
Expenditures	207,755.00	207,755.00	25,722.57	121.67	0.00	182,032.43	12.4
Net Effect for PUBLIC SERVICES INV. FUND	0.00	0.00	17,711.08	13,784.71	0.00	-17,711.08	0.0
Change in Fund Balance:			17,711.08				
Fund: 640 - REVOLVING MOBILE EQUIP. FUND							
Revenues							
Dept: 000.000	403,700.00	403,700.00	180,468.13	25,279.36	0.00	223,231.87	44.7
Revenues	403,700.00	403,700.00	180,468.13	25,279.36	0.00	223,231.87	44.7
Expenditures							
MOBILE EQUIPMENT MAINTENANCE	476,285.00	476,285.00	141,665.84	27,008.56	32.00	334,587.16	29.8
Expenditures	476,285.00	476,285.00	141,665.84	27,008.56	32.00	334,587.16	29.8
Net Effect for REVOLVING MOBILE EQUIP. FUND	-72,585.00	-72,585.00	38,802.29	-1,729.20	32.00	-111,355.29	-53.4
Change in Fund Balance:			38,802.29				
Fund: 663 - FIRE VEHICLE & EQUIPMENT FUND							
Revenues							
Dept: 000.000	26,050.00	26,050.00	25,673.32	25,004.59	0.00	376.68	98.6
Revenues	26,050.00	26,050.00	25,673.32	25,004.59	0.00	376.68	98.6
Net Effect for FIRE VEHICLE & EQUIPMENT FUND	26,050.00	26,050.00	25,673.32	25,004.59	0.00	376.68	98.6
Change in Fund Balance:			25,673.32				
Fund: 677 - UNEMPLOYMENT INSURANCE FUND							
Revenues							
Dept: 000.000	9,300.00	9,300.00	9,240.97	6.08	0.00	59.03	99.4
Revenues	9,300.00	9,300.00	9,240.97	6.08	0.00	59.03	99.4
Expenditures							
ADMINISTRATIVE SERVICES	10,000.00	10,000.00	1,053.13	0.00	0.00	8,946.87	10.5
Expenditures	10,000.00	10,000.00	1,053.13	0.00	0.00	8,946.87	10.5

REVENUE/EXPENDITURE REPORT
DECEMBER 2012

Hillsdale City Offices

For the Period: 7/1/2012 to 12/31/2012	Original Bud.	Amended Bud.	YTD Actual	CURR MTH	Encumb. YTD	UnencBal	% Bud
Net Effect for UNEMPLOYMENT INSURANCE FUND	-700.00	-700.00	8,187.84	6.08	0.00	-8,887.84	-1,169.7
Change in Fund Balance:			8,187.84				
Fund: 699 - DPS LEAVE AND BENEFITS FUND							
Revenues							
Dept: 000.000	152,415.00	152,415.00	75,890.00	11,254.23	0.00	76,525.00	49.8
Revenues	152,415.00	152,415.00	75,890.00	11,254.23	0.00	76,525.00	49.8
Expenditures							
PUBLIC SERVICES DEPARTMENT	152,415.00	152,415.00	75,890.07	9,654.25	0.00	76,524.93	49.8
Expenditures	152,415.00	152,415.00	75,890.07	9,654.25	0.00	76,524.93	49.8
Net Effect for DPS LEAVE AND BENEFITS FUND	0.00	0.00	-0.07	1,599.98	0.00	0.07	0.0
Change in Fund Balance:			-0.07				
Fund: 711 - CEMETERY PERPETUAL CARE FUND							
Revenues							
Dept: 000.000	35,000.00	35,000.00	12,237.98	2,127.67	0.00	22,762.02	35.0
Revenues	35,000.00	35,000.00	12,237.98	2,127.67	0.00	22,762.02	35.0
Expenditures							
TRANSFERS TO OTHER FUNDS	36,500.00	36,500.00	20,000.00	0.00	0.00	16,500.00	54.8
Expenditures	36,500.00	36,500.00	20,000.00	0.00	0.00	16,500.00	54.8
Net Effect for CEMETERY PERPETUAL CARE FUND	-1,500.00	-1,500.00	-7,762.02	2,127.67	0.00	6,262.02	517.5
Change in Fund Balance:			-7,762.02				
Fund: 712 - STOCK'S PARK PERPETUAL MAINT.							
Revenues							
Dept: 000.000	5,100.00	5,100.00	84.90	0.75	0.00	5,015.10	1.7
Revenues	5,100.00	5,100.00	84.90	0.75	0.00	5,015.10	1.7
Expenditures							
Net Effect for STOCK'S PARK PERPETUAL MAINT.	5,100.00	5,100.00	84.90	0.75	0.00	5,015.10	1.7
Change in Fund Balance:			84.90				
Fund: 715 - R. L. OWEN MEMORIAL FUND							
Revenues							
Dept: 000.000	5,000.00	5,000.00	0.00	0.00	0.00	5,000.00	0.0
Revenues	5,000.00	5,000.00	0.00	0.00	0.00	5,000.00	0.0
Expenditures							
BUILDING AND GROUNDS	6,250.00	6,250.00	3,675.00	3,675.00	0.00	2,575.00	58.8
Expenditures	6,250.00	6,250.00	3,675.00	3,675.00	0.00	2,575.00	58.8
Net Effect for R. L. OWEN MEMORIAL FUND	-1,250.00	-1,250.00	-3,675.00	-3,675.00	0.00	2,425.00	294.0
Change in Fund Balance:			-3,675.00				
Grand Total Net Effect:	-788,590.00	-788,590.00	577,969.12	-124,342.36	7,511.75	-1,359,047.37	

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Hillsdale City Offices

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Balances

Fund: 101 - GENERAL FUND

Assets

001.000	CHECKING ACCOUNT - COMMON	767,913.38
004.000	CASH ON HAND	1,600.00
018.000	INVESTMENTS - OTHER CD'S	700,000.00
020.000	INVESTMENTS - MBIA/CLASS	527,687.85
049.000	SPECIAL ASSESSMENTS DEFERRED	183,725.54
082.000	DUE FROM OTHERS	1,468.99
084.000	DUE FROM OTHER FUNDS	43,952.66

Total Assets

2,226,348.42

Liabilities

228.003	DUE TO MMERS-RETIREMENT CONT.	743.17
339.443	DEFERRED REV - SPECIAL ASSMNTS	183,725.54

Total Liabilities

184,468.71

Reserves/Balances

390.000	FUND BALANCE	1,171,207.28
398.000	CHANGE IN FUND BALANCE	870,672.43

Total Reserves/Balances

2,041,879.71

Total Liabilities & Balances

2,226,348.42

Fund: 202 - MAJOR ST./TRUNKLINE FUND

Assets

001.000	CHECKING ACCOUNT - COMMON	190,119.82
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Total Assets

190,119.82

Reserves/Balances

390.000	FUND BALANCE	218,693.36
398.000	CHANGE IN FUND BALANCE	-28,573.54

Total Reserves/Balances

190,119.82

Total Liabilities & Balances

190,119.82

Fund: 203 - LOCAL ST. FUND

Assets

001.000	CHECKING ACCOUNT - COMMON	837.74
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Total Assets

837.74

Reserves/Balances

390.000	FUND BALANCE	43,326.45
398.000	CHANGE IN FUND BALANCE	-42,488.71

Total Reserves/Balances

837.74

Total Liabilities & Balances

837.74

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Hillsdale City Offices

As of: 12/31/2012

Balances

Fund: 208 - RECREATION FUND

Assets

001.000 CHECKING ACCOUNT - COMMON	1,683.32
004.000 CASH ON HAND	100.00
Total Assets	<u>1,783.32</u>

Reserves/Balances

390.000 FUND BALANCE	9,862.07
398.000 CHANGE IN FUND BALANCE	-8,078.75
Total Reserves/Balances	<u>1,783.32</u>

Total Liabilities & Balances	<u><u>1,783.32</u></u>
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Fund: 244 - ECONOMIC DEVELOPMENT CORP FUND

Assets

020.000 INVESTMENTS - MBIA/CLASS	126,435.16
130.000 LAND	173,720.95
Total Assets	<u>300,156.11</u>

Reserves/Balances

390.000 FUND BALANCE	300,533.34
398.000 CHANGE IN FUND BALANCE	-377.23
Total Reserves/Balances	<u>300,156.11</u>

Total Liabilities & Balances	<u><u>300,156.11</u></u>
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Fund: 247 - TAX INCREMENT FINANCE ATH.

Assets

020.000 INVESTMENTS - MBIA/CLASS	510,034.81
130.000 LAND	65,000.00
137.000 ACCUMULATED DEPRECIATION-EQUIP	-368,949.60
138.000 INFRASTRUCTURE	381,672.00
Total Assets	<u>587,757.21</u>

Reserves/Balances

390.000 FUND BALANCE	478,606.11
398.000 CHANGE IN FUND BALANCE	109,151.10
Total Reserves/Balances	<u>587,757.21</u>

Total Liabilities & Balances	<u><u>587,757.21</u></u>
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Fund: 265 - DRUG FORFEITURE/GRANT FUND

Assets

001.000 CHECKING ACCOUNT - COMMON	710.74
Total Assets	<u>710.74</u>

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Hillsdale City Offices

As of: 12/31/2012

Balances

Fund: 265 - DRUG FORFEITURE/GRANT FUND

Reserves/Balances

390.000 FUND BALANCE	710.74
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Total Reserves/Balances	710.74
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Total Liabilities & Balances	710.74
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Fund: 271 - LIBRARY FUND

Assets

001.000 CHECKING ACCOUNT - COMMON	-7,031.00
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001.008 CHECKING ACCOUNT - LITERACY	1.88
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004.000 CASH ON HAND	50.00
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020.000 INVESTMENTS - MBIA/CLASS	208,381.30
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Total Assets	201,402.18
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Liabilities

214.711 DUE TO CEMETERY PERPET. CARE	94,544.89
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Total Liabilities	94,544.89
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Reserves/Balances

390.000 FUND BALANCE	59,783.10
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398.000 CHANGE IN FUND BALANCE	47,074.19
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Total Reserves/Balances	106,857.29
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Total Liabilities & Balances	201,402.18
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Fund: 274 - POLICE PUBLIC RELATIONS FUND

Assets

001.000 CHECKING ACCOUNT - COMMON	2,877.82
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Total Assets	2,877.82
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Reserves/Balances

390.000 FUND BALANCE	1,347.46
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398.000 CHANGE IN FUND BALANCE	1,530.36
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Total Reserves/Balances	2,877.82
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Total Liabilities & Balances	2,877.82
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Fund: 362 - BOND AND INTEREST REDEM. FUND

Assets

001.000 CHECKING ACCOUNT - COMMON	28,000.00
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Total Assets	28,000.00
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Reserves/Balances

390.000 FUND BALANCE	3,005.53
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398.000 CHANGE IN FUND BALANCE	24,994.47
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Hillsdale City Offices

As of: 12/31/2012

Balances

Fund: 362 - BOND AND INTEREST REDEM. FUND

Total Reserves/Balances

28,000.00

Total Liabilities & Balances

28,000.00

Fund: 401 - CAPITAL IMPROVEMENT FUND

Assets

001.000 CHECKING ACCOUNT - COMMON

162,369.45

Total Assets

162,369.45

Reserves/Balances

390.000 FUND BALANCE

683,405.77

398.000 CHANGE IN FUND BALANCE

-521,036.32

Total Reserves/Balances

162,369.45

Total Liabilities & Balances

162,369.45

Fund: 408 - FIELDS OF DREAMS

Assets

001.000 CHECKING ACCOUNT - COMMON

-130.69

020.000 INVESTMENTS - MBIA/CLASS

10,582.45

Total Assets

10,451.76

Reserves/Balances

390.000 FUND BALANCE

9,524.87

398.000 CHANGE IN FUND BALANCE

926.89

Total Reserves/Balances

10,451.76

Total Liabilities & Balances

10,451.76

Fund: 409 - STOCK'S PARK

Assets

001.000 CHECKING ACCOUNT - COMMON

-4,093.00

020.000 INVESTMENTS - MBIA/CLASS

32,045.49

Total Assets

27,952.49

Reserves/Balances

390.000 FUND BALANCE

18,845.70

398.000 CHANGE IN FUND BALANCE

9,106.79

Total Reserves/Balances

27,952.49

Total Liabilities & Balances

27,952.49

Fund: 471 - LIBRARY IMPROVEMENT FUND

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Hillsdale City Offices

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Balances

Fund: 471 - LIBRARY IMPROVEMENT FUND

Assets

001.000 CHECKING ACCOUNT - COMMON	14,624.19
Total Assets	<u>14,624.19</u>

Reserves/Balances

390.000 FUND BALANCE	14,341.00
398.000 CHANGE IN FUND BALANCE	283.19
Total Reserves/Balances	<u>14,624.19</u>

Total Liabilities & Balances	<u><u>14,624.19</u></u>
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Fund: 481 - AIRPORT IMPROVEMENT FUND

Assets

001.000 CHECKING ACCOUNT - COMMON	120,903.91
001.007 CHECKING ACCOUNT-AIRPORT FUEL	22,619.70
Total Assets	<u>143,523.61</u>

Reserves/Balances

390.000 FUND BALANCE	77,229.16
398.000 CHANGE IN FUND BALANCE	66,294.45
Total Reserves/Balances	<u>143,523.61</u>

Total Liabilities & Balances	<u><u>143,523.61</u></u>
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Fund: 496 - THREE MEADOWS DEVELOPMENT

Reserves/Balances

390.000 FUND BALANCE	422.81
398.000 CHANGE IN FUND BALANCE	-422.81
Total Reserves/Balances	<u>0.00</u>

Total Liabilities & Balances	<u><u>0.00</u></u>
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Fund: 588 - DIAL-A-RIDE FUND

Assets

001.000 CHECKING ACCOUNT - COMMON	50,771.43
130.000 LAND	7,419.13
136.000 PLANT AND EQUIPMENT	685,612.37
137.000 ACCUMULATED DEPRECIATION-EQUIP	-282,835.51
137.136 ACCUM. DEPRECIATION - PLANT	-27,424.48
148.000 EQUIPMENT	401,654.96
Total Assets	<u>835,197.90</u>

Liabilities

214.101 DUE TO GENERAL FUND	43,849.92
230.000 DUE TO OTHER UNITS OF GOVT.	7,983.00
260.000 ACCRUED VACATION/SICK LEAVE	4,655.58

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Hillsdale City Offices

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Balances

Fund: 588 - DIAL-A-RIDE FUND

Liabilities

343.000 ACCRUED VAC/SICK - LONG TERM	7,302.27
Total Liabilities	<u>63,790.77</u>

Reserves/Balances

390.000 FUND BALANCE	801,516.86
398.000 CHANGE IN FUND BALANCE	-30,109.73
Total Reserves/Balances	<u>771,407.13</u>

Total Liabilities & Balances	<u><u>835,197.90</u></u>
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Fund: 633 - PUBLIC SERVICES INV. FUND

Assets

001.000 CHECKING ACCOUNT - COMMON	45,024.10
111.000 INVENTORY - MAT. AND SUPPLIES	207,311.04
Total Assets	<u><u>252,335.14</u></u>

Liabilities

Total Liabilities	<u>0.00</u>
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Reserves/Balances

390.000 FUND BALANCE	234,624.06
398.000 CHANGE IN FUND BALANCE	17,711.08
Total Reserves/Balances	<u>252,335.14</u>

Total Liabilities & Balances	<u><u>252,335.14</u></u>
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Fund: 640 - REVOLVING MOBILE EQUIP. FUND

Assets

001.000 CHECKING ACCOUNT - COMMON	181,526.26
136.000 PLANT AND EQUIPMENT	1,856,125.84
137.000 ACCUMULATED DEPRECIATION-EQUIP	-1,536,533.69
Total Assets	<u><u>501,118.41</u></u>

Liabilities

343.000 ACCRUED VAC/SICK - LONG TERM	3,278.14
Total Liabilities	<u>3,278.14</u>

Reserves/Balances

390.000 FUND BALANCE	459,037.98
398.000 CHANGE IN FUND BALANCE	38,802.29
Total Reserves/Balances	<u>497,840.27</u>

Total Liabilities & Balances	<u><u>501,118.41</u></u>
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Fund: 663 - FIRE VEHICLE & EQUIPMENT FUND

BALANCE SHEET

DECEMBER 2012

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1/15/2013

6:34 pm

Hillsdale City Offices

As of: 12/31/2012

Balances

Fund: 663 - FIRE VEHICLE & EQUIPMENT FUND

Assets

001.000 CHECKING ACCOUNT - COMMON	25,000.00
020.000 INVESTMENTS - MBIA/CLASS	40,384.12
Total Assets	<u>65,384.12</u>

Reserves/Balances

390.000 FUND BALANCE	39,710.80
398.000 CHANGE IN FUND BALANCE	25,673.32
Total Reserves/Balances	<u>65,384.12</u>

Total Liabilities & Balances	<u><u>65,384.12</u></u>
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Fund: 677 - UNEMPLOYMENT INSURANCE FUND

Assets

020.000 INVESTMENTS - MBIA/CLASS	58,455.70
Total Assets	<u>58,455.70</u>

Reserves/Balances

390.000 FUND BALANCE	50,267.86
398.000 CHANGE IN FUND BALANCE	8,187.84
Total Reserves/Balances	<u>58,455.70</u>

Total Liabilities & Balances	<u><u>58,455.70</u></u>
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Fund: 699 - DPS LEAVE AND BENEFITS FUND

Assets

001.000 CHECKING ACCOUNT - COMMON	31,849.45
Total Assets	<u>31,849.45</u>

Liabilities

343.000 ACCRUED VAC/SICK - LONG TERM	23,954.15
Total Liabilities	<u>23,954.15</u>

Reserves/Balances

390.000 FUND BALANCE	7,895.37
398.000 CHANGE IN FUND BALANCE	-0.07
Total Reserves/Balances	<u>7,895.30</u>

Total Liabilities & Balances	<u><u>31,849.45</u></u>
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Fund: 703 - TREASURER'S TAX COLLECTION FD.

Assets

001.001 CHECKING ACCOUNT - SEPERATE	10,402.26
Total Assets	<u><u>10,402.26</u></u>

BALANCE SHEET

DECEMBER 2012

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Hillsdale City Offices

As of: 12/31/2012

Balances

Fund: 703 - TREASURER'S TAX COLLECTION FD.

Liabilities

214.692	DUE TO CITY - MISCELLANEOUS	169.51
222.228	DUE TO COUNTY-ST SCHOOL MILLAG	892.24
222.412	DUE TO COUNTY - DEL.TAXES	1,795.98
222.437	DUE TO COUNTY - IFT	374.91
222.692	DUE TO COUNTY - MISCELLANEOUS	616.94
225.412	DUE TO SCHOOL - DEL. TAXES	2,083.66
225.437	DUE TO SCHOOL - IFT	317.13
225.692	DUE TO SCHOOL - MISCELLANEOUS	413.31
228.437	DUE TO STATE - IFT	2,368.33
234.412	DUE TO ISD - DELINQUENT TAXES	1,158.14
234.437	DUE TO ISD - IFT	20.66
234.692	DUE TO ISD - MISCELLANEOUS	191.45
Total Liabilities		10,402.26

Total Liabilities & Balances

10,402.26

Fund: 711 - CEMETERY PERPETUAL CARE FUND

Assets

001.000	CHECKING ACCOUNT - COMMON	47,193.58
001.100	LAKEVIEW - TO BE INVESTED	124,726.26
001.200	OAKGROVE - TO BE INVESTED	122,324.72
084.100	DUE FROM LIB IMP FOR LAKEVIEW	50,108.86
084.200	DUE FROM LIB IMP FOR OAK GROVE	44,436.03
120.100	INVESTMENTS - LAKEVIEW	107,034.42
120.200	INVESTMENTS - OAKGROVE	160,812.63
122.100	RETURNED INVEST PRIN-LAKEVIEW	-16,018.37
122.200	RETURNED INVEST PRIN-OAK GROVE	-19,675.16
Total Assets		620,942.97

Reserves/Balances

390.000	FUND BALANCE	628,704.99
398.000	CHANGE IN FUND BALANCE	-7,762.02
Total Reserves/Balances		620,942.97

Total Liabilities & Balances

620,942.97

Fund: 712 - STOCK'S PARK PERPETUAL MAINT.

Assets

018.000	INVESTMENTS - OTHER CD'S	12,002.80
020.000	INVESTMENTS - MBIA/CLASS	6,572.33
Total Assets		18,575.13

Reserves/Balances

390.000	FUND BALANCE	18,490.23
398.000	CHANGE IN FUND BALANCE	84.90
Total Reserves/Balances		18,575.13

BALANCE SHEET

DECEMBER 2012

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Hillsdale City Offices

As of: 12/31/2012

Balances

		<u>Total Liabilities & Balances</u>	<u>18,575.13</u>
Fund: 715 - R. L. OWEN MEMORIAL FUND			
Assets			
001.000	CHECKING ACCOUNT - COMMON		25,557.77
		<u>Total Assets</u>	<u>25,557.77</u>
Reserves/Balances			
390.000	FUND BALANCE		29,232.77
398.000	CHANGE IN FUND BALANCE		-3,675.00
		<u>Total Reserves/Balances</u>	<u>25,557.77</u>
		<u>Total Liabilities & Balances</u>	<u>25,557.77</u>
Fund: 750 - IMPREST PAYROLL FUND			
Assets			
011.000	CASH IN BANK - PAYROLL		-937,628.97
084.000	DUE FROM OTHER FUNDS		936,047.46
		<u>Total Assets</u>	<u>-1,581.51</u>
Liabilities			
214.101	DUE TO GENERAL FUND		109.53
258.000	FICA PAYABLE		-1,691.04
		<u>Total Liabilities</u>	<u>-1,581.51</u>
		<u>Total Liabilities & Balances</u>	<u>-1,581.51</u>

LEGEND:

Purple: Enforcement Action Resolved

Green: Violation Notice Sent

Orange: Complaint not found to be valid

Blue: Citation Issued, matter in Attorney's office

Rose: Work in progress, not completed, no citation issued

Address of Violation	Report Filed	Violation Information	Action Taken/Date	Next Action/Date	Notes
353 N West	6/15/2012	unlicensed boat and trailer, inside furniture outside, trash	Violation Notice/11/01/12	Issue Citation if not completed by 01/15/13	Photos ordered by City Attorney will be taken prior to citation issuance
12 Waldron	7/30/2009	Structurally damaged house	Public Nuisance Posting 6/27/2012	City Attorney Action Necessary/Uncertain	Previous owner deceased, New owner notification in process.
78 N Norwood	6/13/2012	Garage structure deteriorated	Owners notified 12/10/12 by letter	Issue Citation if no permit acquired by 01/15/13	Photos ordered by City Attorney will be taken prior to citation issuance
141 Griswold	6/27/2012	rubbish accumulation	Citation issued/10/26/12	court date scheduled early Feb. 2013	
14 Rippon	6/27/2012	peeling paint on trim, and walls	Time Extension/ 8/1/13	Issue Citation if not completed/8/01/13	Photos ordered by City Attorney will be taken prior to citation issuance
80 E South	6/13/2012	porch roof failing, trash	30 Day Time Extension/11/2/12	Issue Citation if not completed by 01/15/13	Photos ordered by City Attorney will be taken prior to citation issuance
94 W Bacon	8/23/2012	rubbish accumulation	Most of material removed	Issue Citation if not completed by 01/15/13	Photos ordered by City Attorney will be taken prior to citation issuance
23 College	9/18/2012	Garage siding and roofing deteriorated	Violation notice 9/21/12	Issue Citation if not completed by 01/15/13	Extension requested 10/11/12 for 60 days (contractor)
28 McClellan	10/4/2012	unlicensed boat and trailer, peeling paint	Violation Notice 10/5/12	Issue Citation if not completed by 8/01/13	Boat removed, extension requested 11/1/12

125 N Manning	10/4/2012	Front wall missing siding, porch deck in disrepair	Violation Notice sent 10/5/12	Issue Citation if no permit acquired by 01/15/13	Work in progress under building permit				
96 W Carleton	10/4/2012	tires at side of structure	Violation notice sent to property owner 11/16/12	Issue Citation if not completed by 01/15/13	Photos ordered by City Attorney will be taken prior to citation issuance				
27 Howder	11/21/2012	trash bag, debris in yard and on porch	Violation Notice sent 11/21/12	Issue Citation if not completed by 01/15/13	Photos ordered by City Attorney will be taken prior to citation issuance				
100-104 N Howell	11/1/2012	Construction material/ debris in rear property area	Violation notice sent 11/9/12; resent with clarification photos 11/21/12.	Issue Citation if not completed by 01/15/13	Photos ordered by City Attorney will be taken prior to citation issuance				



Photo: 353 N West



Photo: 12 Waldron

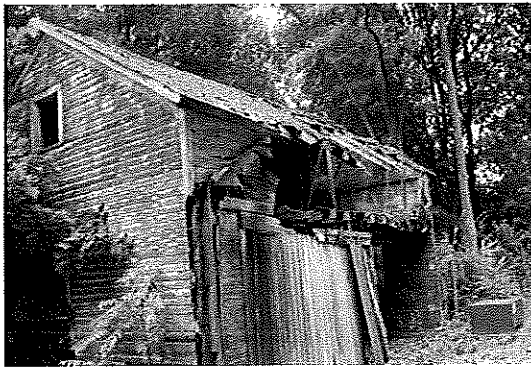


Photo: 78 N Norwood



Photo: 141 Griswold

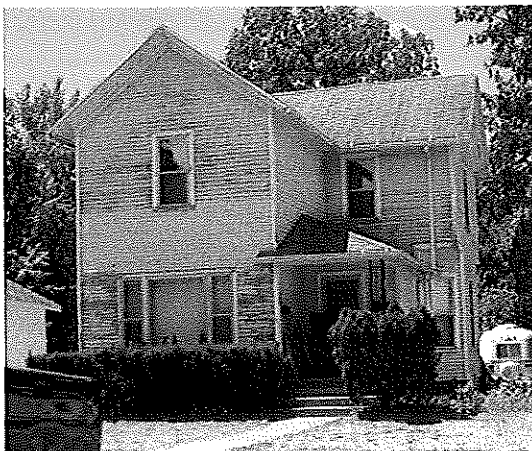


Photo: 14 Rippon



Photo: 80 E South

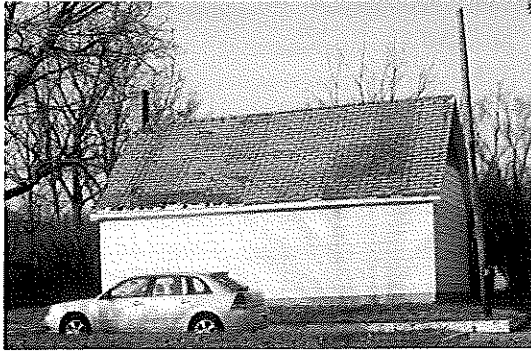


Photo: 23 College

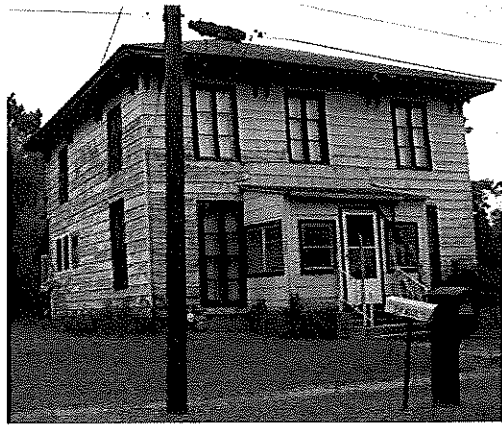


Photo: 28 McClellan



Photo: 125 N Manning



Photo: 96 E Carleton



Photo: 27 Howder



Photo: 100 – 104 N. Howell

HCPD ORDINANCE VIOLATION TRACKING

1/7/2015

9/10/2012, 2102	38 E. Carleton Rd.	tall grass/weeds	9/10/12	vacant property, Tony Daves, Tumbull
9/11/2012	emailed to	city manager		
9/17/2012, 2111	70 Marion St.	tall grass/weeds	9/21/12	violation corrected
9/17/2012, 2111	77 Marion St.	tall grass/weeds	9/21/12	violation corrected
9/17/2012, 2111	79 Marion St.	tall grass/weeds	9/21/12	violation corrected
11/9/2012, 2112	99 Rippon Ave.	debris in yard, tall grass	11/24/12	violation corrected
11/16/2012, 2114	95 E. Sharp St.	debris in terrace	11/16/12	violation corrected
12/18/2012, 2116	10 State St.	vehicle parked on lawn	12/18/12	unfounded, vehicle GOA
12/19/2012, 2103	10 State St.	vehicle parked on lawn	12/19/12	violation corrected
2013				
10/07/2013, 2113	34 Budlong St.	fridge in yard w/doors on		fridge door turned towards wall of house pending owner removing doors

City of Hillsdale

Agenda Item Summary

Meeting Date: **January 21, 2013**

Agenda Item #10: **New Business A – Award of Bid – Industrial Park Farmland**

BACKGROUND:

The current lease for the industrial park farmland expired as of December 31, 2012. Accordingly, a bid packet was prepared and advertisements were published for bids to farm the property. The bids were due on January 14, 2013. A summary of those bids is enclosed.

As you can see, Brian Fix submitted the highest bid of \$156.00 per acre for each of the three (3) years. In addition to the lease payment, the tenant will also be responsible for paying real estate taxes attributable to the leased property. I checked with USDA Farm Services Agency regarding the average lease amount for the area in question and was advised that the average would be somewhere between \$100 and \$125 per acre.

RECOMMENDATION:

I recommend that Council accept Brian Fix's bid to lease the property at \$156 per acre for three (3) years and authorize the Mayor and Clerk's signatures on the lease agreement. The City Attorney has approved the lease agreement.

CITY OF HILLSDALE

STANDARD BID INFORMATION FORM

DEPARTMENT City Manager
PROJECT Farmland Lease
DESCRIPTION Industrial Park Property

DATE OF BID OPENING 1/14/13

NUMBER OF BIDDERS 5

LIST OF BIDDERS	\$ AMOUNT OF BIDS
1. Godfrey Farms	\$ 115 per acre/3 yrs
2. Brian Fix	\$ 156 per acre/3 yrs
3. Hepker Farms	\$ 150 per acre/3 yrs
4. Gordon Thompson	\$ 75/\$76/\$77/1 st /2 nd /3 rd
5. James Galloway	\$ 106 per acre/3 yrs

ADVERTISED? Yes

LIST OF BIDDERS CONTACTED DIRECTLY -
Corey Hepker, Brian Fix, Ron Parker, Denningsons Farms, James Galloway

BID RECOMMENDATION - AWARD TO HIGH BIDDER AT A PRICE OF
\$156 per acre for each of three (3) years (Total lease amount for 3 year period - \$76,752.00)



LEASE AGREEMENT

This Lease Agreement is entered on January _____, 2013 between the City of Hillsdale, a Michigan Municipal corporation, of 97 N. Broad Street, Landlord, Michigan 49242 (Landlord) and Brian Fix, of 10600 Burt Road, Pittsford, MI (Tenant).

Landlord is the owner of certain land located in the City of Hillsdale, Hillsdale County, Michigan which is depicted and identified with particularity in the attached Exhibit A-D and consists of a total of approximately one hundred sixty-four (164) acres (the "Acreage"). The Acreage is not currently being used or required by Landlord for any of its operations.

Tenant is desirous of leasing the Acreage for the purpose of raising crops on it and Landlord is willing to lease the Acreage to Tenant for the proposed purpose on the terms and conditions hereinafter set forth. Tenant is willing to lease the Acreage from Landlord on that basis.

Therefore, Landlord and Tenant, in consideration of the following mutual covenants and promises, agree as follows:

Agreement:

1. Tenant is hereby granted a lease on and the exclusive use and control of the Acreage for the purpose of planting, growing and harvesting crops on and from the Acreage, and for no other purpose, subject to his compliance with the remaining terms, conditions and restrictions of this Lease Agreement.
2. The term of this Lease Agreement is three (3) years commencing the date of the last of the required signatures on this lease agreement and ending December 31, 2015.
3. Tenant shall have the exclusive use and control of the Acreage during the term of this Lease Agreement for the stated purpose, subject to the remaining terms,

conditions and restrictions as are hereinafter provided, all of which are hereby deemed and acknowledged by the parties to be material.

4. Tenant shall pay Landlord the total sum of Seventy-six thousand, seven hundred fifty-two (\$76,752.00) Dollars in the following installments: Twenty-five thousand, five hundred eighty-four (\$25,584.00) Dollars immediately upon execution of this Lease Agreement; the sum of Twenty-five thousand, five hundred eighty-four (\$25,584.00) Dollars on or before January 1, 2014, and the sum of Twenty-five thousand, five hundred eighty-four (\$25,584.00) Dollars on or before January 1, 2015.

5. Tenant agrees to have all crops removed from the Acreage not later than midnight on December 31, 2015. In the event that all crops are not removed from the Acreage by said date and time, the crops then remaining shall become the property of Landlord, and Landlord shall have the sole and exclusive right to enter upon the affected acreage, harvest and sell the crops then remaining thereon and retain all proceeds as liquidated damage.

6. In the event Landlord, in its sole discretion, determines that the Acreage, or any portion thereof is needed for industrial park purposes prior to the expiration of this Lease Agreement, this Lease Agreement shall become void and of no effect as to the portion so required upon written notification to Tenant. Possession of such required portions shall be immediately surrendered except as otherwise provided in paragraph 7B.

7. In the event of termination or partial termination of this Lease Agreement pursuant to paragraph 6:

A. As to crops not yet ready to harvest at the time of termination, Landlord agrees to and shall reimburse Tenant for any actual reasonable and verified out-of-pocket expenses that Tenant has incurred in connection with renting, fertilizing, seeding, spraying or cultivating the portion of the Acreage included within the termination since the immediately preceding January 1, but excluding any charges for labor or custom work; provided, however, that the total reimbursement to be paid to Tenant pursuant to this paragraph shall not exceed the lesser of:

i. The annual lease payment received by Landlord for the year in which termination occurs; or

ii. The actual, verified out-of-pocket expenses incurred by Tenant since the immediately preceding January 1 that are attributable to the affected portion of the Acreage; or

iii. The percent of the total actual, verified out-of-pocket expenses incurred by Tenant with regard to all of the Acreage since the immediately preceding January 1 that is computed by dividing the acres within the terminated portion by the total Acreage.

B. As to crops ready to harvest at the time of termination, Landlord agrees to provide Tenant an opportunity to remove said crops within a time period not exceeding thirty days from the date upon which notice is given. There shall be no reimbursement paid to Tenant for any portion of its out-of-pocket expenses in this event. Should Tenant fail to remove all of said crops within said thirty-day period, Landlord shall have the sole and exclusive right to enter upon the affected acreage, harvest and sell the crops then remaining thereon and retain all proceeds as liquidated damages.

8. Tenant agrees to and shall defend, indemnify, and hold Landlord harmless from all claims, demands, causes of action, lawsuits, damages, costs, expenses and losses or whatever kind or nature arising from, out of or because of any acts and omissions of Tenant, his employees, agents, licensees and/or invitees in connection with or arising from his or their presence on, occupation and/or use of the Acreage.

9. Tenant shall obtain and maintain a policy of insurance with such insurance carrier and with such limits of liability and coverage as is acceptable to Landlord in which Landlord is identified as an additional named insured. A copy of such insurance policy and the applicable declaration sheet and proof of each renewal thereof shall be provided to Landlord as a prerequisite to the continuance of this Lease Agreement.

10. Tenant agrees that he shall maintain and utilize the Acreage in accordance with good and sound farming practices during the term of this Lease Agreement and shall return the Acreage to Landlord in at least as good a condition as when taken.

11. In addition to the lease payments provided for in paragraph 4, Tenant shall also promptly pay when and as due all taxes, assessments, fees or charges that might be levied upon the Acreage that is covered by this Lease Agreement. Tenant further agrees to and shall keep the Acreage free from liens of any kind or nature.

12. Tenant agrees to and shall be solely responsible for applying for and pursuing the acquisition of any tax exemptions that might be applicable.

13. Landlord reserves that right to enter upon the Acreage for the purpose of applying sewage sludge to the Acreage; provided, however, that no such applications may be performed at a time or in a manner that disrupts or interferes with Tenant's farm operation on said Acreage.

14. Unless otherwise agreed in writing between the Landlord and Tenant, Tenant shall not use, permit, or suffer the use of the Acreage for recreational activities of any kind, including but not limited to, horseback riding, the riding or operation of all-terrain or other off-road vehicles of any kind, hunting, or for any purpose other than the planting, growing and harvesting crops on and from the Acreage.

15. In the event of default by Tenant in the performance of any of his obligations under this Lease Agreement, Landlord shall provide written notice and demand to cure to Tenant in which the nature of the default is specified. Should said default remain uncured for a period of thirty (30) days Landlord shall be and is hereby granted the right to terminate this Lease Agreement. In the event of termination pursuant to this paragraph, all crops then planted and/or growing thereon shall become the property of Landlord and Landlord shall thereupon have the right to enter upon the Acreage at such times as it determines appropriate, remove and sell any crops then and/or thereafter growing thereon, and retain any proceeds from their sale as liquidated damages. Waiver of any default or Landlord's election not to require cure of any default shall not constitute a waiver of any future default by Tenant of his obligations under this Lease Agreement.

16. In addition to all other remedies and relief, Tenant shall be responsible for all consequential damages and for all of Landlord's actual attorney fees and costs as are incurred by it as a consequence of Tenant's default, the actions needed to terminate this

Lease Agreement in accordance with applicable law and/or to otherwise enforce its provisions.

17. Neither this Lease Agreement nor any interest in or under it may be assigned by Tenant to any other person, firm or corporation.

18. This Lease Agreement is hereby declared binding upon the successors, heirs and/or assigns of each party.

IN WITNESS WHEREOF, the parties have affixed their hands.

LANDLORD

CITY OF HILLSDALE

TENANT

Douglas G. Moon, Mayor

Brian Fix

Julie Kast, Clerk

STATE OF MICHIGAN)

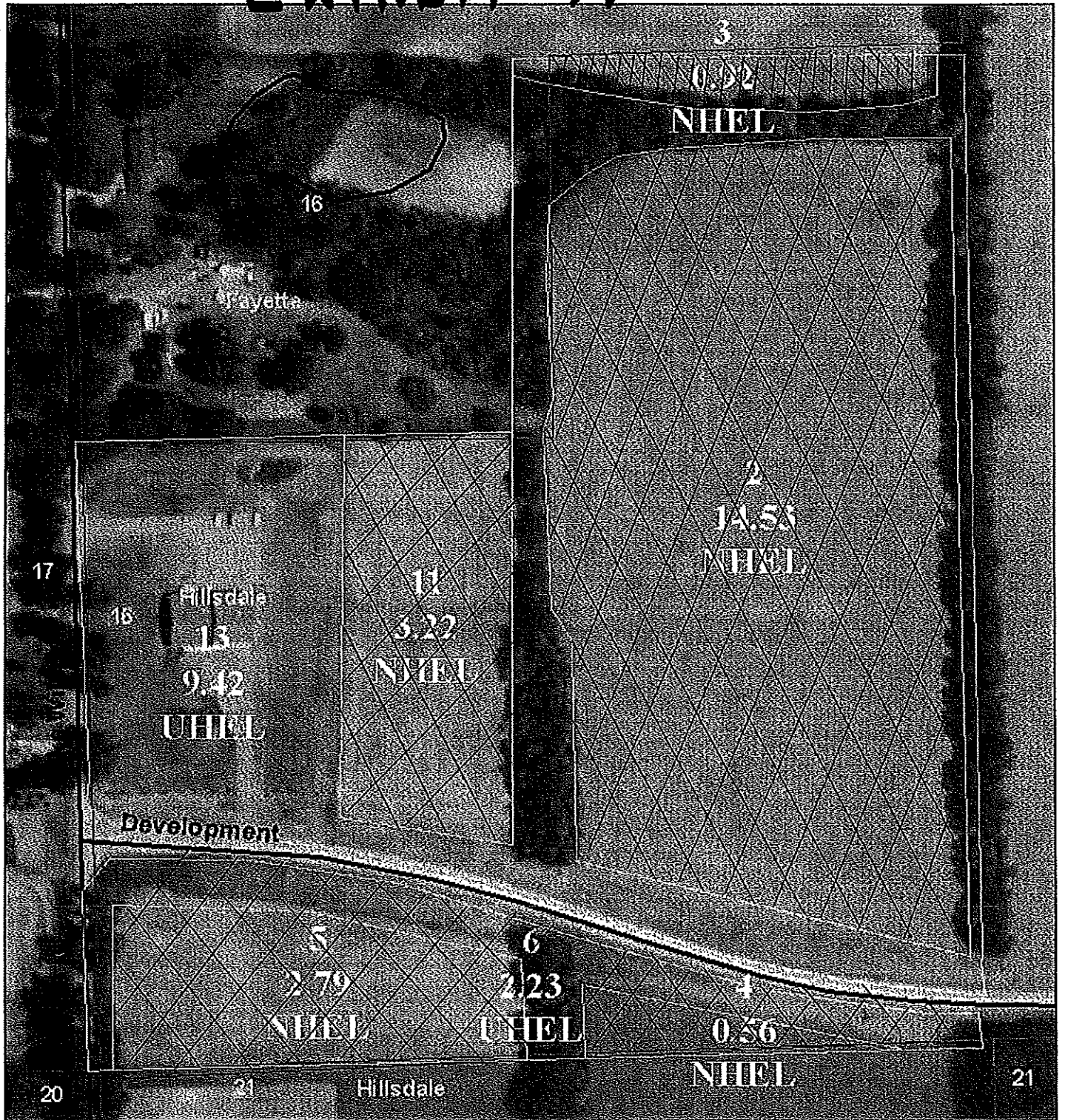
)ss.

County of Hillsdale)

On this ____ day of _____ 2013, before me a Notary Public in and for said County and State, personally came the above named Douglas G. Moon and Julie Kast, to me known to be the Mayor and Clerk of the City of Hillsdale, respectively, and the same persons described in and who executed the within instrument, who acknowledged the same to be within their authorized authority and their free act and deed.

Notary
Hillsdale County, Michigan
My Commission Expires:

Exhibit A



Hillsdale County FSA Office
 588 Olds St Bldg 2
 Jonesville, MI 49250
 517-849-9890

Farm: 9581
 Tract: 50299

USDA PROGRAM PURPOSES ONLY

Disclaimer: Wetland identifiers do not represent the size, shape or specific determination of the area. Refer to your original determination (CPA-026 and attached maps) for exact wetland boundaries and determinations, or contact NRCS.

- Cropland
- CRP
- Wetland Determination Identifiers**
- Restricted Use
- Limited Restrictions
- Exempt from Conservation Compliance Provisions



HEL = Highly Erodible Land
 NHEL = Not Highly Erodible Land
 UHEL = Undetermined HEL

December 12, 2012

Exhibit B



USDA Hillsdale County FSA Office
 588 Olds St Bldg 2
 Jonesville, MI 49250
 517-849-9890

Farm: 9581
 Tract: 49064

USDA PROGRAM PURPOSES ONLY

Disclaimer: Wetland identifiers do not represent the size, shape or specific determination of the area. Refer to your original determination (CPA-026 and attached maps) for exact wetland boundaries and determinations, or contact NRCS.

- Cropland
- CRP
- Wetland Determination Identifiers**
- Restricted Use
- Limited Restrictions
- Exempt from Conservation Compliance Provisions

HEL = Highly Erodible Land
 NHEL = Not Highly Erodible Land
 UHEL = Undetermined HEL

December 12, 2012



Exhibit C



0 215 430 860 1,290 1,720 Feet



Hillsdale County FSA Office
588 Olds St Bldg 2
Jonesville, MI 49250
517-849-9890

Farm: 9581
 Tract: 2295

USDA PROGRAM PURPOSES ONLY

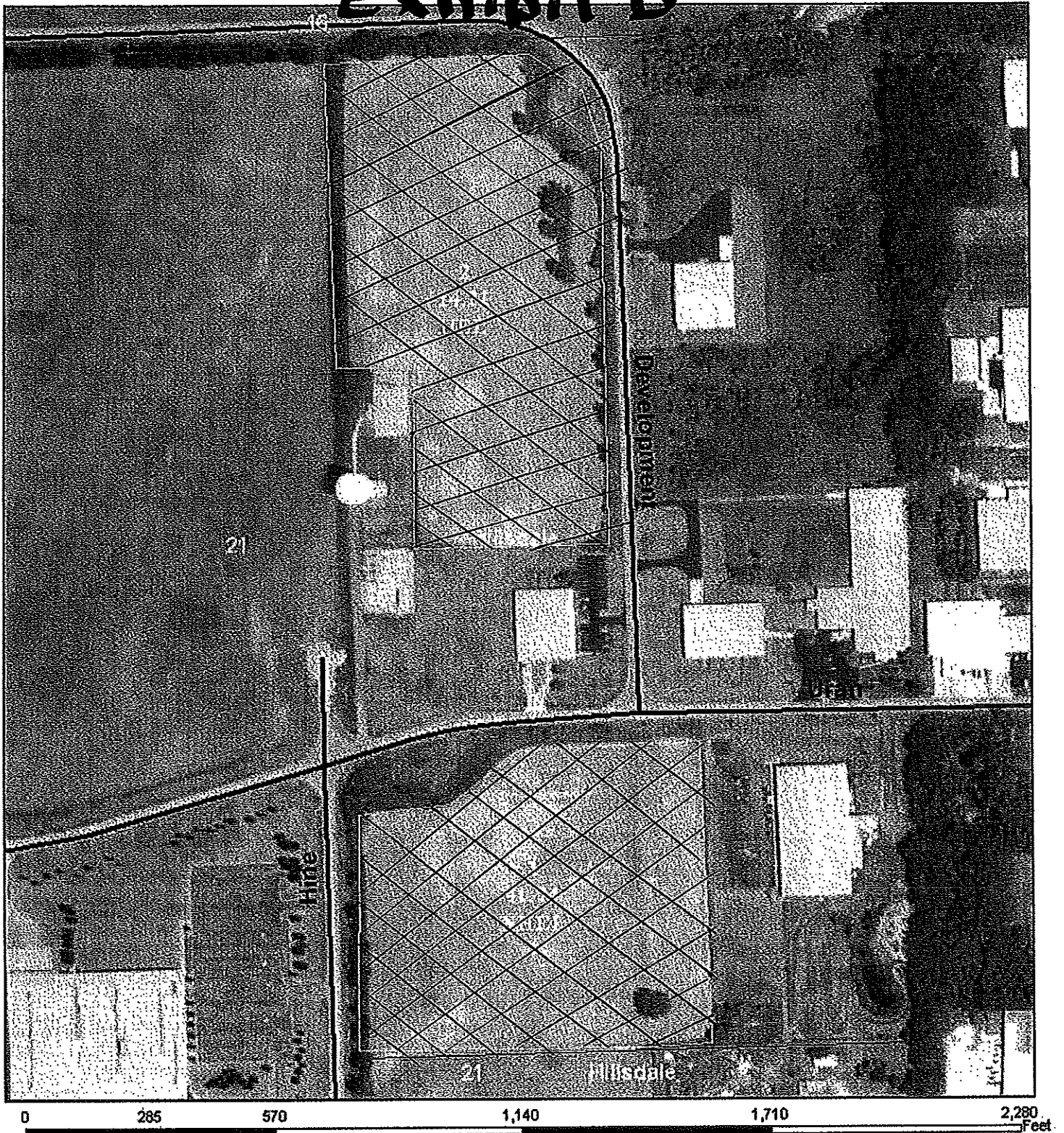
Disclaimer: Wetland identifiers do not represent the size, shape or specific determination of the area. Refer to your original determination (CPA-026 and attached maps) for exact wetland boundaries and determinations, or contact NRCS.

- /// Cropland
- /// CRP
- Wetland Determination Identifiers**
- Restricted Use
- ▽ Limited Restrictions
- ☐ Exempt from Conservation Compliance Provisions
- HEL = Highly Erodible Land
- NHEL = Not Highly Erodible Land
- UHEL = Undetermined HEL



December 12, 2012

Exhibit D



Hillsdale County FSA Office
588 Olds St Bldg 2
Jonesville, MI 49250
517-849-9890

Farm: 7267
 Tract: 49117

USDA PROGRAM PURPOSES ONLY

Disclaimer: Wetland identifiers do not represent the size, shape or specific determination of the area. Refer to your original determination (CPA-026 and attached maps) for exact wetland boundaries and determinations, or contact NRCS.

- /// Cropland
- /// CRP
- Wetland Determination Identifiers**
- Restricted Use
- ▽ Limited Restrictions
- Exempt from Conservation Compliance Provisions

- HEL = Highly Erodible Land
- NHEL = Not Highly Erodible Land
- UHEL = Undetermined HEL

December 12, 2012



City of Hillsdale Agenda Item Summary

Meeting Date: January 21, 2013

Agenda Item #10: New Business B – Application for Annual ROW Permit from MDOT Resolution

BACKGROUND:

Each year it is necessary for the City to adopt a resolution which is required by the Michigan Department of Transportation for purposes of issuing individual permits to use its M-99 right-of-way within the City boundaries. Use of the right-of-way is required from time to time by the Department of Public Services, the Board of Public Utilities and the police department. I have enclosed a proposed Resolution proposed for submission to MDOT. As you can see from the resolution, it authorizes Keith Richard, Rick Rose and Christ Gutowski to apply for permits for various uses throughout the year.

RECOMMENDATION:

I recommend that Council pass the enclosed resolution.

PERFORMANCE RESOLUTION FOR GOVERNMENTAL AGENCIES

This Performance Resolution is required by the Michigan Department of Transportation for purposes of issuing to a municipal utility an "Individual Permit for Use of State Highway Right of Way," or an "Annual Application and Permit for Miscellaneous Operations Within State Highway Right of Way."

RESOLVED WHEREAS, the CITY OF HILLSDALE
(city, village, township, etc.)

hereinafter referred to as the "GOVERNMENTAL AGENCY," periodically applies to the Michigan Department of Transportation, hereinafter referred to as the "DEPARTMENT," for permits, referred to as "PERMIT," to construct, operate, use and/or maintain utility or other facilities, or to conduct other activities, on, over, and under State Highway right of way at various locations; within and adjacent to its corporate limits;

NOW THEREFORE, in consideration of the DEPARTMENT granting such PERMIT, the GOVERNMENTAL AGENCY agrees that:

1. Each party to this Agreement shall remain responsible for any claims arising out of their own acts and/or omissions during the performance of this Agreement, as provided by law. This Agreement is not intended to increase either party's liability for, or immunity from, tort claims, nor shall it be interpreted, as giving either party hereto a right of indemnification, either by Agreement or at law, for claims arising out of the performance of this Agreement.
2. Any work performed for the GOVERNMENTAL AGENCY will be solely as for the GOVERNMENTAL AGENCY and not as a contractor or agent of the DEPARTMENT. The DEPARTMENT shall not be subject to any obligations or liabilities by vendors and contractors of the GOVERNMENTAL AGENCY, or their subcontractors or any other person not a party to the PERMIT without its specific prior written consent and notwithstanding the issuance of the PERMIT. Any claims against the State of Michigan, the Michigan Transportation Commission, the DEPARTMENT, and all officers, agents and employees thereof and those contracting governmental bodies performing permit activities for the DEPARTMENT and all officers, agents, and employees thereof will be the sole responsibility of the GOVERNMENTAL AGENCY.
3. The GOVERNMENTAL AGENCY shall take no unlawful action or conduct, which arises either directly or indirectly out of its obligations, responsibilities, and duties under the PERMIT which results in claims being asserted against or judgment being imposed against the State of Michigan, the Michigan Transportation Commission, the DEPARTMENT, and all officers, agents and employees thereof and those contracting governmental bodies performing permit activities for the DEPARTMENT and all officers, agents, and employees thereof, pursuant to a maintenance contract. In the event that the same occurs, for the purposes of the PERMIT, it will be considered as a breach of the PERMIT thereby giving the State of Michigan, the DEPARTMENT, and/or the Michigan Transportation Commission a right to seek and obtain any necessary relief or remedy, including, but not by way of limitation, a judgment for money damages.
4. The GOVERNMENTAL AGENCY It will, by its own volition and/or request by the DEPARTMENT, promptly restore and/or correct physical or operating damages to any State Highway Right of Way resulting from the installation construction, operation and/or maintenance of the GOVERNMENTAL AGENCY'S facilities according to a PERMIT issued by the DEPARTMENT.

- 5. With respect to any activities authorized by PERMIT, when the GOVERNMENTAL AGENCY requires insurance on its own or its contractor's behalf it shall also require that such policy include as named insured the State of Michigan, the Transportation Commission, the DEPARTMENT, and all officers, agents, and employees thereof and those governmental bodies performing permit activities for the DEPARTMENT and all officers, agents, and employees thereof, pursuant to a maintenance contract.
- 6. The incorporation by the DEPARTMENT of this resolution as part of a PERMIT does not prevent the DEPARTMENT from requiring additional performance security or insurance before issuance of a PERMIT.
- 7. This resolution shall continue in force from this date until cancelled by the GOVERNMENTAL AGENCY or the DEPARTMENT with no less than thirty (30) days prior written notice to the other party. It will not be cancelled or otherwise terminated by the GOVERNMENTAL AGENCY with regard to any PERMIT which has already been issued or activity which has already been undertaken.

BE IT FURTHER RESOLVED, that the following position(s) are authorized to apply to the DEPARTMENT for the necessary permit to work within State Highway Right of Way on behalf of the GOVERNMENTAL AGENCY.

Name	and/or	Title
Keith Richard, Director of Public Services		
Rick Rose, Director of Board of Public Utilities		
Christopher Gutowski, Director of Public Safety		

I HEREBY CERTIFY that the foregoing is a true copy of a resolution adopted by

the City Council
(Name of Board, etc)

of the City of Hillsdale of Hillsdale
(Name of GOVERNMENTAL AGENCY) (County)

at a regular meeting held on the 7th day of January, 2013 A.D.

Signed _____ Title Mayor

Print Name Douglas Moon

Signed _____ Title Clerk

Printed Name Julie Kast

the Scheduled Outage Projection as soon as practicable, but in no event later than thirty (30) days prior to the originally scheduled date of the Scheduled Outage.

6.7 Access to Facility; Effect of Review. Appropriate representatives of Buyer shall at all reasonable times, including weekends and nights, and with reasonable prior notice, have access to the Site, the Facility, and the premises on which the meters are located to read the meters and to perform all inspections, maintenance, service and operational reviews as may be reasonably appropriate to facilitate the performance of this Agreement. While on the Site, such representatives shall observe such reasonable safety precautions as may be required by Seller and provided to Buyer and shall conduct themselves in a manner that will not unreasonably interfere with the operation of the Facility. Any review by Buyer conducted pursuant to this Section 6.7 or otherwise is solely for the information of Buyer. Buyer shall have no obligation to share the results of any such review with Seller, nor shall any such review or the results thereof (whether or not the results are shared with Seller) or any failure to conduct any such review prejudice Buyer or relieve Seller from any of its obligations under this Agreement. By making any such review, Buyer makes no representation as to the economic and technical feasibility, operational capability or reliability of the Facility. Seller shall in no way represent to any third party that any such review by Buyer of the Facility, including, but not limited to, any review of the design, construction, operation or maintenance of the Facility by Buyer, is a representation by Buyer as to the economic and technical feasibility, operational capability or reliability of the Facility. Seller is solely responsible for the economic and technical feasibility, operational capability and reliability thereof.

6.8 Transfer. Seller may transfer the Facility and its rights and obligations under this Agreement in connection with the consolidation, merger or sale of all or substantially all of its assets to or with a third party; provided, however that the successor or transferee pursuant to such action (a) assumes in writing all obligations and duties of seller hereunder and (b) has the same or similar experience and the same or higher credit rating as Seller immediately prior to such consolidation, merger or sale.

ARTICLE VII.

TRANSMISSION AND SCHEDULING; TITLE AND RISK OF LOSS

7.1 In General. Seller shall arrange and be responsible to deliver Facility Energy to the Point of Delivery and shall Schedule or arrange for Scheduling services to so deliver the Facility Energy to the Point of Delivery. Buyer shall arrange and be responsible for Transmission Services at and from the Point of Delivery and shall Schedule or arrange for Scheduling services with its Transmission Providers to receive Facility Energy at the Point of Delivery, including uploading hourly metering representing the CP node into the MISO via the MISO Meter Data Management Agent process or any process subsequently established in replacement therefor. Each Party shall designate an authorized Scheduler to Schedule all Energy. All Scheduling and arrangement of Transmission Services shall be conducted in accordance with applicable NERC, RRO, and MISO policies and criteria.

7.2 Costs. Seller shall be responsible for any costs or charges imposed on or associated with the delivery of Facility Energy up to the Point of Delivery. Buyer shall be

responsible for any costs or charges imposed on or associated with the delivery of Facility Energy at and from the Point of Delivery.

7.3 Title; Risk of Loss. As between the Parties, Seller shall be deemed to be in exclusive control (and responsible for any damages or injury caused thereby) of all Facility Energy prior to the Point of Delivery, and Buyer shall be deemed to be in exclusive control (and responsible for any damages or injury caused thereby) of all Facility Energy at and from the Point of Delivery. Seller shall deliver all Facility Energy and Environmental Attributes to Buyer free and clear of all Liens created by any Person other than Buyer. Title to and risk of loss as to all Facility Energy and Environmental Attributes shall pass from Seller to Buyer at the Point of Delivery.

7.4 Allocation of Taxes. Seller shall pay or cause to be paid all Taxes on or with respect to the Facility or on or with respect to the delivery and sale of Facility Energy and Environmental Attributes to Buyer that are imposed on the delivery of Energy up to and including at the Point of Delivery. Buyer shall pay or cause to be paid all Taxes on or with respect to the delivery and sale of Energy and Environmental Attributes to Buyer that are imposed after the delivery of the Energy to Buyer at the Point of Delivery. If a Party (X) is required to remit or pay Taxes that are the responsibility hereunder of the other Party (Y), Y shall promptly reimburse X for such Taxes. Both Parties shall use reasonable efforts to administer this Agreement and implement the provisions in accordance with their intent to minimize Taxes.

7.5 Scheduling and Energy Market Settlement. Buyer shall be responsible for all MISO Energy Market scheduling, offers and settlements of the Facility Energy at the Point of Delivery during the Term pursuant to the Transmission Provider's rules and procedures for scheduling, offers and settlements. Buyer shall be responsible for the payment of all charges associated with such MISO Energy Market scheduling, offers and settlements, including, without limitation, any imbalance, congestion or operating reserve charges, costs, losses, fines or penalties.

ARTICLE VIII.

BILLING; PAYMENT; AUDITS; METERING; ATTESTATIONS; POLICIES

8.1 Calculation of Energy Delivered; Invoices and Payment.

(a) Invoice. Not later than the tenth (10th) day of each month, commencing with the month following the month in which the Commencement Date occurs, Seller shall deliver to Buyer an invoice showing the amount of Facility Energy delivered by Seller to the Point of Delivery during the preceding month and Seller's computation of the amount due Seller in respect thereof. Monthly invoices shall be sent to the address set forth in Appendix B or such other address as Buyer may provide to Seller.

(b) Payment. Not later than the fifteenth (15th) day after receipt by Buyer of Seller's monthly invoice (or the next succeeding Business Day, if such fifteenth day is not a Business Day) Buyer shall pay to Seller, by ACH or wire transfer of immediately available funds to an account specified by Seller or by any other means agreed to by the Parties from time to

time, the amount set forth as due in such monthly invoice, subject to Section 8.2. Amounts not disputed pursuant to Section 8.2 and that are not paid to Seller when due ("Unpaid Amounts"), shall be paid together with interest thereon at the Interest Rate calculated from the date payment of the Unpaid Amounts was due until the date paid.

8.2 Disputed Invoices. If any portion of any invoice is disputed, the undisputed amount shall be paid when due. The Party disputing a payment shall promptly notify the other Party of the basis for the dispute. Disputes shall be resolved in accordance with Section 11.2. Upon resolution of any dispute, (a) if all or part of the disputed amount is determined to have been due, then the Party owing such payment shall, within ten (10) days after delivery of an invoice from the other Party, pay the applicable amount plus interest thereon at the Interest Rate from the original due date until the date of payment and (b) if a disputed amount was paid but upon resolution of the dispute it is determined the disputed amount was not due, the Party which received the disputed amount shall refund such amount to the other Party plus interest thereon at the Interest Rate from the date the payment was originally received until the date the refund is made. Buyer may dispute an invoice at any time, provided that Buyer provides Seller with a notification of such dispute, setting forth the details of such dispute with reasonable specificity.

8.3 Right of Setoff. Each Party shall have the right to set off against any amount owed by it under this Agreement any amount otherwise payable by the other Party to it under this Agreement. The Party setting off any amount under this Section 8.3 shall promptly notify the other Party of such action.

8.4 Records and Audits. Each Party shall maintain all records pertaining to its performance pursuant to this Agreement (including all invoices, costs, metering, Capacity Rights and Environmental Attributes). All records shall be retained and shall be subject to examination and audit by the Authorized Auditors for a period of not less than four (4) years following final payment made by Buyer hereunder or the expiration date of this Agreement, whichever is later.

8.5 Metering of Facility Energy.

(a) Buyer shall own, install, and maintain revenue quality meters and equipment to measure the amount of Facility Energy generated by the Facility and delivered to the Point of Delivery under this Agreement and to monitor and coordinate in real time the operation of the Facility.

(b) Buyer shall inspect and test all meters upon installation and at least annually thereafter. Buyer shall provide Seller with reasonable advance notice of, and permit a representative of Seller to witness and verify, such inspections and tests. Upon request by Seller, Buyer shall perform reasonable additional inspections or tests of any meter and shall permit a qualified representative of Seller to inspect or witness such inspections or tests, provided that the actual expense of any such requested additional inspection or testing shall be borne by Seller, unless upon such inspection or testing a meter is found to register inaccurately by more than the allowable limits established in Section 8.7 of this Agreement, in which case the expense of the requested additional inspection or testing shall be borne by Buyer.

8.6 Back-Up Metering. Seller may elect to install and maintain, at its own expense, backup metering devices in addition to those installed and maintained by Buyer, which installation and maintenance shall be performed in a manner acceptable to Buyer.

8.7 Adjustment for Inaccurate Meters. If Buyer's meter fails to register, or if the measurement made by a meter is found upon testing to be inaccurate by more than one percent (1.0%), an adjustment shall be made correcting all measurements by the inaccurate meter for both the amount of the inaccuracy and the period of the inaccuracy, in the following manner:

(a) In the event that the Buyer's meter is found to be defective or inaccurate, the Parties shall use the Seller's backup meter, if installed, to adjust the amount of Facility Energy deemed delivered if Seller's meter has been tested and maintained in accordance with the provisions of this Agreement. In the event that Seller did not install backup metering or such metering is also found to be inaccurate by more than one percent (1.0%), the Parties shall estimate the amount of the necessary adjustment on the basis of Facility compliance logs during the period in question or on the basis of best available data, which may include deliveries of Facility Energy during periods of similar operating conditions when the meter was registering accurately. The adjustment shall be made for the period during which inaccurate measurements were made.

(b) In the event that the Parties cannot agree on the actual period during which the inaccurate measurements were made, the period during which the measurements are to be adjusted shall be the shorter of (i) the last one-half of the period from the last previous test of the meter to the test that found the meter to be defective or inaccurate, or (ii) the one hundred eighty (180) days immediately preceding the test that found the meter to be defective or inaccurate.

(c) To the extent that the adjustment period covers a period of deliveries for which payment has already been made by Buyer, Buyer shall use the corrected measurements as determined in accordance with this Agreement to re-compute the amount due for the period of the inaccuracy and shall subtract the previous payments by Buyer for this period from such recomputed amount. If the difference is a positive number, the difference shall be paid by Buyer to Seller; if the difference is a negative number, that difference shall be paid by Seller to Buyer, or at the discretion of Buyer, may take the form of an offset to payments due Seller by Buyer. Payment of such difference by the owing Party shall be made not later than thirty (30) days after the owing Party receives notice of the amount due, unless Buyer elects payment via an offset, in which case the difference would be reflected in the subsequent invoice or invoices sent to Buyer.

ARTICLE IX.

REPRESENTATIONS, WARRANTIES AND COVENANTS

9.1 Representations and Warranties of Buyer. Buyer makes the following representations and warranties to Seller as of the Effective Date:

(a) Buyer is a Michigan public body corporate and joint agency under Michigan PA 448 of 1976, as amended, duly organized, validly existing, and in good standing under the Laws of Michigan and has the legal power and authority to carry on its business as

now being conducted, enter into this Agreement and each Ancillary Document to which Buyer is a party, carry out the transactions contemplated hereby and thereby, and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this Agreement and all such Ancillary Documents.

(b) The execution, delivery and performance by Buyer of this Agreement and each Ancillary Document to which Buyer is a party have been duly authorized by all necessary action, and do not and will not require any consent or approval of Buyer's governing body or any other Person, other than those which have been obtained.

(c) This Agreement and each of the Ancillary Documents to which Buyer is a party constitutes the legal, valid and binding obligation of Buyer enforceable in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization or similar Laws relating to or affecting the enforcement of creditors' rights generally or by general equitable principles, regardless of whether such enforceability is considered in a proceeding in equity or at law.

(d) The execution and delivery of this Agreement and each Ancillary Document to which Buyer is a party, the consummation of the transactions contemplated hereby and thereby and the performance of and compliance with the provisions of this Agreement and Ancillary Documents, do not and will not conflict with or constitute a breach of or a default under any of the terms, conditions or provisions of any applicable Law, or any organizational document, agreement, deed of trust, mortgage, loan agreement, other evidence of indebtedness or instrument to which Buyer is a party or by which it or any of its property is bound, result in a breach of or a default under any of the foregoing, or result in or require the creation or imposition of any Lien upon any of the properties or assets of Buyer, except, in each case described in this clause (d), which would not, in the aggregate, have a material adverse effect on the ability of Buyer to perform its obligations under this Agreement.

(e) There is no pending, or to the knowledge of Buyer, threatened action or proceeding against Buyer before any Governmental Authority that questions the legality, validity or enforceability of this Agreement or any of the Ancillary Documents.

(f) Buyer is not in violation of any Law, which violation, individually or in the aggregate with other such violations, would reasonably be expected to result in a material adverse effect on the business, assets, operations, condition (financial or otherwise) or prospects of Buyer, or the ability of Buyer to perform any of its obligations under this Agreement or any Ancillary Document.

(g) Buyer has not entered into this Agreement or any Ancillary Document with the actual intent to hinder, delay or defraud any creditor and has received reasonably equivalent value in exchange for its obligations under this Agreement and the Ancillary Documents. No petition in bankruptcy has been filed against Buyer, and neither Buyer nor any of its respective constituent Persons have ever made an assignment for the benefit of creditors or taken advantage of any insolvency act for its benefit as a debtor.

9.2 Representations, Warranties and Covenants of Seller. Seller makes the following representations, warranties and covenants to Buyer:

(a) Seller is a limited liability company duly formed, validly existing, and in good standing under the Laws of Wisconsin, is qualified to do business in the State of Michigan, and has the legal power and authority to own and lease its properties, including the Facility, carry on its business as now being conducted, enter into this Agreement and each Ancillary Document to which it is a party, carry out the transactions contemplated hereby and thereby, and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this Agreement and all such Ancillary Documents.

(b) The execution, delivery and performance by Seller of this Agreement and each Ancillary Document to which Seller is a party have been duly authorized by all necessary action, and do not and will not require any consent or approval of Seller's governing body or any other Person other than those which have been obtained.

(c) This Agreement and each of the Ancillary Documents to which Seller is a party constitutes the legal, valid and binding obligation of Seller enforceable in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization or similar Laws relating to or affecting the enforcement of creditors' rights generally or by general equitable principles, regardless of whether such enforceability is considered in a proceeding in equity or at law.

(d) The execution and delivery of this Agreement and each Ancillary Document to which Seller is a party, the consummation of the transactions contemplated hereby and thereby and the performance of and compliance with the provisions of this Agreement and the Ancillary Documents, do not and will not conflict with or constitute a breach of or a default under any of the terms, conditions or provisions of any applicable Law, or any organizational document, agreement, deed of trust, mortgage, loan agreement, other evidence of indebtedness or instrument to which Seller is a party or by which it or any of its property is bound, result in a breach of or a default under any of the foregoing, or result in or require the creation or imposition of any Lien upon any of the properties or assets of Seller (except as contemplated hereby), except which in each case would not, in the aggregate, have a material adverse effect on the ability of Seller to perform its obligations under this Agreement or any Ancillary Document. Seller has obtained or shall timely obtain all Permits required for the performance of its obligations hereunder and under the Ancillary Documents and operation of the Facility in accordance with Prudent Utility Practices, the requirements of this Agreement, the Ancillary Documents and applicable Law.

(e) There is no pending, or to the knowledge of Seller, threatened action or proceeding affecting Seller before any Governmental Authority, that questions the legality, validity or enforceability of this Agreement or any of the Ancillary Documents.

(f) Seller is not in violation of any Law, which violation, individually or in the aggregate with other such violations, would reasonably be expected to result in a material adverse effect on the business, assets, operations, condition (financial or otherwise) or prospects

of Seller, or the ability of Seller to perform any of its obligations under this Agreement or any Ancillary Document.

(g) Seller has not entered into this Agreement or any Ancillary Document with the actual intent to hinder, delay or defraud any creditor and has received reasonably equivalent value in exchange for its obligations under this Agreement and the Ancillary Documents. No petition in bankruptcy has been filed against Seller, and neither Seller nor any of its respective constituent Persons have ever made an assignment for the benefit of creditors or taken advantage of any insolvency act for its benefit as a debtor.

(h) All Tax returns and reports of Seller required to be filed by it have been timely filed, and all Taxes shown on such Tax returns to be due and payable and all assessments, fees and other governmental charges upon Seller and upon its properties, assets, income, business and franchises that are due and payable have been paid when due and payable, in each case the failure of which would have a material adverse effect on Seller or its business, assets, operations or condition (financial or otherwise) or on its ability to perform its obligations under this Agreement. Seller does not know of any proposed Tax assessment against it that is not being actively contested by it in good faith and by appropriate proceedings.

(i) Seller is and shall at all times be the lessee or owner of the Site under real property documents that permit Seller to perform its obligations under this Agreement and shall keep, perform, observe and comply with, or cause to be kept, performed, observed and complied with, all covenants, agreements, conditions and other provisions required to be kept, performed, observed and complied with by or on behalf of Seller from time to time related to the Site, and Seller shall not do or permit anything to be done, the doing of which, or refrain from doing anything, the omission of which would reasonably be expected to impair the rights of Seller to the Site. Seller shall give Buyer prompt notice of any default under an instrument or document conveying to Seller any interest in the Site or the commencement of any action or proceeding or arbitration pertaining to the same. Buyer, at its option, may take any action (but shall not be obligated to take any action) from time to time deemed necessary or desirable by Buyer to prevent or cure, in whole or in part, any such default by Seller.

(j) The Facility has been certified as being in compliance with all requirements under MIRECS, and Seller will take all commercially reasonable actions necessary to maintain such compliance.

(k) Seller has registered the Facility with MISO for purposes of establishment of Capacity Rights within the MISO system, and will take all commercially reasonable actions necessary to maintain such Capacity Rights at their maximum feasible level.

ARTICLE X.

DEFAULT; TERMINATION AND REMEDIES; PERFORMANCE DAMAGE

10.1 Default. Each of the following events or circumstances shall constitute a "Default" by the responsible Party (the "Defaulting Party"):

(a) Payment Failure. Failure by a Party to make any payment to the other Party required under this Agreement within thirty (30) days after the date on which such payment becomes due and owing;

(b) Inability to Pay Debts. The inability or admission in writing by a Party of its inability to pay its debts generally as they become due, or the making of an assignment for the benefit of, or entry into any composition or arrangement with, its creditors;

(c) Filing of Petition in Bankruptcy. The authorization or filing in writing by a Party of a voluntary petition in bankruptcy or commencement by a Party of proceedings relating thereto under any bankruptcy, reorganization, readjustment of debts, insolvency, dissolution, liquidation, or other similar Law, or the indication by such Party in any such proceedings of its approval thereof, consent thereto, or acquiescence therein;

(d) Adjudication as Bankrupt. The adjudication of a Party as bankrupt or insolvent on a petition in bankruptcy or insolvency proceedings filed against such Party, or the filing of a petition against a Party in a bankruptcy or insolvency proceeding and the failure of such Party to have such petition discharged within 90 days of the date of its filing;

(e) Appointment of Receiver. The commencement of any proceeding against a Party seeking the appointment of a receiver, trustee or liquidator for such Party of all or substantially all of its assets, or its dissolution, with or without its authorization, consent or application;

(f) Material Breach. A material breach by a Party (i.e., a breach which materially and adversely affects the rights of or benefits to the other Party under this agreement) of any of its duties or obligations under this Agreement that is not cured within ninety (90) days after notice thereof from the other Party; or

(g) Breach of Representation and Warranty. Inaccuracy in any material respect at the time made or deemed to be made of any representation, warranty, or certification made by a Party herein or in any Ancillary Document that is not cured within ninety (90) days after the earlier of (i) the date notice thereof is received from the other Party, or (ii) the date a responsible officer of the Party otherwise has knowledge of such inaccuracy.

10.2 Default Remedies. Upon the occurrence of a Default by a Party, the remedies available to the Party not in Default (the "Non-Defaulting Party") shall be (i) commencement of an action for equitable relief, including injunction, declaratory judgment or specific performance, (ii) commencement of an action for damages, (iii) termination of this Agreement, or (iv) any other remedy available at law or in equity. The pursuit by the Non-Defaulting Party of any specific remedy shall not be deemed to be an election of that remedy to the exclusion of any other remedies, whether provided hereunder or at law, in equity, by statute, or otherwise. Upon termination of this Agreement, an accounting shall occur and any payment thereby determined to be due to either Party shall be made within ninety (90) days after the date of such termination. This Section is subject to the provisions of Section 11.14(c).

10.3 Duty to Mitigate Damages. Each Party agrees that it has a duty to mitigate its damages and covenants that it will use commercially reasonable efforts to minimize any damages it may incur as a result of the other Party's non-performance of this Agreement.

ARTICLE XI.

MISCELLANEOUS

11.1 Notices. With the exception of invoices and Scheduling notices, all notices, consents, and other communications that are required or permitted to be given to the Parties under this Agreement shall be sufficient in all respects if given in writing and delivered in person or by electronic mail, telecopy, overnight courier, or certified mail, postage prepaid, return receipt requested, to the applicable individual at the address, email address, or facsimile number set forth in Appendix B, or to such other address, email, or facsimile number as the receiving Party may have given to the other by notice pursuant to this Section. Notices, consents, and other communications shall be deemed given, delivered, or provided on the date of delivery, in the case of personal delivery, electronic mail, or telecopy, or on the delivery or refusal date, as specified on the return receipt in the case of certified mail or on the tracking report in the case of overnight courier.

11.2 Dispute Resolution.

(a) In the event of any claim, controversy or dispute between the Parties arising out of or relating to or in connection with this Agreement (including any dispute concerning the validity of this Agreement or the scope and interpretation of this Section 11.2) (a "Dispute"), either Party (the "Notifying Party") may deliver to the other Party (the "Recipient Party") notice of the Dispute with a detailed description of the underlying circumstances of such Dispute (a "Dispute Notice"). The Dispute Notice shall include a schedule of the availability of the Notifying Party's senior officers (having a title of general manager or senior vice president (or equivalent title) or higher) duly authorized to settle the Dispute during the thirty (30) day period following the delivery of the Dispute Notice.

(b) The Recipient Party shall within five (5) Business Days following delivery of the Dispute Notice, provide to the Notifying Party a parallel schedule of availability of the Recipient Party's senior officers (having a title of general manager, senior vice president (or equivalent title) or higher) duly authorized to settle the Dispute. Following delivery of the respective senior officers' schedules of availability, the senior officers of the Parties shall meet and confer as often as they deem reasonably necessary during the remainder of the thirty (30) day period in good faith negotiations to resolve the Dispute to the satisfaction of each Party.

(c) In the event a Dispute is not resolved pursuant to the procedures set forth in Section 11.2(a) and Section 11.2(b) by the expiration of the thirty (30) day period set forth in Section 11.2(a), then either Party may pursue any legal remedy available to it under this Agreement.

11.3 Further Assurances. Each Party agrees to execute and deliver all further instruments and documents, and take all further action not inconsistent with the provisions of this

Agreement that may be reasonably necessary to effectuate the purposes and intent of this Agreement.

11.4 Force Majeure.

(a) A Party shall not be considered to be in default in the performance of any of its obligations under this Agreement when and to the extent such Party's performance is prevented by a Force Majeure; provided, the Party has given a written detailed description of the full particulars of the Force Majeure to the other Party reasonably promptly after becoming aware thereof (and in any event within fourteen (14) days after the initial occurrence of the claimed Force Majeure) (the "Force Majeure Notice"), which Force Majeure Notice shall include information with respect to the nature, cause and date and time of commencement of the Force Majeure, and the anticipated scope and duration of the delay. The Party providing the Force Majeure Notice shall be excused from fulfilling its obligations under this Agreement until such time as the Force Majeure has ceased to prevent performance or other remedial action is taken, at which time the Party shall promptly notify the other Party of the resumption of its obligations under this Agreement. If Seller is unable to deliver, or Buyer is unable to receive, Energy due to a Force Majeure, Buyer shall have no obligation to pay Seller for the Energy not delivered or received by reason thereof. In no event shall either Party be obligated to compensate the other Party or any other Person for any losses, expenses or liabilities that any Party or such other Person may sustain as a consequence of any Force Majeure.

(b) The term "Force Majeure" means any event beyond the reasonable control of a Party that prevents or impedes a Party from performing its obligation hereunder such as but not limited to: act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, or any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities that (i) prevents one Party from performing any of its obligations under this Agreement, (ii) could not reasonably be anticipated as of the date of this Agreement, (iii) is not within the reasonable control of, or the result of negligence, willful misconduct, breach of contract, intentional act or omission or wrongdoing on the part of the affected Party (or any subcontractor or Affiliate of that Party, or any Person under the control of that Party or any of its subcontractors or Affiliates, or any Person for whose acts such subcontractor or Affiliate is responsible), and (iv) by the exercise of due diligence the affected Party is unable to overcome or avoid or cause to be avoided; provided, nothing in this clause (iv) shall be construed so as to require either Party to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or labor dispute in which it may be involved. Any Party rendered unable to fulfill any of its obligations by reason of a Force Majeure shall exercise due diligence (including expending proceeds of insurance) to remove such inability with reasonable dispatch within a reasonable time period and mitigate the effects of the Force Majeure. The relief from performance shall be of no greater scope and of no longer duration than is required by the Force Majeure. Without limiting the generality of the foregoing, a Force Majeure does not include any of the following: (1) any requirement to meet a renewable portfolio standard or any change (whether voluntary or mandatory) in any renewable portfolio standard that may affect the value of the Energy purchased hereunder; (2) events arising from the failure by Seller to construct, operate or maintain the Facilities in accordance with this Agreement unless such failure is caused by Force Majeure; (3) any increase of any kind in any cost; (4) failure of third parties to provide goods or services essential to a Party's performance,

unless such failure is caused by a Force Majeure; (5) delays in or inability of a Party to obtain financing or other economic hardship of any kind; (6) Seller's ability to sell any Energy at a price in excess of those provided in this Agreement; (7) curtailment or other interruption of any Transmission Service; (8) Buyer ability to purchase any Energy at a price below those provided in this Agreement; (9) Facility or equipment failure of any kind; (10) any changes in the financial condition of Buyer or Seller or any other Person affecting the affected Party's ability to perform its obligations under this Agreement; (11) any failure or inability to pay any monies owed; and (12) any inability of Buyer to receive Energy because of unavailability of Transmission Service for any Energy at any time.

(c) Neither Party may raise a claim of Force Majeure based in whole or in part on curtailment or other interruption or unavailability of Transmission Service for any Energy at any time.

(d) If a Force Majeure continues for a period of one hundred twenty (120) or more consecutive days, or if one or more Force Majeure events affect a Party for an aggregate of two hundred twenty five (225) or more non-consecutive days in a Contract Year, either Party shall have the right to terminate this Agreement effective upon notice to the other Party. Upon such termination, neither Party shall have any further liability to the other Party, other than to pay any amounts accrued prior to the date of such termination.

11.5 Ambiguity. The Parties acknowledge that this Agreement was jointly prepared by them, by and through their respective legal counsel, and any uncertainty or ambiguity existing herein shall not be interpreted against either Party on the basis that the Party drafted the language, but otherwise shall be interpreted according to the application of the rules on interpretation of contracts.

11.6 Entire Agreement. This Agreement (including all Appendices) contains the entire understanding concerning the subject matter herein and supersedes and replaces any prior negotiations, discussions or agreements between the Parties, or any of them, concerning that subject matter, whether written or oral, except as expressly provided for herein. This is a fully integrated document. Each Party acknowledges that no other party, representative or agent, has made any promise, representation or warranty, express or implied, that is not expressly contained in this Agreement that induced the other Party to sign this document. This Agreement may be amended or modified only by an instrument in writing signed by each Party.

11.7 Governing Law. This Agreement shall be governed by, interpreted and enforced in accordance with the Laws of the State of Michigan without regard to conflict of Laws principles.

11.8 Venue. All litigation arising out of, or relating to this Agreement, shall be brought in a State or Federal court in the State of Michigan. The Parties irrevocably agree to submit to the exclusive jurisdiction of such courts in the State of Michigan and waive any defense of forum non convenience.

11.9 Execution in Counterparts. This Agreement may be executed in counterparts and upon execution by each signatory, each executed counterpart shall have the same force and effect

as an original instrument and as if all signatories had signed the same instrument. Any signature page of this Agreement may be detached from any counterpart of this Agreement without impairing the legal effect of any signature thereon, and may be attached to another counterpart of this Agreement identical in form hereto by having attached to it one or more signature pages.

11.10 Effect of Section Headings. Section headings appearing in this Agreement are inserted for convenience only and shall not be construed as interpretations of text.

11.11 Waiver. The failure of either Party to enforce or insist upon compliance with or strict performance of any of the terms or conditions hereof, or to take advantage of any of its rights hereunder, shall not constitute a waiver or relinquishment of any such terms, conditions or rights, but the same shall be and remain at all times in full force and effect. Notwithstanding anything expressed or implied herein to the contrary, nothing contained herein shall preclude either Party from pursuing any available remedies for breaches not rising to the level of a Default, including recovery of damages caused by the breach of this Agreement and specific performance or any other remedy given under this Agreement or now or hereafter existing in law or equity or otherwise. Each Party acknowledges that money damages may not be an adequate remedy for violations of this Agreement and that either Party may, in its sole discretion, seek and obtain from a court of competent jurisdiction specific performance or injunctive or such other relief as such court may deem just and proper to enforce this Agreement or to prevent any violation hereof. Each Party hereby waives any objection to specific performance or injunctive relief. The rights granted herein are cumulative.

11.12 Relationship of the Parties. This Agreement shall not be interpreted to create an association, joint venture or partnership between the Parties hereto or to impose any partnership obligation or liability upon either such Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as an agent or representative of, the other Party.

11.13 Third Party Beneficiaries. This Agreement shall not be construed to create rights in, or to grant remedies to, any third party as a beneficiary of this Agreement or any duty, obligation or undertaking established herein.

11.14 Indemnification; Insurance; Limit of Liability.

(a) Indemnification. Each Party (the "Indemnifying Party") shall, to the extent permitted by law, indemnify and hold harmless the other Party and such Party's officers, directors, partners, employees, or subcontractors (as applicable, the "Indemnified Party") from and against all losses, costs, expenses, liabilities, damages, fines, or penalties, including court costs, reasonable attorneys' fees and expenses, and other litigation or settlement expenses (collectively, "Damages") sustained or incurred as a result of a claim, demand, or action against an Indemnified Party (a "Claim") made by a third party (including a Governmental Authority) to the extent arising out of the Indemnifying Party's willful misconduct, grossly negligent acts or omissions, or actions in breach of this Agreement. If a Claim is made against an Indemnified Party that could reasonably be expected to result in Damages or if an Indemnified Party discovers any inquiry or investigation that the Indemnified Party believes may involve or expect to lead to a Claim that could reasonably be expected to result in Damages, the Indemnified Party

shall promptly give the Indemnifying Party notice of such Claim, inquiry or investigation, except that any delay in providing notice shall not serve as a bar to indemnification hereunder except to the extent that the Indemnifying Party's ability to defend against, reduce the amount of or avoid Claims has been prejudiced by such delay. The Indemnifying Party shall promptly (and in any event no later than thirty (30) days after delivery of notice of a Claim) decide whether to assume control of the defense of a Claim, and if the Indemnifying Party does not elect to control such defense, then the Indemnified Party may assume control of the defense, and the Indemnifying Party shall reimburse the Indemnified Party as expenses are incurred in connection with such defense. The Party that is defending the Claim (the "Defending Party") shall use counsel that is reasonably approved in writing by the other Party. The Party that is not controlling the defense of a Claim (the "Non-Defending Party") may have its own counsel present at its own cost to monitor proceedings related to the Claim and shall cooperate as reasonably requested with the Defending Party in defending the Claim. The Defending Party shall not settle or compromise any Claim without the prior consent of the Non-Defending Party, which consent shall not be unreasonably withheld, delayed, or conditioned.

(b) Insurance. Seller shall obtain and maintain in full force and effect a policy or policies of general comprehensive public liability insurance naming Seller as the insured to insure against injury to property, person, or loss of life arising out of the ownership, use occupancy or maintenance of the Facility. The minimum amounts of such insurance shall be as follows: primary coverage limits for bodily injury or property damage not less than \$1,000,000 for each occurrence and in the aggregate per year. The entire cost of said insurance shall be borne by Seller. In addition, Seller shall obtain and maintain in full force and effect full replacement value insurance against fire and other casualties in a manner consistent with prudent insurance practices for similar facilities to the Facility.

(c) Limitation of Liability. Except to the extent included in the indemnification obligations related to third party claims, (i) neither Party hereunder shall be liable for special, incidental, exemplary, indirect, punitive or consequential damages arising out of a Party's performance or non-performance under this Agreement, whether based on or claimed under contract, tort (including such Party's own negligence) or any other theory at law or in equity, and (ii) neither Party shall be liable to the other Party in connection with the performance of any professional services.

11.15 Severability. In the event any of the terms, covenants or conditions of this Agreement, or the application of any such terms, covenants or conditions, shall be held invalid, illegal or unenforceable by any court having jurisdiction, all other terms, covenants and conditions of this Agreement and their application not adversely affected thereby shall remain in force and effect, provided that the remaining valid and enforceable provisions materially retain the essence of the Parties' original bargain.

11.16 Confidentiality.

(a) Confidential Information. "Confidential Information" means, with respect to both Parties, the terms of this Agreement, and with respect to a Party making a disclosure (the "Disclosing Party"), all: (i) non-public documents and information designated by the Disclosing Party as "Proprietary" or "Confidential" or that the other Party (the "Receiving Party") knows or

has reason to know the Disclosing Party treats as confidential, (ii) business and investment opportunities disclosed by the Disclosing Party, (iii) proprietary information of the Disclosing Party disclosed in oral or other media form that is identified in writing as confidential within thirty (30) days following the disclosure, and (iv) business plans and methods, customer information, engineering, and operating and technical data of the Disclosing Party. "Confidential Information" of a Disclosing Party shall not include information that (a) was in the public domain, or that subsequently becomes part of the public domain, except by the wrongful disclosure hereunder by the Receiving Party, (b) , was in the Receiving Party's possession prior to receipt of the same hereunder and was not acquired from a third Party under any obligation of confidentiality known to the Receiving Party with respect to such information, (c) was received from a third Party other than a third Party under any obligation of confidentiality known to the Receiving Party with respect to such information, or (d) can be proven to have been independently developed by the Receiving Party.

(b) Confidentiality Obligations. Subject to Sections 11.16(c) and (d), the Receiving Party shall (i) keep the Confidential Information of the Disclosing Party in strict confidence (in no event exercising less care than the degree of care used to protect its own confidential information), (ii) not use (except for the purpose of performance under this Agreement or as requested or directed by the Disclosing Party), publish or disclose to third Parties the Disclosing Party's Confidential Information without the Disclosing Party's prior consent, and (iii) upon the request of the Disclosing Party, promptly return to the Disclosing Party or destroy all written copies of the Confidential Information, except that the Receiving Party may retain one copy of all Confidential Information in its legal files solely as a record of the Confidential Information it has received.

(c) Disclosure to Advisors. The Receiving Party may disclose Confidential Information to its third party professional advisors (including auditors, accountants, attorneys, financial and other advisors) that are acting solely for the Receiving Party or the Receiving Party's Affiliates' benefit and that have a need to know such information in order to provide advice or services to the Receiving Party, provided that such advisors agree to not disclose the Confidential Information to any third Party without the Disclosing Party's prior consent.

(d) Disclosure Compelled by Law. If a Receiving Party is compelled to produce Confidential Information of the Disclosing Party by Law, professional standard, subpoena or other legal process, the Receiving Party shall give the Disclosing Party prompt notice of such legal process and shall reasonably cooperate with the Disclosing Party in seeking a protective order or other appropriate protection. If a protective order or other appropriate protection is not obtained, or if the Disclosing Party waives its right to seek a protective order or other appropriate protection, the Receiving Party shall (i) furnish only that portion of the Confidential Information that, upon the advice of legal counsel, it is legally required to disclose, and (ii) exercise reasonable efforts to obtain assurance that confidential treatment shall be afforded such Confidential Information.

11.17 Fixed-Rate Contract: Mobile-Sierra Clause. Absent the Parties' written agreement, (a) this Agreement shall not be subject to change by application of either Party pursuant to Section 205 or 206 of the Federal Power Act, and (b) the standard of review for any changes to this Agreement, whether proposed by a Party, a non-party, or FERC acting sua

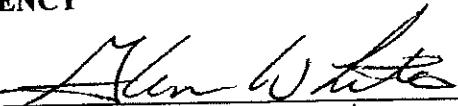
sponte, shall be the "public interest" standard of review set forth in *United States Pipe Line v. Mobile Service Corp.*, 350 U.S. 332 (1956), and *Federal Power Commission v. Sierra Pacific Power Co.*, 350 U.S. 348 (1956).

[Signature page follows]

3
4

The Parties hereto have executed this Agreement as of the date set forth at the beginning of this Agreement.

**MICHIGAN SOUTH CENTRAL POWER
AGENCY**

By: 
Name: *Glen White*
Title: *General Manager*

N.E.W. HYDRO, LLC

By: _____
Name:
Title:

Appendix A

to Power Purchase Agreement,

between

Michigan South Central Power Agency

and

N.E.W. Hydro, LLC

Menominee and Park Mill Hydroelectric Project located on the Menominee River in Marinette, Wisconsin and Menominee, Michigan. N.E.W. Hydro, Inc. (NEW) currently holds the license (No. P-2744) issued by the Federal Energy Regulatory Commission (FERC) for the operation of these two hydroelectric facilities consisting of two generating stations located on the Menominee River having a combined total nameplate capacity of 5,750 KW, three phase, and hydroelectric type.

Appendix B
to Power Purchase Agreement,
between
Michigan South Central Power Agency
and
N.E.W. Hydro, LLC

**BUYER AND SELLER INVOICE, NOTIFICATION
AND SCHEDULING CONTACT INFORMATION**

1. Invoices and payments pursuant to Section 8.1(a) shall be sent to the address, email address, or facsimile number specified below:

If to Buyer:

Michigan South Central Power Agency
Attn: General Manager
720 Herring Rd.
Litchfield, MI 49252
(517) 542-3049

If to Seller:

P.O. Box 167
116 N. State Street
Neshkoro, WI 54960
920-293-8087
customers@nahydro.com

2. All notices and other communications (other than Scheduling notices and invoices) required under the Agreement shall be sent to the address, email address, or facsimile number specified below.

If to Buyer:

Michigan South Central Power Agency
Attn: General Manager
720 Herring Rd.
Litchfield, MI 49252
(517) 542-3049

If to Seller:

P.O. Box 167
116 N. State Street
Neshkoro, WI 54960
920-293-8087
customers@nahydro.com

3. All notices related to Scheduling shall be sent to the address, email address, or facsimile number specified below:

If to Buyer:

Michigan South Central Power Agency
Attn: General Manager
720 Herring Rd.
Litchfield, MI 49252
(517) 542-3049

If to Seller:

P.O. Box 167
116 N. State Street
Neshkoro, WI 54960
920-293-8087
customers@nahydro.com

Appendix C
to Power Purchase Agreement,
between
Michigan South Central Power Agency
and
N.E.W. Hydro, LLC
ENERGY, CAPACITY and REC PRICE

Year	Price
2013	\$49
2014	\$49
2015	\$49
2016	\$49
2017	\$49
2018	\$49
2019	\$49
2020	\$49
2021	\$49
2022	\$49
2023	\$49
2024	\$49
2025	\$49
2026	\$49
2027	\$49
2028	\$49
2029	\$49
2030	\$49
2031	\$49
2032	\$49
2033	\$49

Appendix D

List of Ancillary Documents

- 1 One Line drawing including interconnection point, metering point, and CP Node.
- 2 MISO Interconnection Agreement with NEW Hydro, LLC.
- 3 Wisconsin Public Service Corporation Interconnection Agreement with NEW Hydro, LLC.

Appendix E
EXISTING PERMITTED ENCUMBRANCES

None.

Appendix F

MICHIGAN SOUTH CENTRAL POWER AGENCY

MEMBERS' PROPORTIONAL INTERESTS

<u>Member</u>	<u>Entitlement Share</u>
Village of Clinton	6.5%
City of Coldwater	40%
City of Hillsdale	25.5%
City of Marshall	24%
Village of Union City	4%

DIRECT AGREEMENT

This DIRECT AGREEMENT (as amended, modified or supplemented from time to time, this "Consent"), dated as of October 29, 2012, is executed by Michigan South Central Power Agency, a Michigan public body corporate and joint agency existing under Michigan PA 448 of 1976, as amended ("Contracting Party"), N.E.W. HYDRO, LLC, a Wisconsin limited liability company ("Assignor"), and ING CAPITAL LLC, as Collateral Agent (in its capacity as collateral agent for the Secured Parties, as defined below, "Collateral Agent") for the Secured Parties (as defined below).

A. Assignor has entered into that certain Credit and Guaranty Agreement (as may be amended, restated, supplemented or modified from time to time, the "Credit Agreement"), dated as of the date hereof, by and among Assignor, as borrower, certain subsidiaries of Assignor, as guarantors, the lenders party thereto from time to time (the "Secured Parties"), and Collateral Agent, as administrative agent, collateral agent, and lead arranger, pursuant to which the Secured Parties have agreed to provide financing secured by a portfolio of hydroelectric projects, including the one commonly known as Menominee – Park Mill (the "Project").

B. Assignor has entered into that certain Power Purchase Agreement, dated as of October 29, 2012 (as amended, amended and restated, supplemented or otherwise modified from time to time in accordance with the terms thereof and hereof, the "Agreement") with Contracting Party;

C. As collateral security for all obligations of Assignor to the Secured Parties under the Credit Agreement and related documents, Assignor has granted to Collateral Agent a first-priority security interest in all of its right, title and interest in, to and under the Agreement (the "Assigned Interest") pursuant to that certain Pledge and Security Agreement, dated as of the date hereof (as amended, modified or supplemented from time to time, the "Security Agreement"), made by Assignor in favor of Collateral Agent for the benefit of the Secured Parties.

D. It is a requirement under the Credit Agreement that Contracting Party and the other parties hereto shall have executed this Consent.

NOW THEREFORE, in consideration of the foregoing and the mutual agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree, notwithstanding anything in the Agreement to the contrary, as follows:

1. Consent and Agreement. Contracting Party:
 - a. consents to the assignment of the Assigned Interest as collateral security to Collateral Agent;

b. acknowledges the right (but not the obligation) of Collateral Agent in the exercise of its rights and remedies under the Security Agreement to, upon notice to Contracting Party that an Event of Default has occurred and is continuing under the Credit Agreement, make all demands, give all notices, take all actions and exercise all rights of Assignor under the Agreement, and agrees to accept any such exercise; provided, however, that, insofar as Collateral Agent exercises any of its rights under the Agreement or makes any claims with respect to payments or other obligations under the Agreement, the terms and conditions of the Agreement applicable to such exercise of rights or claims shall apply to Collateral Agent to the same extent as to Assignor;

c. agrees not to (i) cancel or terminate the Agreement or suspend performance of its services thereunder, except as provided in the Agreement or by operation of law and, in any event, except as in accordance with Section 4 of this Consent; (ii) consent to or accept any cancellation or termination of the Agreement by Assignor without the prior written consent of the Collateral Agent, except as provided in the Agreement and in accordance with Section 4 of this Consent; or (iii) except as specifically permitted by the Agreement, sell, assign or otherwise dispose (by operation of law or otherwise) of any part of its right, title or interest in the Agreement, in each case without the prior written consent of Collateral Agent (such consent not to be unreasonably withheld);

d. agrees not to amend, supplement or modify the Agreement in any material respect (which, for the avoidance of doubt, excludes immaterial change orders or amendments) without the prior written consent of Collateral Agent (such consent not to be unreasonably withheld or delayed); and

e. agrees to promptly deliver to Collateral Agent copies of all notices of default, suspension or termination delivered by Contracting Party under the Agreement.

2. Assignor's Acknowledgement. Assignor acknowledges and agrees that Contracting Party is permitted to perform its obligations under the Agreement upon Collateral Agent's exercise of Assignor's rights in accordance with this Consent, and that Contracting Party shall bear no liability to Assignor solely as a result of performing its obligations under the Agreement upon such exercise by Collateral Agent.

3. Transferees. Contracting Party agrees that if Collateral Agent shall notify Contracting Party in writing that as a result of foreclosure (whether judicial or nonjudicial), deed-in-lieu-of-foreclosure or other sale or transfer of the Assigned Interest, Collateral Agent or any other applicable purchaser, successor, assignee or designee (in each case, a "Transferee") is to succeed to Assignor's rights in the Assigned Interest, then the Transferee shall be substituted for Assignor under the Agreement and Contracting Party shall (a) recognize the Transferee as its counterparty under the Agreement and (b) continue to perform its obligations under the Agreement in favor of the Transferee; provided, however, that such Transferee has assumed in writing all of Assignor's obligations under the Agreement (including the obligation to cure any then-existing payment defaults within the time permitted in the Agreement subject to Section 4), other than any obligations which by their nature are incapable of being cured and as to which failure to perform does not materially and adversely affect Contracting Party, and has the ability, experience and financial condition necessary to perform under the Agreement (which ability,

experience and financial condition shall be deemed sufficient if no worse than Assignor's immediately prior to the transfer from Assignor). If Collateral Agent or an entity controlled by Collateral Agent or one or more of the Secured Parties is the initial Transferee, such initial Transferee shall have the right to assign all of its interest in the Agreement to any subsequent Transferee, provided such subsequent Transferee has assumed in writing all of the initial Transferee's obligations under the Agreement (including the obligation to cure any then-existing payment defaults within the time permitted in the Agreement subject to Section 4), other than any obligations which by their nature are incapable of being cured and as to which failure to perform does not materially and adversely affect Contracting Party, and has the ability, experience and financial condition necessary to perform under the Agreement (which ability, experience and financial condition shall be deemed sufficient if no worse than Assignor's immediately prior to the transfer from Assignor). Upon such assignment, the initial Transferee shall be released from any further liability under the Agreement.

4. Right to Cure. In the event of a default or breach by Assignor in the performance of any of its obligations under the Agreement, or upon the occurrence or non-occurrence of any event or condition under the Agreement which would immediately or with the passage of any applicable grace period or the giving of notice, or both, enable Contracting Party to terminate the Agreement or suspend its performance thereunder (a "Default"), Contracting Party shall not terminate the Agreement or suspend its performance thereunder until it first gives written notice of the Default to Collateral Agent and affords Collateral Agent (a) a period of 30 days from receipt of such notice to cure such Default if such Default is the failure to pay amounts to Contracting Party which are due and payable under the Agreement or (b) with respect to any other Default, a reasonable opportunity, but no more than 90 days from receipt of such notice, to cure such other Default (provided that during such cure period Collateral Agent or Assignor continues to diligently attempt to cure such Default). If (i) possession of the Project is necessary to cure any Default, and Collateral Agent commences foreclosure or any other proceedings necessary to take possession of the Project, or (ii) Collateral Agent is prohibited by any court order or bankruptcy or insolvency proceedings from curing the Default or from commencing or prosecuting such proceedings, and provided all monetary obligations on Assignor's part under the Agreement have been performed, then in either case the cure period in clause (b) of the previous sentence shall be extended for a reasonable period, but no longer than one year from the date of the notice referred to above, to allow Collateral Agent to complete such proceedings and Collateral Agent or the applicable Transferee to effect the cure.

5. Replacement Agreement. In the event that the Agreement is rejected or terminated as a result of any bankruptcy or insolvency proceeding, Contracting Party shall, at the option of Collateral Agent exercised within 45 days after such rejection or termination, enter into a new agreement with Collateral Agent or a designated entity controlled by Collateral Agent or one or more of the Secured Parties, having identical terms as the Agreement (subject to any conforming changes necessitated by the substitution of parties and other changes as the parties may mutually agree, the "Replacement Agreement"); provided that the term under such Replacement Agreement shall be no longer than the remaining balance of the term specified in the Agreement and the party (other than the Contracting Party) entering into the Replacement Agreement shall have the ability, experience and financial condition necessary to perform under the Replacement Agreement (which ability, experience and financial condition shall be deemed sufficient if no worse than Assignor's immediately prior to the rejection or termination of the

Agreement). Collateral Agent (or such designee, as the case may be) shall have the right to assign all of its interest in the Replacement Agreement to any person, provided such assignee has assumed in writing all of Collateral Agent's or such designee's obligations under the Agreement. Upon an assignment as discussed in the immediately preceding sentence, Collateral Agent or such designee shall be released from any further liability under the Agreement.

6. No Liability. Contracting Party acknowledges and agrees that unless Collateral Agent has become a Transferee under Section 3, or a party to a Replacement Agreement under Section 5, Collateral Agent (a) shall not have any liability or obligation under the Agreement until, if ever, Collateral Agent expressly assumes such obligations in writing and (b) has no obligation to cure any Default. Notwithstanding anything to the contrary herein, the sole recourse of Contracting Party in seeking the enforcement of any obligations under the Agreement or a Replacement Agreement shall be to a Transferee or the party to a Replacement Agreement.

7. Payment of Monies. Contracting Party hereby agrees to make all payments required to be made by it under the Agreement in U.S. dollars and in immediately available funds to such Person and/or at such address or account as the Collateral Agent may from time to time specify in writing to Contracting Party, and absent any such instruction, as Assignor directs. Assignor hereby instructs Contracting Party, and Contracting Party accepts such instructions, to make all payments due and payable to Assignor under the Agreement as set forth in the immediately preceding sentence.

8. Representations and Warranties. Contracting Party hereby represents and warrants to Assignor and Collateral Agent as of the date of this Consent as follows:

a. Contracting Party is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation/incorporation and has all requisite power and authority to execute, deliver and perform its obligations under the Agreement and this Consent.

b. The execution, delivery and performance by Contracting Party of the Agreement and this Consent have been duly authorized by all necessary action, and do not and will not require any further consents or approvals which have not been obtained, or violate any provision of any law, regulation, order, judgment, injunction or similar matters or breach any agreement presently in effect with respect to or binding on Contracting Party.

c. Assuming validity of and enforceability against the other parties thereto, this Consent and the Agreement are legal, valid and binding obligations of Contracting Party, enforceable against Contracting Party in accordance with their respective terms except as enforceability may be limited by bankruptcy, reorganization, insolvency, moratorium and other laws affecting creditors' rights in general and except to the extent that the availability of equitable remedies is subject to the discretion of the court before which any proceeding therefor may be brought.

d. Assuming the Agreement is the valid, binding and enforceable agreement of Assignor, the Agreement is in full force and effect and any amendment, supplement or

modification thereto since the date of execution of the Agreement is reflected in the definition of "Agreement" set forth above.

e. To the best of Contracting Party's knowledge, Assignor has fulfilled all of its obligations under the Agreement required as of the date hereof, and there are no breaches, Defaults or unsatisfied conditions presently existing (or which would exist after the passage of time and/or giving of notice) that would allow Contracting Party to terminate the Agreement or suspend its performance thereunder.

f. There is no litigation, action, suit, proceeding or investigation pending or (to the best of Contracting Party's knowledge) threatened against Contracting Party before or by any court, administrative agency, arbitrator or governmental authority, body or agency which, if adversely determined, individually or in the aggregate, could adversely affect the performance by Contracting Party of its obligations hereunder or under the Agreement.

g. The Agreement and this Consent are the only agreements between Assignor and Contracting Party with respect to the Project, and all of the conditions precedent to effectiveness under the Agreement have been satisfied or waived.

h. No excusable delay, force majeure, or the like, has occurred under the Agreement.

9. Collateral Agent, for and on behalf of itself and the Secured Parties, acknowledges and agrees that any and all rights of the Collateral Agent and the Secured Parties in the Agreement, included, but not limited to rights as mortgagees or secured parties under the Credit Agreement or related documents, are subject to the rights of Contracting Party under the Agreement, except as specifically modified by this Consent. In addition, so long as no event of default on the part of Contracting Party under the Agreement shall exist which shall entitle Assignor, Collateral Agent or a Secured Party to terminate the Agreement, or if such an event of default shall exist, so long as Contracting Party's time to cure the default shall not have expired, the term of the Agreement shall not be terminated or modified in any respect whatsoever by Collateral Agent or a Secured Party and Contracting Party's rights arising out of the Agreement will all be fully recognized by Collateral Agent and Secured Parties, and Contracting Party's rights under the Agreement shall not be disturbed, cancelled, terminated or otherwise affected by any action or proceeding instituted by Collateral Agent or a Secured Party in respect of the Agreement.

10. Notices. Any communications between the parties hereto or notices provided herein to be given, may be given to the following addresses:

If to Contracting Party:

Michigan South Central Power Agency

Attn: General Manager
720 Herring Rd.
Litchfield, MI 49252

(517) 542-3049

If to Collateral Agent:

ING CAPITAL LLC
1325 Avenue of the Americas
New York, NY 10019
Attention: [Manager, Utilities - Project Finance]
Telephone: (646) 424-6000
Fax: (646) 424-6440
Email:

If to Assignor:

N.E.W. HYDRO, LLC
P.O. Box 167
(overnight mail 116 N. State Street)
Neshkoro, WI 54960
Fax: (920) 293-8087
Attention: Mike Bollinger

With a copy to:

Eagle Creek Renewable Energy, LLC
65 Madison Avenue, Suite 500
Morristown, New Jersey 07960
Fax: (973) 998-8401
Attention: Bernard H. Cherry

All notices hereunder shall be in writing and shall be considered as properly given (a) if delivered in person, (b) if sent by overnight delivery service, (c) if mailed by first class mail, postage prepaid, registered or certified with return receipt requested or (d) if sent by telecopy, confirmed by telephone. Notice so given shall be effective upon receipt by the addressee, except that communication or notice so transmitted by telecopy or other direct written electronic means shall be deemed to have been validly and effectively given on the day (if a business day and, if not, on the next following business day) on which it is transmitted if transmitted before 4:00 p.m., recipient's time, and if transmitted after that time, on the next following business day; provided, however, that if any notice is tendered to an addressee and the delivery thereof is refused by such addressee, such notice shall be effective upon such tender. Any party shall have the right to change its address for notice hereunder by giving of written notice to the other parties in the manner set forth herein above.

11. Binding Effect; Amendments; Confirmation. This Consent shall be binding upon and benefit the successors and assigns of Contracting Party, Assignor and Collateral Agent and the Secured Parties and their respective successors, transferees and permitted assigns (including without limitation, any entity that refinances all or any portion of Assignor's obligations under the Credit Agreement). No termination, amendment, variation or waiver of any provisions of this Consent shall be effective unless in writing and signed by Contracting Party, Collateral Agent and Assignor; provided, that all rights and obligations of Collateral Agent and the Secured Parties hereunder shall terminate upon payment in full of the obligations of Assignor under the Credit Agreement without the requirement for any such writing.

12. Governing Law. This Consent shall be governed by the laws of the State of New York without reference to conflicts of laws rules thereof (other than Section 5-1401 of the New York General Obligations Law); provided, however, that the legal authority of and the procedures for the Contracting Party to enter into this Consent shall be governed by the laws of the State of Michigan. To the fullest extent permitted by applicable law, **CONTRACTING PARTY, ASSIGNOR, AND COLLATERAL AGENT HEREBY SUBMIT TO THE NONEXCLUSIVE JURISDICTION OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK AND OF ANY NEW YORK STATE COURT SITTING IN NEW YORK CITY FOR THE PURPOSES OF ALL LEGAL PROCEEDINGS ARISING OUT OF OR RELATING TO THIS CONSENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH OF CONTRACTING PARTY, ASSIGNOR AND COLLATERAL AGENT IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF THE VENUE OF ANY SUCH PROCEEDING BROUGHT IN SUCH A COURT AND ANY CLAIM THAT ANY SUCH PROCEEDING BROUGHT IN SUCH A COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.**

EACH OF CONTRACTING PARTY, ASSIGNOR AND COLLATERAL AGENT HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS CONSENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

13. Counterparts. This Consent may be executed in one or more duplicate counterparts, and when executed and delivered by all the parties listed below, shall constitute a single binding agreement.

IN WITNESS WHEREOF, the undersigned, by its officer thereunto duly authorized, has duly executed this Consent as of the date first above written.

Michigan South Central Power Agency

By:

Glen White

Name: Glen White

Title: General Manager

Accepted and agreed:

ING CAPITAL LLC,
as Collateral Agent

By: _____
Name:
Title:

Accepted and agreed:

N.E.W. HYDRO, LLC,
a Wisconsin limited liability company

By: _____
Name:
Title:

**CITY OF HILLSDALE
COUNTY OF HILLSDALE**

**RESOLUTION APPROVING HYDRO-ELECTRIC POWER PURCHASE
AGREEMENT AND RELATED MATTERS**

WHEREAS, the City of Hillsdale (hereinafter "Municipality") owns and operates an electric utility system for the benefit of the Municipality, its citizens and taxpayers; and

WHEREAS, the Michigan South Central Power Agency (the "Agency") has been formed as a Joint Agency by its members, the Cities of Coldwater, Hillsdale and Marshall, and the Villages of Clinton and Union City (the "Members"), under and pursuant to 1976 Public Acts of Michigan, 448 (the "Act"); and

WHEREAS, the Agency and each of its Members have agreements in place under which the Agency is to supply to the Member and the Member is to purchase from the Agency, all bulk power needs of the Member related to its municipal electric utility system; and

WHEREAS, the Agency, and the Members endeavor to arrange for reliable, reasonably priced supplies of electric power and energy for ultimate delivery to their customers; and

WHEREAS, the Agency and N.E.W. Hydro, LLC ("Hydro") have negotiated a Power Purchase Agreement (the "Agreement") under which Hydro will agree to sell and the Agency will agree to purchase energy and capacity rights, and associated environmental attributes, generated at and arising from hydro-electric generating facilities identified in the Agreement (collectively, the "Project"); and

WHEREAS, the Agency has caused to be performed the engineering studies and reports with respect to the Project, in compliance with Section 40 of the Act; and

WHEREAS, it is intended that the Project shall constitute an additional "Project" under the Power Sales Contract (the "Contract"), dated as of September 15, 1979, as amended, between the Agency and each of its Members, with each Member's Entitlement Share in the Project being the same as that set forth in the Contract as that Member's Entitlement Share in Project I; and

WHEREAS, it is necessary in connection with the execution and delivery of the Agreement that the Agency also execute and deliver the related Direct Agreement (the "Direct Agreement") by and among the Agency, Hydro and ING Capital, LLC, as Collateral Agent; and

WHEREAS, the proposed forms of the Agreement and the Direct Agreement have each been reviewed by this body and this body has been advised on the same; and

WHEREAS, it is necessary and desirable the City Council approve the execution and delivery of the Agreement and the Direct Agreement by the Agency and the designation of the Project as an additional Project under the Contract and the allocation of its Entitlement Share in the Project.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HILLSDALE:

1. The actions of the Agency, for the benefit of its Members, in the purchase of hydro-electric capacity and energy, and related environmental attributes, as provided in the Agreement are hereby approved.
2. The forms of the Agreement and the Direct Agreement, in each case as on file with the City Clerk, and the execution and delivery of the Agreement and the Direct Agreement by the General Manager of the Agency, are hereby approved.
3. The designation of the Project as an additional Project under the Contract is hereby approved, and the Entitlement Share, as defined in the Contract, of the Municipality in the Project shall be same as the Entitlement Share of the Municipality in Project I under the Contract, namely 25.5%
4. This Resolution shall be effective at the earliest time permitted by law.

Douglas G. Moon, Mayor

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Council of the City of Hillsdale, County of Hillsdale, Michigan, at a Regular meeting held on January 21, 2013, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

I further certify that the motion to adopt the foregoing resolution was made by _____ and seconded by _____ and that the following Council members voted Aye on the motion: _____

_____;

and the following Council members voted No on the motion: _____
_____.

Julie Kast, City Clerk
City of Hillsdale

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City of Hillsdale Agenda Item Summary

Meeting Date: **January 21, 2013**

Agenda Item #10: **New Business C– Domestic Harmony Contract**

BACKGROUND:

I was recently contacted by Julia Denig, the Executive Director of Domestic Harmony, with a request to appear before Council regarding the possibility of the City entering into a contract with Domestic Harmony to provide certain services to its citizens. As I discussed this matter with Finance Director Tew, it was determined that while Domestic Harmony is requesting a contract for the fiscal year 2013 which apparently began this month, the City's 2013 fiscal year actually began in July, 2012. Accordingly, last year's approval of \$5,500 is in the budget in the event Council decides to act favorably on the request for a contract.

I would ask, however, that Council also consider whether or not they wish to include funding in the budget for the fiscal year 2014 inasmuch as that budget process will begin in the very near future. Any funds allocated for FY 2014 would, of course, not be eligible for payment until after July 1, 2013.

Ms. Denig will be present at the meeting to answer questions regarding the services provided by Domestic Harmony.

In the event Council approves the requested contract, I recommend that it authorize signatures by the Mayor and Clerk.



DOMESTIC HARMONY
P.O. Box 231
Hillsdale, Michigan 49242
E-mail: Julia@domesticharmony.org

TELEPHONE: (517) 439-1454
FAX: (517) 439-5144

www.domesticharmony.org
E-mail: Julia@domesticharmony.org

January 8, 2013

City Manager Brown
97 North Broad Street
Hillsdale, MI 49242

Honorable Members of the Hillsdale City Council,

Thank you very much for supporting Domestic Harmony through the Purchase of Service Contract in 2012. The support from our local governments helped us to be able to provide shelter to 107 victims of domestic violence and their children, supportive counseling to 94 non-residential clients, help with obtaining 63 personal protection orders, and answer 302 hotline calls last year. Last year the amount of your contract was \$5,500.

With your support, we are able to offer the following services:

- ▽ temporary shelter (including basic needs)
- ▽ 24-hour crisis phone line
- ▽ safety planning victims and their children
- ▽ individual adult supportive counseling
- ▽ child supportive counseling
- ▽ legal advocacy and court accompaniment
- ▽ permanent housing search assistance
- ▽ support groups
- ▽ child-care during support groups
- ▽ prevention education to area high schools and local workplaces

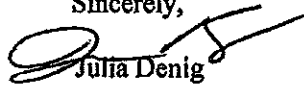
There is no charge for any of our victim or prevention services.

Our agency has again suffered budget cuts over the last year. We would like to request that the City of Hillsdale contract with Domestic Harmony once again this year. We ask that you contract with us at the same amount or more if you are able. Your contracting with us will ensure our ability to continue our critical services for victims of domestic violence and their families.

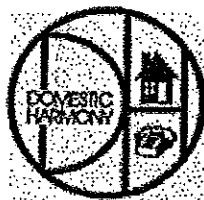
Please find enclosed a copy of the Contract for Purchase of Services.

Thank you very much for your consideration of this very important issue.

Sincerely,


Julia Denig
Executive Director

enc.



CONTRACT FOR SERVICES

The City of Hillsdale, Hillsdale County, Michigan, agrees to purchase services for victims of domestic violence for residents of said city from the Hillsdale County Task Force on Family Violence doing business as Domestic Harmony (hereafter referred to as Domestic Harmony) for the fiscal year 2013. This period may include past services as well as future services.

"Domestic violence" means physical, sexual, emotional, or verbal abuse perpetrated by an assailant against a victim, in which the victim is a person assaulted or threatened, and in which the victim and assailant are/were involved in an intimate relationship.

Services to be provided under this contract to any number of eligible residents in the City of Hillsdale are:

1. Crisis intervention and supportive counseling on a 24-hour basis
2. Transportation from a safe place to shelter
3. Safe temporary shelter including basic necessities
4. Assistance in finding permanent housing
5. Information and referral in legal and financial matters

These services are defined in Domestic Harmony's grant from the Domestic Violence Prevention and Treatment Board of the State of Michigan.

To purchase said services, the City of Hillsdale agrees to pay to Domestic Harmony the sum of _____ (\$_____.00).

At the end of the contract period, the City of Hillsdale and Domestic Harmony agree to review the contract and determine whether or not the contract should be renewed and what the particulars should be.

Witnesses:

Date

Date

Signed by:

Date

Date
Julia Denig
Executive Director
Domestic Harmony

City of Hillsdale Agenda Item Summary

Meeting Date: **January 21, 2013**

Agenda Item #10: **New Business D – Hydro Power Purchase Agreement (Resolution)**

BACKGROUND:

As you are aware, the City is a member of the Michigan South Central Power Agency together with four (4) other municipalities. I have enclosed herewith a copy of a memo from Glen White, the General Manager of MSCPA regarding an offer to the Agency to purchase power at a fixed price of \$49/MWh for twenty (20) years. The memo indicates that after MSCPA complete its due diligence regarding the offer, a decision was made to enter into the agreement which they feel offers significant benefits to MSCPA members. I have also included two (2) Agreements entered between MSCPA and N.E.W. Hydro, LLC regarding the purchase of power.

Finally, you will find enclosed a Resolution Approving Hydro-Electric Power Purchase Agreement and Related Matters which is intended to approve the execution and delivery of the agreements identified above and which designates the purchase as an additional Project under the Contract and allocates the City's entitlement share in the project. The City's entitlement share under the contract is 25.5%.

BPU Director Rick Rose will be available at the meeting to answer specific questions regarding the agreement.

RECOMMENDATION:

The Board of Public Utilities at its January 8, 2013 meeting approved the Resolution with a recommendation that Council also approve. I recommend that Council pass the enclosed resolution.



MICHIGAN SOUTH CENTRAL POWER AGENCY

720 HERRING ROAD · LITCHFIELD, MICHIGAN 49252
PHONE (517) 542-2346 · FAX (517) 542-3049
WEB SITE www.mscca.net

MEMO

To: MSCPA Board of Commissioners
From: Glen White, General Manager
Date: December 10, 2012
Re: Menominee Hydro

At the December 6, 2012 MSCPA Board meeting, the Board of Commissioners adopted a resolution approving the signing of a 20 year power purchase agreement (PPA) with N.E.W. Hydro for the output from two hydro facilities located in Menominee, Michigan at a fixed price of \$49 per megawatt hour. Similar resolutions have been sent to each MSCPA member for their consideration. To aid in this process, I offer the following summary of this transaction.

Early this past summer, MSCPA received an unsolicited proposal from Clear Energy Brokerage & Consulting, LLC offering a 20 year PPA for the energy, capacity, and renewable energy credits at a fixed price of \$49/MWh for all output from hydro generation located in the Upper Peninsula of Michigan with a nameplate capacity of 5.75 MW. Given the attractive price and fixed term, it was determined that further investigation was warranted.

MSCPA's due diligence included:

- Projection of the future needs for energy, capacity, and REC's for all five members, which was accomplished internally and with the assistance of SAIC through the AMP power supply study;
- Locational Marginal Pricing (LMP) analysis of the Menominee area in order to determine how that LMP compared to our members LMP's;
- On site investigation of operation and maintenance of these facilities; and
- Identification of all necessary agreements, including those required by MISO for interconnection and metering and WPS for transmission distribution, as well as the PPA with N.E.W. Hydro.

Our analysis concluded that for the long term, the fixed price of \$49/MWh is well below that of any future projected energy resource. The addition of capacity will help offset future capacity purchases and aid in maximizing the benefits between the MISO and PJM markets. The facilities are registered and compliant with the Michigan MIREC's program, and the REC's provided will further add to MSCPA's renewable resource mix and help in meeting future requirements necessitated by member growth. The LMP analysis indicated additional cost benefits due to the history of transmission constraints in the Menominee area, which results in higher congestion charges than is typically seen in our area. The onsite investigation revealed a culture of good operation and maintenance practices, with future maintenance plans well detailed. In addition, all agreements with MISO, WPS, and N.E.W. Hydro have been completed and reviewed by legal counsel.

Based on the past ten years of historical data, it is expected that the 5.75 MW of capacity will produce an average of 3 MW per hour of energy. Each participating member will receive an entitlement equal to their current Project 1 share. N.E.W. Hydro is responsible for all operating and maintenance expenses as well as any future permitting costs. MSCPA will only pay for energy actually received at the interconnection point. MSCPA is responsible for metering and scheduling with MISO.

Based on the above, MSCPA has concluded that the Menominee Hydro does offer significant benefits to MSCPA members. Please do not hesitate to contact me if you have any questions or concerns.

POWER PURCHASE AGREEMENT

BETWEEN

MICHIGAN SOUTH CENTRAL POWER AGENCY

AND

N.E.W. HYDRO, LLC

DATED AS OF OCTOBER 29, 2012

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MSCPA MEMBERS' PROPORTIONAL INTERESTS

POWER PURCHASE AGREEMENT

THIS POWER PURCHASE AGREEMENT ("Agreement") is entered into as of October 29, 2012 (the "Effective Date"), by and between Michigan South Central Power Agency, a Michigan public body corporate and joint agency existing under Michigan PA 448 of 1976, as amended, with headquarters at 720 Herring Road Litchfield, MI 49252 ("Buyer"), and N.E.W. Hydro, LLC., a Wisconsin corporation with offices at 116 N. State Street, Neshkoro, WI 54960 ("Seller"). Each of Buyer and Seller is referred to individually in this Agreement as a "Party" and together as the "Parties".

RECITALS

WHEREAS, Seller has agreed to sell to Buyer, and Buyer has agreed to purchase from Seller, the Facility Energy and the associated Environmental Attributes and Capacity Rights (as each term is defined below); and

WHEREAS, the Parties desire to set forth the terms and conditions pursuant to which such sales and purchases shall be made.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein set forth, the Parties hereto agree as follows:

ARTICLE I.

DEFINITIONS AND INTERPRETATION

1.1 **Definitions.** The following capitalized terms in this Agreement and the appendices hereto shall have the following meanings:

"Affiliate" means, as to any Person, any other Person that, directly or indirectly, is in control of, is controlled by or is under common control with such Person or is a director or officer of such Person or of an Affiliate of such Person. As used in this Agreement, "control" shall mean the possession, directly or indirectly, of the power to direct or cause the direction of management, policies or activities of a Person, whether through ownership of voting securities, by contract or otherwise.

"Agreement" has the meaning set forth in the preamble.

"Ancillary Documents" means all other instruments, agreements, certificates and documents executed or delivered by or on behalf of Buyer or Seller pursuant to or in connection with this Agreement. A list of Ancillary Documents is included as Appendix D.

"Authorized Auditors" means representatives of either Party who are authorized by that Party to conduct audits on behalf of that Party

"Business Day" means any calendar day that is not a Saturday, a Sunday, or a day on which commercial banks are authorized or required to be closed in Detroit, Michigan.

"Buyer" has the meaning set forth in the preamble.

"Capacity Rights" means the rights, whether in existence as of the Effective Date or arising hereafter during the Term, to capacity, resource adequacy, associated attributes or reserves or any of the foregoing associated with the electric generating capability of the Facility, including the right to resell such rights.

"Carbon Offsets" means any avoided emissions of any gas, chemical or other substance into the air, soil or water attributable to the Facility or the generation, purchase, sale, or use of energy therefrom, such as carbon dioxide (CO₂), methane (CH₄), nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride and other greenhouse gases or chemical compounds, particulate matter, soot or mercury, that are subject to regulation or monitoring under any Law (including those involving or administered by the United States Environmental Protection Agency), any current or future international treaty or Law implementing the United Nations Framework Convention on Climate Change (the "UNFCCC"), the Kyoto Protocol to the UNFCCC, or any similar current or future international, foreign, federal, state or local program. Carbon Offsets may be banked, sold or traded via arm's length contracts or through an exchange, and may be verified or certified to comply with any standards adopted by any present or future international, foreign or domestic emissions trading program or Law.

"Commencement Date" means the date Facility Energy is first delivered to Buyer under this agreement, which shall be no earlier than July 1, 2013 and no later than July 31, 2013.

"Confidential Information" has the meaning set forth in Section 11.16(a).

"Contract Year" means (a) the twelve-month period beginning on the Commencement Date and ending on the day preceding the first anniversary of the Commencement Date, and (b) each succeeding period of twelve consecutive months following the period described in the preceding clause (a).

"Damages" has the meaning set forth in Section 11.14(a).

"Default" has the meaning set forth in Section 10.1.

"Defaulting Party" has the meaning set forth in Section 10.1.

"Defending Party" has the meaning set forth in Section 11.14(a).

"Disclosing Party" has the meaning set forth in Section 11.16(a).

"Dispute" has the meaning set forth in Section 11.2(a).

"Dispute Notice" has the meaning set forth in Section 11.2(a).

"Effective Date" has the meaning set forth in the preamble.

"Energy" means electrical energy, including Facility Energy.

"Energy Price" means the then-current price of Facility Energy set forth in Appendix C.

"Environmental Attribute" means all current or future fuel, emissions, air quality, or other environmental characteristic, credit, benefit, reduction, offset, and allowance, howsoever entitled, named, registered, created, measured, allocated, validated, now or hereafter recognized or deemed of value (or both) by Buyer, under any applicable Law, or any voluntary program of any Governmental Authority or other Person resulting from the use of generation or the avoidance of the emission of any gas, chemical, or other substance to the air, soil or water attributable to the Facility during the Term or the generation, purchase, sale, or use of energy from or by the Facility during the Term, and all Carbon Offsets and all Environmental Attribute Reporting Rights, including all evidence (if any) thereof, such as RECs, but specifically excluding all Tax Credits (except for Tax Credits that must be retained with RECs for a Person to be able to realize the value of the RECs).

"Environmental Attribute Reporting Rights" means all rights to report ownership of the Environmental Attributes to any Person, under Section 1605(b) of the Energy Policy Act of 1992, as amended from time to time or any successor statute, or any other current or future Law.

"Facility" has the meaning set forth in the Appendix A.

"Facility Energy" means all Energy actually generated by the Facility, less station load and transmission losses to the Facility's Point of Delivery, notwithstanding the normal nameplate rating of the Facility and any modifications that may be made thereto.

"FERC" means the Federal Energy Regulatory Commission or any successor agency thereto.

"Force Majeure" has the meaning set forth in Section 11.4(b).

"Force Majeure Notice" has the meaning set forth in Section 11.4(a).

"Forced Outage" means any condition that requires or results in unplanned removal of the Facility, or some part thereof, from service, including (a) the removal of service availability of all or any portion of the Facility for emergency reasons, or (b) conditions in which the Facility, or any portion thereof, is unavailable due to unanticipated failure, including, in either case, as a result of Force Majeure.

"Governmental Authority" means any federal, state, regional, city or local government, any intergovernmental association or political subdivision thereof, or other governmental, regulatory or administrative agency, court, commission, administration, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority, or any Person duly acting as a delegate or agent of any Governmental Authority.

"Indemnified Party" has the meaning set forth in Section 11.14(a).

"Indemnifying Party" has the meaning set forth in Section 11.14(a).

"Interest Rate" means the lesser of (a) the prime rate of interest as then in effect (as quoted by The Wall Street Journal) plus 3% and (b) the maximum rate permitted by applicable Law.

"Laws" means current and future federal, state and local laws, statutes, regulations, rules, codes or ordinances enacted, adopted, issued or promulgated by any federal, state, local or other Governmental Authority (including those pertaining to electrical, building, zoning, environmental and occupational safety and health requirements).

"Lien" means any mortgage, deed of trust, lien, security interest, retention of title or lease for security purposes, pledge, charge, encumbrance, equity, attachment, claim, easement, right of way, covenant, condition or restriction, leasehold interest, purchase right, license or other right of any kind, including an option, of any other Person in or with respect to any real or personal property.

"MISO" means the Midwest Independent Transmission System Operator or any successor regional transmission organization.

"MISO Interconnection Agreement" means the Interconnection Agreement executed by and between the Asset Owner (N.E.W. Hydro Inc. and successors for the Menominee / Park Mill generating assets) and the Local Balancing Authority (LBA) designated by MISO for the Menominee / Park Mill interconnection (the Wisconsin Public Service Company).

"MW" means megawatt.

"MWh" means megawatt-hours.

"M-RETS" means the Midwest Renewable Energy Tracking System or any successor system thereto.

"MIRECS" means the Michigan Renewable Energy Certification System, or any successor system thereto.

"NERC" means the North American Electric Reliability Council and any successor thereto.

"Non-Defaulting Party" has the meaning set forth in Section 10.2.

"Non-Defending Party" has the meaning set forth in Section 11.14(a).

"Notifying Party" has the meaning set forth in Section 11.2(a).

"Permits" means all applications, permits, licenses, franchises, certificates, concessions, consents, authorizations, approvals, registrations, orders, filings, entitlements and similar

requirements of whatever kind and however described which are required to be obtained or maintained by any Person with respect to the ownership, possession, operation, or maintenance of the Facility, the production and delivery of Facility Energy, Capacity Rights and Environmental Attributes, or any other transactions or matter contemplated by this Agreement (including those pertaining to electrical, building, zoning, environmental and occupational safety and health requirements).

"Permitted Encumbrances" means any of the following, which, in each case and in the aggregate, does not and will not impair or adversely affect any rights of or benefits to Buyer hereunder: (i) any Lien permitted by this Agreement, for which the Seller has provided notice to Buyer in writing at least 30 days prior to the creation of such Lien, which notice expressly identifies the Lien as a Permitted Encumbrance; (ii) Liens for Taxes not yet due or for Taxes being contested in good faith by appropriate proceedings promptly instituted and diligently conducted; (iii) suppliers', vendors', mechanics', workman's, repairman's, employees' or other like Liens arising in the ordinary course of business for work or service performed or materials furnished in connection with the Facility for amounts the payment of which is either not yet delinquent or is being contested in good faith by appropriate proceedings promptly instituted and diligently conducted; (iv) easements, rights of way, use rights, exceptions, encroachments, reservations, restrictions, conditions or limitations listed on Appendix E hereto and (v) any other Liens which do not materially adversely affect the output of Energy from the Facility or the transmission thereof to the Point of Delivery.

"Person" means any individual, corporation, partnership, joint venture, limited liability company, association, joint stock company, trust, unincorporated organization, entity, governmental entity or any agency, instrumentality or political subdivision of governmental entity.

"Point of Delivery" means the physical address where MSCPA installs the revenue meters at the Menominee Plant located at 901 26th Street, Menominee, MI 49858.

"Prudent Utility Practices" means those practices, methods, and acts, that are commonly used by a significant portion of the small (less than 30MW) hydroelectric powered electric generation industry in prudent engineering and operations to operate electric equipment lawfully and with safety, dependability, efficiency, and economy, including any required practices, methods, acts, standards and criteria of FERC, NERC, the RRO, and all applicable Laws. Prudent Utility Practices is not intended to refer exclusively to the optimal practices, methods, acts, standards and criteria to the exclusion of all others.

"REC" means a tradable environmental commodity that represents proof that one (1) MWh of electricity was generated from an eligible renewable energy resource. RECs can be sold and traded, and the owner of a REC can claim to have purchased renewable energy. RECs are also commonly known as renewable energy credits and green tags.

"Receiving Party" has the meaning set forth in Section 11.16(a).

"Recipient Party" has the meaning set forth in Section 11.2(a).

"RRO" means the regional reliability organization that has jurisdiction over the Facility.

"Schedule" or "Scheduling" means the actions of Seller, Buyer and their Transmission Providers of notifying, requesting and confirming to each other the quantity of energy to be delivered at the Point of Delivery during the Term.

"Scheduled Outage" means any outage with respect to the Facility other than a Forced Outage.

"Scheduled Outage Projection" has the meaning set forth in Section 6.6(d).

"Scheduler" means the Person conducting Scheduling for a Party. The contact information for Buyer's Scheduler and Seller's Scheduler as of the Effective Date is set forth in Appendix B.

"Seller" has the meaning set forth in the preamble.

"Site" means the real property (including all related intangible property and fixtures and appurtenances thereto) owned or leased by Seller and upon which the Facility is located, including any easements, rights-of-way or contractual rights held or to be held by Seller for transmission lines or roadways servicing the Site or the Facility.

"Successor Entity" has the meaning set forth in Section 10.1(i).

"Tax" or "Taxes" means each federal, state, county, local and other (a) net income, gross income, gross receipts, sales, use, ad valorem, business or occupation, transfer, franchise, profits, withholding, payroll, employment, excise, property or leasehold tax, or (b) governmentally imposed customs, duty or other fee, assessment or charge of any kind whatsoever, together with any interest and any penalties, additions to tax or additional amount with respect thereto.

"Tax Credits" means all state, local or federal production tax credits, investment tax credits, or tax deductions specific to the production of renewable energy or the investment in renewable energy facilities, and any cash grants in lieu of any of the foregoing.

"Term" has the meaning set forth in Section 2.1.

"Transmission Provider" means the Person providing the applicable Transmission Services.

"Transmission Services" means the transmission and other services required to transmit Energy to or from the Point of Delivery.

"Transmission System" means the facilities utilized to provide Transmission Services.

"Unpaid Amounts" has the meaning set forth in Section 8.1(b).

"WPS Interconnection Agreements" means the Wisconsin Public Service Corporation Standard Agreement for Interconnection (Michigan) 2MW or more dated June 13, 2008 between N.E.W. Hydro, INC and Wisconsin Public Service Corporation as listed in Appendix D.

1.2 **Interpretation.** In this Agreement, unless a clear contrary intention appears:

- (a) the singular includes the plural and vice versa;
- (b) reference to any Person includes such Person's successors and assigns but, in case of a Party hereto, only if such successors and assigns are permitted by this Agreement, and reference to a Person in a particular capacity excludes such Person in any other capacity or individually;
- (c) reference to any gender includes the other;
- (d) reference to any agreement (including this Agreement), document, instrument or tariff means such agreement, document, instrument or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof;
- (e) reference to any Article, Section, or Appendix means such Article of this Agreement, Section of this Agreement, or Appendix to this Agreement, as the case may be, and references in any Article or Section or definition to any clause means such clause of such Article or Section or definition;
- (f) "hereunder", "hereof", "hereto" and words of similar import shall be deemed references to this Agreement as a whole and not to any particular Article or Section or other provision hereof or thereof;
- (g) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term;
- (h) relative to the determination of any period of time, "from" means "from and including", "to" means "to but excluding" and "through" means "through and including";
- (i) reference to (i) time shall refer to the prevailing time in the Eastern Time Zone, (ii) a "day" shall mean a calendar day, (iii) a "month" shall mean a calendar month, and (iv) a "year" shall mean a calendar year unless otherwise indicated; and
- (j) the word "or" is not exclusive.

ARTICLE II.

EFFECTIVE DATE, TERM, AND EARLY TERMINATION

2.1 **Term.** This Agreement shall have a term commencing on 12:00 a.m. on the Effective Date, and ending on the twentieth (20th) anniversary of the Commencement Date, unless sooner terminated in accordance with the terms of this Agreement (the "**Term**").

2.2 **Survivability.** The provisions of this Article II and Article XI shall survive the termination or expiration of this Agreement. The provisions of Article III, Article IV, Article VIII, and Article X shall continue in effect after termination or expiration to the extent

necessary to provide for final billing and adjustments related to the period prior to termination or expiration of this Agreement.

2.3 Condition Precedent. The obligations of the Seller and the Buyer under this Agreement shall not become effective unless and until the Seller shall have entered into the MISO Interconnection Agreement and the WPS Interconnection Agreements and all conditions under such agreements shall have been satisfied.

ARTICLE III.

PURCHASE AND SALE OF POWER

3.1 Purchases by Buyer. During the Term, Seller shall sell and deliver, and Buyer shall purchase and receive, all Facility Energy for the Energy Price.

3.2 Facility's Point of Delivery. Seller shall deliver all Facility Energy to Buyer, and Buyer shall receive all Facility Energy from Seller, at the Facility's Point of Delivery.

3.3 Energy to Come Exclusively from Facility. In no event shall Seller have the right to procure energy from sources other than the Facility for sale and delivery pursuant to this Agreement.

ARTICLE IV.

ENVIRONMENTAL ATTRIBUTES

4.1 Transfer of Environmental Attributes. For and in consideration of Buyer entering into this Agreement, and in addition to the agreement by Buyer and Seller to purchase and sell Facility Energy and Capacity Rights on the terms and conditions set forth herein, Seller shall transfer to Buyer, and Buyer shall receive from Seller, all right, title, and interest in and to any Environmental Attributes associated with the Facility and any Facility Energy. Seller agrees to transfer and make any such Environmental Attributes available to Buyer to the fullest extent allowed by applicable Law and Seller represents and covenants that it has not assigned, transferred, conveyed, encumbered, sold or otherwise disposed of and shall not in the future assign, transfer, convey, encumber, sell or otherwise dispose of all or any portion of any such Environmental Attributes to any Person other than Buyer. The consideration for the transfer of Environmental Attributes is contained within the Energy Price.

4.2 Availability and Value of Capacity Rights and Environmental Attributes. Seller makes no representation, warranty, or guarantee regarding the availability of Capacity or regarding the value of the Capacity or Environmental Attributes. Seller shall have no obligation to transfer any Capacity or Environmental Attributes if the Facility is not generating Facility Energy for any reason, other than a failure of Seller to fulfill its obligations under Section 6.4 hereof.

4.3 Documentation of Transfer of Environmental Attributes. Upon Buyer's request, at Seller's cost and expense, Seller shall take all reasonable actions and execute all documents or instruments necessary under applicable Law, bilateral arrangements or other voluntary

Environmental Attribute programs of any kind, as applicable, to maximize the attribution, accrual, realization, generation, production, recognition and validation of Environmental Attributes throughout the Term. As part of maximizing such Environmental Attributes, Seller shall, among other things, assist Buyer in (a) conducting all studies to calculate, demonstrate, register, certify and validate Environmental Attributes (or any combination of the foregoing); (b) obtaining all necessary and appropriate Governmental Authority or third party certifications, verifications, validations and authorizations required by applicable Law, Prudent Utility Practices or other prevailing voluntary Environmental Attribute program; and (c) maintaining and recording all necessary holding accounts or registries for all accrued Environmental Attributes. In furtherance and not in limitation of this Section, Seller shall use MIRECS to evidence the transfer of any Environmental Attributes considered RECs under applicable Michigan Law or any voluntary program and shall register the Facility with MIRECS.

ARTICLE V.

CAPACITY RIGHTS

5.1 Purchase and Sale of Capacity Rights. For and in consideration of Buyer entering into this Agreement, and in addition to the agreement by Buyer and Seller to purchase and sell Facility Energy and Environmental Attributes on the terms and conditions set forth herein, Seller hereby transfers to Buyer, and Buyer hereby accepts from Seller, all of the Capacity Rights for the Term. The consideration for the transfer of any Capacity Rights is contained within the relevant prices for Facility Energy. In no event shall Buyer have any obligation or liability whatsoever for any debt or any other obligations of Seller or any Affiliate of Seller pertaining to the Facility by virtue of Buyer's ownership of any Capacity Rights or otherwise.

5.2 Representation Regarding Ownership of Capacity Rights. Seller represents and covenants that it has not assigned, transferred, conveyed, encumbered (other than Permitted Encumbrances), sold or otherwise disposed of and shall not in the future assign, transfer, convey, encumber (other than Permitted Encumbrances), sell or otherwise dispose of any of the Capacity Rights to any Person other than Buyer during the Term. Seller shall not report to any Person that any of the Capacity Rights belong to any Person other than Buyer. Buyer may report to any Person that the Capacity Rights belong to it.

5.3 Further Assurances. Seller shall execute and deliver such documents and instruments and take such other action as Buyer may reasonably request to effect recognition and transfer of the Capacity Rights to Buyer. Seller shall bear the costs associated therewith.

ARTICLE VI.

OWNERSHIP, OPERATION AND MAINTENANCE OF THE FACILITY

6.1 Ownership of the Facility. The Facility shall be owned by Seller during the Term. Without the prior written consent of Buyer, which consent shall not be unreasonably withheld, Seller may not sell or otherwise dispose of or create, incur, assume or permit to exist any Lien (other than Permitted Encumbrances) on any portion of the Facility, other than in connection with a transaction permitted by section 6.8.

6.2 Assignment. Neither Party shall assign this Agreement without the prior written consent of the other Party, which consent shall not be unreasonably withheld, provided that either Party may, without consent of the other Party, (i) transfer, sell, pledge, encumber or assign this Agreement or the revenues from it in connection with any financing in accordance with Section 6.3, (ii) subject, in the case of the Seller, to Section 6.8, transfer or assign this Agreement to any Person succeeding to all or substantially all of the assets of such Party or, subject to Section 6.1, to any Person to whom the ownership of the Facility is transferred or assigned, or (iii) transfer or assign this Agreement to an Affiliate. In each case, the assignee shall agree in writing to be bound by the terms and conditions of this Agreement and shall have the same or similar experience and the same or similar credit rating as the assignor. In addition, in the case of dissolution of Buyer in accordance with law, Buyer may transfer its rights, duties and obligations under this Agreement proportionately to its constituent member municipalities, in the percentages set forth in Appendix F.

6.3 Mortgages. Upon not less than thirty (30) days' prior written notice to Buyer, Seller may collaterally assign, encumber, pledge or mortgage its rights under this Agreement for security of any debt or obligation in favor of any party providing financing for the benefit of the Seller, Seller's affiliates or the Facility and, upon providing written notice to Buyer, the mortgagee shall be entitled to exercise and perform all rights, duties, obligations and remedies Seller may have under this Agreement. Seller shall require each mortgagee to include in its real property mortgage an undertaking that in the case of a foreclosure upon the Facility (or deed in lieu of foreclosure), the mortgagee will require the successor owner of the Facility to assume this Agreement and be bound by its terms. Upon request by Seller, Buyer agrees to execute and deliver consent within thirty (30) days or other agreement with debt or equity financing parties containing customary terms and conditions and to reasonably cooperate with the due diligence efforts of any such financing parties, but no such consents or terms shall materially adversely affect the rights of or benefits to Buyer under this Agreement. Seller shall provide the notice information for any party providing financing for the benefit of the Facility.

6.4 Use, Operations and Maintenance.

(a) Seller shall, at its sole expense, use, operate and maintain the Facility (i) in accordance with Prudent Utility Practices, the requirements of this Agreement, the Permits, all applicable Laws, (ii) in a manner reasonably designed to maximize the output of Energy and Environmental Attributes from the Facility and result in a useful life of the Facility of not less than the Term, and (iii) with due regard for the safety, security, and reliability of the interconnected facilities and the Transmission System.

(b) Seller shall (i) except in the case of a Force Majeure for which insurance proceeds required by Section 11.14(b) are not available, where commercially practicable, promptly repair or replace, at its option, any component of the Facility that may be damaged or destroyed or otherwise not operating properly and efficiently and shall at all times exercise commercially reasonable efforts to undertake in a timely manner all updates or modifications to the Facility, its equipment and materials, including procedures, programming and software required by FERC, Facility permits or any applicable law, (ii) utilize qualified and trained personnel for managing, operating and maintaining the Facility and (iii) comply in all material

respects with the operating and maintenance standards recommended or required by vendors or suppliers of Facility equipment.

6.5 Operating Committee and Operating Procedures.

(a) Seller and Buyer shall each appoint one representative and one alternate representative to act in matters relating to each Parties' performance of its' respective obligations under this Agreement and to develop operating coordination arrangements for the generation, delivery and receipt of Facility Energy hereunder. Such representatives (or, in the case a representative is not available, the alternate representative) shall constitute the Operating Committee. The Parties shall notify each other in writing of such appointments and any changes thereto. The Operating Committee shall have no authority to modify the terms or conditions of this Agreement.

(b) Within two (2) months of the Effective Date, the Operating Committee shall develop mutually agreeable written operating coordination procedures which shall include: method of day to day communications; compliance with applicable regulatory requirements; metering, telemetering, telecommunications, and data acquisition procedures; key personnel list for the Facility; operations and maintenance scheduling, reporting and budgets; notice procedures for any Forced Outages; Environmental Attributes reports; unit operations log; and such other matters as may be mutually agreed upon by the Parties. In addition, the Operating Committee shall establish, maintain and modify as needed from time to time a mutually agreeable schedule for Scheduled Outages/de-ratings.

6.6 Scheduling of Energy and Scheduled Outages.

(a) No later than forty-five (45) days before the anticipated Commencement Date, and no later than forty-five (45) days before the beginning of each subsequent twelve month period, Seller shall provide, or cause to be provided, a non-binding forecast of Facility Energy for the following twelve (12) months. Seller shall provide Buyer with a copy of any updates to such forecast indicating a change in forecasted Facility Energy from the then-current forecast. Seller shall also provide its formula for conducting forecasts to Buyer.

(b) No later than ten (10) Business Days before the anticipated Commencement Date and no later than ten (10) days before the beginning of each subsequent month, Seller shall provide, or cause to be provided, a non-binding forecast of each day's average deliveries of Facility Energy, for the following month.

(c) On the Business Day immediately preceding any date of delivery of Facility Energy, and when available, Seller shall, if requested by Buyer, provide Buyer with a copy of a non-binding estimate of deliveries of Facility Energy through the immediately succeeding Business Day.

(d) Seller shall cooperate in good faith with Buyer's maintenance scheduling requests. No later than ninety (90) days prior to the anticipated Commencement Date and within ninety (90) days prior to the commencement of each twelve-month period thereafter, Seller shall provide Buyer with its non-binding written projection of all Scheduled Outages for such twelve-month period (the "Scheduled Outage Projection"). Seller shall notify Buyer of any change in