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See Contract*

AGREEMENT

THIS AGREEMENT is made effective this 16th day of May, 1995, between the City of South Haven, of 539 Phoenix, South Haven, Michigan 49090 ("City"), and South Haven Charter Township, of 09761 Blue Star Memorial Highway, South Haven, Michigan 49090 ("Township").

WITNESSETH:

WHEREAS, the City has established a public library ("Library") under 1877 Public Act 164 ("Act" - MCL 397.201, et seq);

WHEREAS, the City operates such public library under the control and governance of a Library Board established pursuant to the Act;

WHEREAS, the Library Board has consisted of five (5) directors appointed by the City from City residents at large;

WHEREAS, the Township is adjacent to the City and has for many years contracted with the City for use of library services under Section 13(1) of the Act;

WHEREAS, the Township has paid for the use of library services by contributing funds raised by levying of a tax under Section 13(2) of the Act;

WHEREAS, the Township, in the past, has appointed ex officio or advisory members to the Library Board but the parties desire that the Township should have membership on the Library Board with full membership status;

WHEREAS, Section 15 of the Act provides for the creation of a joint library board in the contract for library services between the City and the Township; and

WHEREAS, the City and the Township desire to restate their existing agreement for the use of library services as amended to provide for a joint library board.

NOW, THEREFORE, in consideration of the mutual covenants stated below, the parties agree as follows:

1. Use of the Library Facilities. The City and the Township specifically agree that residents of the Township shall have, in the same manner as residents of the City, free and unrestricted use of all Library facilities, services, and resources during the term of this Agreement and any extension hereof. Such use shall be subject to the Bylaws of the Library and any and all rules and regulations existing presently or subsequently adopted and instituted by the Joint Library Board.

2. Library Funding.

a. For the use of library services by Township residents, the Township shall pay to the City through the Joint Library Board an amount equal to the millage levied by the Township for library services, as may be set from time to time in conjunction with the Joint Library Board's requisite needs and/or budget, and which millage is presently set at .40 mills. Such millage shall not exceed the millage rate set forth in the Act. Such funds shall be paid on or before each June 30 during the term of this Agreement. Such funds shall be utilized solely for the continued operation, maintenance, and improvement of the Library, its facilities, and resources as directed by the Joint Library Board.

b. The funding provided for in 2a above and the payment schedule therefore may be changed or modified by mutual agreement of the Township and the City in conjunction with the Joint Library Board, subject to the Act and/or any applicable state or federal law restrictions on taxation.

3. Joint Library Board. There shall be established a Joint Library Board. The City and the Township agree that the Library shall be governed by a seven (7) member Board. The Board shall be comprised of five (5) members appointed by the City Council from City residents at large and two (2) members appointed by the Township Board from Township residents at large. All seven (7) members shall have equal voting rights. The Board and its operation shall be governed by the Library Board Bylaws currently in place or hereafter amended or restated. The Library Board Bylaws are hereby incorporated by reference into this Agreement as if fully restated herein. All future amendments or changes to the Bylaws are equally as incorporated as if fully stated herein.

a. Upon execution of this Agreement, current members of the present Library Board shall continue to serve on the Joint Library Board until expiration of their respective terms of office or until a vacancy otherwise occurs.

4. Prior Agreement. The City and the Township mutually acknowledge that there has been a prior agreement between the City and the Township governing the Library, its financing, its Board, and its functioning. The City and the Township mutually agree and affirmatively state that this Agreement is intended to restate and replace any prior agreement between the Township and the City regarding the Library and shall govern the relationship of the City and the Township regarding the Library.

5. Term. This Agreement shall continue for a period of ten (10) years from the date on which the last signature necessary for the Agreement to be binding is affixed hereto. The Agreement shall be automatically renewed for additional successive ten (10) year terms absent written notice of intent not to renew submitted by either the City or the Township to the other party at least three (3) months prior to the date on which this Agreement would expire absent renewal.

6. Breach and Enforcement.

a. If either party breaches this Agreement, the non-breaching party may institute legal action to enforce this Agreement or undertake other steps it deems appropriate to enforce this Agreement. During any period when a party is in breach of this Agreement for failure or refusal to provide funding for the Library as set forth in paragraph 2 above the Library Board members appointed by that party shall lose all voting privileges on the Board. Any Board members prohibited from voting by the foregoing shall be excluded from closed Board meetings where litigation regarding the breach of this Agreement is being considered and discussed. If the Board is involved in additional unrelated litigation the non-voting Board members shall be entitled to attend all sessions of the Board regarding those unrelated litigation matters but shall not be entitled to vote.

b. If any party fails to provide funding to the Library as set forth in paragraph 2 above or otherwise breaches this Agreement, the Library Board may take action to exclude the residents of the party failing to provide funding from the Library until such time as the breach of this Agreement is resolved.

Date: May 15, 1995

CITY OF SOUTH HAVEN

By: /s/ Alan G. Vandenberg

Its: _____

Date: May 15, 1995

SOUTH HAVEN TOWNSHIP

By: /s/ C. Ross Stein

Its: _____