

**AGREEMENT BETWEEN CHARTER TOWNSHIP OF ORION
AND VILLAGE OF LAKE ORION
CONCERNING TAX COLLECTION FEE**

This Agreement, dated July 1, 2025 is entered into by the Charter Township of Orion (The "Municipality"), a Michigan municipal corporation, whose principal office is located at 2323 Joslyn Rd., Lake Orion, Michigan, and the Village of Lake Orion, whose principal office is located at 21 E. Church St., Lake Orion, Michigan, to set forth arrangements for the collection and remittance of property taxes levied by the Village of Lake Orion and collected by the Municipality;

WHEREAS, the Municipality, by and through its Treasurer, is obligated to collect and remit to the Village of Lake Orion the ad valorem property taxes authorized by election for Village of Lake Orion operating and debt service purposed according to MCL 211.42 and 211.43 (hereinafter "village tax collection") and;

WHEREAS, the Municipality and the Village of Lake Orion are authorized by MCL 211.43(4) to enter into an agreement to establish an alternative schedule for delivering tax collections to that schedule set forth in MCL 211.43(3);

NOW THEREFORE, the Municipality and the Village of Lake Orion agree as follows:

1. Remittance. With respect to all taxes collected by the Municipality for the Village of Lake Orion and DDA on or after July 1, 2025, the Municipal Treasurer shall account for and deliver to the Village the total amount of taxes collected for the Village of Lake Orion according to the State's Statutory Tax distribution schedule. The Municipality shall make said remittances (by transfer to an account designated by the Village of Lake Orion). In the event the bank where the Municipality deposits the taxes collected is closed, the payment shall be made on the first day following the re-opening of the bank.
2. Retained Interest. The Parties agree that the Municipality shall not be required to pay any bank earned interest on scheduled remittances made pursuant to this Agreement. Any bank earned interest earned by the Municipality while in possession of taxes collected shall remain the Municipality Property and shall be utilized towards coverage of reasonable expenses incurred by the Municipality associated with collecting and administration of property taxes as set forth in Sec. 3.
3. Tax Collection Charge. With respect to all Village Taxes collected by the Municipality for the Village of Lake Orion on or after July 1, 2025, 2026, and 2027, the Village shall pay a collection charge of one percent (1%) of scheduled collections to the Municipality due and payable to the Township within thirty (30) days of receipt of invoice from the Township. Both Parties represent, warrant, and agree that the amount set forth herein, including retained interest, as set forth in Sec. 2 above, reflects the reasonable expenses for tax collection. For purposes of this Agreement, "reasonable expenses" means fees that are proportional to the costs incurred by the Municipality for assessing property values, collecting property tax levies, and administering the review and appeal processes. If the Municipality determines that actual reasonable expenses exceed the anticipated costs, the Township may increase the collection charge by up to 10% to cover the additional expenses.

4. Current Law. This agreement is based on the law in Michigan as of the date of execution. In the event the applicable law is materially changed by future legislation, either party may terminate the Agreement upon providing thirty (30) days advance notice to the other party.

5. Term of Agreement. This Agreement shall become effective upon execution and shall continue until June 30, 2028. This Agreement may be extended for additional terms upon mutual written agreement by the parties, provided that any such extension is agreed to at least thirty (30) days prior to the expiration of the current term. Furthermore, the Village may terminate this Agreement at any time upon six (6) months' prior written notice.

6. Amendment. This Agreement may be amended by mutual agreement of the Parties in writing.

7. Limited Liability. In no event shall the Municipality be liable for any indirect, incidental, special, or consequential damages arising out of or in connection with this Agreement, whether in contract, tort, or otherwise. The Municipality's liability under this Agreement shall be limited to the collection fees received pursuant to this Agreement.

CHARTER TOWNSHIP OF ORION

Witness

Date: _____

By: _____

Chris Barnett, Supervisor

Witness

Date: _____

By: _____

Julia Dalrymple, Clerk

VILLAGE OF LAKE ORION

Witness

Date: _____

By: _____

Its: _____

Date: _____

Witness

Date: _____

By: _____

Its: _____

Date: _____