

**MACKINAC COUNTY LOCAL ROAD IMPROVEMENT PROGRAM
INTERGOVERNMENTAL AGREEMENT**

This Local Road Match Fund Program Agreement (“Agreement”) is made this ____ day of _____, 20____, by and between Mackinac County, Michigan, whose address is 100 S. Marley Street, St. Ignace, Michigan, 49781 (the “County”), the Mackinac County Road Commission (the “Road Commission”) and **CITY OF MACKINAC ISLAND** (the “City”).

RECITALS

WHEREAS, Public Act 156 of 1851, MCL 46.11(l) (the “Act”) enables the County to disburse funds from its general fund for local County road maintenance and improvement projects with the City; and

WHEREAS, the County has allocated certain funds from its general fund for local County road improvement projects within the County’s jurisdiction; and

WHEREAS, the Road Commission created the Road Commission Match Program for the disbursement and City match of the County’s general funds for local County road improvements; and

WHEREAS, on September 25, 2024, the Road Commission by resolution recommended the Road Commission Match Program be modified so that the funds be disbursed directly from the County to the City for the purpose of local County road improvements; and

WHEREAS, on **April 15, 1998** the County’s Board of Commissioners agreed upon creating the Local Road Match Improvement Program which will provide direct funding from the County to the City for local County road improvements; and

WHEREAS, the County and City desire to enter into this Agreement establishing terms and conditions for the City to participate in the Mackinac County Local Match Road Improvement Program, to ensure the funds are used for local County road improvements.

NOW, THEREFORE, in consideration of the premises and of the mutual undertakings in this Agreement, the parties agree as follows:

1. **Disbursements**. The County will disburse no less than \$10,000 to the City from its general fund (“Improvement Funds”) in September of every Agreement year for the purpose of local County road improvements and maintenance projects approved by the Road Commission, such approval shall not be unreasonably withheld.
2. **City Responsibilities**.
 - A. Upon receipt the City shall place the Improvement Funds in a separate fund distinct from the City’s general fund, and shall be limited for the sole purpose of local County road improvements and maintenance.

- B. Prior to the commencement of any local road improvements or maintenance project utilizing Improvement Funds, the City shall provide to the County Road Commission a contribution in an amount equal to the Improvement Funds allocated to the project.
- C. In the event the City fails to provide a matching contribution, the Road Commission shall not proceed with the proposed local road maintenance or improvement project.
- D. The City shall notify and provide the County and Road Commission with a financial statement identifying all Improvement Funds expensed in the Agreement year, and any remaining balance (which maybe accumulated from prior Agreement years) as of December 1st of each Agreement year.

3. Additional Maintenance. The Road Commission reserves the right to offer additional maintenance match to the City that requests additional assistance for the maintenance of local County roads.

4. Effective Date. This Agreement is contingent upon the approval of both the City Board and the County Board of Commissioners. The Agreement shall become effective as of the date of the City Board or County Board of Commissioners motion approving and adopting this Agreement, whichever is later.

5. Term. The term of this Agreement is ten (10) years from the Effective Date. This Agreement may be renewed for an additional five (5) year term through written modification of the Agreement and upon written mutual consent between the City and County.

6. Default. The City's failure to perform any of its obligations contained in this Agreement shall constitute a default. Upon such default, the County reserves the right to (1) suspend all further disbursements of Improvement Funds, (2) recover any unexpended or misused Improvement Funds, and (3) pursue any and all remedies available to it in law or equity. The prevailing party in any action to enforce this Agreement or to obtain legal or equitable relief for a default under this Agreement shall be entitled to recover its reasonable attorney fees and costs from the other party.

7. Termination. Either party may terminate this Agreement at any time and for any or no reason upon providing the other party with thirty (30) days' prior written notice.

8. Return of Improvement Funds. Upon termination or expiration of this Agreement, the City shall return to the County, within thirty (30) days after the effective date of termination or expiration, any remaining or unexpended Improvement Funds previously distributed. The parties agree that all obligations related to the return of Improvement Funds shall survive the termination or expiration of this Agreement.

9. **Indemnification.** The City agrees to indemnify and hold harmless the County for all liabilities, damages, expenses, and claims (including reasonable attorney's fees) arising from or related to any improper use of the Improvement Funds.
10. **Governing Law.** This Agreement shall be interpreted, construed, and enforced pursuant to and in accordance with the laws of the State of Michigan.
11. **Notice.** Notice under this Agreement may be given by hand delivery, or certified mail, postage prepaid, to the addresses above and is deemed received on the day hand delivered or on the third day after deposit if sent certified mail.
12. **Assignment.** No assignment of this Agreement or the rights and obligations hereunder shall be valid without the prior written consent of both parties.
13. **Waiver of Breach.** The waiver by either party of a breach or violation of any provision of this Agreement shall not operate as, or be construed to be, a waiver of any subsequent breach of the same or other provision hereof.
14. **Severability.** In the event that any provision of this Agreement is held to be unenforceable for any reason, the unenforceability thereof shall not affect the remainder of this Agreement, which shall remain in full force and effect and be enforceable in accordance with its terms.
15. **Amendments.** This Agreement may be amended or supplemented only by a written instrument signed by the parties.
16. **Entire Agreement.** This Agreement, as it may be amended or supplemented from time to time, constitutes the complete agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements, oral and written.
17. **Counterparts.** This Agreement may be executed in any number of counterparts and each such counterpart shall be considered a valid original.
18. **Successors.** This Agreement shall bind **CITY OF MACKINAC ISLAND**, as well as their respective officers, agents, and successors in interest.

IN WITNESS WHEREOF, the parties have executed this Agreement by their authorized representatives on the date indicated below.

**MACKINAC COUNTY BOARD OF
COMMISSIONERS**

By: _____

Dated: _____

Its: _____

CITY OF MACKINAC ISLAND

By: _____

Dated: _____

Its: _____