

January 28, 2014

The Regular meeting of the Otsego County Board of Commissioners was held at the Alpine Center in the Multi-Purpose Room, 800 Livingston Blvd. The meeting was called to order at 9:30 a.m. by Chairman Lee Olsen. Invocation by Commissioner Ken Borton, followed by the Pledge of Allegiance led by Bill Michaels.

Roll call:

Present: Tammy LaBouef, Paul Beachnau, Paul Liss, Lee Olsen, Erma Backenstose, Richard Sumerix, Doug Johnson, Ken Borton, Bruce Brown.

Motion by Commissioner Paul Liss, to approve the regular minutes of January 14, 2014 with attachments Ayes: Unanimous. Motion carried.

Consent Agenda:

Motion to approve the Parks and Recreation 2013 Budget amendment. Ayes: Unanimous. Motion carried. (see attached)

Motion to approve the Sportsplex operational agreement. Ayes: Unanimous. Motion carried. (see attached)

Sportsplex Millage public hearing was opened at 9:36 a.m.

Motion by Commissioner Doug Johnson, to approve the amendments to the Otsego County Community Recreation Plan 2012-2016. Ayes: Unanimous. Motion carried.

Motion by Commissioner Ken Borton, to approve the amendments to the Otsego County Capital Improvements Plan 2014-2019. Ayes: Unanimous. Motion carried.

City Liaison, Township and Village Representatives:
Bill Wishart reported on the City Council meeting.

The public hearing was closed at 10:26 a.m.

Correspondence:

Chairman Lee Olsen received a letter from the DNR.

New Business:

Motion by Commissioner Bruce Brown, to approve the January 21, 2014 Warrant in the amount of \$309,520.32 as presented. Ayes: Unanimous. Motion carried.

Motion by Commissioner Paul Liss, to approve the January 28, 2014, Warrant in the amount of \$221,642.27 as presented. Ayes: Unanimous. Motion carried.

Public Comment:

Chairman Lee Olsen opened up the meeting for public comment.

Board Remarks:

Commissioner Erma Backenstose had no report.

Commissioner Paul Liss reported on the transportation meeting.

Commissioner Bruce Brown had no report.

Commissioner Rich Sumerix reported on NEMCOG.

Commissioner Ken Borton had no report.

Commissioner Paul Beachnau reported on the Pigeon River Advisory Committee meeting and the Livingston Township meeting.

Commissioner Tammy LaBouef reported on the Housing Committee meeting.

Commissioner Doug Johnson reported on the Criminal Justice Coordinating Committee meeting.

Chairman Lee Olsen had no report.

Meeting adjourned at 11:00 a.m.

Lee F. Olsen, Chairman

Susan I. DeFeyter, Otsego County Clerk

**AGREEMENT FOR OPERATING AND MAINTAINING
OTSEGO COUNTY RECREATIONAL AND SPORTS FACILITY**

THIS AGREEMENT is made on the 28th day of January, 2014 by and between the County of Otsego, whose address is 225 W. Main Street, Gaylord, Michigan 49735 (hereafter "County") and the Otsego County Sportsplex, a Michigan non-profit corporation, whose address is 1250 Gornick Ave, Gaylord, Michigan 49735 (hereafter "Sportsplex")

Recitals

- A. WHEREAS, the County owns the Otsego County Sportsplex property, facilities and contents;
- B. WHEREAS, the Sportsplex has been incorporated pursuant to the provisions of Act 162 of the Michigan Public Acts of 1982, as amended, to construct, equip, lease or own, manage and operate a recreational and sports facility in the County, which includes, without limitation, an indoor ice skating rink and swimming pool for use by residents of the County and the public; and
- C. WHEREAS, on August 2, 1994; the electors of the County authorized the County Board of Commissioners to levy a tax of not to exceed .80 mills (\$.80 per \$1,000) for a period of 12 years, 1994 through 2005, inclusive (the "Capital Improvement Millage") to provide the funds required to acquire or construct, furnish, and equip a recreational and sports facility which would include an indoor ice skating rink and swimming pool for use by the residents of the County and the public; and
- D. WHEREAS, on November 7, 2006, the electors of the County authorized the County Board of Commissioners to levy a tax of not to exceed .25 mills (\$.25 per \$1,000) for a period of five years, 2006 through 2010 inclusive to provide the funds required to operate the recreational and sports facility; and
- E. WHEREAS, on November 2, 2010, the electors of the County also authorized County Board of Commissioners to levy a tax of not to exceed .25 mills (\$.25 per \$1,000) for a period of ten years, 2011 through 2020 inclusive (the "Sportsplex Operating Millage") to provide the funds required to operate the recreational and sports facility; and
- E. WHEREAS, the County first entered into an agreement in 1995 with the Sportsplex to operate the Sportsplex facility;
- F. WHEREAS, the County wishes to continue to hire the Otsego County Sportsplex to operate the Sportsplex facility;

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL AGREEMENTS

CONTAINED HEREIN, THE PARTIES AGREE AS FOLLOWS:

Agreement

1. **TERM.** The term of this Agreement shall commence on January 1, 2014, and shall terminate at the end of five (5) years thereafter, unless extended or terminated in accordance with the provisions hereof.
2. **SPORTSPLEX DUTIES & REQUIREMENTS.** The Sportsplex agrees to follow the following rules & procedures:

- A. **Annual Budget.** (i) Prior to September 1, 2014 and to each September 1st thereafter, Sportsplex shall prepare and present to the County a proposed budget for the operation of the Sportsplex for the subsequent fiscal year beginning January 1st.

The budget shall estimate the maximum amount of revenue which the County can obtain from: (1) the Sportsplex Operating Millage during the next fiscal year, (2) any unexpended amounts from the prior year's operations, (3) estimated revenues from fees and charges proposed to be charged for the operation of the Sportsplex facility for such year, and (4) other sources including, but not limited to, gifts, grants, and donations, (5) narrative on its operations and plans for the upcoming year.

Prior to December 31 each year, the Board of Commissioners shall approve a final budget for the operation of the Sportsplex facility which approval shall be accompanied by a resolution authorizing the levy of such amount of the Sportsplex Operating Millage as the Board of Commissioners deems appropriate. In addition, if sufficient money remains after payment of principal and interest due from the Capital Improvement Millage levied for such purposes, the Board of Commissioners may authorize its expenditure for capital improvement purposes after a request is received from Sportsplex. This authorization can be included in the final budget or in a separate resolution adopted by the Board of Commissioners.

If the Board of Commissioners fails to approve the budget by December 31st, Sportsplex shall submit a plan for closing the Sportsplex facility and on the following January 1st shall vacate the Sportsplex facility until the County Board of Commissioners approves the budget.

- B. **Balanced Budgets and Corrections of Quarterly Deficits.** Sportsplex agrees to operate the Sportsplex facility within the budgets approved by

the Board of Commissioners. Should any quarter's operations result in a deficit for such quarter, Sportsplex agrees to (a) immediately meet with the Otsego County Budget & Finance Committee to develop a satisfactory deficit correction plan, which may include increased fees or reduced expenses, or (b) should this action prove to be insufficient to correct the deficit operations, Sportsplex agrees increase fee revenue sufficiently to insure that the deficit will be repaid in the next two quarters.

- C. Failure to Operate Without a Deficit. Should Sportsplex fail to operate the Sportsplex facility within a balanced budget for more than six months, the County shall have the right to terminate this agreement.
- D. Fixing and Revising Rates; Rate Covenant. Sportsplex shall propose rates and charges for the use of the Sportsplex facility by residents of the County and the general public. Sportsplex covenants to propose rates and charges which will be sufficient, after taking into account the tax revenues expected to be appropriated by the County pursuant to Section 2 hereof, and including revenue from any other sources, to provide for the payment of the administration and operation expenses of the Sportsplex facility, such expenses for maintenance as may be necessary to preserve the Sportsplex facility in good repair and working order and expenses incurred in any subsequent expansion of the Sportsplex facility; and to provide for such other expenditures and funds for the Sportsplex facility as are required by this Agreement. After approval of the County, rates shall be fixed and revised from time to time by Sportsplex to produce the foregoing amounts, and Sportsplex covenants and agrees to maintain at all times such rates for services furnished by the Sportsplex facility as shall be sufficient to provide for the foregoing. The rates set for Otsego County residents shall be less than the rates set for non-resident visitors.
- E. 5-Year Capital Improvement Plan. The Sportsplex shall annually, by June 30, submit a five-year plan containing a list of planned building and equipment repairs, replacement or major maintenance schedule.
- F. Operating Year. The Sportsplex shall be operated on the basis of an operating year which shall coincide with the County's fiscal year.
- G. Establishment of Funds and Accounts; Flow of Funds. All operating revenues from the Sportsplex, including such operating tax revenues appropriated by the County, may be used by Sportsplex to meet its obligations under this Agreement and shall be deposited as collected and set aside in a depository account to be known as the "receiving fund, and shall be transferred periodically in the manner and at the times and in the order of priority hereinafter specified:

1. Operation and Maintenance Fund. All revenues received from the Sportsplex shall be set aside as collected in a fund to be designated "operation and maintenance fund." Operating tax revenues shall be deposited in the Fund as follows: on March 1st, such taxes as have been received by the County Treasurer by that time, and on May 1st, or as soon thereafter as the county Treasurer receives such taxes from the delinquent tax revolving fund, the balance of such taxes. Every quarter from the revenues in the receiving fund, there shall first be set aside in the operation and maintenance fund, such amount as is required, taking into account the monies expected to be received from the Sportsplex operating levy, to provide for the payment of the Sportsplex's current expenses of administration, operation, and such maintenance as may be necessary on a quarterly basis to preserve the Sportsplex in good repair and working order.

2. Capital Improvement Fund. Out of the remaining revenues in the receiving fund, there may be next set aside in the capital improvement fund such sums as Sportsplex may deem advisable. All monies in the capital improvement fund shall be used solely for capital improvements such as capital purchases, equipment (including Zambonis), and repairs, replacements, improvements, enlargements or extensions to the Sportsplex.

3. Appropriations of operating moneys or capital improvement moneys from the County. Any amount of operating moneys which are appropriated to the Sportsplex by the Board of Commissioners from the Sportsplex Operating Millage may be used for operations or capital improvements so long as the expenditures are included in the budget required by Section 2, Subsection A, or approved by a specific resolution of the Board of Commissioners.

4. Surplus Fund. Subject to having been approved in the budget required by Section 2, Subsection A, or to a specific approval by the Board of Commissioners, revenues remaining in the receiving fund at the end of any fiscal year after all periodic transfers have been made therefrom as above required shall be deemed to be surplus and may be left in the receiving fund or may be transferred to a fund to be designated "surplus fund" and subsequently transferred to any of the funds herein authorized. All revenues raised by rates and charges for use of the Sportsplex shall be used solely for the Sportsplex.

G. INVESTMENTS. All monies in the Sportsplex funds shall be deposited with a bank or trust company designated by the County and approved by Sportsplex. The monies in the several funds of the Sportsplex may be kept in one bank account, in which event the monies in the bank account shall be allocated on the books and records to the respective funds as

herein provided. Monies in the several funds and accounts shall be invested by the County Treasurer as authorized by law.

- H. REPAIRS. Sportsplex shall, at all times during the term of this Agreement, keep the Sportsplex and the premises in good condition and repair, shall make all necessary and desirable repairs, restorations and replacements thereof, structural and nonstructural, seen or unforeseen, and shall use all reasonable precautions to prevent waste, damage or injury. Sportsplex shall also maintain in good repair and free from dirt, snow, ice, rubbish and other obstructions or encumbrances, the sidewalks, parking areas, yards, plantings, gutters and curbs in front of and adjacent to the premises.
 - I. OPERATION AND MAINTENANCE. Sportsplex shall, at all times during the term of this Agreement, operate and maintain the Sportsplex and the premises. Operation shall include oversight and provision of activities related to the swimming pool, ice rink, energy outlet, and any other programs related to the facility. Maintenance shall include (but not be limited to) the providing of all utilities, snow removal, exterior ground care and all personnel services, equipment and supplies of whatever nature as shall be necessary or expedient for the operation and maintenance of the Sportsplex and the premises. Premiums for insurance required to be carried upon or with respect to the Premises or the use thereof and taxes or assessments levied upon any party hereto on account of the ownership or use thereof or rentals or income therefrom shall likewise be deemed operation and maintenance expenses. Sportsplex may employ such persons in such capacities as it deems advisable and may make such rules and regulations as it deems advisable and necessary to assure the efficient management and operation of the Sportsplex.
 - J. ALTERATIONS. After approval of the Board of Commissioners, Sportsplex may make such alterations, changes, additions or improvements in or to the interior or exterior of the Sportsplex or premises as it shall determine to be beneficial to the Sportsplex. Sportsplex shall make any changes or alterations in, on or about the Sportsplex which may be required by any applicable statute, charter, ordinance or governmental regulation or order. All alterations and improvements shall be at Sportsplex's sole expense. All alterations and improvements shall be the property of the County and shall remain upon and be surrendered to the County with the Sportsplex and the premises at the termination of this Agreement. Sportsplex shall save the County and the members of the Board of Commissioners harmless and free from all cost or damage in respect to any alterations to the Sportsplex or the premises.
3. COUNTY PERFORMANCE OF REPAIRS AND MAINTENANCE. In the event that Sportsplex fails or neglects to make all necessary repairs or to properly

maintain the Sportsplex or the premises or fulfill its other obligations as set forth in this Agreement, the County or its agents may, but are not in any way obligated to make such repairs, maintaining the Sportsplex and premises, or fulfilling such obligations. All costs and expenses incurred as a consequence of the County's actions shall be repaid by Sportsplex to the County within thirty days after Sportsplex receives copies of the receipts showing payment by the County for such repairs, maintenance or other obligations. Except in the case of emergency, the County shall give Sportsplex ten days written notice before taking any such action.

4. **INDEMNIFICATION.** The Sportsplex hereby agrees to defend, release, indemnify and save harmless the County, its officers, agents and employees from and against (a) any and all loss of or damage to property or injuries to or death of any person or persons, including property and employees or agents of the County, and (b) any and all claims, demands, suits, actions, liabilities, costs, expenses, or proceedings of any kind or nature whatsoever, of or by anyone whomsoever, in any way resulting from, or arising out of the condition, occupation, maintenance, alteration, repair, use, or operation of the premises or any part of it. . The Sportsplex's obligations set out in this paragraph shall survive the termination of this Agreement.

5. **INSURANCE.** The following insurance policies shall be obtained and kept in force during the entire term of this Agreement:
 - A. **Property Insurance.** The Sportsplex shall maintain, to be paid by the Sportsplex, property insurance which shall cover all real and personal property on the premises on a 100% replacement cost basis. Such policy shall be on an all risk policy form and shall insure against the perils of fire and extended coverage and physical loss or damage including, without limitation, flood, theft, vandalism, and malicious mischief.

 - B. **Liability Insurance.** The Sportsplex shall maintain commercial general liability insurance, excepting Subsection C below, to be paid by the Sportsplex.

 - C. **Employee/Board Liability Insurance.** The Sportsplex shall maintain, at its cost, liability insurance coverage for employees of the Sportsplex, its Board of Directors, and its operations. Such policy shall name the County as additional insured.

 - D. **Motor Vehicle Insurance.** The Sportsplex shall maintain, at its cost, motor vehicle insurance for all Sportsplex vehicles. Such policy shall name the County as additional insured.

 - E. **Workers Disability Insurance.** The Sportsplex shall maintain, at its cost, worker's disability insurance.

6. **DAMAGE OR DESTRUCTION.** In the event of the partial or total destruction of the Sportsplex facility during or after construction, or if the Sportsplex facility is for any reason made unusable, Sportsplex shall have no duty to operate the Sportsplex facility until it is repaired. Sportsplex shall give the County immediate notice of any damage or destruction.

If the County determines that it is in their best interest to repair, restore, or replace the Sportsplex facility, the County shall cause the prompt repair, replacement, and rebuilding of the Sportsplex facility. In such event, all insurance proceeds received by the County or the Authority, on account of such damage or destruction, less the actual cost, fees and expenses, if any, incurred in connection with adjustment of the loss, shall be deposited in the capital improvement fund and applied to pay for the cost of the restoration, including the cost of temporary repairs or for the protection of property pending the completion of permanent restoration, and shall be paid out from time to time as restoration progresses.

In no event shall the County be required to repair, replace, or rebuild the Sportsplex facility, nor to pay any of the costs or expenses thereof beyond or in excess of any insurance proceeds, plus any funds that Sportsplex contributes. To the extent the estimated cost of repairs exceeds the amount of any insurance proceeds, Sportsplex may pay such costs or expenses of repairs beyond or in excess of any insurance proceeds. Such amounts shall be deposited in the capital improvement fund prior to commencement of such repairs or restoration. If the actual costs of such repairs or restoration is less than the estimated cost, the amount of such excess, including any excess insurance proceeds, shall remain on deposit in the capital improvement fund. If the actual costs exceed the estimated cost, the County shall pay such additional amounts, which shall be reimbursed by Sportsplex as soon as there are sufficient Sportsplex revenues to do so after payment of operation and maintenance.

7. **OPERATIONAL INTEGRITY.** The County covenants and agrees with Sportsplex, subject to the performance by Sportsplex of all of the terms, covenants, and conditions of this Agreement to permit Sportsplex to operate the Sportsplex for the County.
8. **INSPECTION.** Without notice, the County, through its officers, employees or agents, may enter upon the Sportsplex at any time during the term of this Agreement for the purpose of inspecting the Sportsplex and determining whether Sportsplex is complying with the covenants, agreements, terms, and conditions hereof.
9. **SPORTPLEX BOARD.** The Sportsplex Board shall establish a policy containing the following within two (2) months of the start of this agreement:

- Minimum number of board members for the Sportsplex Board.
- Maximum number of board members for the Sportsplex Board.
- Length of term for Sportsplex Board members. Such terms shall be staggered.
- Board members shall annually (each January) inform the Sportsplex Board of any potential conflicts of interest, such notice shall be in writing.

Should the Sportsplex Board fail to approve such policy within the specified time, the County Board of Commissioners will establish the policy, and the Sportsplex Board shall implement the policy.

10. SPORTSPLEX REPRESENTATIONS AND WARRANTIES. Sportsplex represents and warrants that:

- a. Sportsplex is a Michigan nonprofit corporation which is exempt from federal income taxation under Section 501(c) (3) of the Code, duly organized, validly existing, and in good standing under the laws of the State of Michigan.
- b. Sportsplex has all requisite corporate power and authority to lease and operate the Sportsplex and carry on its business as now conducted and as Sportsplex contemplates such business to be conducted in the future.
- c. The execution, delivery, and performance by Sportsplex of this Agreement is within its corporate powers, has been duly authorized by all necessary action, and does not contravene or constitute a default under any provision of applicable law or regulations or of the Articles of Incorporation or Bylaws of Sportsplex, or of any agreement, judgment, injunction, order, decree, or other instrument binding upon it.
- d. The officers of Sportsplex who will execute this Agreement, and all other documents, instruments, and agreements required to be delivered or contemplated hereunder are or will be duly authorized to execute the same.
- e. This Agreement constitutes a valid and binding agreement of Sportsplex, except as may be limited by bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting the enforcement of creditors' rights and by general principles of equity.
- f. There is no action, suit, or proceeding pending or, to the knowledge of Sportsplex, threatened against Sportsplex before any court or arbitrator or any governmental body, agency, or official in which an adverse decision would materially and adversely affect the ability of Sportsplex to make any of its payment obligations under this Agreement or which in any manner questions the validity of this Agreement.

11. SPORTSPLEX COVENANTS. Sportsplex covenants and agrees that so long as

this Agreement shall remain in effect and until the full and final payment and performance of all obligations hereunder, unless the County waives compliance in writing:

a. Sportsplex will promptly inform the County of any occurrence which constitutes an event of default as defined in this Agreement or which, with the giving of notice or the lapse of time, or both, would constitute such an event of default and of any other occurrence which materially affects its financial condition adversely or its ability to comply with its obligations under this Agreement.

b. It is expected that the premises will be exempt from payment of real estate taxes. To the extent that the premises or the Sportsplex become subject to any form of ad valorem taxation, Sportsplex shall pay and discharge, before the same become delinquent, all taxes and assessments of whatever nature which may be levied or assessed against the premises or the Sportsplex, unless and to the extent only that such taxes or assessments shall be contested in good faith by appropriate proceedings and Sportsplex shall have set aside on its books adequate reserves with respect thereto.

c. Sportsplex shall maintain its existence as a Michigan nonprofit corporation in good standing in the State of Michigan and shall comply with all governmental laws, regulations, and orders applicable to it, the failure to comply with which would have a material adverse effect on the financial condition, business, or operations of Sportsplex or would affect the validity or enforceability of this Agreement.

d. Sportsplex shall maintain its tax-exempt status under federal income tax laws and regulations and none of its revenues, income or profits, either realized or unrealized, and none of its other assets or property will be distributed to any of its employees, or inure to the benefit of any private person, association or corporation, other than for the lawful corporate purpose of Sportsplex.

e. Subject to Section 20(b) hereof, Sportsplex shall not create or permit to exist any lien, mortgage, pledge, or other encumbrance on the premises.

12. ENVIRONMENTAL MATTERS. Sportsplex will not permit any of the premises to be contaminated or the source of contamination of any other property, by any substance that is now or hereafter regulated by or subject to any applicable federal, state, or local law, ordinance, rule, regulation or order that regulates or is intended to protect public health or the environment or that establishes liability for the investigation, removal, or clean up of, or damage caused by, any environmental contamination, including, without limitation, any law, ordinance, rule, regulation, or order that regulates or prescribes requirements for air quality, water quality, or the disposition, transportation, or management of waste materials or toxic substances (the foregoing are collectively referred to herein as

"environmental laws")

At its sole cost and expense, Sportsplex shall; (1) pay when due the cost of compliance with all relevant environmental laws; (2) keep the premises free of any lien imposed pursuant to any environmental laws; and (3) furnish the County with any reports on environmental assessments/audits of the premises.

Sportsplex shall indemnify and hold the County and the members of the Board of Commissioners, and its agents, officers, and employees, harmless from and against all costs, expenses, liabilities, losses, damages, injunctions, suits, actions, fines, penalties, claims and demands of every kind or nature, including reasonable attorney's fees, that shall be asserted against or incurred by any of the foregoing by reason of (a) any representation or warranty by Sportsplex in this section being inaccurate in any material respect; (b) any failure of Sportsplex to perform any of its obligations under this section; or (c) any past, present, or future condition or use of any part of the premises (whether known or unknown), other than an "excluded condition or use", including without limitation, liabilities arising under any environmental law. An "excluded condition or use" of the premises is one that (A) does not exist or occur, to any extent, at any time before Sportsplex has permanently given up possession and control of the premises, and (B) was not caused, or permitted to exist, in whole or in part, by any act or omission of Sportsplex. Indemnification of the County under this section shall not limit any other right or remedy that is available to the County. The indemnification under this section shall survive the termination of this Agreement.

13. DEFAULT AND TERMINATION. Each of the following shall constitute an event of default:

a. Sportsplex fails to submit and operate within the budgets required by Section 2.

b. Sportsplex fails to pay when due any amounts paid by the County for repairs or maintenance pursuant to this Agreement, and such failure shall continue for thirty days after notification from the County of the obligation by Sportsplex to make such payments.

c. Any representation or warranty made by Sportsplex in this Agreement, or which is contained in any certificate or other document delivered at any time pursuant to this Agreement proves to have been incorrect or incomplete in any material respect when made or deemed to be made.

d. Sportsplex fails to observe or perform any covenant or agreement contained in this Agreement or in any certificate or other document delivered pursuant to this Agreement (other than those covered by clauses a and b above) for thirty days after written notice thereof shall have been given to Sportsplex by the County.

e. Sportsplex files a petition in bankruptcy, insolvency, dissolution or for reorganization or arrangement under the laws of the United States or of any state, or voluntarily takes advantage of any such law or act or is dissolved or makes an assignment for the benefit of creditors.

f. If involuntary proceedings under any bankruptcy law or insolvency act or for the dissolution of a corporation are instituted against Sportsplex or if a receiver or trustee is appointed for all or substantially all of the property of Sportsplex and such proceedings are not dismissed or such receivership or trusteeship vacated within ninety days after such institution or appointment.

g. Sportsplex ceases to operate the Sportsplex or indicates its intention to do so.

14. REMEDIES IN EVENT OF DEFAULT. Remedies in Event of Default. If any event of default as defined in this Agreement shall occur and be continuing:

a. The County shall have the right, but not the obligation, to take any of the following action:

(i) The County may terminate this Agreement, or without terminating this prohibits Sportsplex from entering the premises.

(ii) As principal tenant of the Authority, the County shall have the right to enter the premises at all times.

(b) Sportsplex shall have the duty to promptly transfer or assign to the County all money, bank accounts, and assets of any kind related to operation of the Sportsplex upon any event of default.

The rights provided for in this Section 12 are cumulative and are not exclusive of any other rights, powers, privileges, or remedies provided by law or in equity.

15. WAIVER. No assent, expressed or implied, to any breach of any one or more of the terms and conditions of this Agreement shall be deemed to be or taken to be by the County or Contractor as a waiver of any subsequent breach of such terms and conditions or of any right the County or Contractor may have for damages.

16. OPTION TO RENEW. Upon expiration of the initial term of this Agreement, the Agreement shall be automatically renewed for an additional five (5) year term unless notice is provided by either party prior requesting termination of the agreement, such notice to be provided prior to October 27, 2018.

17. ASSIGNMENT. Sportsplex agrees not to sell, assign, mortgage, pledge or in any way transfer this Agreement or permit anyone other than the general public

to use the premises, in whole or in part, except as set forth in this Agreement.

18. AMMENDMENT. This Agreement contains the entire understanding and agreement of the parties as to the subject matter hereof and may be amended only by written agreement of all parties who are then bound by the terms hereof.

19. NOTICES. All notices, requests, and other communications to any party hereunder shall be in writing and shall be given to such party at its address set forth below or such other address as such party may hereafter specify:

If to Sportsplex: Otsego County Sportsplex
1250 Gornick Avenue
Gaylord, MI 49735
Attn: Sportsplex Director

If to the County: County of Otsego
225 W. Main Street, Room 203
Gaylord, MI 49735
Attn: County Administrator

20. NO DISCRIMINATION IN EMPLOYMENT. In connection with the performance of work under this Agreement, the Contractor agrees not to fail or refuse to hire, discharge, promote or demote, or to discriminate in matters of compensation, terms, conditions or privileges of employment against any person otherwise qualified, solely because of race, color, religion, national origin, gender, age, military status, sexual orientation, marital status, or physical or mental disability; and the Contractor further agrees to insert the foregoing provision in all subcontracts hereunder.

21. COMPLIANCE WITH LAWS. The Contractor shall comply with all provisions of federal, state, municipal, local and departmental laws, ordinances, rules, regulations, and orders which would affect the Agreement and the performance thereof and those engaged therein. This includes obtaining all applicable permits and licenses. If necessary, the County administrator will provide the Contractor with reasonable assistance in obtaining any required County licenses or permits. However, the Contractor shall not apply for any permits or licenses in the name of, or on behalf of, the County. If during the term of this Agreement any unforeseeable changes in such laws, ordinances, rules and regulations, or orders occur which result in actual significant increased costs to the Contractor, the Contractor may submit to the County a written request for an equitable adjustment to reimburse it for such costs. The request shall include documentation of the costs claimed by Contractor, identification of the change in law, ordinance, rule, regulation or order which caused the increased costs, and a statement of the reasons why the change was not reasonably foreseeable and the reasons why the change caused the increased costs. The County administrator may in his discretion grant or deny an equitable adjustment after

review of the information submitted by the Contractor.

22. SEVERABILITY. If any, part, portion or provision of this Agreement shall be found or declared null, void, or unenforceable for any reason whatsoever by any court of competent jurisdiction or any governmental authority having authority thereover, only such part, portion, or provision shall be affected thereby and all other parts, portions and provisions of this Agreement shall remain in full force and effect.
23. HEADINGS. The heading contained in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement.
24. ENTIRE AGREEMENT. The parties acknowledge and agree that the provisions contained herein constitute the entire agreement between the parties as to the subject hereof, and that all representations made by any officer, agent or employee of the respective parties unless included herein are null and void and of no effect. No alterations, amendments, changes or modifications to this Agreement shall be valid unless they are contained in an instrument, which is executed by all the parties with the same formality as this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

WITNESSES

COUNTY OF OTSEGO

By: _____

John M. Burt

Its: Otsego County Administrator

SPORTSPLEX

By: _____

Its: