

INTERLOCAL AGREEMENT
BETWEEN THE
CITY OF LATHRUP VILLAGE
AND THE
CITY OF LINCOLN PARK
AND THE
CITY OF ROSEVILLE
AND THE
CITY OF SOUTHGATE
AND THE
CITY OF STERLING HEIGHTS
AND THE
COUNTY OF WASHTENAW

This Agreement is entered into under Section 5 of Article 3 and Section 28 of Article 7 of the Michigan Constitution of 1963 and the Urban Cooperation Act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512 and the Property Assessed Clean Energy Act of 2010, PA 270, MCL 460.931 et. seq., between the CITY OF LATHRUP VILLAGE, the CITY OF LINCOLN PARK, the CITY OF ROSEVILLE, the CITY OF SOUTHGATE, the CITY OF STERLING HEIGHTS and the COUNTY OF WASHTENAW, for the purpose of establishing and creating the SOUTHEAST MICHIGAN REGIONAL ENERGY OFFICE COMMUNITY ALLIANCE, a separate legal entity and public body corporate to administer and execute the purposes and objectives of this Agreement.

RECITALS

- A. The local government entities wish to serve their communities by offering additional opportunities for energy efficiency project funding and thus enjoy the environmental and economic benefits of such projects.
- B. A property assessed clean energy program in each local government would be less efficient and more expensive than a single program administered cooperatively by a number of local governments providing services to all local governments.
- C. The Urban Cooperation Act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512, provides for the creation of an interlocal alliance to jointly exercise the powers, privilege, authority that the local governmental units share in common and each might exercise separately.
- D. The Property Assessed Clean Energy Act, P.A. 270 of 2010, MCL 460.931 to 460.949, authorizes local units of government to join with other local units of government, or with any person, to adopt property assessed clean energy programs and to create districts to promote the use of renewable energy systems and energy efficient improvements by owners of real property, and providing for the financing of same through voluntary property assessments and permitting the issuance of governmental bonds or notes to that end.
- E. The City of Lathrup Village is created as a municipal corporation and is authorized to enter into an interlocal agreement under both PA 7 of 1967 and PA 270 of 2010.
- F. The City Council of the City of Lathrup Village approves of the action to enter into this Interlocal Agreement, and prior to such approval the City of Lathrup Village held a public hearing of which notice was provided pursuant to the Open Meetings Act, 267 PA 1976, MCL 15.261 to 15.275.
- G. The City of Lincoln Park is created as a municipal corporation and is authorized to enter into an interlocal agreement under both PA 7 of 1967 and PA 270 of 2010.
- H. The City Council of the City of Lincoln Park approves of the action to enter into this Interlocal Agreement, and prior to such approval the City of Lincoln Park held a public hearing of which notice was provided pursuant to the Open Meetings Act, 267 PA 1976, MCL 15.261 to 15.275.

- I. The City of Roseville is created as a municipal corporation and is authorized to enter into an interlocal agreement under both PA 7 of 1967 and PA 270 of 2010.
- J. The City Council of the City of Roseville approves of the action to enter into this Interlocal Agreement, and prior to such approval the City of Roseville held a public hearing of which notice was provided pursuant to the Open Meetings Act, 267 PA 1976, MCL 15.261 to 15.275.
- K. The City of Southgate is created as a municipal corporation and is authorized to enter into an interlocal agreement under both PA 7 of 1967 and PA 270 of 2010.
- L. The City Council of the City of Southgate approves of the action to enter into this Interlocal Agreement, and prior to such approval the City of Southgate held a public hearing of which notice was provided pursuant to the Open Meetings Act, 267 PA 1976, MCL 15.261 to 15.275.
- M. The City of Sterling Heights is created as a municipal corporation and is authorized to enter into an interlocal agreement under both PA 7 of 1967 and PA 270 of 2010.
- N. The City Council of the City of Sterling Heights approves of the action to enter into this Interlocal Agreement and prior to such approval the City of Sterling Heights held a public hearing of which notice was provided pursuant to the Open Meetings Act, 267 PA 1976, MCL 15.261 to 15.275.
- O. The County of Washtenaw is created as a municipal corporation and is authorized to enter into an interlocal agreement under both PA 7 of 1967 and PA 270 of 2010.
- P. The Board of Commissioners of the County of Washtenaw approves of the action to enter into this Interlocal Agreement and prior to such approval the County of Washtenaw held a public hearing of which notice was provided pursuant to the Open Meetings Act, 267 PA 1976, MCL 15.261 to 15.275.

Accordingly, the City of Lathrup Village, the City of Lincoln Park, the City of Roseville, the City of Southgate, the City of Sterling Heights and the County of Washtenaw agree to the following:

ARTICLE I
DEFINITION

As used in this Agreement:

Section 1.01 “Act 7” means the Urban Cooperation Act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512, as amended from time to time.

Section 1.02 “Agreement” means this Interlocal agreement between the named Local Government Units and any additional Local Governmental Units subsequently approved for

entrance into the Community Alliance as provided in Section 4.05 and Article VII of this Agreement.

Section 1.03 “Budget Act” means the Uniform Budgeting and Accounting Act, 1968 PA 2, MCL 141.421 to 141.440a, as amended from time to time.

Section 1.04 “Community Alliance” means the Southeast Michigan Regional Energy Office Community Alliance, the public body corporate formed by the Parties to this Agreement.

Section 1.05 “Effective Date” means the date upon which all of the following are first satisfied, as provided under Section 10 of Act 7:

- (a) The Agreement is approved by the Governor.
- (b) The Agreement is filed with the County Clerk for the County of Oakland, Michigan.
- (c) The Agreement is filed with the County Clerk for the County of Washtenaw, Michigan.
- (d) The Agreement is filed with the County Clerk for the County of Macomb, Michigan.
- (e) The Agreement is filed with the County Clerk for the County of Wayne, Michigan.
- (f) The Agreement is filed with the Secretary of State.

Section 1.06 “Fiscal Year” means the fiscal year of the Community Alliance, which shall begin on October 1 of each year and end on the following September 30.

Section 1.07 “FOIA” means the Freedom of Information Act, 1976 PA 442, MCL 15.231 to 15.246, as amended from time to time.

Section 1.08 “Local Governmental Unit” means a county, city, village, township, or charter township.

Section 1.09 “OMA” means the Open Meetings Act, 1976 PA 267, MCL 15.261 to 15.275, as amended from time to time.

Section 1.10 “Party” or “Parties” means either individually or collective as applicable, the City of Lathrup Village, the City of Lincoln Park, the City of Roseville, the City of Southgate, the City of Sterling Heights or the County of Washtenaw as each is a signatory to this Agreement and any additional Local Governmental Units approved for entrance to the Community Alliance as provided in Section 4.05 and Article VII of this Agreement.

Section 1.11 “Person” means an individual, authority, limited liability company, partnership, firm, corporation, organization, association, joint venture, trust, governmental entity, Public Agency, or other legal entity.

Section 1.12 “Public Agency” means, as defined in part in Act 7, a political subdivision of this state or of another state of the United States or of Canada, including, but not limited to, a state government, a county, city, village, township, charter township, school district, single or multipurpose special district, or single or multipurpose public authority, a provincial government, metropolitan government, borough, or other political subdivision of Canada, an agency of the United States government, or a similar entity of any other states of the United States and of Canada.

Section 1.13 “State” means the State of Michigan.

ARTICLE II **PURPOSE**

Section 2.01 Purpose. The purpose of this Agreement is to create and empower the Community Alliance to jointly exercise the powers, duties, functions and responsibilities which the Parties to this Agreement share in common related to the promotion of renewable energy and energy efficiency in Southeast Michigan.

ARTICLE III **CREATION OF COMMUNITY ALLIANCE**

Section 3.01 Creation and Legal Status of the Community Alliance. The Community Alliance is established as a separate legal entity and public body corporate to be known as the “Southeast Michigan Regional Energy Office Community Alliance” for the purposes of acting as an authority pursuant to Act 7 and administering and executing this Agreement.

Section 3.02 Principal Office. The principal office of the Community Alliance is at 22757 Woodward Avenue, Suite 250. Ferndale, MI 48220.

Section 3.03 Title to Community Alliance Assets. Except as otherwise provided in this Agreement, the Community Alliance shall have exclusive title to all of its property and no Party shall have an ownership interest in Community Alliance property.

Section 3.04 Tax-exempt Status. The Parties intend the activities of the Community Alliance to be governmental functions carried out by an instrumentality or political subdivision of government as described in Section 115 of Internal Revenue Code of 1986, 26 USC 115, or any corresponding provisions of any future tax code. The Parties also intend the activities of the Community Alliance to be governmental functions carried out by a political subdivision of this State, exempt to the extent provided under Michigan law from taxation by this State, including, but not limited to, the Michigan business tax under the Michigan Business Tax Act, 2007 PA 36, MCL 208.1101 to 208.1601, and property taxes under General Property Tax Act, 1893 PA 206, MCL 211.1 to 211.157 or corresponding provisions of future State tax laws.

Section 3.05 Compliance with Law. The Community Alliance shall comply with all federal and State laws, rules, regulations, and orders applicable to this Agreement.

Section 3.06 Relationship of Parties. The Parties agree that no Party shall be responsible, in whole or in part, for the acts of the employees, agents, and servants of any other Party, whether acting separately or in conjunction with the implementation of this Agreement. The Parties shall only be bound and obligated under this Agreement as expressly agreed to by each Party. No Party may obligate any other Party.

Section 3.07 No Third-Party Beneficiaries. Except as otherwise specifically provided, this Agreement does not create in any Person, other than a Party, and is not intended to create by implication or otherwise, any direct or indirect benefit, obligation, duty, promise, right to be indemnified (such as contractually, legally, equitably, or by implication), right to be subrogated to any Party's rights under this Agreement, and/or any other right or benefit.

ARTICLE IV **COMMUNITY ALLIANCE BOARD**

Section 4.01 Community Alliance Board Composition. The Community Alliance shall be governed by the Community Alliance Board, a board of directors that shall take office within thirty (30) calendar days of the Effective Date. Elected officials and other public officers are eligible to serve as members of the Community Alliance Board to the extent permitted under Michigan law. The Community Alliance Board shall consist of one representative individual appointed by the governing body of each Party to this Agreement. Each Party shall have the authority to also remove or replace its representative to the Community Alliance Board.

Section 4.02 Term of Office. The members of the Community Alliance Board shall serve for a term of two (2) years.

Section 4.03 Meetings. The Community Alliance Board shall conduct its first meeting no later than forty-five (45) calendar days after the Effective Date, provided that a quorum of the Community Alliance Board has been appointed. The Community Alliance Board shall meet at least annually and hold such other meetings at the place, date, and time as the Community Alliance Board shall determine. All meetings of the Community Alliance Board shall comply with the OMA. Public notice of the time, date, and place of the meetings shall be given in the manner required by the OMA.

Section 4.04 Quorum and Voting. Forty percent (40%) of the Community Alliance Board shall be required to constitute a quorum for the transaction of business. The Community Alliance Board shall act by a majority vote at a meeting at which a quorum is present, except that no action shall be taken if the majority voting in favor of an action represents less than a third of the Community Alliance Board. A quorum shall be necessary for the transaction of business by the Community Alliance Board. Presence in person for both quorum and voting at a meeting may include interactive television by which such member of the Community Alliance Board can see and hear as well as be seen and be heard by the other

members of the Community Alliance Board and any members of the public attending the meeting.

Section 4.05 Community Alliance Board Responsibilities. The Community Alliance Board shall do all of the following by a majority vote of its members appointed and serving

- (a) Consistent with this Agreement and Act 7, adopt amendments to this Agreement as deemed necessary by the Community Alliance Board.
- (b) Adopt bylaws, rules, and procedures governing the Community Alliance Board and its actions and meetings. Initial bylaws shall be adopted within six (6) months of the first meeting of the Community Alliance Board.
- (c) Elect officers. Initial officers shall be elected within thirty days (30) of the first meeting of the Community Alliance Board.
- (d) Approve policies to implement day-to-day operation of the Community Alliance; including policies governing any staff of the Community Alliance.
- (e) Provide for a system of accounts to conform to a uniform system required by law, and review and approve the Community Alliance's budget to assure that the budgets are approved and administered in accordance with the Budget Act.
- (f) Provide for an annual audit in accordance with the Budget Act.
- (g) Adopt personnel policies and procedures.
- (h) Adopt policies and procedures for contracting and procurement.
- (i) Adopt an investment policy in accordance with 1943 PA 20, MCL 129.91 to 129.96, as amended from time to time, and establish banking arrangements for the Community Alliance.
- (j) Approve by a vote of at least two-thirds of the entire Community Alliance Board the entrance of a new Party to the Agreement creating the Community Alliance, if and when the Community Alliance Board determines it is advisable to add a Party to the Agreement.
- (k) Override by vote a decision of the Community Alliance Executive Committee.
- (l) Take such other actions and steps as shall be necessary or advisable to accomplish the purposes of this Agreement.

Section 4.06 **Fiduciary Duty.** The members of the Community Alliance Board are under a fiduciary duty to conduct the activities and affairs of the Community Alliance in the best interests of the Community Alliance, including the safekeeping and use of all Community Alliance monies and assets. The members of the Community Alliance Board shall discharge their duties in good faith, with the care an ordinarily prudent individual in a like position would exercise under similar circumstances.

Section 4.07 **Officers of the Board.**

- (a) **CEO.** The Community Alliance Board may select and retain a Chief Executive Officer (“CEO”). The Executive Committee shall be responsible for making a recommendation to the Board regarding who the CEO shall be, and for providing oversight of the CEO. The CEO shall administer the Community Alliance in accordance with the operating budget adopted by the Community Alliance Board, general policy guidelines established by the Community Alliance Board and the Community Alliance Executive Committee, other applicable governmental procedures and policies, and this Agreement. The CEO shall be responsible for the day-to-day operations of the Community Alliance, the control, management, and oversight of the Community Alliance’s functions, and supervision of all Community Alliance employees. All terms and conditions of the CEO’s length of service shall be specified in a written contract between the CEO and the Community Alliance.

- (b) **Other Officers.** The Community Alliance Board shall elect a President, Secretary and Treasurer of the Board, and other such officers as the Board deems appropriate. A person can hold more than one officer position, except that the President and Treasurer shall not be the same person.

Section 4.08 **Compensation.** The members of the Community Alliance Board shall receive no compensation for the performance of their duties. A Community Alliance Board member may engage in private or public employment, or in a profession or business, except to the extent prohibited by law. The Community Alliance may reimburse members of the Community Alliance Board for actual and necessary expenses incurred in the discharge of their official duties as provided by the Community Alliance Board.

Section 4.09 **Ethics and Conflicts of Interest.** The Community Alliance Board may adopt ethics policies governing the conduct of Community Alliance Board and the Community Alliance Executive Committee members, officers, appointees, and employees. State statutes, to the extent relevant, will govern ethical issues. Specifically, those officers, appointees, and employees of the Community Alliance who may be deemed to be public servants for the purposes of 1968 PA 317, MCL 15.321 to 15.330, as amended from time to time, shall follow all conflict of interest requirements imposed by that statute and any other applicable law. Except as may be preempted by MCL 15.328, the Community Alliance Board shall require that any member of the Community Alliance Board with a direct or indirect interest in any matter before the Community Alliance Board disclose the member’s interest to the governing body before the Board takes any action on the matter.

ARTICLE V
COMMUNITY ALLIANCE EXECUTIVE COMMITTEE

Section 5.01 Community Alliance Executive Committee. The Community Alliance Board shall create a Community Alliance Executive Committee. The Executive Committee shall be comprised of a representative from each of the WARM Training Center and the Michigan Suburbs Alliance, as well as the President of the Board and any two other individuals appointed by the Community Alliance Board. The Chief Executive Officer shall serve as an ex-officio (non-voting) member of the Executive Committee. The Community Alliance Board may from time to time approve the addition of other ex-officio (non-voting) members of the Executive Committee that do not affect quorum determinations.

Section 5.02 Representatives of Affiliated Organizations. The Michigan Municipal League, and other organizations by request of the Executive Committee, may designate a representative to attend meetings of the Executive Committee. Such representatives shall not be members of the Executive Committee.

Section 5.03 Term of Office. The members of the Community Alliance Executive Committee shall serve on the Executive Committee for a term of two (2) years.

Section 5.04 Quorum and Voting. A majority of the Community Alliance Executive Committee shall be required to constitute a quorum for the transaction of business, except that no quorum shall be deemed to exist unless either the President of the Board or one appointee of the Community Alliance Board is present. Presence in person for both quorum and voting at a meeting may include interactive television by which such member of the Community Alliance Board can see and hear as well as be seen and be heard by the other members of the Community Alliance Board and any members of the public attending the meeting.

Section 5.05 Meetings. The Community Alliance Executive Committee shall act by a majority vote of the voting members present at a meeting at which a quorum is present, except that no majority shall be deemed to exist unless either the President or an appointee of the Community Alliance Board shall have voted in favor of the action. All meetings of the Community Alliance Board shall comply with the OMA. Public notice of the time, date, and place of the meetings shall be given in the manner required by the OMA.

Section 5.06 Community Alliance Executive Committee Responsibilities. The Community Alliance Executive Committee shall have all the powers enumerated in Article VI except for those powers specifically reserved for the Community Alliance Board in Article IV.

Section 5.07 Fiduciary Duty. The members of the Community Alliance Executive Committee are under a fiduciary duty to conduct the activities and affairs of the Community Alliance in the best interests of the Community Alliance, including the safekeeping and use of all Community Alliance monies and assets. The members of the Community Alliance Board shall discharge their duties in good faith, with the care an ordinarily prudent individual in a like position would exercise under similar circumstances.

Section 5.08 Compensation. The members of the Community Alliance Executive Committee shall receive no compensation for the performance of their duties. A Community

Alliance Executive Committee member may engage in private or public employment, or in a profession or business, except to the extent prohibited by law. The Community Alliance may reimburse members of the Community Alliance Executive Committee for actual and necessary expenses incurred in the discharge of their official duties as provided by the Community Alliance Executive Committee.

Section 5.09 Ethics and Conflicts of Interest. The Community Alliance Executive Committee may adopt ethics policies governing the conduct of the Community Alliance Executive Committee. State statutes, to the extent relevant, will govern ethical issues. Specifically, those officers, appointees, and employees of the Community Alliance who may be deemed to be public servants for the purposes of 1968 PA 317, MCL 15.321 to 15.330, as amended from time to time, shall follow all conflict of interest requirements imposed by that statute and any other applicable law. Except as may be preempted by MCL 15.328, the Community Alliance Executive Committee shall require that any member of the Community Alliance Executive Committee with a direct or indirect interest in any matter before the Community Alliance Executive Committee disclose the member's interest to the governing body before the Executive Committee takes any action on the matter.

ARTICLE VI

GENERAL POWERS OF COMMUNITY ALLIANCE

Section 6.01 Powers Granted Under Act 7. In carrying out its purposes, the Community Alliance may perform, or perform with any Person, as applicable, any power, privilege or authority that the Parties share in common and that each might exercise separately to the fullest extent permitted under by Act 7. The Community Alliance shall not have the power to bind a Party, unless otherwise agreed to by the Party. The enumeration of a power in this Agreement shall not be construed as a limitation upon the powers of the Community Alliance or a Party, and is in addition to any powers authorized by law. Among other things, the Community Alliance may:

- (a) Make or enter into contracts, including, but not limited to, contracts for insurance, legal or accounting services.
- (b) Employ agencies or employees.
- (c) Acquire, construct, manage, maintain, or operate buildings, works or improvements.
- (d) Acquire, own, hold, operate, maintain, lease, or sell real or personal property and dispose of, divide, or distribute any property, including, but not limited to, equipment and office space.
- (e) Incur debts, liabilities, or obligations for local public improvements or economic development, subject to the limitations and conditions set forth in Act 7, that, except as expressly authorized by the Parties, do not constitute the debts, liabilities, or obligations of any of the Parties.

- (f) Cooperate with a Public Agency, an agency or instrumentality of the Public Agency, or another legal or administrative entity created by the Public Agency under Act 7.
- (g) Make loans from proceeds of gifts, grants, assistance funds, or bequests.
- (h) Form other entities necessary to further the purposes of the Agreement.
- (i) Sue and be sued in the name of the Community Alliance.
- (j) Determine each Party's allocation of the costs and expenses for the Community Alliance, including how often this determination shall be made.

Section 6.02 Additional Powers Granted Under Act 7. The Community Alliance shall also have the powers to:

- (a) Employ, appoint, engage, compensate, transfer, or discharge necessary personnel, subject to any provisions of applicable civil service and merit systems and Act 7.
- (b) Fix and collect charges, rates, rents, fares, fees, loan repayments, loan interest rates, or charges on loans.
- (c) Promulgate necessary rules and regulations and provide for their enforcement by or with the assistance of the Parties to accomplish the purposes of this Agreement.
- (d) Accept gifts, grants, assistance funds, or bequests and use the same for the purposes of this Agreement. The Community Alliance may apply for and accept grants, loans, or contributions from any source authorized by law. The Community Alliance may do anything within its power in accordance with applicable law to secure the grants, loans, or other contributions.
- (e) Respond for any liabilities that might be incurred through performance of this agreement and insure against any such liability.
- (f) Determine how costs and expenses are distributed among the Parties.
- (g) Adjudicate disputes or disagreements, the effects of the failure of a Party to pay its share of costs and expenses, and the rights of the other Party in such cases.
- (h) Engage auditors to perform independent audits of the financial statements and other activities of the Community Alliance.

- (i) Invest surplus funds or proceeds of grants, gifts, or bequests and adopt an investment policy in connection with the funds or proceeds
- (j) Employ legal, financial, and technical experts, other officers, agents, or employees, and accept voluntary provision of such services and function from donor individuals and entities.
- (k) Study, develop, and prepare the reports or plans that the Community Alliance considers necessary to further the purposes of this Agreement and monitor and evaluate performance under this Agreement.
- (l) Purchase and maintain insurance to protect against losses incurred or realized by the Community Alliance in the discharge of its functions.
- (m) Purchase and maintain insurance to protect members of the Community Alliance Board or officers or employees of the Community Alliance from personal loss or accountability from liability asserted by any Person for any acts or omissions of the Community Alliance.
- (n) Secure surety bonds for officers, employees, or contractors of the Community Alliance designated by the Community Alliance to directly handle and process state, federal, and other funds received by the Community Alliance.

Section 6.03 Additional Powers Granted Under PA 270 of 2010. The Community Alliance shall also have any and all powers granted to units of local government under the Property Assessed Clean Energy Act, PA 270 of 2010, as amended from time to time.

Section 6.04 Bonds or Notes. The Community Alliance shall not issue any type of bond for local public improvement or economic development in its own name except as authorized by Act 7. The Community Alliance shall not possess the power to in any way indebted a Party. Bonds or notes issued by the Community Alliance shall be the debt of the Community Alliance and not of the Parties. Bonds or notes issued by the Community Alliance shall be for an essential public and governmental purpose. Pursuant to Section 7(7) of Act 7 bonds or notes are exempt from all taxes by the State or any political subdivision of the State. Bonds or notes issued by the Community Alliance are subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821, as amended, and PA 270 of 2010, as amended from time to time.

Section 6.05 Tax Limitation. Pursuant to Section 7(3) of Act 7, the Community Alliance shall not levy any type of tax or special assessment. This shall not prohibit any member of the Community Alliance from executing its powers as a member of the Community Alliance under the Property Assessed Clean Energy Act, P.A. 270 of 2010, MCL 460.931 to 460.949, as amended from time to time.

Section 6.06 Limitation on Political Activities. The Community Alliance shall not spend any public funds on political activities. This section is not intended to prohibit the Community Alliance from engaging in activities authorized under the Michigan Campaign Finance Act, 1976 PA 388, MCL 169.201 to 169.282, as amended from time to time.

Section 6.07 No Waiver of Governmental Immunity. The Parties agree that no provision of the Agreement is intended, nor shall it be construed, as a waiver by any Party of any governmental immunity provided under Act 7 or other law.

Section 6.08 Non-Discrimination. The Community Alliance shall comply with all applicable laws prohibiting discrimination. The Community Alliance shall not fail or refuse to hire; recruit; promote; demote; discharge; or otherwise discriminate against a person with respect to employment, compensation, or a term, condition, or privilege of employment because of religion, race, color, national origin, age, sex, sexual orientation, height, weight, marital status, partisan considerations, or a disability or genetic information that is unrelated to the person's ability to perform the duties of a particular job or position. The Community Alliance shall not limit, segregate, or classify an employee or applicant for employment in a way that deprives or tends to deprive the employee or applicant of an employment opportunity or otherwise adversely affects the status of an employee or applicant because of religion, race, color, national origin, age, sex, sexual orientation, height, weight, marital status, partisan considerations, or a disability or genetic information that is unrelated to the person's ability to perform the duties of a particular job or position. The Community Alliance shall not provide services in a manner that discriminates against a person because of religion, race, color, national origin, age, sex, sexual orientation, height, weight, marital status, partisan consideration, a disability or genetic information that is unrelated to the person's ability to receive services from the Community Alliance.

ARTICLE VII

ADDITION OF MEMBERS

Section 7.01 Petition to Join. Any governmental body with the power to contract under PA 7 of 1967 and PA 270 of 2010 may petition the Community Alliance Board seeking to join. Upon approval of such petition by the Board pursuant to Section 4.05(j) of this Agreement, the applicant shall be admitted if it completes all of the following acts:

- (a) holds a public hearing of which notice was provided pursuant to the Open Meetings Act, 267 PA 1976, MCL 15.261 to 15.275;
- (b) receives all required approvals for its admission, including but not limited to adopting a resolution approved by its governing body ("Adopting Resolution") in substantially the form attached hereto as Exhibit A, and adopts this Agreement through incorporation by reference into the Adopting Resolution;
- (c) provides a certified copy of its Adopting Resolution to the Secretary of the Board, and executes and delivers to the Secretary of the Board a signature page to this Agreement in the form attached hereto as Exhibit B; and
- (d) pays any dues or other financial contribution required by the Board as a condition of admittance, provided that such dues or financial contribution shall not exceed that which has been paid to date by the members of the Community Alliance plus the sum needed to cover the costs related to the

admission of the new member (including but not limited to legal assistance, insurance premium changes, or similar expenses).

Section 7.02 Notice, Filing of Signature Pages, and Assimilation. The Secretary of the Board shall promptly cause notice of the admission of an applicant as a Party to this Agreement to be provided to the other Parties to this Agreement, and shall file with the Secretary of State and the County Clerks of each of the counties in which any of the Parties to this Agreement are located a copy of the additional signature page or pages of such additional Party or Parties. A new member shall have up to 30 days to appoint a member of the Community Alliance Board by delivering notice of same to the CEO and to all members of the Board. All actions of the Board, and all determinations of quorum, shall be based on the existing membership prior to the date of appointment of any new member (i.e., the number of board members shall not be deemed to increase) until the seventh day after the date of the notice of the appointment to the Board.

ARTICLE VIII

BOOKS, RECORDS, AND FINANCES

Section 8.01 Community Alliance Records. The Community Alliance shall keep and maintain at the principal office of the Community Alliance, all documents and records of the Community Alliance. The records of the Community Alliance, which shall be available to the Parties, shall include, but not be limited to, a copy of this Agreement along with any amendments to the Agreement. The records and documents shall be maintained until the termination of this Agreement and shall be returned to any successor entity or, if none, to the Michigan Suburbs Alliance, or any successor to the Michigan Suburbs Alliance.

Section 8.02 Financial Statements and Reports. The Community Alliance shall cause to be prepared, at Community Alliance expense, audited financial statements (balance sheet, statement of revenue and expense, statement of cash flows, and changes in fund balance) on an annual basis. Such financial statements shall be prepared in accordance with generally accepted accounting principles and accompanied by a written opinion of an independent certified accounting firm. A copy of the annual financial statement and report shall be filed with the Michigan Department of Treasury, or any successor agency, and shall be made available to each of the Parties.

Section 8.03 Audits. The Community Alliance shall provide for the conduct of audits in accordance with section 6 to 13 of the Budget Act, as amended from time to time, which shall be made available at the request of any Party. The Community Alliance Board shall establish a dedicated audit committee of the Community Alliance Board for the purpose of overseeing the accounting and financial reporting processes of the Community Alliance and audits of its financial statements. The Community Alliance shall establish specific duties and obligations of the audit committee and standards and qualifications for membership on the audit committee. The Community Alliance may require at least one member to be specifically knowledgeable about financial reports.

Section 8.04 Freedom of Information Act. The Community Alliance shall be subject to and comply with the Freedom of Information Act, as amended.

Section 8.05 Uniform Budgeting and Accounting Act. The Community Alliance shall be subject to and comply with the Budget Act, as amended from time to time. The CEO annually shall prepare and the Community Alliance Board shall approve a budget for the Community Alliance for each Fiscal Year. Each budget shall be approved by September 1 immediately preceding the beginning of the Fiscal Year of the Community Alliance.

Section 8.06 Deposits and Investments. The Community Alliance shall deposit and invest funds of the Community Alliance, not otherwise employed in carrying out of the purposes of the Community Alliance, in accordance with an investment policy established by the Community Alliance Board consistent with laws and regulations regarding investment of public funds.

Section 8.07 Disbursements. Disbursements of funds shall be appropriated in a budget adopted by the Community Alliance Board in accordance with Section 8.05 and in accordance with guidelines established by the Community Alliance Board.

Section 8.08 Performance Objectives. Each Fiscal Year, the CEO shall prepare objectives for the Community Alliance's performance for review and approval by the Community Alliance Board.

Section 8.09 Annual Reports. Not less than annually, the Community Alliance shall file with the Parties to this Agreement a report detailing the activities of the Community Alliance, and any additional information as requested by such Parties to this Agreement.

ARTICLE IX

DURATION OF AGREEMENT

Section 9.01 Duration. This Agreement and the Community Alliance shall commence on the Effective Date and shall continue in perpetuity until terminated by unanimous vote of the Parties.

Section 9.02 Withdrawal by Any Party. Any Party may withdraw from this Agreement upon one (1) month notice in writing to the Community Alliance. However, no withdrawal by a Party shall relieve such Party of any obligation, grant, or other agreement entered into in such Party's capacity as a Local Governmental Unit with the Community Alliance.

Section 9.03 Disposition under Termination. As soon as possible after termination of this Agreement, the Community Alliance shall finish its affairs as follows:

- (a) All of the Community Alliance debts, liabilities, and obligations to its creditors and all expenses incurred in connection with the termination of the Community Alliance and distribution of its assets shall be paid first.

- (b) The remaining assets, if any, shall be distributed to any successor entity, subject to approval by majority vote of the Parties to this Agreement. In the event that no successor entity exists, the remaining assets shall be distributed to the Parties equally, or as otherwise agreed by the Parties.

ARTICLE X **MISCELLANEOUS**

Section 10.01 Notices. Any and all correspondence or notices required, permitted or provided for under this Agreement to be delivered to any Party shall be sent to that Party by first class mail. All such written notices, including any notice of withdrawal under Article VII, shall be sent to each other Party's signatory to this Agreement, or to that signatory's successor. All correspondence shall be considered delivered to a Party as of the date that such notice is deposited with sufficient postage with the United States Postal Service. Any notice of withdrawal shall be sent via certified mail.

Section 10.02 Entire Agreement. This Agreement sets forth the entire agreement between the Parties and supersedes any and all prior agreements or understandings between them in any way related to the subject matter of this Agreement. It is further understood and agreed that the terms and conditions of this Agreement are contractual and are not a mere recital and that there are no other agreements, understandings, contracts, or representations between the Parties in any way related to the subject matter of this Agreement, except as expressly stated in this Agreement.

Section 10.03 Interpretation of Agreement. The Parties intend that this Agreement shall be construed liberally to effectuate the intent and purposes of this Agreement and the legislative intent and purposes of Act 7. All powers granted to the Community Alliance under this Agreement and Act 7 shall be broadly interpreted to effectuate the intent and purposes and not as a limitation of powers.

Section 10.04 Severability of Provisions. If any provision of this Agreement, or its application to any Person, Party, or circumstance, is invalid or unenforceable, the remainder of this Agreement and the application of that provision to other Persons, Party, or circumstances is not affected but will be enforced to the extent permitted by law.

Section 10.05 Governing Law. This Agreement is made and entered into in the State of Michigan and shall in all respects be interpreted, enforced, and governed under the laws of the State of Michigan without regard to the doctrines of conflict of laws. The language of all parts of this Agreement shall in all cases be construed as a whole according to its plain and fair meaning, and not construed strictly for or against any Party.

Section 10.06 Captions and Headings. The captions, headings, and titles in this Agreement are intended for the convenience of the reader and are not intended to have any substantive meaning or to be interpreted as part of this Agreement.

Section 10.07 Terminology. All terms and words used in this Agreement, regardless of the number or gender in which they are used, are deemed to include any other number and any other gender as the context may require.

Section 10.08 Cross-References. References in this Agreement to any Article include all sections, subsections, and paragraphs in the Article, unless specifically noted otherwise. References in this Agreement to any Section include all subsections and paragraphs in the Section.

Section 10.09 Jurisdiction and Venue. In the event of any disputes between the Parties over the meaning, interpretation, or implementation of the terms, covenants, or conditions of this Agreement, the matter under dispute, unless resolved between the Parties, shall be submitted to the courts of the State of Michigan. Any and all claims against this State must be brought and maintained in the Court of Claims in Ingham County notwithstanding Section 6421 of the Revised Judicature Act of 1961, 1961 PA 236, MCL 600.6421, as amended from time to time.

Section 10.10 Amendment. This Agreement may be amended or an alternative form of this Agreement adopted only upon written agreement of all Parties. The addition of a member pursuant to the procedures in Article VII (including addition as a signatory to this Agreement) shall not be deemed to be an amendment of this Agreement subject to this Section 10.10.

Section 10.11 Effective Date. This Agreement shall become effective as of the Effective Date.

[Signature Pages to Follow]

Signature Page

*Interlocal Agreement
Southeast Michigan Regional Energy Office Community Alliance*

This Agreement is executed by the authorized representatives of the Parties as indicated below:

CITY OF LATHRUP VILLAGE

By: _____
Frank M. Brock, Jr.
Its: Mayor

Date: _____, 2012

CITY OF ROSEVILLE

By: _____
John Chirkun
Its: Mayor

And

By: _____
Richard M. Steenland
Its: City Clerk

Date: _____, 2012

CITY OF LINCOLN PARK

By: _____
Patricia Diaz Krause
Its: Mayor

Date: _____, 2012

COUNTY OF WASHTENAW

By: _____
Verna McDaniel
Its: County Administrator

Date: _____, 2012

CITY OF SOUTHGATE

By: _____
Joseph G. Kuspa
Its: Mayor

Date: _____, 2012

CITY OF STERLING HEIGHTS

By: _____
Richard J. Notte
Its: Mayor

And

By: _____
Walter C. Blessed
Its: City Clerk

Date: _____, 2012

EXHIBIT A
SAMPLE ADOPTING RESOLUTION

WHEREAS, certain governmental units, listed on Schedule 1, have entered into an Interlocal Agreement creating the Southeast Michigan Regional Energy Office Community Alliance (“Community Alliance”).

WHEREAS, the Community Alliance was created for the local governmental entities to serve their communities by offering additional opportunities for energy efficiency project funding and thus enjoy the environmental and economic benefits of such projects; and

WHEREAS, a property assessed clean energy program in each local government would be less efficient and more expensive than a single program administered cooperatively by a number of local governments providing services to all local governments; and

WHEREAS, The Urban Cooperation Act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512, provides for the creation of an interlocal alliance to jointly exercise the powers, privilege, authority that the local governmental units share in common and each might exercise separately; and

WHEREAS, The Property Assessed Clean Energy Act, P.A. 270 of 2010, MCL 460.931 to 460.949, authorizes local units of government to join with other local units of government, or with any person, to adopt property assessed clean energy programs and to create districts to promote the use of renewable energy systems and energy efficient improvements by owners of real property, and providing for the financing of same through voluntary property assessments and permitting the issuance of governmental bonds or notes to that end; and

WHEREAS, [insert name of governmental entity] is a [enter type of entity] and is authorized by Michigan law to enter into the Interlocal Agreement under both PA7 of 1967 and PA 270 of 2010; and

WHEREAS, the [enter the form of governing body] of [enter the name of the local governmental entity] approves of the action to enter into this Interlocal Agreement, and prior to such approval the [enter name of local governmental entity] held a public hearing of which notice was provided pursuant to the Open Meetings Act, 267 PA 1976, MCL 15.261 to 15.275.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS;

RESOLVED, that the Governing Body adopts the Interlocal Agreement attached hereto as Exhibit A and which is incorporated in this Resolution by reference thereto and agrees to join with other local governmental entities to become a party to the Interlocal Agreement under the terms of such Agreement.

BE IT FURTHER RESOLVED, that the Governing Body agrees to and concurs in the appointment of those either being appointed, to be appointed or currently serving as members of the Community Alliance Executive Committee created under the Interlocal Agreement and

recognizes those Executive Committee members and their successors as the appointees of the Community Alliance Board.

BE IT FURTHER RESOLVED, that the members of the Governing Body and the [authorized persons of the local governmental entity], and each of them, be and the same are hereby authorized for and on behalf of the Governing Body to enter into and sign any and all documents which are necessary or advisable with respect to the foregoing Resolutions and to comply fully with the intent and purposes of the foregoing Resolutions. Specifically, the members of the Governing Body and the [authorized persons of the local governmental entity], and each of them, are authorized to take any actions required by Section 7.01 of the Interlocal Agreement or by the Community Alliance Board with regard to the addition of [enter the name of the local governmental entity] as a party to the Interlocal Agreement.

SCHEDULE 1
to the
ADOPTING RESOLUTION

The following are the local governmental entities which have entered into the Interlocal Agreement to create the Southeast Michigan Regional Energy Office Community Alliance:

CITY OF LATHRUP VILLAGE

CITY OF LINCOLN PARK

CITY OF ROSEVILLE

CITY OF SOUTHGATE

CITY OF STERLING HEIGHTS

COUNTY OF WASHTENAW

EXHIBIT A
to the
ADOPTING RESOLUTION

Please find the Interlocal Agreement to create the Southeast Michigan Regional Energy Office Community Alliance attached.

EXHIBIT B
SUPPLEMENTAL SIGNATURE PAGE
FOR ADDITIONAL PARTIES TO THE AGREEMENT

SIGNATURE PAGE TO INTERLOCAL AGREEMENT

This signature page is to that certain Interlocal Agreement between the City of Lathrup Village, the City of Lincoln Park, the City of Roseville, the City of Southgate, the City of Sterling Heights, the County of Washtenaw [and other Local Governmental Units which are added as Parties from time to time] establishing and creating the Southeast Michigan Regional Energy Office Community Alliance (as the same may be amended from time to time, the “Agreement”).

By execution and delivery of this signature page, the undersigned shall, and does hereby, become a Party to the Agreement as if an original signatory thereto, and hereby ratifies and confirms its obligations under the Agreement, all in accordance with the terms thereof.

This signature page to the Agreement is executed by the authorized representative of the Party as indicated:

[INSERT NAME OF ADDED GOVERNMENTAL UNIT]

By: _____

Its: _____

Date: _____, 20__