



West Michigan Regional Water Authority

4814 Henry Street

Norton Shores, MI 49441

Special Meeting Agenda

January 25, 2018 – 1:30 p.m.

Location: City Hall – City of Norton Shores

- A) Call to Order by Chair
- B) Adoption of Agenda
- C) Adoption of minutes from the Regular Meeting of September 28, 2017
- D) Public forum/Public input
- E) Committee Reports
- F) Treasurer's Report
- G) Old/New Business
 - 1. Quote for Level Control Valve at Airline Rd Water Tower
 - 2. T-Mobile Cell Site Lease Amendment Request
 - 3. FY- 2017 Audit
 - 4. Information - Broadway Avenue Water Main Upgrade
- H) Comments from the Board
- I) Adjournment

WEST MICHIGAN REGIONAL WATER AUTHORITY
Minutes of September 28, 2017 Board Meeting

A regular meeting of the West Michigan Regional Water Authority was called to order on Thursday, September 28, 2017 at 1:39 p.m. in the Large Conference Room, Norton Shores City Hall, 4814 Henry Street.

Members Present: Board Members Jerry Bartoszek, Ron Langlois, Mike Huston, and Heidi Tice

Members Absent:

Adoption of Agenda

The adoption of the agenda was accepted by consensus.

Adoption of Minutes

Secretary Ron Langlois moved to adopt the minutes from the Organizational Meeting of July 12, 2017. The motion was seconded by Vice Chair Heidi Tice. The motion was carried unanimously.

Old/New Business:

1. Appointment Confirmation of Attorney

Vice Chair Heidi Tice moved to confirm Ron Bultje as the Water Authority Attorney. The motion was seconded by Treasurer Mike Huston. The motion was carried unanimously.

2. AT&T Cell Site Lease

Vice Chairman Heidi Tice moved not to renegotiate the current cell site lease with AT&T. The motion was seconded by Secretary Ron Langlois. The motion was carried unanimously.

3. Information – Broadway Avenue Water Main Upgrade

Chair Jerry Bartoszek notified the board that the engineering services for the upgrades to the Broadway water main and road replacement has been contracted to Prein and Newhof. He also stated that the 1st phase from Bailey Street to US31 will begin in 2018 and the 2nd phase from Bailey Street to Getty Street will begin in 2019.

Comments from the Board

Chair Jerry Bartoszek stated that the next Water Authority meeting falls on Thanksgiving Day, and should be cancelled if nothing comes up.

Treasurer Mike Huston notified the board that the auditors were arriving in October and should be completed by mid-November. Mike informed the board that as of June 2017, \$450,000 in cash was available, that all the bonds are paid, and \$260,000 was in reserves.

The meeting adjourned at 1:54 p.m.

Ron Langlois, Secretary



QUOTATION		
DATE	NUMBER	PAGE
12/14/2017	0010183	1 of 2

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FRUITPORT TOWNSHIP.
6543 AIRLINE ROAD
FRUITPORT, MI 49415

Accepted By: _____
Company: _____
Date: _____
PO#: _____

ATTENTION:
RON LANGLOIS 231-865-3151 RLANGLOIS@FRUITPORTTOWNSHIP.COM

WE ARE PLEASED TO PROPOSE THE FOLLOWING FOR YOUR CONSIDERATON:

CUSTOMER REF/PO#	JOB TITLE	SLP	SHIPPING TYPE
QUOTE	FRUITPORT TOWNSHIP., W. MICH REG. WATER AUTH., SINGER, LEVEL CONTROL VALVE	REA/RDW	FREIGHT ALLOWED

QTY	DESCRIPTION	UNIT PRICE	EXTENDED
1.00	SINGER, VALVE, LEVEL CONTROL 20" S106-A TYPE 3 - LEAD FREE COMPLIANT - 301-5: 60-225FT SET AT 160FT - 625-RPD: 2-8PSID (4.6-18.5FT) SET AT 4.3PSID (10 FT) - SCHEMATIC AND IOM: A-0414D - EXISTING MODEL 301-5 PILOT TO BE RE-USED. - MAIN VALVE CONVERSION FROM EXISTING PG (SINGLE CHAMBER) TO PT (DOUBLE CHAMBER): HARD GOODS + SOFT GOODS + PILOT SYSTEM	16,697.00	16,697.00

1.00	FRUITPORT LEVEL CONTROL FS THIS QUOTE IS FOR FIELD SERVICE REQUIRED ON YOUR ABOVE REFERENCED PUMP STATION:	4,925.00	4,925.00
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FIELD SERVICE LABOR REQUIRED:

KENNEDY INDUSTRIES WILL PROVIDE (2) FIELD SERVICE TECHNICIAN(S) ONSITE TO CONVERT EXISTING 20" SINGER VALVE TO DUAL CHAMBER VALVE.

KENNEDY INDUSTRIES WILL PROVIDE (1) FIELD SERVICE TECHNICIAN(S) ONSITE TO ON A SECOND DAY TO PERFORM START UP ON THE NEWLY INSTALLED VALVE.

WE WILL NOT PROCEED WITH THIS FIELD SERVICE UNTIL GIVEN AUTHORIZATION. PLEASE PROVIDE WRITTEN OR VERBAL AUTHORIZATION SO THAT WE MAY RESPOND TO YOUR REQUIREMENTS.

IF YOU HAVE ANY QUESTIONS, COMMENTS, OR ARE IN NEED OF ANY ADDITIONAL INFORMATION, PLEASE FEEL FREE TO CONTACT ME AT (248) 684-1200.

SINCERELY,

THERESA KAERCHER
(248) 529-2966
TKAERCHER@KENNEDYIND.COM

JH/TMK
CC: REA

QUOTATION AND INFORMATION FOR YOUR REVIEW AND CONSIDERATION IN CONVERTING THIS S/N 1015-58 SINGLE CHAMBER 2-WAY FLOW ALTITUDE VALVE TO A DOUBLE CHAMBER TWO-WAY FLOW ALTITUDE VALVE AS PER SCHEMATIC A-10661A.



QUOTATION		
DATE	NUMBER	PAGE
12/14/2017	0010183	2 of 2

QTY	DESCRIPTION	UNIT PRICE	EXTENDED
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VALVES DO NOT MEET AIS OR BUY AMERICAN REQUIREMENTS

TAXES ARE NOT INCLUDED

SHIPMENT: APPROXIMATELY 4-6 WEEKS AFTER RECEIPT OF ORDER

THANK YOU FOR THE OPPORTUNITY TO QUOTE OUR EQUIPMENT

SINCERELY
RICK ALVAREZ / RYAN WILLIAMS

This quote is subject to and incorporates by reference Kennedy Industries, Inc.'s ("Kennedy") Terms & Conditions and Customer Warranty available at www.kennedyind.com which will be provided by email upon written request. Kennedy reserves the right to changes the Terms & Conditions and Customer Warranty for future orders. By accepting this quote and/or issuing a purchase order relative to this quote, buyer expressly agrees to the provisions set forth in the Terms & Conditions and Customer Warranty posted on Kennedy's website.

CREDIT CARD PAYMENTS ARE SUBJECT TO AN ADDITIONAL 3% CHARGE
NO TAXES OF ANY KIND ARE INCLUDED IN THIS PROPOSAL

TOTAL: \$21,622.00

P.O. Box 930079 Wixom, MI 48393 - 4925 Holtz Drive Wixom, MI 48393 - Phone: 248-684-1200 - Fax: 248-684-6011

www.KennedyInd.com

Jerry Bartoszek

From: Enrique Rodriguez [ERodriguez@blackdotcapital.com]
Sent: Wednesday, December 20, 2017 6:43 PM
To: Jerry Bartoszek
Subject: T-Mobile Site #: MU04616M | Lease #: 142488 | Focus #: MF-309220.1 - extension
Attachments: 309220.1_T-Mobile Authorization.pdf; 309220.1_T-Mobile New Terms_V1.pdf; T-Mobile Sample Amendment.pdf

Importance: High

-
- JerryBartoszek
- Norton Shores Township
- 4814 Henry St.Norton Shores,Michigan49441
-

Re: T-Mobile Site #: MU04616M | Lease #: 142488 | Focus #: MF-309220.1 - extension

As discussed in a previous phone call, attached please find Term Sheet and Sample Amendment to Ref. T-Mobile Lease Agreement.

We include Letter of Authorization, as credential to conduct this process.

- All previously agreed language will be honored, except where new language is approved by this amendment (Please review sample attached).
- Any separate agreed utility/tax payments are to stay untouched by this amendment.

Upon review and approval of these terms, please initial and return all pages attached via email (Please confirm questions in the bottom area of Term Sheet).

We will then produce a DocuSign executable amendment for signatures.

I'll follow up with a call in the next days to answer any questions you may have.

If you have questions upon receiving this message, please feel free to call from 7:30am to 11:30am Pacific Time, to the direct number below.

We appreciate your prompt response to this letter and look forward to your continued relationship with T-Mobile.

Enrique Rodriguez, Lease Consultant

BLACKDOT

27271 Las Ramblas, Suite 300, Mission Viejo, CA 92691

O: 949-271-7881 | erodriguez@blackdotcapital.com

www.blackdotcapital.com



December 20, 2017

Jerry Bartoszek

Norton Shores Township

4814 Henry St. Norton Shores , Michigan 49441

Subj: Black Dot Is an Authorized Contractor for T-Mobile

Re: MU04616M / 6543 Airline Rd Fruitport , Michigan 49415

Dear Landlord:

Thank you for being a T-Mobile strategic partner under our lease/license agreement that allows us to operate a telecommunications facility on a portion of your property.

We are writing so that you know about Black Dot – a T-Mobile authorized contractor that will be in communication with you on our behalf. The purpose of Black Dot's work is to jointly review your lease agreement and to consider options for renegotiation.

As part of this work, Black Dot and perhaps their subcontractors, may wish to access the wireless T-Mobile facility on your property. When this is necessary, Black Dot will of course provide the required advance notice per our agreement with you.

Thank you for your cooperation and for being responsive to Black Dot's communications. If you would like to contact Black Dot, please reach out to their site leasing team at this phone number (844) 395-0086 or at this email address tmobilelandlords@blackdotwireless.com

Sincerely,

Alan Tantillo

Senior Director Title

T-Mobile National Development Black Dot

Phil Ackerman

Executive Vice President

Black Dot Wireless



LEASE EXTENSION PROPOSAL – TERM SHEET

To: Jerry Bartoszek
From: Enrique Rodriguez on behalf of T-Mobile
Subject: Site #: MU04616M | Lease #: 142488 | Focus #: MF-309220.1
Date: December 20, 2017

On the terms and conditions set forth below, T-Mobile would consider extending its existing lease agreement for the site located at:

Property / Site Address: 6543 Airline Rd Fruitport , Michigan 49415
Current Term Expiration Date: May 13, 2019

New Rent

A. New Base Rent \$1,729.14
 B. New Rent Frequency Monthly
 C. New Escalations 3 %
 D. New Escalation Frequency Term

New Term

A. Number of Renewal Terms 6
 B. Renewal Term Length (months) 60

Rent Guarantee Period

A. Rent Guarantee Period (months) 120
 B. Rent Guarantee Value \$210,714.56

Other

- A. Please verify or write in the correct legal ownership for this Property. Is this correct? Yes / No
 Norton Shores Township
- B. Please verify or write in the correct address for the Property where the Site is located. Is this correct? Yes / No
 6543 Airline Rd Fruitport , Michigan 49415
- C. Please verify or write in the correct address for notice and correspondence. Is this correct? Yes / No
 4814 Henry St. Norton Shores , Michigan 49441

Landlord Initial: _____

Tenant Initial: _____

**This proposal will expire at the close of business 10 days from the date of this Term Sheet unless extended by a T-Mobile officer or director. Landlord may consent to the above terms outlined above by initialing as indicated above and returning to T-Mobile (add POC). Please note that this proposal is not a binding commitment and is subject to review and approval of documentation by all parties. Participation in this program is not required and T-Mobile will continue to abide by the terms of the original Lease Agreement between the parties, including exercising termination rights where they exist. If the parties agree to move forward with the proposed lease extension, they will enter into a mutually acceptable lease amendment, which documents the agreed upon terms and conditions in this Term Sheet.

[NUMBER OF AMENDMENT] AMENDMENT TO [LEASE TITLE]

This [NUMBER OF AMENDMENT] Amendment to [LEASE TITLE] (the "**Amendment**") is effective as of the date of execution by the last party to sign (the "**Effective Date**") by and between [LL VESTING], a [LL ENTITY] ("**Landlord**") and [TMO ENTITY], a [TMO ENTITY] ("**Tenant**") (collectively, the "**Parties**").

Landlord and Tenant (or their predecessors-in-interest) entered into that certain [LEASE TITLE] dated [DATE], [including all prior amendments] ([collectively], the "**Lease**") regarding the premises located at [ADDRESS] (the "**Premises**"), and

Landlord and Tenant desire to amend the Lease on the terms and conditions set forth herein.

NOW, for good and valuable consideration, Landlord and Tenant agree as follows:

1. Rent.

a. **[Monthly:]** Starting on the New Commencement Date, Tenant shall pay Landlord _____ Dollars (\$____) per month ("**Rent**") in advance, by the fifth (5th) day of each month. Where duplicate Rent would occur, a credit shall be taken by Tenant for any prepayment of Rent by Tenant. **<OR> [Annual:]** Starting on the New Commencement Date, Tenant shall pay Landlord rent in the amount of _____ Dollars (\$____) on an annual basis, and thereafter on each anniversary of the New Commencement Date (the "**Rent**"). Where duplicate Rent would occur, a credit shall be taken by Tenant for any prepayment of Rent by Tenant.

b. Rent shall not be adjusted for inflation or increased by any percentage, and will remain the aforementioned amount for each successive Renewal Term as indicated by way of this Amendment.

2. Renewal Terms.

a. The parties hereby wish to supersede and replace the term and any renewal terms of the Lease. Now, the new initial term of the Lease shall be five (5) years commencing on _____ 1, 2017 (the "**New Commencement Date**"), and ending on the day immediately preceding the fifth (5th) anniversary of the New Commencement Date (the "**New Initial Term**"). The New Initial Term, together with any Renewal Terms are referred to collectively as the "**Term.**"

b. The New Initial Term shall automatically renew for _____ (____) successive renewal terms of five (5) years each (each a "**Renewal Term**"), unless Tenant notifies Landlord in writing of Tenant's intention not to extend the Lease at least thirty (30) days prior to the expiration of the New Initial Term or any Renewal Term.

3. **Modification of Tenant's Obligation to Pay – Rent Guarantee.** Starting on the New Commencement Date, Tenant's obligation to pay Rent is guaranteed for the period of _____ () years ("**Rent Guarantee Period**"). Tenant's obligation to pay Rent during the Rent Guarantee Period shall not be subject to offset or cancellation by Tenant unless any of the following exceptions apply: a) local, state or federal laws materially adversely affect Tenant's ability to operate; (b) the Premises or Antenna Facilities are damaged or destroyed by wind, fire or other casualty and the Premises cannot be restored within a six-month time period; c) the Property is foreclosed upon and Tenant is unable to maintain its' tenancy; d) Landlord requires Tenant to relocate its Antenna Facilities which adversely affect Tenant's ability to operate the Antenna Facilities or e) Landlord breaches the Lease and the default issue is not cured within the appropriate cure period. This Rent Guarantee shall not apply to any increases in the Rent after the execution of this Amendment.

4. **Access.** Landlord shall furnish, at no additional charge to Tenant, unimpeded access to the Premises on a 24-hours-a-day, 7-days-a-week basis to Tenant and Tenant's employees, agents, contractors and other designees.

5. **Permitted Use.** The Premises may be used for: (a) the transmission and reception of communication signals; and (b) the construction, installation, operation, maintenance, repair, addition, upgrading, removal or replacement of any and all Antenna Facilities (collectively, the "**Permitted Uses**").

6. **Expansion.** Tenant shall have the right to enlarge the Premises, to the extent practicable, so that Tenant may implement any necessary upgrades and additions ("**Additional Premises**"), for an increased monthly rent of One and 50/100 Dollars (\$1.50) per square foot. Addition of coaxial cables, raceways, conduits and other ancillary equipment shall not require increased Rent.

7. **Notice.** All notices, requests, demands and other communications shall be in writing and shall be effective three (3) business days after deposit in the U.S. mail, certified, return receipt requested or upon receipt if personally delivered or sent via a nationally recognized courier to the addresses set forth below. Landlord or Tenant may from time to time designate any other address for this purpose by providing written notice to the other party.

If to Tenant:

T-Mobile USA, Inc.
12920 SE 38th Street
Bellevue, WA 98006
Attn: Lease Compliance/<SITE NUMBER>

If to Landlord:

<LL Name>
<LL Mailing Address>
<City, State, Zip>

8. **Termination.** Tenant may terminate this Agreement without further liability, upon thirty (30) days prior written notice to Landlord, for any of the following reasons: (i) changes in local or state laws or regulations which adversely affect Tenant's ability to operate; (ii) a Federal Communications Commission ("**FCC**") ruling or regulation which is beyond the control of Tenant; (iii) technical or economic reasons; or (iv) if Tenant is unable to obtain any Governmental Approval required for the construction or operation of Tenant's Antenna Facilities. Additionally, upon ninety (90) days prior written notice to Landlord, Tenant may terminate this Agreement for any or no reason.

9. **Tenant Assignment.** Tenant shall have the right to assign, or otherwise transfer this Agreement, upon Tenant's delivery to Landlord of written notice of any assignment, or transfer by Tenant. Tenant shall be relieved of all liabilities and obligations and Landlord shall look solely to the assignee, or transferee for performance under this Agreement. Upon receipt of a written request from Tenant, Landlord shall promptly execute an estoppel certificate. Tenant shall have the right to sublease the Agreement without the need for Landlord consent.

10. **Bandwidth.** Tenant shall have the right to transmit and receive on any and all frequencies for which Tenant has been granted a license by the FCC.

11. **Memorandum of Lease.** Landlord will execute a Memorandum of Lease at Tenant's request. If the Property is encumbered by a deed, mortgage or other security interest, Landlord will also execute a subordination, non-disturbance and attornment agreement.

12. **Miscellaneous.**

a. Any charges payable under this Agreement other than Rent shall be billed by Landlord to Tenant within twelve (12) months from the date in which the charges were incurred or due; otherwise the same shall be deemed time-barred and be forever waived and released by Landlord.

b. Landlord and Tenant will reasonably cooperate with each other's requests to approve permit applications and other documents related to the Property.

c. To the extent any provision contained in this Amendment conflicts with the terms of the Lease, the terms and provisions of this Amendment shall control. Unless otherwise defined herein, capitalized terms used in this Amendment have the same meanings they are given in the Lease.

d. Except as expressly set forth in this Amendment, the Lease otherwise is unmodified and remains in full force and effect. Each reference in the Lease to itself shall be deemed also to refer to this Amendment.

e. This Amendment may be executed in duplicate counterparts, each of which will be deemed an original. Signed electronic copies of this Amendment will legally bind the parties to the same extent as originals.

f. Each of the parties represent and warrant that they have the right, power, legal capacity and authority to enter into and perform their respective obligations under this Amendment. Landlord represents and warrants to Tenant that the consent or approval of a third party has either been obtained or is not required with respect to the execution of this Amendment.

g. This Amendment will be binding on and inure to the benefit of the parties herein, their heirs, executors, administrators, successors-in-interest and assigns.

IN WITNESS, the Parties execute this Amendment as of the Effective Date.

Landlord:

[LANDLORD NAME], a _____

By: _____

Print Name: _____

Title: _____

Date: _____

Tenant:

[T-MOBILE ENTITY], a Delaware _____

By: _____

Print Name: _____

Title: _____

Date: _____

T-Mobile Contract Attorney

SAMPLE

Jerry Bartoszek

From: Farrar, Matthew [FarrarMa@co.muskegon.mi.us]
Sent: Wednesday, January 10, 2018 3:03 PM
To: Jerry Bartoszek; 'Ron L. Langlois'
Subject: RE: T-Mobile Site #: MU04616M | Lease #: 142488 | Focus #: MF-309220.1 - extension

Yes. Here is what you have:

The current agreement with T-Mobile (TM) expires in June of 2019 and results in \$2,470 per month in rents. Essentially, you will receive \$49,320 in rent payments from now until the contract expires. TM is requesting to drop the rent to \$1,729.14 per month for 6-5 year periods. The monthly rent will escalate by 3% at the beginning of each 5 year period. In exchange for this rent reduction, TM will guarantee the first 120 months of rents for a total of \$210,714.56 over the next 10 years. This is your choice. I will recommend to the County to make this change if Norton and Fruitport agree with the stipulation that the new contract discharge the County as a signatory the moment the bonds are retired (5-1-2020).

I like the guaranteed rent so long as section 3 has teeth. However I do not like any of the termination language IF it affects the rent guarantee. I'd also look at section 4 & 5 that pertains to unlimited access and permitted use. Section 6 is tricky as it locks in a rent rate for any space TM expands into. The remainder of the contract terms should be reviewed by N&F.

Overall it's more of the same....less rent, longer revenue stream. We have to guess what TM will do if we were not to agree and risk losing everything altogether.

Take care,

Matthew Farrar
Muskegon County
Department of Public Works
131 East Apple Avenue
Muskegon, MI 49442
(231) 724-6411

From: Jerry Bartoszek [mailto:JBartoszek@NortonShores.org]
Sent: Wednesday, January 10, 2018 11:26 AM
To: Farrar, Matthew; Ron L. Langlois
Subject: RE: T-Mobile Site #: MU04616M | Lease #: 142488 | Focus #: MF-309220.1 - extension

Have you had a chance to look at this?

Jerry Bartoszek
City of Norton Shores
Public Works Director
231-799-6803

From: Farrar, Matthew [mailto:FarrarMa@co.muskegon.mi.us]
Sent: Friday, December 22, 2017 8:36 AM
To: Jerry Bartoszek; Ron L. Langlois
Subject: Re: T-Mobile Site #: MU04616M | Lease #: 142488 | Focus #: MF-309220.1 - extension

Will take a look at it Jerry FYI the T-Mobile contract is the original MetroPCS contract that was assigned.

Sent from my Verizon, Samsung Galaxy smartphone

----- Original message -----

From: Jerry Bartoszek <JBartoszek@NortonShores.org>
Date: 12/22/17 8:24 AM (GMT-05:00)
To: "Farrar, Matthew" <FarrarMa@co.muskegon.mi.us>, "Ron L. Langlois" <RLanglois@fruitporttownship.com>
Subject: FW: T-Mobile Site #: MU04616M | Lease #: 142488 | Focus #: MF-309220.1 - extension

Matt/Ron,

A representative for a consultant representing T-Mobile called and sent the email I am forwarding. It appears that they are looking for an extension to their contract for facilities on the Smiley Tank. I wasn't aware that T-Mobile had antenna on the tank. I will have to see if I can find their current agreement.

Matt, I know you handled most of the contact in the past for antenna on the tank and that the payments are made to the County. Ron and I really could use your help on this. Other than the term, I'm not sure what is being changed.

If I remember correctly all three of us (County, Fruitport and Norton Shores) had to agree to any contract or contract changes. Is that correct?

Jerry Bartoszek
City of Norton Shores
Public Works Director
231-799-6803

From: Enrique Rodriguez [mailto:ERodriguez@blackdotcapital.com]
Sent: Wednesday, December 20, 2017 6:43 PM
To: Jerry Bartoszek
Subject: T-Mobile Site #: MU04616M | Lease #: 142488 | Focus #: MF-309220.1 - extension
Importance: High

•
o JerryBartoszek

- Norton Shores Township
- 4814 Henry St.Norton Shores,Michigan49441

Re: T-Mobile Site #: MU04616M | Lease #: 142488 | Focus #: MF-309220.1 - extension

As discussed in a previous phone call, attached please find Term Sheet and Sample Amendment to Ref. T-Mobile Lease Agreement.

We include Letter of Authorization, as credential to conduct this process.

- All previously agreed language will be honored, except where new language is approved by this amendment (Please review sample attached).
- Any separate agreed utility/tax payments are to stay untouched by this amendment.

Upon review and approval of these terms, please initial and return all pages attached via email (Please confirm questions in the bottom area of Term Sheet).

We will then produce a DocuSign executable amendment for signatures.

I'll follow up with a call in the next days to answer any questions you may have.

If you have questions upon receiving this message, please feel free to call from 7:30am to 11:30am Pacific Time, to the direct number below.

We appreciate your prompt response to this letter and look forward to your continued relationship with T-Mobile.

Enrique Rodriguez, Lease Consultant

BLACKDOT

27271 Las Ramblas, Suite 300, Mission Viejo, CA 92691

O: 949-271-7881 | erodriguez@blackdotcapital.com

www.blackdotcapital.com

**SITE LEASE AGREEMENT
REGARDING THE USE OF THE
FRUITPORT WATER TANK**

- A. **Owners** – The Owners, for the purpose of this Lease, will be Township of Fruitport, City of Norton Shores and County of Muskegon. Owner’s representative for all contact and access shall be Mr. Matt Farrar , Fruitport Public Works Director. Mr. Farrar may be contacted at (231) 865-3151 or faxed at (231) 865-3118.
- B. **Lessee** – The Lessee shall be MetroPCS Michigan, Inc. a Delaware Corporation, having a mailing address of 28505 Schoolcraft Rd, Building 6, Livonia, MI 48150, hereafter referred to as “MetroPCS”. The Lessee’s designated representative shall be Tom McMahon who can be contacted at (734) 444-0041 or faxed at (734)444-0503. The designated representative shall be the person authorized to request access to the Site and be the person contacted for communication purposes.
- C. **Communication** – Communication between the Owners and MetroPCS shall be performed through their respective representatives listed above. This will prevent unauthorized entrance to the Site and will minimize the chances for miscommunication between the parties.
1. **Leased Site** –MetroPCS will be allowed a 240 square foot area (12 feet x 20 feet) outside of the tower base but close to it for the purpose of locating electrical cabinet and equipment including electrical service and telephone service.
 2. **Term** – The initial term (“**Initial Term**”) of this Lease shall be for a period of five (5) years commencing on the date the Lease is executed on behalf of MetroPCS (the “**Commencement Date**”).
 3. **Rental** – initial rent for use of the Site shall be \$650.00 /month per send and receive (pair)antenna as per print submitted for the first year with a 3% increase per year for the remaining period of the Lease. Rent payment for each month shall be due on the fifth day of that month. Rental payments shall commence beginning with the month that the Antenna Facility is put into service. Rent payment for the first month shall be prorated for the amount of days the Antenna Facility is in service, and payment for the first month is due no later than one week after the Antenna Facility is placed into service. Rental payments received after the (5TH) fifth of the month shall be assessed a 10% penalty. Rental payments shall be sent to:

Muskegon County Department of Public Works
131 E. Apple Avenue, 4th floor
Muskegon, MI 49442

Rental payments shall be deposited in the Fruitport-Norton Shores regional Water Fund with Muskegon County.

The Muskegon County Department of Public Works should be contacted at the above address by the Lessee with any rental payment questions or concerns.

For any rental payment questions or concerns such as late payments Muskegon County Department of Public Works should contact:

MetroPCS Michigan, Inc. Phone: 734-444-0100
28505 Schoolcraft Rd. Bldg. 6 Fax: 734-444-0503
Livonia, MI 48150

4. **Renewal Option** – the term of this lease may be extended by MetroPCS for three additional five year periods provided that MetroPCS gives the Owner notice of its intention to extend the term of this lease at least ninety days prior to the expiration of the current term. Owner has the option of renegotiating terms of the lease for each extension beyond the original lease period. Lease period shall be extended only with Owner approval. Owner approval shall not be unreasonably withheld such that MetroPCS' service would be disrupted. Monetary compensation for use of the facilities shall remain as stated in paragraph #3 of this lease unless one of the following occur:
 - A. Number of antennae or appurtenances on tower has increased during previous lease period or type of antennae or appurtenances has changed.
 - B. Rate of inflation during the final two years of the previous lease period has averaged an increase equal to or greater than 3 percent.
5. **Possession** – MetroPCS shall be allowed use of the Site beginning on the Commencement Date.
6. **Use of Premises** –
 - A. MetroPCS may use the property for the installation, operation and maintenance of its Antenna Facilities for the transmission, reception and operation of a communications system and uses incidental thereto in accordance with the terms of this lease, and for the storage of related equipment provided that such equipment be contained within the ground area provided for in section 1 of this agreement. The Owner may permit others to use portions of the water tower. MetroPCS' installation of all such antenna facilities shall be done according to the plans and specifications approved by the Owner. Plans and specifications for any installation or maintenance of a structural nature shall be reviewed by the Owner's engineer. Owner's engineer shall be selected by the Owner and paid for by MetroPCS for work associated with the review of plans and inspection of work performed on the MetroPCS system. MetroPCS

shall be strictly liable for any contamination caused to the water in the tower or damage done to the water tower and/or the site during installation and/or during operations by MetroPCS or any of its contractors or suppliers. Any contamination caused to the water in the tower or in the system by MetroPCS or any of its subcontractors or employees shall be remedied by the Owner at the sole cost of MetroPCS. Any event which may be the cause of a contamination problem shall be reported to the Owner immediately upon its occurrence. Any damage caused to the tank or the site during installation or operations of the Antenna Facility shall be repaired or replaced at the Owner's discretion and at the expense of MetroPCS to the Owner's sole satisfaction.

- B. MetroPCS shall, at its expense, comply with all present and future federal, state and local laws, ordinances, rules and regulations (including, but not limited to, laws relating to health, radio frequency emissions, other radiation, safety, OSHA and MIOSHA), where applicable, in connection with the use, operation, construction, maintenance and/or installation of the Antenna Facilities and/or premises. Owner agrees to reasonably cooperate with MetroPCS in obtaining any federal licenses and permits required for or substantially required by MetroPCS' use of the premises and all costs incurred by the Owner to aid MetroPCS shall be reimbursed by MetroPCS to the Owner, including postage, shipping, labor, costs of reproduction or any other costs which can be attributed to the securing of the permits.
- C. Upon termination of this lease, if requested by the Owner to do so, MetroPCS shall remove the Antenna Facilities and all supporting structures and related hardware and equipment which are not shared or used by another user of the water tower. Such removal shall be in a workmanlike and careful manner and without interference or damage to the water tower, the water in the tower or system, or any other equipment, structures or operations on the site, including use of the site by the Owner or any of the Owner's assignees or lessees. Removal shall be completed within 30 calendar days of the day MetroPCS receives the notification to remove the antenna facilities. Owner's engineer shall observe all removal and shall inspect for damage, the Owner's site, water tower and all other facilities associated with MetroPCS' use of the water tank. Engineer shall make a report to the Owner of any damage and recommended repairs. Repairs shall be made by the Owner or a contractor hired by the Owner, and all costs of repairs and the costs of the engineer shall be paid for by MetroPCS.
- D. The Owner reserves the right to install additional bracketing material or similar structural supports to allow for the co-location of other lessees' antenna or similar radiating or broadcasting equipment. The Owner agrees that, should the Owner desire to allow co-location on its water tower, reasonable and necessary assurances will be made to MetroPCS

that such co-location will not cause harm to MetroPCS' antenna or radiating equipment.

- E. Permission shall be secured from the Owner any time that MetroPCS personnel or personnel of any contractor or supplier employed by MetroPCS desires to enter the tank structure. MetroPCS may place their own padlock in tandem with Fruitport Township's lock on the gates to the site, thereby allowing MetroPCS or its designated personnel 24 hour per day/7 day per week access to the site. Should emergency access to the tower structure be required, the following contact persons/numbers shall be used:

1. Matthew Farrar	(231) 865-3158	work
	(231) 865-7667	home
	(231) 339-0662	pager
2. Dale Hilliard	(231) 865-3158	work
	(231) 788-2396	home
	(231) 339-0774	pager

- 7. **Antenna Replacement** – MetroPCS may update or replace the Antenna Facilities from time to time with the prior written approval of the Owner, provided that the replacement facilities are not greater in number or size than the existing facilities and that any change in their location on the tower is satisfactory to the Owner. Owner shall have a period of 90 days to grant approval, during which time, Owner may employ an engineer to review plans and specifications for MetroPCS' proposed modifications. Engineer shall also inspect tank and site prior to installation of modifications, perform inspection of the installation of the modifications and perform an inspection after installation of the modifications and submit a report to the Owner. Engineer services shall be secured by the Owner and paid for by MetroPCS.

8. **Maintenance** –

- A. MetroPCS shall, at its own expense, maintain any antenna facilities on or attached to the premises in a safe condition, in good repair and in a manner suitable to the Owner so as not to conflict with the use of, or other leasing of the tower by the Owner. In carrying out its maintenance responsibilities, MetroPCS shall not in any way interfere with the use or operations of the water tower, the premises, related facilities and/or any other property or equipment owned by other tenants or the Owner.
- B. MetroPCS shall have sole responsibility for the maintenance, repair and security of its equipment, personal property, Antenna Facilities and leasehold improvements and shall keep the same in good repair and condition for the life of this Lease.

C. MetroPCS shall keep the premises free of debris and anything of a dangerous, noxious or offensive nature or which would create a hazard or undue vibration, heat, noise or interference.

9. **Utilities** – Owner agrees to cooperate with MetroPCS in MetroPCS' efforts to obtain electric and other utilities from any location provided by the servicing utility. MetroPCS shall contract directly with the necessary utility companies to provide service to MetroPCS' facilities. Accounts shall be in the name of MetroPCS and shall in no way involve the Owner. All charges for monthly service, installation or de-installation costs shall be the sole responsibility of MetroPCS and shall be billed directly to MetroPCS by the utility. Owner shall provide an acceptable easement for utilities to run their lines from the property line to MetroPCS' facilities.
10. **Taxes** – MetroPCS shall be responsible for paying all personal property taxes assessed directly upon and arising solely from its own use of the Antenna Facilities on the site during the term of this lease.
11. **Use of Technicians/Inspectors** – Notwithstanding anything contained herein to the contrary, in order to protect the health, welfare and safety of its residents, the Owner shall have the right to have a technician and/or inspector witness all work done at the site by MetroPCS or its contractors. Accordingly, MetroPCS shall give the Owner advanced notice of all non-emergency work to be performed on the site. For emergency work, MetroPCS shall give the Owner as much advanced notice as reasonably practicable. In any case MetroPCS shall obtain keys to the facility from the Owner each time access is required and shall promptly return keys to the Owner upon completion of the work.
12. **Interference** – MetroPCS' installation, operation and maintenance of its transmission facilities shall not damage or interfere in any way with the Owner's water tower operations including repairs or maintenance to the water tower or with the activities of any other tenants of the water tower. Owner, at all times during the life of this lease, reserves the right to take any action it deems necessary, in its sole discretion, to repair, maintain, alter or improve the premises in connection with the water tower operations as may be necessary, including leasing parts of the water tower and surrounding ground space to others.

If the Owner receives a request for co-location on the water tower from any third-party, it shall submit a proposal complete with all technical specifications reasonably requested by ----- to MetroPCS for review for non-interference; however, Owner shall not be required to provide MetroPCS with any specifications or information claimed to be of a proprietary nature by the third party. The third party shall be responsible for preparing technical specifications for its proposed transmission facility. MetroPCS shall have thirty (30) calendar days following receipt of said proposal to make any objections thereto, and failure to make any objection within said thirty (30) day period shall be deemed consent by MetroPCS to the installation of antennae or transmission facilities pursuant to said proposal. If MetroPCS gives notice of objection due to interference during such

thirty(30) day period and MetroPCS' objections are verified by the Owner to be valid, then the Owner shall not proceed with the proposal. MetroPCS shall furnish the Owner with all required technical specifications reasonably requested in order that Owner may be able to verify any objection raised by MetroPCS. Failure or refusal on the part of MetroPCS to provide the required technical specifications within a reasonable time as set forth at the time of Owner's request, shall render MetroPCS' objection void and Owner may proceed with third party leasing.

13. **Insurance** – MetroPCS shall maintain, at its sole expense during the Term of this Lease commercial general liability insurance insuring MetroPCS against liability for personal injury, death or damage to personal property arising out of the use of the site by MetroPCS. Such insurances shall be in the amount not less than \$1,000,000.00 (\$1 million) per occurrence for each personal injury, death and property damage. MetroPCS shall carry an excess umbrella liability policy in the amount not less than \$2,000,000.00 (\$2 million), which shall not exclude the payment of all costs incurred to remedy a contamination event to the public water system caused by MetroPCS or any of its contractors or suppliers per occurrence. MetroPCS shall carry all proper insurances, and in amounts as prescribed by law, on its employees and contractors including, but not limited to, unemployment and workers compensation insurance. MetroPCS shall provide the Owner with valid certificates of all required insurances and in the required amounts, prior to being allowed to enter the site. Insurance carrier's certificate shall show evidence that it has insured MetroPCS for all liabilities under this Lease and that it will not cancel nor change any policy of insurance issued to MetroPCS except for after thirty (30) days notice in writing has been supplied to the Owner. Owner(s) shall be added to the policy as additional insured. The fact that MetroPCS is required to furnish insurance in accordance with this paragraph or the fact that such insurance is furnished does not and shall not relieve MetroPCS from its obligations to Owner under the provisions of Paragraph 17 of this Lease for any deficiency, amount of which MetroPCS is responsible to the Owner. Owner shall insure the property and building of which the site is part thereof, as the case may be, against loss or damage under a policy or policies of fire and extended coverage. All of Owner's and MetroPCS policies of insurance shall include a standard waiver of subrogation clause or endorsement. Owner and MetroPCS each hereby waive all right of recovery against the other for losses covered by insurance.

All contractors employed by MetroPCS and all subcontractors or any persons authorized by MetroPCS to enter the site shall furnish to Owner, prior to Owner's permission to enter the site, certificates made out to Owner evidencing insurances in the same amounts as those required by MetroPCS and under the same terms and conditions above required for MetroPCS' insurance. Owner(s) shall be named insured on each of these policies. Alternatively, MetroPCS may cover each or any of their contractors or suppliers on MetroPCS' insurance policy, all limits to be the same as MetroPCS' own coverage. Certificates showing covered contractors or suppliers as additional insured shall be forwarded to the Owner(s) prior to such contractors or suppliers being allowed to enter the site.

14. **MetroPCS' Property** – All Antenna Facilities installed by MetroPCS at the site shall remain the property of MetroPCS and shall not be subject to any lien or encumbrance of Owner or any third party acting pursuant to an agreement with the Owner.
15. **Damage to Owner's Facilities** – MetroPCS shall exercise all necessary precautions to avoid damage to the water tower, including contamination caused to the water supply and subject to the waivers contained in this Lease, hereby assumes all responsibility for any and all loss or damage to such facilities caused by MetroPCS or any person or company authorized by MetroPCS to perform work of any kind on the site. MetroPCS shall report any damage caused by MetroPCS, or any person or company authorized by MetroPCS to work on the site, to the Owner immediately. MetroPCS shall reimburse Owner for all costs of repairs including the costs for any required engineering and the costs for inspection of the damage before repair and after repair by the engineer and a report by the engineer to the Owner certifying that all repairs have been made properly.
16. **Water Tower Maintenance** – The Owner shall maintain in good order and repair the water tower so that it will adequately support all of MetroPCS' Antenna Facilities. Owner shall not be responsible for making any structural changes to the water tower to facilitate the placement of MetroPCS' Antenna Facilities, nor for making any modifications to the water tower to facilitate any changes of or modifications to MetroPCS' Antenna Facilities.

When maintenance to the outside coating on the water tower is required, MetroPCS shall do one of the following two options: MetroPCS shall, at MetroPCS' sole expense, temporarily relocate their antennae on a separate tower to be temporarily erected by MetroPCS adjacent to the water tower, same to be removed immediately upon completion of water tower maintenance and site restored to original conditions, **OR**, MetroPCS shall pay to Owner, in one lump sum payment, at the time the maintenance is performed, the difference in cost between what the maintenance operations would cost the Owner with the antennae and without the antennae on the water tower. Contractor to perform the maintenance shall be of the Owner's choosing. Owner shall provide MetroPCS with copies of the quotation for maintenance both with MetroPCS' equipment located on the water tower and without MetroPCS' equipment located on the water tower.

Owner shall not make any guarantee to MetroPCS that service will remain completely uninterrupted. Should it become necessary, for the safety of the water, the water system or the water tank, to perform an operation which requires the disconnection of the Antenna Facilities, Owner shall make a disconnection of the Antenna Facilities. Owner will notify MetroPCS as soon as practicably possible of such disconnection and shall take reasonable care in the handling of the equipment to avoid damage to the extent reasonably possible. Owner shall not disrupt MetroPCS' service except in cases of extreme emergency, as defined by Owner at time of incident, including, but not necessarily limited to, threats to public health, imminent structural failure, threats to the water system in general or rescue operations. Owner shall give MetroPCS as much advanced notice of the intent to disrupt service as

reasonably possible prior to commencing the disruption. MetroPCS shall be allowed, if time allows under the circumstances, to make such disconnections or to witness the disconnection.

17. **Indemnity** – MetroPCS agrees to indemnify, defend, and save harmless the Owner, its agents and employees, from and against all loss or expense (including costs and attorney fees) by reason of liability imposed by law upon the Owner for damages because of bodily injury, including death at any time resulting there from, sustained by any person or persons or on account of damage to property, including loss of use thereof, arising out of or in the consequence of the use of the site, whether such injuries to person or damage to property is due to the negligence of MetroPCS, its contractors or any person or company authorized by MetroPCS to be on the site or the Owner. This indemnity shall extend to any liability of loss arising from contamination of the water system or the site or the environment as provided for in Paragraph 18 below. This indemnity shall not apply to intentional misconduct by the Owner.

Owner shall indemnify and hold harmless - MetroPCS from any and all costs (including, but not limited to reasonable attorney's fees and court costs) and claims of liability or loss which arise out of the use and/or occupancy of the site by MetroPCS due solely to acts of intentional misconduct by the Owner.

18. **Hazardous Substances** – Owner represents that it has no knowledge, nor should it have any knowledge, of any substance, chemical or waste (collectively, "Substance") on the site which is identified as hazardous, toxic or dangerous in any applicable federal, state or local law or regulation. MetroPCS agrees not to introduce or use any Substance on the site in violation of any applicable law. Any chemicals of any kind, including solvents, cleaning solutions, paints and thinners or any chemical of any type not already present on the site, brought in by MetroPCS or its contractors or any person or company authorized by MetroPCS to be on the site shall be declared to the Owner in advance and the Material Safety Data Sheet (MSDS sheet) shall be furnished to the Owner prior to permission being given to MetroPCS by the Owner for use of the chemical on the site.

Owner reserves the right to introduce onto the site at any time any Substance as defined above, which in the opinion of the Owner is applicable to the treatment of potable water or as necessary to be used in the course of maintenance of the water tower or site. Such materials may be stored by Owner on the site. Owner shall furnish MetroPCS with MSDS sheets for any such Substance brought onto the site which MetroPCS personnel, its contractors or any person or company authorized by MetroPCS to be on the site may come into contact with during reasonable course of required activity on the site.

19. **Assignment** – This Lease may be freely assigned by MetroPCS provided that no assignment shall relieve MetroPCS of any of its obligations under this Lease, and provided further, that no assignee may use the water tower for other than a PCS communications system without the express written consent of the Owner. Upon

such consent, any assignee assumes all applicable rights and obligations of this Lease. Any assignee to which this Lease may be assigned without Owners consent shall be bound by all terms and conditions of this Lease, especially those terms regarding insurance, liability and safety in the use of the site.

20. **Condemnation** – If all or substantially all of Owner's property upon which the site is located is condemned by an authorized governmental or quasi-governmental authority, this Lease shall terminate upon the date of taking and each party shall have the right to maintain their own respective actions against the condemning authority for their respective damages and neither party shall have any interest in any award granted to the other. If a taking occurs, the rent shall be prorated to the date of the taking, and any excess prepaid rent shall be promptly repaid to MetroPCS.
21. **Termination** – MetroPCS shall have the right to terminate this Lease at any time if (i) MetroPCS cannot obtain all certificates, permits, licenses or other approvals (collectively, "Approvals") required from any governmental authority and/or easements required from any third party to operate its communications facility; (ii) such Approvals are canceled, expire, lapse, withdrawn or terminated; (iii) Owner fails to hold legal title to the property on which the site is located; (iv) Owner does not have the legal right to enter into this Lease; or (v) for any other reason, MetroPCS, in its sole discretion, determines that it will be unable to use the site for the use intended by this Lease. However, should MetroPCS elect to terminate this Lease for any of the above reasons, MetroPCS shall still be liable to Owner for any costs, charges or other fees which the Owner contracted for or has already paid out as required by any section of this Lease prior to the date Owner receives notification from MetroPCS of intent to terminate.

Owner may terminate this Lease if MetroPCS ceases operations at the site continuously for more than one (1) year. Owner may also terminate this Lease if MetroPCS reneges on any payments due the Owner, becomes 90 days in arrears on rent payments or other payments due Owner, threatens the water supply by its actions or those of its contractors, threatens the structural integrity of the water tower or installs or operates the Antenna Facility which in any way impedes the operation of the water tower or threatens the safety of water system personnel.

Upon termination of this Lease, MetroPCS shall remove all equipment including, but not limited to, antennae, cables, supports and electrical equipment. This shall be accomplished within a period of 60 calendar days upon termination. MetroPCS shall be liable, upon removal of equipment, for the cost of Owner to have engineer certify that removal of the equipment has not damaged the water tower or other or the Owner's facilities located on the site.

22. **Notices** – All notices shall be in writing and shall be sent by U.S. certified mail, return receipt requested, or by overnight express delivery to the address of the party set forth above or as otherwise directed in writing by such party or as provided under applicable state law. Notice is deemed as of the date of delivery as shown on the

return receipt of on the date of delivery of an express delivery as evidenced by the signature of the receiving party.

If to Lessee:

MetroPCS Texas, LLC
2250 Lakeside Blvd.
Richardson, TX 75082
Attn: Property Manager
Cell Site: MUS2830C Site Name: Fruitport WT

With a copy to:

MetroPCS Michigan, Inc
28505 Schoolcraft Rd Bldg 6
Livonia, MI 48150

AND

If to Owners:

Muskegon County Department of Public Works
131 E. Apple Avenue, 4th Floor
Muskegon, MI 49442

23. **Compliance with Laws** – Owner represents that Owner's property (including, without limitation, the site) and all improvements thereto, are in compliance with all building life/safety, disability and other laws, codes and regulations of any governmental or quasi-governmental authority. MetroPCS agrees that, subject to Owner's compliance with the terms of this paragraph, any improvements constructed by MetroPCS on the site and all operations of MetroPCS within the site shall be in compliance with all applicable laws, codes and regulations.

24. **Miscellaneous** –

- A. Owner represents and warrants that Owner has full authority to enter into and sign this Lease.
- B. The terms and conditions of the Lease shall extend to and bind the heirs, personal representatives, successors and assigns of Owner and MetroPCS.
- C. The prevailing party in any action or proceeding in court to enforce the terms of this Lease shall be entitled to receive its reasonable attorney fees and other reasonable enforcement costs and expenses from the non-prevailing party.
- D. This Lease shall be construed pursuant to the laws of the State of Michigan.
- E. This site Lease may not be amended or modified unless the Owner and MetroPCS consent in writing to the amendment or modification.

- F. This Lease contains all agreements, promises and understandings between Owner and MetroPCS. All exhibits are incorporated by reference.
- G. No signs may be installed on the site by MetroPCS with the exception of warning labels required on certain electrical equipment or other warning labels required by OSHA or MIOSHA regulations.

IN WITNESS WHEREOF, this Fruitport Township/City of Norton Shores water tank usage lease has been duly executed as of the dates set forth in the notarial acknowledgements below, to be effective for all purposes as of the date first above written.

WITNESS:

Sharon K. Padonni
Patricia M. Nichols

Sharon K. Padonni
Patricia M. Nichols

M. O. Stebitz
Susan McShannock
M. O. Stebitz
Susan McShannock

Karen Fisher
Heather

Ken Stander

TOWNSHIP OF FRUITPORT

By: [Signature]

Date: 6/9/09

By: Carol Huebka

Date: 6-9-09

CITY OF NORTON SHORES

By: Henry Waldo

Date: 6/2/09

By: Opal Fuller

Date: 6/2/09

COUNTY OF MUSKEGON

By: Marnie Pyle

Date: 11 JUNE 2009

By: _____

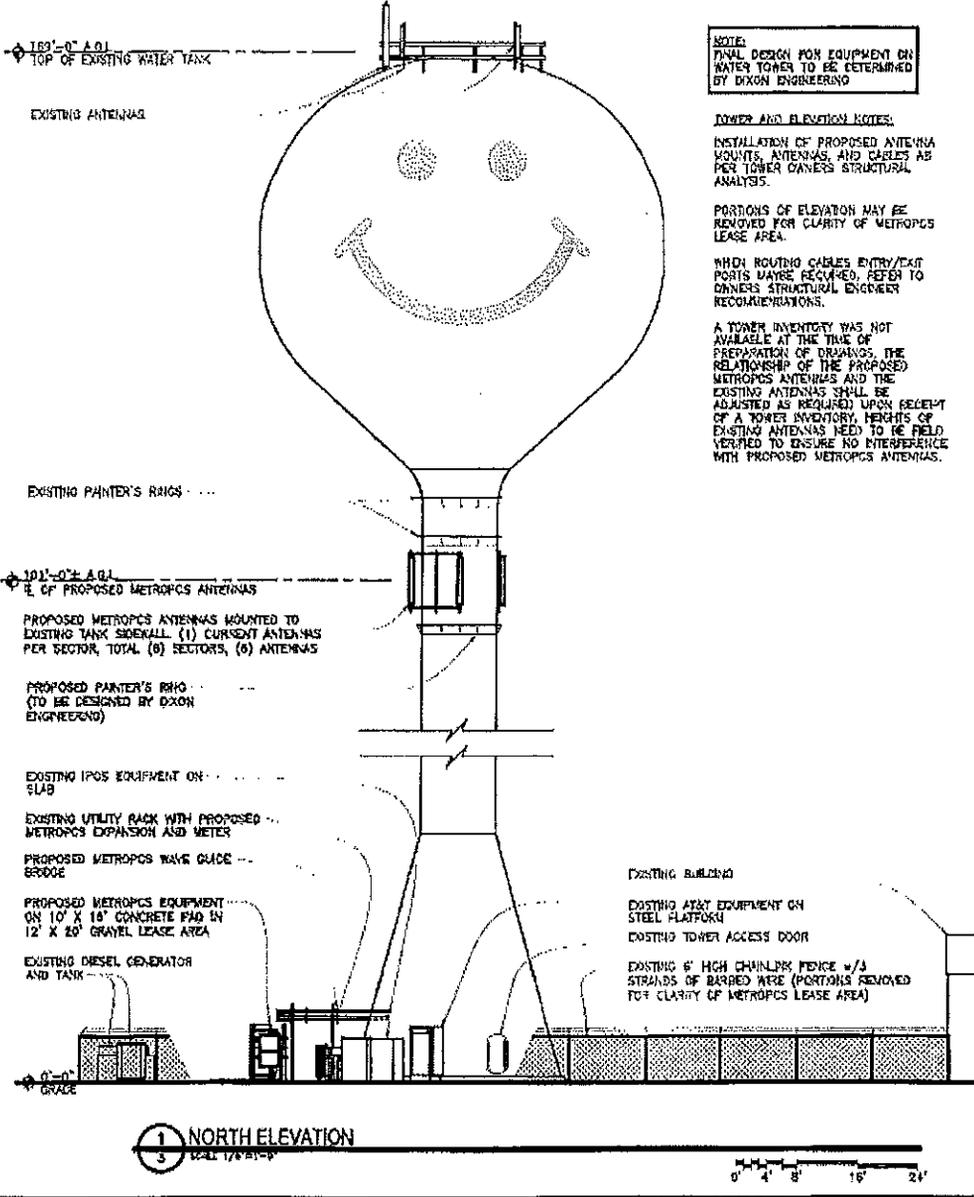
Date: _____

METROPCS MICHIGAN, INC.

By: [Signature]

Date: 5-14-09

Glen W. Flowers
VP & General Manager



NOTE:
FINAL DESIGN FOR EQUIPMENT ON WATER TOWER TO BE DETERMINED BY DIXON ENGINEERING

TOWER AND ELEVATION NOTES:
INSTALLATION OF PROPOSED ANTENNA MOUNTS, ANTENNAS, AND CABLES AS PER TOWER OWNERS STRUCTURAL ANALYSIS.

PORTIONS OF ELEVATION MAY BE REMOVED FOR CLARITY OF METROPCS LEASE AREA.

WHEN ROUTING CABLES ENTRY/EXIT PORTS MAYBE REQUIRED, REFER TO OWNERS STRUCTURAL ENGINEER RECOMMENDATIONS.

A TOWER INVENTORY WAS NOT AVAILABLE AT THE TIME OF PREPARATION OF DRAWINGS. THE RELATIONSHIP OF THE PROPOSED METROPCS ANTENNAS AND THE EXISTING ANTENNAS SHALL BE ADJUSTED AS REQUIRED UPON RECEIPT OF A TOWER INVENTORY. HEIGHTS OF EXISTING ANTENNAS NEED TO BE FIELD VERIFIED TO ENSURE NO INTERFERENCE WITH PROPOSED METROPCS ANTENNAS.

1 NORTH ELEVATION
SCALE 1/8"=1'-0"

0 4 8 16 24'



Vredeveld Haefner LLC

CPAs and Consultants
10302 20th Avenue
Grand Rapids, MI 49534
Fax (616) 828-0307

Douglas J. Vredeveld, CPA
(616) 446-7474
Peter S. Haefner, CPA
(616) 460-9388

November 30, 2017

To the Board of Directors
West Michigan Regional Water Authority
Muskegon County, Michigan

We have audited the financial statements of the West Michigan Regional Water Authority (the Authority) for the year ended June 30, 2017. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 28, 2017. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Results

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 30, 2017.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the required supplementary information (RSI), as itemized in the table of contents, that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the use of the Board and management of the Authority and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

Orlando Hoopner LLC



West Michigan Regional Water Authority

4814 Henry Street

Norton Shores, MI 49441

WEST MICHIGAN REGIONAL WATER AUTHORITY

Muskegon County, Michigan

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2017



Vredeveld Haefner LLC

CPAs and Consultants

WEST MICHIGAN REGIONAL WATER AUTHORITY

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INDEPENDENT AUDITORS' REPORT

November 30, 2017

West Michigan Regional Water Authority
Muskegon County, Michigan

We have audited the accompanying financial statements of the West Michigan Regional Water Authority (the Authority), Muskegon County, Michigan as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the West Michigan Regional Water Authority, as of June 30, 2017, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 5 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Orlando Hoopner LLC

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

As management of the West Michigan Regional Water Authority (the Authority), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the year ended June 30, 2017. We encourage readers to consider the information presented here in conjunction with additional information that is furnished in the financial statements and notes to the financial statements.

The West Michigan Regional Water Authority was formed by the participating municipalities (City of Norton Shores and Fruitport Charter Township) during 2014 pursuant to Act 233, Public Acts of Michigan, 1955, as amended, to acquire, own, and operate a water supply system to be utilized by the participating municipalities.

Financial Highlights

- Began preliminary engineering to upgrade the second water tower.
- The Authority finalized its first water reliability study in December 2016.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Authority's financial statements. The Authority's basic financial statements consist of a statement of net position, a statement of revenues, expenses and changes in net position and a statement of cash flows and are accompanied by notes to the financial statements. The activities of the Authority are presented as an enterprise fund of a governmental entity using the full accrual basis of accounting.

The *statement of net position* presents information on all of the Authority's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The *statement of revenues, expenses and changes in net position* presents information showing how the Authority's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs.

The *notes to the financial statements* provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Authority, assets exceeded liabilities by \$147,073 at the close of the most recent fiscal year.

The most significant portion of the Authority's net position reflects investment in capital assets (e.g., land, and infrastructure), less any related debt used to acquire those assets that is still outstanding plus any unspent proceeds from the debt. The Authority uses these capital assets to provide services to joint venture participants; consequently, these assets are *not* available for future spending. Although the Authority investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

The following table represents condensed information about the Authority's financial position:

	<u>2017</u>	<u>2016</u>
Assets		
Current and other assets	\$ 1,191,372	\$ 1,094,688
Capital assets	15,324,692	15,645,359
Total assets	<u>16,516,064</u>	<u>16,740,047</u>
Liabilities		
Current liabilities	868,991	849,907
Noncurrent liabilities	15,500,000	15,600,000
Total liabilities	<u>16,368,991</u>	<u>16,449,907</u>
Net position		
Net investment in capital assets	(35,709)	45,359
Unrestricted	182,782	244,781
Total net position	<u>\$ 147,073</u>	<u>\$ 290,140</u>

Net position of the Authority decreased by \$143,067 during 2017. The decrease in net position is primarily the result of depreciation expense and interest expense. A summary of operating and non-operating revenues and expenses is presented below.

	<u>2017</u>	<u>2016</u>
Revenue		
Operating	\$2,481,400	\$2,349,304
Nonoperating	303	405
Contribution in aid of construction	-	59,182
Total revenue	<u>2,481,703</u>	<u>2,408,891</u>
Expenses		
Operating	2,073,924	1,905,579
Nonoperating	550,846	554,345
Total expenses	<u>2,624,770</u>	<u>2,459,924</u>
Change in net position	(143,067)	(51,033)
Net position, beginning of year	<u>290,140</u>	<u>341,173</u>
Net position, end of year	<u>\$ 147,073</u>	<u>\$ 290,140</u>

Capital Asset and Debt Administration

Capital assets

The Authority's investment in capital assets, net of accumulated depreciation, was \$15,324,692 as of June 30, 2017. The Authority did not have any significant capital asset additions in the current year.

Additional information on the Authority's capital assets can be found in Note 3 of this report.

Debt

The Authority had debt outstanding of \$15,500,000 at June 30, 2017.

Additional information on the Authority's debt can be found in Note 4 of this report.

Economic Factors and Future Projections

During 2017-18, the Authority will complete the East Broadway Street water main replacement and upgrade the second water tower to hold more water.

Requests for Information

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Treasurer, c/o City of Norton Shores, 4814 Henry Street, Norton Shores, MI 49441.

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BASIC FINANCIAL STATEMENTS

WEST MICHIGAN REGIONAL WATER AUTHORITY

STATEMENT OF NET POSITION

JUNE 30, 2017

Assets	
Cash and cash equivalents	\$ 443,069
Accounts receivable	608,704
Noncurrent assets	
Bond discount	139,599
Capital assets	
Depreciable capital assets, net	<u>15,324,692</u>
Total assets	<u>16,516,064</u>
 Liabilities and net position	
Liabilities	
Accounts payable	333,741
Accrued interest payable	135,250
Due to other governmental units	400,000
Noncurrent liabilities	
Due within one year	200,000
Due in more than one year	<u>15,300,000</u>
Total liabilities	<u>16,368,991</u>
 Net position	
Net investment in capital assets	(35,709)
Unrestricted	<u>182,782</u>
Total net position	<u>\$ 147,073</u>

The accompanying notes are an integral part of these financial statements.

WEST MICHIGAN REGIONAL WATER AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2017

Operating revenue	
Sales and charges for services	<u>\$ 2,481,400</u>
Operating expenses	
Water purchases	1,604,186
Utilities	11,340
Reliability study	27,945
Repairs	16,101
Administrative	61,883
Depreciation	<u>352,469</u>
Total operating expenses	<u>2,073,924</u>
Operating income (loss)	<u>407,476</u>
Nonoperating revenue (expense)	
Interest income	303
Interest expense	<u>(550,846)</u>
Total nonoperating revenue (expense)	<u>(550,543)</u>
Change in net position	(143,067)
Net position, beginning of year	<u>290,140</u>
Net position, end of year	<u>\$ 147,073</u>

The accompanying notes are an integral part of these financial statements.

WEST MICHIGAN REGIONAL WATER AUTHORITY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2017

Cash flows from operating activities	
Receipts from customers	\$ 2,353,766
Payments to suppliers	<u>(1,701,371)</u>
Net cash provided by operating activities	<u>652,395</u>
Cash flows from capital and related financing activities	
Interest paid	(545,500)
Principal payments on long-term debt	(100,000)
Acquisitions of capital assets	<u>(31,802)</u>
Net cash provided by (used in) capital and related financing activities	<u>(677,302)</u>
Cash flows from investing activities	
Interest income	<u>303</u>
Net increase (decrease) in cash and cash equivalents	(24,604)
Cash and cash equivalents, beginning of year	<u>467,673</u>
Cash and cash equivalents, end of year	<u>\$ 443,069</u>
Reconciliation of operating income to cash flows from operating activities	
Operating income (loss)	\$ 407,476
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities	
Depreciation	352,469
Changes in operating assets and liabilities which provided (used) cash	
Accounts receivable	(127,634)
Accounts payable	<u>20,084</u>
Net cash provided by (used in) operating activities	<u>\$ 652,395</u>

The accompanying notes are an integral part of these financial statements.

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WEST MICHIGAN REGIONAL WATER AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the West Michigan Regional Water Authority (the Authority) conform to generally accepted accounting principles as applicable to governments. The following is a summary of the significant policies.

Reporting Entity

The West Michigan Regional Water Authority (a joint venture) was formed by participating municipalities (City of Norton Shores and Fruitport Charter Township) during 2014 pursuant to Act 233, Public Acts of Michigan, 1955, as amended, to acquire, own and operate a water supply system to be utilized by the participating municipalities.

Participating municipalities purchase water from the Authority based on their exclusive water system usage.

Measurement Focus and Basis of Accounting

The financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made regardless of the measurement focus applied.

Operating revenues and expenses generally result from providing services in connection with the Authority's principal ongoing operations. The principal operating revenues of the Authority are contractual payments from members of the joint venture. Operating expenses of the Authority include the cost of operations, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, the Authority considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Michigan law and Authority policy authorizes the Authority to invest in:

- a. Bond, securities, other obligations and repurchase agreements of the United States, or an agency or instrumentality of the United States.
- b. Certificates of deposit, savings accounts, deposit accounts or depository receipts of a qualified financial institution.
- c. Commercial paper rated at the time of purchase within the three highest classifications established by not less than two standard rating services and that matures not more than 270 days after the date of purchase.

WEST MICHIGAN REGIONAL WATER AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2017

- d. Bankers' acceptances of United States banks.
- e. Obligations of the State of Michigan and its political subdivisions that, at the time of purchase are rated as investment grade by at least one standard rating service.
- f. Mutual funds composed of investment vehicles, which are legal for direct investment by local units of government in Michigan.

Capital Assets

Capital assets, which include the water system and related equipment, are reported in the statement of net position.

Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are valued at cost where historical records are available and at estimated historical cost where no historical records exist.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

Depreciation on capital assets is computed using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Water system and improvements	50
Machinery and equipment	7-30

Bond Discount

Bond discounts are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method.

Net Position

Restricted net position (if any) represents those portions of net position not appropriate for expenditure or legally segregated for a specific future use.

2. CASH AND CASH EQUIVALENTS

The balance on the financial statements of cash and cash equivalents is \$443,069.

These balances are in a financial institution located in Michigan. State policy limits the Authority's investing options to financial institutions located in Michigan. All accounts are in the name of the Authority and are recorded in Authority records at fair value.

Deposit Risk

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned. As of year-end \$277,396 of the Authority's bank balance of \$527,396 was exposed to custodial credit risk because the balance was uninsured and uncollateralized.

WEST MICHIGAN REGIONAL WATER AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2017

3. CAPITAL ASSETS

Capital asset activity for the year was as follows:

	Balance July 1, <u>2016</u>	<u>Additions</u>	<u>Deletions</u>	Balance June 30, <u>2017</u>
Capital assets, not being depreciated				
Construction in progress	\$ -	\$ -	\$ -	\$ -
Capital assets, being depreciated				
Water system and improvements	15,532,263	31,322	-	15,563,585
Machinery and equipment	464,922	480	-	465,402
Total capital assets being depreciated	<u>15,997,185</u>	<u>31,802</u>	<u>-</u>	<u>16,028,987</u>
Less accumulated depreciation for				
Water system and improvements	310,645	311,272	-	621,917
Machinery and equipment	41,181	41,197	-	82,378
Total accumulated depreciation	<u>351,826</u>	<u>352,469</u>	<u>-</u>	<u>704,295</u>
Net capital assets, being depreciated	<u>15,645,359</u>	<u>(320,667)</u>	<u>-</u>	<u>15,324,692</u>
Capital assets, net	<u>\$15,645,359</u>	<u>\$(320,667)</u>	<u>\$ -</u>	<u>\$15,324,692</u>

4. LONG-TERM DEBT

The following is a summary of debt transactions of the Authority for the year ended June 30, 2017:

	Balance July 1, <u>2016</u>	<u>Additions</u>	<u>Deletions</u>	Balance June 30, <u>2017</u>	Due Within <u>One Year</u>
2014 Water Supply System Bonds Series 2014A (LTGO), due in annual installments of \$100,000 to \$1,200,000 through April 1, 2039; interest at 2.0% to 5.0%.	\$15,600,000	\$ -	\$100,000	\$15,500,000	\$200,000
Bond discount	(145,945)	-	(6,346)	(139,599)	-
Total	<u>\$15,454,055</u>	<u>\$ -</u>	<u>\$ 93,654</u>	<u>\$15,360,401</u>	<u>\$200,000</u>

WEST MICHIGAN REGIONAL WATER AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2017

The annual requirements to amortize all debt outstanding as of June 30, 2017 are as follows:

Year Ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ 200,000	\$ 541,000
2019	350,000	533,000
2020	400,000	519,000
2021	400,000	503,000
2022	450,000	487,000
2023-2027	2,600,000	2,232,500
2028-2032	3,700,000	1,719,500
2033-2037	5,000,000	997,875
2038-2039	2,400,000	135,000
Total	<u>\$15,500,000</u>	<u>\$7,667,875</u>

5. RISK MANAGEMENT

The Authority participates in the Michigan Municipal Liability and Property Pool, with other municipalities for property, liability, bonding, and casualty losses. The pool is organized under Public Act 138 of 1982, as amended. In the event the pool's claims and expenses for a policy year exceed the normal annual premiums for the applicable years, all members of the Pool's policy year may be subject to specific assessment to make up the deficiency. The Authority has not been informed of any special assessments being required.

6. RELATED PARTY TRANSACTIONS

The following balances are attributable to participating municipalities as follows:

	<u>Water Sales</u>	<u>Accounts Receivable</u>
City of Norton Shores	\$1,691,178	\$419,440
Fruitport Charter Township	790,222	189,264
Total	<u>\$2,481,400</u>	<u>\$608,704</u>