

MEMORANDUM OF UNDERSTANDING
BETWEEN MICHCON
AND
THE CITY OF ANN ARBOR
CONCERNING WHITEWATER IMPROVEMENTS ON THE HURON RIVER
October 2011

INTRODUCTION: The City of Ann Arbor, a Michigan municipal corporation with its address at 301 E. Huron Street, Ann Arbor, Michigan ("City"), and the Michigan Consolidated Gas Company, a Michigan Corporation with its address at One Energy Plaza, Detroit, Michigan ("MICHCON"), have been working collaboratively on projects in the vicinity of certain property owned by MICHCON that fronts the Huron River and that formerly operated as the site of a coal gasification plant ("the MICHCON property"), in particular the rebuilding of the Argo Millrace including the construction and installation of two whitewater features in the Huron River. Together, the City and MICHCON believe that it is in the best interest of both entities to delay installation of the two whitewater features until 2012 when MICHCON believes that remediation near the whitewater installation areas will be complete. MICHCON agrees to pay for the construction and installation of the whitewater features ("the Whitewater Features") in 2012 after remediation at the whitewater installation areas is complete. At the completion of construction, ownership of the Whitewater Features shall be transferred to the City.

To that end, MICHCON agrees to the following:

- MICHCON will hire a contractor at its expense to perform the whitewater construction and installation activities within the main channel of the Huron River. Generally, the construction activities consist of the installation of two whitewater structures and two pools as shown on the final construction plans (attached). To the extent possible, staging and work will be performed from the MICHCON property. If City property is impacted by construction activities, it shall be restored to its original condition once construction of the Whitewater Features is complete.
- MICHCON will perform hydraulic modeling for flood plain analysis and obtain necessary permits for the whitewater construction activities in conjunction with the modeling and permitting efforts necessary to complete the 2012 remediation activities. As necessary, MICHCON will contract with Recreation Engineering and Planning Inc. (REP) to support the hydraulic modeling required by MDEQ and the permit application.
- MICHCON will contract with REP to perform construction quality assurance services during construction. The City and MICHCON shall mutually agree on the scope of work for REP prior to MICHCON entering into an agreement with REP.
- The Whitewater Features will be built to the plans and specifications set forth by REP in the original scope of work with the City of Ann Arbor (attached). Minor modifications to the plans and specifications may be required as a result of the remediation activities, revised hydraulic modeling, and MDEQ permit requirements. The City shall have the right to review and approve any modifications to the plans and specifications prior to construction.

- The City has the right to observe and inspect the whitewater construction activities with (REP) to ensure that it is built properly and meets the design intent. A designee of the City shall be part of the project team and invited to all construction meetings. The City's designee shall have the authority to identify components of the Whitewater Features project that do not comply with the plans and specifications or City standards of construction and shall have the authority to notify MICHCON's project manager of such non-compliance and request their correction.
- MICHCON will coordinate with the City to minimize impacts on canoe operations.

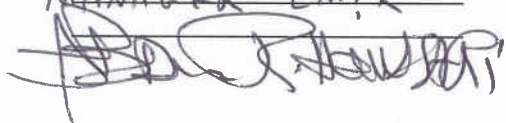
The City of Ann Arbor agrees to:

- Not install the whitewater features in 2011.
- Support the MICHCON remediation effort including working with MICHCON within the City's Argo Dam operating permit to reduce river flows near the MICHCON Property to facilitate sampling and remediation. The City shall be given a minimum of two weeks notice for each request to modulate river flows within its capabilities and permit conditions.
- Grant MICHCON and its employees and contractors a license to enter City property along the Argo Dam headrace for the purpose of performing whitewater construction activities.

Each of the persons signing this Memorandum of Understanding represents and agrees that he or she has authority to execute this Memorandum of Understanding on behalf of and to bind MICHCON and the City, respectively, to the promises and commitments in this Memorandum of Understanding.

Entered into this ____ day of October, 2011.

For MICHCON

By ABED HOUSSARI
MANAGER EMIR


For the City of Ann Arbor

By _____
 Steven D. Powers
 City Administrator

Approved as to substance:

CS

By _____
 Sumedh Bahl
 Community Services Area Administrator

By _____
 Sue F. McCormick
 Public Services Area Administrator

Approved as to form:

By _____
Stephen Postema
City Attorney
