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- a. Hold and save the GOVERNMENT and the STATE free from all damages arising from the construction, operation and maintenance of the PROJECT except for damages due to the fault or negligence of the GOVERNMENT or its contractors;
- b. Perform ordinary maintenance and operation of all works in cooperation with the STATE after completion of the PROJECT in accordance with regulations or directions prescribed by the GOVERNMENT and the STATE;
- c. With respect to areas protected from floods by the PROJECT, the MUNICIPALITY shall participate in, comply with and maintain eligibility in the National Flood Insurance Program;
- d. No less than once each year inform affected interests of the limitations of the protection afforded by the PROJECT;
- e. Publicize floodplain information in the area concerned and provide this information to zoning and other regulatory agencies for their guidance and leadership in preventing unwise future development in the floodplain and in adopting such

regulations as may be necessary to prevent unwise future development and to ensure compatibility with protection levels provided by the PROJECT;

- f. The Village of Penn Yan shall adopt and enforce ordinances to protect PROJECT lands, channel and works from encroachments and any other activities which may impair their operation or impede their maintenance;
- g. Furnish without cost to the STATE all lands, easements and rights-of-way or other interests in real property required for the PROJECT, title to which is vested in the MUNICIPALITY, as described in Exhibit "C";
- h. Provide without cost to the STATE for the relocation of any utilities owned by the MUNICIPALITY; AND
- i. Furnish to the GOVERNMENT a share of the non-Federal cost amounting to an estimated \$89,000 based upon an estimated total project cost of \$356,000 less credits for the value of lands and relocation of utilities owned by the MUNICIPALITY. If the actual total PROJECT costs are more or less

than the estimate, then the MUNICIPALITY shall furnish the GOVERNMENT an amount equaling this same proportionate share.

2. Upon return of this agreement signed and certified by the MUNICIPALITY, the STATE shall:

- a. Enter into an agreement for local cooperation with the GOVERNMENT for PROJECT construction;
- b. Furnish to the GOVERNMENT any lands, easements and rights-of-way and relocate any utilities not owned by the MUNICIPALITY; and
- c. Obtain written concurrence to proceed with the PROJECT from the MUNICIPALITY before approving continuation to construction, in the event that, upon opening of bids for construction of the PROJECT, the GOVERNMENT determines that the lowest responsible bid exceeds the government estimate by more than 10%.
- d. Bear responsibility for rehabilitation, reconstruction or replacement of PROJECT facilities except in cases where rehabilitation, reconstruction or replacement becomes necessary

due to deferred maintenance.

3. If within a period of three years from the day and year first above written, the STATE shall adopt legislation changing the proportionate shares of the non-federal costs to be paid by the MUNICIPALITY and the STATE in such wise that the amount required to be contributed by the MUNICIPALITY is diminished, then and in that event only, all the sums of money required to be paid hereunder shall be revised accordingly. In the event that the contributions by the MUNICIPALITY have exceeded the proportionate share required by law, then the STATE shall refund such excess payments to the MUNICIPALITY.

4. The MUNICIPALITY agrees that if an inspection by the STATE shows that the MUNICIPALITY is for any reason failing to operate, maintain the repair the PROJECT in accordance with assurances hereunder and has persisted in such failure after reasonable notice in writing by the STATE to the MUNICIPALITY, the STATE may repair or maintain the PROJECT in accordance with regulations or directions given by the GOVERNMENT and the MUNICIPALITY shall reimburse the STATE for such expenses including expenses for staff salaries, fringe benefits, overhead, travel and other reasonable costs.

IN WITNESS THEREOF, the parties hereto have set their hands on the day and year first above written.

THE STATE OF NEW YORK

BY: \_\_\_\_\_

The undersigned have been authorized to execute this Agreement on behalf of the MUNICIPALITY by Resolution of the Town or Village Board, a certified copy of which is attached hereto and made a part hereof.

THE TOWN OF JERUSALEM

BY: \_\_\_\_\_

THE TOWN OF MILO

BY: \_\_\_\_\_

THE TOWN OF PULTNEY

BY: \_\_\_\_\_

THE TOWN OF URBANA

BY: \_\_\_\_\_

THE TOWN OF WAYNE

BY: \_\_\_\_\_