

TOWNSHIP OF PINCONNING
COUNTY OF BAY, STATE OF MICHIGAN

RESOLUTION AUTHORIZING ISSUANCE OF
2001 SPECIAL ASSESSMENT BONDS

Minutes of a special meeting of the Township Board of the Township of Pinconning, County of Bay, State of Michigan, held in the Township Hall in the Township on the 30th day of May, 2001, at 7 p.m., Eastern Daylight Time.

PRESENT: Members: STALSBERG, SABOURIN, JACQUES, MOORE,
KUSTERER

ABSENT: Members: NONE

The following preamble and resolution were offered by Member MOORE and supported by Member JACQUES:

WHEREAS, the special assessment roll No. 1 (the "Roll"), for the construction of certain water supply system improvements in Special Assessment District No. 1 (the "District") in the Township of Pinconning, County of Bay, State of Michigan (the "Township") has been prepared, reviewed and confirmed by the Township Board; and

WHEREAS, the Township Board has determined that it will be necessary to issue special assessment bonds pledging for their payment collections on the Roll.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The estimated period of usefulness of said improvements is not less than forty (40) years.
2. Special Assessment Bonds shall be issued in the amount of One Million Three Hundred Seventy Seven Thousand Dollars (\$1,377,000) (the "Bonds") in anticipation of the collection of the equal amount of future due installments on the Roll, together with interest and investment income

thereon.

3. The Bonds shall be designated 2001 SPECIAL ASSESSMENT BONDS, consist of one (1) single fully-registered nonconvertible bond and shall be payable in principal installments on May 1 of each year, as follows:

\$ 5,000	2002;
25,000	2003;
35,000	2004 to 2024, inclusive;
36,000	2025 to 2041, inclusive.

The Bond is expected to be delivered to the Government of the United States of America (the "Government"), as initial purchaser thereof, in installments (the "delivery installments") and each delivery installment shall be noted on the registration grid set forth on the Bonds. The delivery installments shall be deemed to correspond to the serial principal installments of the Bonds in direct chronological order of said serial principal installments. The Bonds shall be dated as of the date of delivery of the first delivery installment.

The serial principal installments of the Bonds will each bear interest from the date of delivery of the corresponding delivery installment to the registered holder thereof as shown on the registration grid set forth on the Bonds at the rate of 4.75% per annum, payable on November 1, 2001, and semiannually thereafter on May 1 and November 1 of each year until maturity or earlier prepayment of said installment. The Bonds shall be issued in fully-registered form and shall not be convertible or exchangeable into more than one fully-registered bond. Interest on the Bonds in an amount of \$25,000 shall be capitalized and paid from the proceeds of the Bonds.

4. The Bonds or installments thereof will be subject to prepayment prior to maturity, in the manner and at the times as provided in the form of the Bonds set forth in Section 7 of this Resolution.

The Township covenants that on each May 1, beginning May 1, 2011, the Township will prepay principal installments of the Bonds to the extent that on April 1 preceding such May 1 there are funds on

hand in the debt retirement fund established in Section 8 of this resolution, funds sufficient to prepay principal installments of the Bonds on May 1. The Supervisor, the Township Clerk and the Township Treasurer shall take all steps necessary to call portions of the Bonds for redemption in accordance with the covenant set forth in the preceding sentence without further direction of the Township Board.

Unless waived by any registered owner of Bonds to be redeemed, official notice of redemption shall be given by the Transfer Agent on behalf of the Township. Such notice shall be dated and shall contain at a minimum the following information: Original issue date; maturity dates; interest rates; CUSIP numbers, if any; certificate numbers (and in the case of partial redemption) the called amounts of each certificate; the place where bonds called for redemption are to be surrendered for payment; and that interest on bonds or portions thereof called for redemption shall cease to accrue from and after the redemption date.

In addition, further notice shall be given by the Transfer Agent in such manner as may be required or suggested by regulations or market practice at the applicable time, but no defect in such further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed herein.

Principal of and interest on the Bonds shall be payable in lawful money of the United States of America by check or draft mailed by the Transfer Agent to the registered owner at the address of the registered owner as shown on the registration books of the Township kept by the Transfer Agent. The Township Treasurer is hereby appointed to act as Transfer Agent. If and at such time as the Bonds are transferred to or held by any registered owner other than the Government, the Township by resolution may appoint a bank or trust company qualified under Michigan law to act as transfer agent and bond registrar, and the Township may thereafter appoint a successor Transfer Agent upon sixty (60) days notice to the registered owner of the Bonds. If the Government shall no longer be the registered owner of the Bonds, then the principal of and interest on the Bonds shall be payable to the registered owner of

record as of the fifteenth day of the month preceding the interest payment date by check or draft mailed to the registered owner at the registered address. Such date of determination of the registered owner for purposes of payment of principal or interest may be changed by the Township to conform to future market practice. The Township Treasurer is hereby authorized to execute an agreement with any successor Transfer Agent.

The Transfer Agent shall record on the registration books the payment by the Township of each installment of principal or interest or both when made and the cancelled checks or drafts representing such payments shall be returned to and retained by the Township Treasurer, which cancelled checks or drafts shall be conclusive evidence of such payments and the obligation of the Township with respect to such payments shall be discharged to the extent of such payments.

Upon payment by the Township of all outstanding principal of and interest on the Bonds, the registered owner thereof shall deliver it to the Township for cancellation.

The sale of the Bonds to the Government at an interest rate of 4.75% per annum and at the par value thereof is hereby approved. The Township Treasurer is hereby authorized to deliver the Bonds in accordance with the delivery instructions of the Government, after approval of the issuance and sale thereof by the Department of Treasury, if such approval is at that time required, or receipt of an order of exception of the Department of Treasury or expiration of the notice period without receipt of an order of denial of the Department of Treasury.

5. The Transfer Agent shall keep or cause to be kept, at its principal office, sufficient books for the registration and transfer of the Bonds, which shall at all times be open to inspection by the Township. The Transfer Agent shall transfer or cause to be transferred on said books the Bonds presented for transfer, as hereinafter provided and subject to such reasonable regulations as it may prescribe.

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The Bonds may be transferred upon the books required to be kept by the Transfer Agent pursuant to this Section, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender the Bonds for transfer, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Transfer Agent. Whenever the Bonds shall be surrendered for transfer, the Transfer Agent shall record such transfer on the registration books and shall register such transfer on the registration grid attached to the Bonds. At the time of such transfer the Transfer Agent shall note on the Bonds the outstanding principal amount thereof at the time of such transfer. The Transfer Agent shall require the payment by the bondholder requesting the transfer of any tax or other governmental charge required to be paid with respect to the transfer. In the event the Bonds are called for prepayment in part, the Transfer Agent, upon surrender of the Bonds, shall note on the Bonds the principal amount prepaid and shall return the Bonds to the registered owner thereof together with the prepayment amount on the prepayment date.

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6. The Bonds shall be signed by the Supervisor and countersigned by the Township Clerk and shall have the corporate seal of the Township impressed thereon. After execution, the Bonds shall be held by the Township Treasurer for delivery to the Government. The Bonds or any installment thereof shall not be valid until registered by the Township Treasurer or other Township official designated in writing by the Treasurer to act as bond registrar, or upon transfer by the Government and thereafter, by an authorized representative of the Transfer Agent.

7. The Bonds shall be substantially in the following form:

UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTY OF BAY

TOWNSHIP OF PINCONNING

2001 SPECIAL ASSESSMENT BOND

No. R-1

\$1,377,000

The Township of Pinconning, County of Bay, State of Michigan (the "Issuer"), promises to pay to the registered owner hereof, the sum of

ONE MILLION THREE HUNDRED SEVENTY SEVEN THOUSAND DOLLARS

on May 1st of the dates and in the principal installment amounts set forth in Exhibit A attached hereto and made a part hereof with interest on said installments from the date each said installment is delivered to the registered owner hereof and as set forth on the registration grid hereon until paid at the rate of four and three-quarters percent (4.75%) per annum, first payable on November 1, 2001, and semiannually thereafter, provided that the principal repayments required herein to the registered holder shall not exceed the total of the principal installments set forth on the registration grid hereon from time to time hereafter to acknowledge receipt of payment of the purchase price of this bond up to a total of \$1,377,000. Both principal of and interest on this bond are payable in lawful money of the United States of America to the registered owner at the address shown on the Issuer's registration books by check or draft mailed to the registered owner at the address shown on the registration books of the Issuer.

This bond is a single, fully-registered, nonconvertible bond in the principal sum of \$1,377,000 issued in anticipation of the collection of special assessments in a certain Special Assessment District (the "District") of the Issuer for the purpose of paying part of the cost of certain water supply improvements in the District, all in accordance with the provisions of Act 188, Public Acts of Michigan, 1954, as amended, and a duly adopted resolution (the "Resolution") of the Issuer. This bond is payable solely and only from the collections of special assessments in the District as provided in the Resolution and does not pledge any other funds for the payment thereof, including the Issuer's general funds.

Principal installments of this bond are subject to prepayment prior to maturity, in inverse chronological order, at the Issuer's option, on any interest payment date on or after May 1, 2002, at par and accrued interest to the date fixed for prepayment.

The Issuer has covenanted in the Resolution to prepay principal installments of the bond on May 1, 2011 and on each May 1 thereafter to the extent that on April 1 preceding such May 1 there are funds on hand in the debt retirement fund sufficient to prepay principal installments on the bond on such May 1.

Thirty days notice of the call of any principal installments for prepayment shall be given by mail to the registered owner at the registered address. The principal installments so called for prepayment shall not bear interest after the date fixed for prepayment, provided funds are on hand to prepay said installments.

This bond shall be registered as to principal and interest on the books of the Issuer kept by the Issuer's Treasurer as registrar and transfer agent (the "Transfer Agent") and noted hereon, after which it shall be transferable only upon presentation to the Transfer Agent with a written transfer by the registered owner or his attorney in fact. Such transfer shall be noted hereon and upon the books of the Issuer kept for that purpose by the Transfer Agent.

It is hereby certified and recited that all acts, conditions and things required by law precedent to and in the issuance of this bond and the series of bonds of which this is one have been done, exist and have happened in regular and due time and form as required by law, and that the total indebtedness of the Issuer, including this bond and the series of bonds of which this is one, does not exceed any constitutional or statutory debt limitation.

IN WITNESS WHEREOF, the Township of Pinconning, County of Bay, State of Michigan, by its Township Board, has caused this bond to be executed with the manual signatures of its Supervisor and its Township Clerk and its corporate seal affixed hereto, all as of June 12, 2001.

TOWNSHIP OF PINCONNING
County of Bay
State of Michigan

By:

Sharon M. Galsberg
Supervisor

(SEAL)

Countersigned

Donald H Moore
Township Clerk

REGISTRATION
NOTHING TO BE WRITTEN HEREON EXCEPT
BY THE BOND REGISTRAR/TRANSFER AGENT

Date of Registration of Delivery	Name of Registered Owner	Principal Installment Delivered	Signature of Bond Registrar/ Transfer Agent
	United States of America		
	United States of America		
	United States of America		
	United States of America		
	United States of America		
	United States of America		
	United States of America		
	United States of America		
	United States of America		
	United States of America		
	United States of America		
	United States of America		
	United States of America		
	United States of America		

MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.

EXHIBIT A

\$ 5,000 2002;
25,000 2003;
35,000 2004 to 2024; inclusive;
36,000 2025 to 2041, inclusive.

8. There shall be established and maintained a fund to be designated 2001 SPECIAL ASSESSMENT BOND DEBT RETIREMENT FUND. There shall be paid into said fund the collections of principal of, interest on the Roll in anticipation of the collection of which the Bonds authorized by the provisions of this resolution is to be issued. In addition, there shall be paid into said Fund the sum of \$25,000 from Bond proceeds to be used to pay interest on the Bonds.

9. There shall be established and maintained a separate fund for the District, to be designated 2001 SPECIAL ASSESSMENT CONSTRUCTION FUND, into which shall be placed the balance of the proceeds of sale of the Bonds and the balance of the special assessments collected prior to issuance of the Bonds, and from which fund there shall be paid the cost of the improvements in the District together with the costs of issuing the Bonds.

10. The Township covenants and agrees, so long as the Bonds hereby authorized remains unpaid, as follows:

(a) It will comply with applicable State laws and regulations.

(b) It will cause an annual audit of such books of record and account for the preceding fiscal year to be made each year by a recognized independent certified public accountant, and will cause such accountant to mail a copy of such audit to the Government, without request of the Government. Such audit shall be completed and so made available not later than ninety (90) days after the close of each fiscal year, and said audit may, at the option of the Township, be used in lieu of the statement on forms prepared by the Department of Treasury.

11. The provisions of this resolution are subject to the laws of the State of Michigan and to the present and future regulations of the Government not inconsistent with the express provisions hereof and Michigan law.

12. So long as the United States of America is holder of the Bonds, the Township shall be subject to the loan resolution (RUS Bulletin 1780-27) and shall comply with all provisions thereof.

13. The Township hereby covenants for the benefit of the holders of the Bonds that it will not cause or permit the proceeds thereof to be used in a manner which would cause the Bonds to lose the exemption from taxation in the State of Michigan and from federal income taxation conferred by the Internal Revenue Code of 1986, as amended.

14. If at any time it shall appear to the Government that the Township is able to refund, upon call for redemption or with consent of the Government the then outstanding principal amount of the Bonds by obtaining a loan for such purposes from responsible cooperative or private credit services, at reasonable rates and terms for similar proposed periods of time, the Township will, upon request of the Government apply for and accept such loan in sufficient amount to repay the Government, and will take all such actions as may be required in connection with such loans.

15. The Township covenants that it will not defease any of the Bonds held by the Government.

16. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same hereby are rescinded.

AYES: Members: STALSBERG, SABOURIN, JACQUES, MOORE,
KUSTERER

NAYS: Members: NONE

RESOLUTION DECLARED ADOPTED.

Donald H Moore
Township Clerk

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Township Board of the Township of Pinconning, County of Bay, State of Michigan, at a special meeting held on May 30, 2001, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

Donald H Moore
Township Clerk

