

**RESOLUTION OF PINCONNING TOWNSHIP
APPROVING WATER SUPPLY SYSTEM CONTRACT**

At a REGULAR meeting of the Township Board of the Township of Pinconning, Bay County, Michigan held at the Township Hall on the 13 day of April, 1999, at 7 PM o'clock p.m., Eastern Time.

PRESENT: JACQUES, KUSTERER, STALSBERG & MOORE

ABSENT: SABOURIN

The following preamble and resolution were offered by Member KUSTERER and seconded by Member MOORE.

WHEREAS, it is immediately necessary and imperative, for the public health and welfare of the present and future residents of the Township that additional facilities for the public storage and supply of water (the "Project") be acquired and constructed to service the Township, as a part of the Bay County Water Supply System (Pinconning Township Extension) (the "System"); and

WHEREAS, the Township has requested the Board of County Road Commissioners, County of Bay (the "Board"), the authorized County Agency pursuant to Act 342, Public Acts of Michigan, 1939, as amended (the "Act") to acquire, construct and finance the Project; and

WHEREAS, by the terms of the Act, the County Agency, acting on behalf of the County of Bay, Michigan (the "County") and the Township are authorized to enter into a contract for the acquisition, improvement, enlargement or extension of the System and the payment of the cost and interest thereon by the Township over a period of not exceeding forty (40) years; and

WHEREAS, the Act provides the only practicable method and means for acquiring and financing the Project so vitally necessary for the public health and welfare of the residents of the Township, and will result in the lowest cost for the money necessary to be borrowed for such purpose; and

WHEREAS, plans and estimates for the cost of the Project have been prepared by Wade-Trim (the "Engineers"), which estimate of costs totals \$2,375,000; and

WHEREAS, in order for the County to issue bonds to provide funds for the acquisition, improvement and construction of the Project, it is necessary for the County and the Township to enter into a contract as provided in the Act; and

WHEREAS, in conjunction with entering into such contract and the issuance of bonds, it is necessary to publish a notice relating to the right to petition for a referendum upon the contract.

NOW, THEREFORE, BE IT RESOLVED, by the Township Board of the Township of Pinconning as follows:

1. The Township Board hereby approves the Bay County Water Supply System (Pinconning Township Extension) Bond Contract, dated as of April 1, 1999, between the County and the Township (the "Contract") in the form previously filed with the Clerk.
2. The Township Board hereby approves the preliminary plans for the Project, the estimate of \$2,375,000 as the cost thereof and 40 years and upwards as the useful life thereof, as prepared by the Engineers.
3. The Township Board does hereby pledge the full faith and credit of the Township as security for its obligations under the Contract and does hereby confirm its covenant in the Contract to levy ad valorem taxes on all taxable property in the Township to the extent necessary to meet its obligations under the Contract, and does further indicate its purpose and intent to make such a levy annually as necessary to meet the Township's obligations under the Contract.
4. The Supervisor and the Township Clerk are hereby authorized and directed to execute and deliver the Contract for and on behalf of the Township in such number of counterparts as may be desirable; provided, however, that the Contract shall not become effective until the expiration of 45 days after publication of the Notice attached hereto or, if within such 45-day period a petition requesting a referendum upon the Contract, signed by at least 10% or 15,000, whichever is the lesser, of the registered electors residing in the Township, is filed with the Township Clerk, then the Contract shall not become effective until approved by majority vote of the qualified electors of the Township voting thereon at a general or special election.
5. The Township Clerk is hereby authorized and directed to publish the Notice attached hereto in the *Pinconning Journal* so as to be prominently displayed therein. It is hereby found and determined that said newspaper is a qualified newspaper of general circulation in the Township and that said Notice contains information which is sufficient to adequately inform all interested persons as to the nature and extent of the full faith and credit limited tax obligations of the Township under the Contract and as to the right to petition for a referendum thereon and the consequences of failure to exercise such right.
6. Either the Supervisor or the Township Clerk is hereby authorized and directed to prepare and submit an application to the Michigan Department of Treasury, Municipal Finance Division, in conjunction with approval of the issuance of bonds by the County or, alternatively, for an order of exception from prior approval, and to pay the related fees therefor using Township funds.
7. Either the Supervisor or the Township Clerk is hereby authorized and directed to enter into a continuing disclosure agreement and to enter into such other documents or take such action as may be necessary or appropriate to satisfy a purchaser's obligation pursuant to Rule 15c2-12 of the Securities Exchange Act of 1934, as amended.

Yes: 4
No: 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 Pinconning Township, Bay County, State of Michigan at a REGULAR meeting held on the 13 day of April, 1999 and that public notice of said meeting was given pursuant to and in full compliance with Act 267, Public Acts of Michigan, 1976, as amended, and that minutes of said meeting were kept and will be or have been made available as required by said Act.

Donald H. Moore, CLERK
Township Clerk, Pinconning Township

0615496.01