

**COUNTY OF CLINTON  
BOARD OF COMMISSIONERS**

At a regular meeting of the Board of Commissioners of Clinton County, held in St. Johns, Michigan on February 23, 1999, at 9:00 o'clock a.m., there were

PRESENT: John Arehart, Russel H. Bauerle, Richard Hawks, Scott A. Hummel,  
Larry Martin, Sara Clark Pierson and Mary Rademacher

ABSENT: None

The following preamble and resolution were offered by Commissioner Pierson and seconded by Commissioner Martin.

**1999-6  
BOND AUTHORIZING RESOLUTION**

WHEREAS, this Board of Commissioners has previously adopted a resolution approving the acquisition and construction of the "Bingham Township Sanitary Sewer Extension Project (1999)" (the "Project") for the purpose of enhancing the sanitary sewer facilities of a district which lies within Bingham Township (the "Township"); and

WHEREAS, pursuant to a resolution of this Board of Commissioners and pursuant to a resolution adopted by the governing body of the Township, the County of Clinton (the "County") and the Township are entering into a Contract (the "Contract"), whereby the County agrees to acquire, construct, and finance the Project at an estimated cost of not to exceed \$3,300,000 and the Township agrees to pay for the cost of the Project, which is to be financed by bonds to be issued by the County (the "Bonds") in the aggregate principal amount of not to exceed \$3,300,000; and

WHEREAS, under the Contract, the Township is to pay semiannually to the County an amount equal to each semiannual installment of principal of, premium, if any, and interest on the Bonds and in addition is to pay all transfer agent and registrar fees and other bond service charges, as determined pursuant to the Contract; and

WHEREAS, the County desires to issue Bonds pursuant to Act No. 185, Michigan Public Acts of 1957, as amended (the "Act"), in anticipation of the payments to be made by the Township under the Contract; and

WHEREAS, the County Board of Public Works has approved this resolution and recommend its adoption by the Board of Commissioners;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE COUNTY OF CLINTON as follows:

1. Bond Details. Bonds of the County of Clinton in the aggregate principal amount of not to exceed \$3,300,000 shall be issued for the purpose of defraying the cost of acquiring and constructing the Project. The Bonds shall be issued in substantially the form of Appendix A attached hereto. The Bonds shall be known as "Clinton County Sanitary Sewer Project Bonds -- Bingham Township, Series 1999" (the "Bonds"). The Bonds initially issued shall be dated such date as may be designated by the Chairman of the Board of Public Works prior to the issuance date of the Bonds, and shall bear interest from that date. Bonds issued thereafter shall bear interest from the interest payment date through which interest has been paid, and if no interest has yet been paid they shall bear interest from the dated date. The Bonds shall be fully registered Bonds, both as to principal and interest, in any denomination which is an integral multiple of \$5,000 or any integral multiple of \$1,000 over \$5,000 up to the amount of a single maturity, and shall be numbered from 1 upwards regardless of rate and maturity date. The Bonds shall mature on such dates and in the amounts determined by the Chairman of the Board of Public Works prior to the sale of the Bonds.

2. Sale. The County shall sell the Bonds at a public sale, in conformance with the Act and the laws of the State of Michigan and the rules and regulations of the Michigan Department of Treasury, at an interest rate of not to exceed 8%, and a discount of not to exceed 2%.

3. Interest Payment and Date of Record. The Bonds shall bear interest payable as designated by the Chairman of the Board of Public Works prior to the sale of the Bonds. Interest shall be paid by check mailed by first class mail to the registered owner of each Bond as of the applicable date of record, provided, however, that the Chairman of the Board of Public Works may agree with the Bond Registrar (the "Bond Registrar") on a different method of payment. If interest is paid differently, the Bond form attached as Exhibit A shall be changed accordingly. The date of record shall be as designated by the Chairman of the Board of Public Works prior to the sale of the Bonds.

4. Redemption. The Bonds shall be subject to redemption prior to maturity as determined by the Chairman of the Board of Public Works prior to the sale of the Bonds. With respect to partial redemptions, any portion of a Bond outstanding in a denomination larger than the minimum authorized denomination may be redeemed provided such portion as well as the amount not being redeemed constitute authorized denominations. In the event that less than the entire principal amount of a Bond is called for redemption, upon surrender of the Bond to the Bond Registrar, the Bond Registrar shall authenticate and deliver to the registered owner of the Bond a new Bond in the principal amount of the principal portion not redeemed.

Notice of redemption shall be sent to the registered holder of each Bond being redeemed by first class mail at least 30 days prior to the date fixed for redemption, which notice shall fix the date of record with respect to the redemption. Any defect in any notice shall not affect the validity of the redemption proceedings. Bonds so called

for redemption shall not bear interest after the date fixed for redemption provided funds are on hand with the Bond Registrar to redeem the same.

5. Bond Registrar. The Bonds shall be registrable upon the books of a bank or trust company selected by the Chairman of the Department of Public Works after consultation with the Township, which shall serve as Bond Registrar, transfer agent and authenticating agent for the Bonds.

6. Transfer or Exchange of Bonds. Any Bond shall be transferable on the bond register maintained by the Bond Registrar with respect to the Bonds at any time upon the surrender of the Bond together with an assignment executed by the registered owner or his or her duly authorized attorney in form satisfactory to the Bond Registrar. Upon receipt of a properly assigned Bond the Bond Registrar shall authenticate and deliver a new Bond or Bonds in equal aggregate principal amount and like interest rate and maturity to the designated transferee or transferees.

Bonds may likewise be exchanged at any time for one or more other Bonds with the same interest rate and maturity in authorized denominations aggregating the same principal amount as the Bond or Bonds being exchanged. Such exchange shall be effected by surrender of the Bond to be exchanged to the Bond Registrar with written instructions signed by the registered owner of the Bond or his or her attorney in form satisfactory to the Bond Registrar. Upon receipt of a Bond with proper written instructions the Bond Registrar shall authenticate and deliver a new Bond or Bonds to the registered owner of the surrendered Bond or his or her properly designated transferee or transferees or attorney.

The Bond Registrar is not required to honor any transfer or exchange of Bonds during the 15 days preceding an interest payment date. Any service charge made by the Bond Registrar for any such registration, transfer or exchange shall be paid for by the County (subject, however, to reimbursement by the Township pursuant to the Contract). The Bond Registrar may, however, require payment by a bondholder of a sum sufficient to cover any tax or other governmental charge payable in connection with any such registration, transfer or exchange.

7. Execution and Delivery. The Chairman of the Board of Commissioners and the County Clerk of the County are authorized and directed to execute the Bonds for and on behalf of the County by manually executing the same or by causing facsimile signatures of the Chairman of the Board of Commissioners and of the County Clerk to be affixed, provided in the latter instance the Bonds are thereafter authenticated by the Bond Registrar. The Bonds shall be sealed with the County seal or a facsimile of the County seal. Upon the execution of the Bonds they shall be delivered to the Treasurer of the County, who is authorized and directed to deliver the Bonds to the purchaser upon receipt in full of the purchase price.

8. Full Faith and Credit of Township and County. The Bonds are to be issued pursuant to the provisions of the Act in anticipation of the payments to become due to the County from the Township under the Contract. Such payments are supported by a pledge of the full faith and credit of the Township. The full faith and credit of the County is hereby pledged for the prompt payment of the principal of, premium, if any, and interest on the Bonds as the same shall become due. The ability of the Township and the County to raise funds with which to meet such full faith and credit pledges is subject to applicable statutory, constitutional and charter tax limitations.

9. Bond Payment Fund. The County shall establish a separate depository account to be designated "Bingham Township Sanitary Sewer Supply Project (1999) Bond Payment Fund" (the "Bond Payment Fund"). All moneys paid to the County by the Township toward the cost of the Project pursuant to the Contract shall be deposited in the Bond Payment Fund. All accrued interest and premium, if any, received from the purchaser of the Bonds, as well as capitalized interest on the Bonds shall be deposited in the Bond Payment Fund.

Moneys in the Bond Payment Fund shall be used solely to pay the principal of and premium, if any, and interest on the Bonds.

Moneys in the Bond Payment Fund may be continuously invested and reinvested in any legal investment for County funds, which shall mature, or which shall be subject to redemption by the holder thereof not later than, the dates when moneys in the Bond Payment Fund will be required to pay the principal of and interest on the Bonds. Obligations purchased as an investment of moneys of the Bond Payment Fund shall be deemed at all times to be a part of such fund, and the interest accruing thereon and any profit realized from such investment shall be credited to such fund.

10. Construction Fund. Except for amounts required by this resolution to be deposited in the Bond Payment Fund, the proceeds from the sale of the Bonds shall be deposited in a separate depository account to be designated "Bingham Township Sanitary Sewer Project (1999) Construction Fund" (the "Construction Fund").

Moneys at any time in the Construction Fund shall be used solely to pay costs of the Project except that upon payment (or provision for payment) in full of the costs of the Project, any excess moneys remaining in the Construction Fund shall be transferred to the Bond Payment Fund (if any Bonds are outstanding) or applied as required by law or the ordinances of the County.

Moneys in the Construction Fund may be continuously invested and reinvested in any legal investment for County funds, which shall mature, or which shall be subject to redemption by the holder thereof not later than, the estimated dates when moneys in the Construction Fund will be required to pay costs of the Project. Obligations purchased as an investment of moneys of the Construction Fund shall be deemed at all times to be a

part of such fund, and the interest accruing thereon and any profit realized from such investment shall be credited to such fund.

11. Approval of the Department of Treasury; Exception. The issuance and sale of the Bonds shall be subject to the approval of the Michigan Department of Treasury, as required by law, and the Chairman of the Department of Public Works is hereby authorized to (a) make application to the Department of Treasury for permission to issue and sell the Bonds or to apply for an exception to such prior approval from the Michigan Department of Treasury, (b) file with such application all required supporting material; and (c) pay all fees required in connection therewith.

12. Mutilated, Lost, Stolen or Destroyed Bonds. In the event any Bond is mutilated, lost, stolen or destroyed, the Chairman of the Board of Commissioners and the Clerk may, on behalf of the County, execute and deliver, or order the Bond Registrar to authenticate and deliver, a new Bond having a number not then outstanding, of like date, maturity and denomination as that mutilated, lost, stolen or destroyed.

In the case of a mutilated Bond, a replacement Bond shall not be delivered unless and until such mutilated Bond is surrendered to the Bond Registrar. In the case of a lost, stolen or destroyed Bond a replacement Bond shall not be delivered unless and until the County and the Bond Registrar shall have received such proof of ownership and loss and indemnity as they determine to be sufficient, which shall consist at least of (i) a lost instrument bond for principal and interest remaining unpaid on the lost, stolen or destroyed bond; (ii) an affidavit of the registered owner (or his or her attorney) setting forth ownership of the Bond lost, stolen or destroyed and the circumstances under which it was lost, stolen or destroyed; (iii) the agreement of the owner of the Bond (or his or her attorney) to fully indemnify the County and the Bond Registrar against loss due to the lost, stolen or destroyed Bond and the issuance of any replacement Bond in connection therewith; and (iv) the agreement of the owner of the Bond (or his or her attorney) to pay all expenses of the County and the Bond Registrar in connection with the replacement, including the transfer and exchange costs which otherwise would be paid by the County.

13. Arbitrage and Tax Covenants. Notwithstanding any other provision of this Resolution, the County covenants that it will not at any time or times permit any proceeds of the Bonds or any other funds of the County to be used directly or indirectly (a) to acquire any securities or obligations, the acquisition of which would cause any Bond to be an "arbitrage bond" as defined in Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), or (b) in a manner which would result in the exclusion of any Bond from the treatment afforded by Section 103(a) of the Code by reason of the classification of any Bond as a "private activity bond" within the meaning of Section 141(a) of the Code or as an obligation guaranteed by the United States of America within the meaning of Section 149(b) of the Code. The County further covenants that it will not take any action, or fail to take any action, within its control which action or failure to act would adversely affect (i) the exemption of the interest on the Bonds from general federal income taxation (as opposed to alternative minimum

income or other indirect taxation) under the Code or other federal law existing on the date of delivery of the Bonds or (ii) the exemption of the Bonds and the interest thereon from State of Michigan income taxation.

14. Qualification of Bonds. The Bonds are designated as qualified tax-exempt obligations for purposes of Section 265(b) of the Internal Revenue Code of 1986 ("Section 265"). The foregoing designation is made pursuant to the County's determination, hereby made and declared, that the reasonably anticipated amount of tax-exempt obligations, other than private activity bonds, which will be issued by the County and all subordinate entities of the County during the calendar year in which the Bonds are issued will not, for purposes of Section 265, total more than \$10,000,000. Prior to the issuance of the Bonds the Chairman of the Board of Public Works shall independently re-evaluate the County's determination under this Section 14. In the event the Chairman of the Board of Public Works shall confirm the County's determination, the Chairman of the Board of Public Works shall so certify in writing to the Board of Commissioners and shall take all actions necessary or appropriate for and on behalf of the County to constitute the Bonds as obligations qualifying under Paragraph (3)(A) of Section 265. Alternatively, if the Chairman of the Board of Public Works shall fail to confirm the reasonableness of the County's determination as to any of the Bonds the Chairman of the Board of Public Works shall so certify in writing to the Board of Commissioners, and such Bonds shall no longer be designated as qualified tax-exempt obligations, unless and until the Board of Commissioners shall by further resolution reaffirm the designation made hereby. The Chairman of the Board of Public Works is authorized and directed to make such changes to the form of the Bonds set forth in Appendix A, as may, in the Chairman of the Board of Public Works' discretion, be necessary to reflect any withdrawal of the designation made hereunder.

15. Provisions for the Sale of Bonds; Notice of Sale. Sealed bids for the purchase of the Bonds will be accepted up to a time to be determined by the Chairman of the Board of Public Works. Notice of the sale shall be published once in accordance with law, in substantially the form attached as an exhibit to this Resolution. The Chairman of the Board of Public Works may make such changes to the attached Notice of Sale, or cause it to be published in additional publications, as he deems appropriate.

16. Defeasance or Redemption of Bonds. If at any time,
- (a) the whole amount of the principal of and interest on all outstanding Bonds shall be paid, or
  - (b) (i) sufficient moneys, or Government Obligations (as defined in this Section) not callable prior to maturity, the principal of and interest on which when due and payable will provide sufficient moneys to pay the whole amount of the principal of and premium, if any, and interest on all outstanding Bonds as and when due at maturity or upon redemption prior to maturity shall be deposited with and held

by a trustee or an escrow agent for the purpose of paying the principal of and premium, if any, and interest on such Bonds as and when due, and (ii) in the case of redemption prior to maturity, all outstanding Bonds shall have been duly called for redemption (or irrevocable instructions to call such Bonds for redemption shall have been given)

then, at the time of the payment referred to in clause (a) of this Section or of the deposit referred to in clause (b) of this Section, the County shall be released from all further obligations under this resolution, and any moneys or other assets then held or pledged pursuant to this resolution for the purpose of paying the principal of and interest on the Bonds (other than the moneys deposited with and held by a trustee or an escrow agent as provided in clause (b) of this Section) shall be released from the conditions of this resolution, paid over to the County and considered excess proceeds of the Bonds. In the event moneys or Government Obligations shall be so deposited and held, the trustee or escrow agent holding such moneys or Government Obligations shall, within 30 days after such moneys or Government Obligations shall have been so deposited, cause a notice signed by it to be published once in a newspaper of general circulation in the City of Detroit, Michigan, setting forth (i) the date or dates, if any, designated for the redemption of the Bonds, (ii) a description of the moneys or Government Obligations so held by it and (iii) a statement that the County has been released from its obligations under this resolution. All moneys and Government Obligations so deposited and held shall be held in trust and applied only to the payment of the principal of and premium, if any, and interest on the Bonds at maturity or upon redemption prior to maturity, as the case may be, as provided in this Section.

The trustee or escrow agent referred to in this Section shall (a) be a bank or trust company permitted by law to offer and offering the required services, (b) be appointed by an officer of the Department of Public Works and (c) at the time of its appointment and so long as it is serving as such, have at least \$25,000,000 of capital and unimpaired surplus. The same bank or trust company may serve as trustee or escrow agent under this Section and as Bond Registrar so long as it is otherwise eligible to serve in each such capacity.

As used in this Section, the term "Government Obligations" means direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America.

17. Retention of Bond Counsel. The firm of Dykema Gossett PLLC, Lansing and Detroit, Michigan, is hereby retained to act as bond counsel for the County in connection with the issuance, sale and delivery of the Bonds.

18. Retention of Financial Consultants. Stauder, Barch & Associates, Inc., Ann Arbor, Michigan, is hereby retained to act as financial consultant to the County in connection with the sale and delivery of the Bonds.

19. Conflicting Resolutions. All resolutions and parts of resolutions in conflict with the foregoing are hereby rescinded.

A vote on the foregoing resolution was taken and was as follows:

YES: Arehart, Bauerle, Hawks, Hummel, Martin, Pierson and Rademacher

NO: None

ABSTAIN: None

**CERTIFICATION**

I certify that the foregoing is a true and accurate copy of a resolution adopted at a regular meeting of the Clinton County Board of Commissioners, and that notice of such meeting was given as required by law and such meeting was held in compliance with Act No. 267, Michigan Public Acts of 1976, as amended.

\_\_\_\_\_  
Clinton County Clerk

Dated: February 23, 1999

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ID\JPK

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EXHIBIT A  
FORM OF BOND

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*Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Township or its agent for registration of transfer, exchange, or payment and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.*

UNITED STATES OF AMERICA  
STATE OF MICHIGAN  
COUNTY OF CLINTON

CLINTON COUNTY SANITARY SEWER PROJECT BONDS -  
BINGHAM TOWNSHIP, SERIES 1999  
(Limited Tax General Obligation)

Rate                      Maturity Date                      Date of Issuance                      CUSIP  
\_\_\_\_\_ %                      \_\_\_\_\_, 20\_\_                      \_\_\_\_\_, 1999                      \_\_\_\_\_

REGISTERED OWNER: Cede & Co.

PRINCIPAL AMOUNT: \_\_\_\_\_ Dollars (\$\_\_\_\_\_)

The County of Clinton, State of Michigan, (the "County") hereby acknowledges itself indebted and for value received promises to pay the Principal Amount specified above on the Maturity Date specified above to the Registered Owner specified above, or its registered assigns, shown as the owner of record of this Bond on the applicable date of record on the books of \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_ as Bond Registrar (the "Bond Registrar"), together with interest thereon from the Date of Issuance specified above, or such later date through which interest has been paid, at the Rate per annum specified above, payable on \_\_\_\_\_, 199\_\_, and semiannually thereafter on the first day of \_\_\_\_\_ and \_\_\_\_\_ in each year. The date of record shall be \_\_\_\_\_ with respect to payments made on \_\_\_\_\_ and \_\_\_\_\_ with respect to payments made on \_\_\_\_\_.

This Bond is one of a series of bonds of like date and tenor except as to date of maturity and interest rate aggregating the principal sum of Three Million Three Hundred Thousand Dollars (\$3,300,000), issued by the County of Clinton under and pursuant to and in full conformity with the Constitution and Statutes of Michigan (especially Act No. 185, Michigan Public Acts of 1957, as amended) for the purpose of defraying the cost of acquiring and

constructing the Bingham Township Sanitary Sewer Project (1999) (the "Project") which services a portion of Bingham Township, Clinton County, Michigan (the "Township").

Bonds of this series maturing before \_\_\_\_\_, 20\_\_ are not subject to redemption prior to maturity. Bonds of this series maturing on or after \_\_\_\_\_, 20\_\_ are subject to optional redemption, in whole or in part as the County shall determine, in integral multiples of \$5,000 on any interest payment date on or after \_\_\_\_\_, 20\_\_ at par plus accrued interest to the redemption date (and with no premium for early redemption).

With respect to partial redemptions, any portion of a bond outstanding in a denomination larger than the minimum authorized denomination may be redeemed provided such portion and the amount not being redeemed each constitutes an authorized denomination. If less than the entire principal amount of a bond is called for redemption, upon surrender of the bond to the Bond Registrar, the Bond Registrar shall authenticate and deliver to the registered owner a new Bond in the principal amount of the principal portion not being redeemed.

Notice of redemption shall be sent to the registered holder of each bond being redeemed by first class United States mail at least 30 days before the date fixed for redemption, which notice shall fix the date of record with respect to the redemption. Any defect in any notice of redemption shall not affect the validity of the redemption proceedings. Bonds so called for redemption shall not bear interest after the date fixed for redemption provided funds or sufficient government obligations then are on deposit with the Bond Registrar to redeem such bonds.

This Bond is payable as to principal, premium, if any, and interest from moneys to be paid to the County by the Township pursuant to a contract dated as of \_\_\_\_\_, 1999 (the "Contract") between the County and the Township, whereby the Township agrees to pay to the County the cost of the Project in semiannual installments equal to the principal of, premium, if any, interest and bond service charges on the Bonds. The full faith and credit of the Township is pledged for the prompt payment of its obligations pursuant to the Contract. Pursuant to the resolution authorizing the issuance of this series of bonds, the full faith and credit of the County has also been pledged for the prompt payment of the principal of, premium, if any, and interest on the bonds of this series. The ability of the Township and the County to raise funds with which to meet such full faith and credit pledge is subject to applicable statutory, constitutional and charter tax limitations.

This Bond has been designated as a qualified tax-exempt obligation for purposes of Paragraph 265(b)(3) of the Internal Revenue Code of 1986.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in connection with the issuance of the bonds of this series, exist, have happened and have been performed in due time, form and manner as required by the Constitution and Statutes of the State of Michigan, and that the total indebtedness of the County, including this series of bonds, does not exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the County of Clinton, Michigan, by its Board of Commissioners, has caused this Bond to be executed in its name with the facsimile signature of the Chairman of its Board of Commissioners and its County Clerk, has caused a facsimile of its seal to be affixed hereto, and has caused this bond to be authenticated by the Bond Registrar, as the County's authenticating agent, all as of the Date of Issuance.

COUNTY OF CLINTON

By: \_\_\_\_\_  
Chairman of the Board of  
Commissioners

By: \_\_\_\_\_  
County Clerk

[SEAL]

BOND REGISTRAR'S CERTIFICATE OF AUTHENTICATION

This Bond is one of the series of bonds designated "Clinton County Sanitary Sewer Project **Bonds - Bingham** Township, Series 1999 (Limited Tax General Obligation)."

Date of Authentication:

\_\_\_\_\_, as  
Bond Registrar and  
Authenticating Agent

By: \_\_\_\_\_  
Authorized Signer

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ASSIGNMENT

For value received, the undersigned sells, assigns and transfers unto \_\_\_\_\_ this Bond and all rights hereunder and hereby irrevocably appoints \_\_\_\_\_ attorney to transfer this Bond on the books kept for registration thereof with full power of substitution in the premises

Dated: \_\_\_\_\_  
Signature \_\_\_\_\_

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of this Bond in every particular.

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**EXHIBIT B**  
**FORM OF OFFICIAL NOTICE OF SALE**

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**OFFICIAL NOTICE OF SALE**

\$ \_\_\_\_\_

**UNITED STATES OF AMERICA  
STATE OF MICHIGAN  
COUNTY OF CLINTON**

**CLINTON COUNTY SANITARY SEWER PROJECT BONDS -  
BINGHAM TOWNSHIP, SERIES 1999  
(Limited Tax General Obligation)**

**SEALED BIDS** for the purchase of the above bonds (the "Bonds") will be received by the undersigned in the offices of the Clinton County Department of Public Works (the "DPW"), St. Johns, Michigan, the \_\_\_ day of \_\_\_\_\_ 1999, until o'clock \_m., at which time and place the bids will be publicly opened and read.

In the alternative, sealed bids will also be received on the same date and until the same time by an agent of the undersigned at the Municipal Advisory Council of Michigan, 1445 First National Building, Detroit, Michigan 48226, where they will simultaneously be publicly opened and read. Bids received at the DPW Offices will be read first, followed by the alternate location. Bidders may choose either location to present bids and good faith checks, but not both locations.

The award of the Bonds will be made by the Issuer [at a meeting to be held beginning at \_\_:\_\_ \_m., Eastern Time, on the day of] [approximately one hour after the time fixed for] the sale.

**BOND DETAILS:** The Bonds will be fully registered Bonds in any denomination of \$5,000 or any integral multiple thereof up to a single maturity, dated \_\_\_\_\_, 1999, numbered in order of authentication from 1 upwards, and will bear interest and semiannually from their date payable on November 1, 1999, and semiannually thereafter.

The bonds will mature on the 1st day of May as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2000	\$	2010	\$

2001	2011
2002	2012
2003	2013
2004	2014
2005	2015
2006	2016
2007	2017
2008	2018
2009	2019

**TERM BOND OPTION:** The initial purchaser of the Bonds may designate any one or more maturities from May 1, 2011 through the final maturity as term bonds and the consecutive maturities which shall be aggregated in any such term bonds. Any such designation must be made within 24 hours of the bond sale. The amounts of the maturities which are aggregated in any such designated term bond shall be subject to mandatory redemption on May 1 of the years and in the amounts as set forth in the foregoing maturity schedule at a redemption price of par, plus accrued interest, to the date of mandatory redemption.

**PRIOR REDEMPTION:** Bonds of this issue shall be subject to redemption prior to maturity as follows:

Bonds of this issue maturing in the years 2000 through 2009, inclusive, shall not be subject to redemption prior to maturity. Bonds or portions of Bonds in multiples of \$5,000 of this issue maturing in the years 2010 through 2019, inclusive, shall be subject to redemption prior to maturity, at the option of the County, in direct order of maturity and by lot within any maturity, on any interest payment date on or after May 1, 2009, at 100% of the par amount thereof and accrued interest to the date fixed for redemption

**INTEREST RATE AND BIDDING DETAILS:** The bonds shall bear interest at a rate or rates not exceeding 8% per annum, to be fixed by the bids therefor, expressed in multiples of 1/8 or 1/20 of 1%, or both. The interest on any one bond shall be at one rate only and all bonds of the issue maturing in any one year must carry the same interest rate. The difference between the highest and lowest interest rate on the bonds shall not exceed two percent (2%) per annum. The interest rate borne by the Bonds maturing in any given year shall not be less than the interest rate borne by the Bonds

maturing in any preceding year. No proposal for the purchase of less than all of the bonds or at a price less than 99% of their par value will be considered.

**BOND REGISTRAR AND DATE OF RECORD:** \_\_\_\_\_ has been selected as Bond Registrar for the Bonds. The Bond Registrar will keep records of the registered holders of the Bonds, serve as transfer agent for the Bonds, authenticate the original and any re-issued Bonds and will pay interest by check or draft mailed to the registered holders of the Bonds as shown on the records of the Bond Registrar on the applicable date of record. The date of record for each interest payment shall be the \_\_\_\_ day of the month before such payment is due. Principal of the Bonds will be paid at maturity upon presentation and surrender thereof to the Bond Registrar.

**PURPOSE AND SECURITY:** The Bonds are payable as to principal, premium, if any, and interest from moneys to be paid to the County by the Township pursuant to a contract dated as of \_\_\_\_\_, 1999 (the "Contract") between the County and the Township, whereby the Township agrees to pay to the County the cost of a sanitary sewer extension project in semiannual installments equal to the principal of, premium, if any, interest and bond service charges on the Bonds. The full faith and credit of the Township is pledged for the prompt payment of its obligations pursuant to the Contract. Pursuant to the resolution authorizing the issuance of this series of Bonds, the full faith and credit of the County has also been pledged for the prompt payment of the principal of, premium, if any, and interest on the Bonds of this series. The ability of the Township and the County to raise funds with which to meet such full faith and credit pledge is subject to applicable statutory, constitutional and charter tax limitations.

**GOOD FAITH CHECK:** A certified or cashier's check drawn upon an incorporated bank or trust company or a Financial Surety Bond in the amount of one percent (1%) of the par amount of the Bonds, and payable to the order of the Treasurer of the County must accompany each bid as a guarantee of good faith on the part of the bidder, to be forfeited as liquidated damages if such bid is accepted and the bidder fails to take up and pay for the Bonds. If a check is used, it must accompany the bid. If a Financial Surety Bond is used, it must be from an insurance company licensed to issue such a bond in Michigan, and such bond must be submitted to the County or its financial advisor prior to the opening of bids. The Financial Surety Bond must identify each bidder whose good faith deposit is guaranteed by such bond. If the Bonds are awarded to a bidder using a Financial Surety Bond, then that purchaser is required to submit its good faith deposit to the County or its financial advisor in the form of a cashier's check or by wire transfer (in accordance with instructions from the County or its financial advisor) not later than 12:00 noon, Eastern Time, on the next business day following the award. If such good faith deposit is not received by that time, the Financial Surety Bond may be drawn upon by the County to satisfy the good faith deposit requirement. If the purchaser fails to honor its accepted bid, the good faith deposit will be retained by the County. No interest will be allowed on good faith checks. Checks of unsuccessful bidders will be returned to the bidder's representative or by overnight delivery service. The good faith check of the successful bidder will be cashed, and the

proceeds will be applied to the purchase price of the Bonds. Payment of the balance of the purchase price shall be made at closing.

**AWARD OF BONDS:** The bonds will be awarded to the bidder whose bid produces the lowest interest cost computed by determining, at the rate or rates specified in the bid, the total dollar value of all interest on the bonds from \_\_\_\_\_ to their maturity and deducting therefrom any premium or adding thereto any discount.

**LEGAL OPINION:** Bids shall be conditioned upon the approving opinion of Dykema Gossett PLLC, Lansing and Detroit, Michigan ("Bond Counsel"), a copy of which opinion will be printed on the reverse side of each bond, and the original of which will be furnished without expense to the purchaser of the bonds at the delivery thereof. The fees of Dykema Gossett PLLC, Lansing and Detroit, Michigan ("Bond Counsel") for services rendered in connection with such approving opinion are expected to be paid from bond proceeds. Except to the extent necessary to issue its approving opinion as to validity of the above bonds, Bond Counsel has not been requested to examine or review and has not examined or reviewed any financial documents, statements or materials that have been or may be furnished in connection with the authorization, issuance or marketing of the bonds, and accordingly will not express any opinion with respect to the accuracy or completeness of any such financial documents, statements or materials.

**TAX MATTERS:** In the opinion of Bond Counsel, assuming compliance with certain covenants, (i) interest on the Bonds is excluded from gross income for federal income tax purposes, as described in bond counsel's opinion, and (ii) the Bonds and interest thereon are exempt from all taxation in the State of Michigan except estate taxes and taxes on gains realized from the same, payment or other disposition thereof. **The County has designated the Bonds as "qualified tax-exempt obligations" for purposes of the deduction of interest expense by financial institutions.** The successful bidder will be required to furnish, prior to the delivery of the bonds, a certificate in a form acceptable to Bond Counsel as to the "issue price" of the bonds within the meaning of Section 1273 of the Internal Revenue Code of 1986, as amended.

**DELIVERY OF BONDS:** The County will furnish bonds ready for execution at its expense. Bonds will be delivered without expense to the purchaser at Detroit, Michigan, or such place as may be agreed upon. The usual closing documents, including a certificate that no litigation is pending affecting the issuance of the bonds, will be delivered at the time of delivery of the bonds. If the bonds are not tendered for delivery by twelve o'clock noon, Eastern Daylight Time, on the 45th day following the date of sale, or the first business day thereafter if said 45th day is not a business day, the successful bidder may on that day, or any time thereafter until delivery of the bonds, withdraw its proposal by serving notice of cancellation, in writing, on the undersigned in which event the County shall promptly return the good faith deposit. Payment for the

bonds shall be made in Federal Reserve Funds. Accrued interest to the date of delivery of the bonds shall be paid by the purchaser at the time of delivery. Unless the purchaser furnishes the transfer agent with a list giving the denominations and names in which it wishes to have each issue of the bonds issued at least five business days prior to the delivery of the bonds, each issue of the bonds may be delivered in the form of a single certificate for each maturity registered in the name of the purchaser.

**OFFICIAL STATEMENT:** A copy of the Official Statement may be obtained by contacting Stauder, Barch & Associates, Inc. at the address and telephone number listed in the FURTHER INFORMATION paragraph below. The Official Statement is in a form deemed final as of its date by the County for purposes of SEC Rule 15c2-12(b)1, but is subject to revision, amendment and completion of a final Official Statement. The successful bidder shall supply to the County, within twenty-four hours after the award of the Bonds, all pricing information and any underwriter identification determined by bond counsel to be necessary to complete the Official Statement.

The County will furnish to the successful bidder, at no cost, 250 copies of the Official Statement within seven business days after the award of the Bonds. Additional copies will be supplied upon the bidder's agreement to pay to the County the cost for those additional copies.

The County shall deliver, at closing, an executed certificate to the effect that as of the date of delivery the information contained in the Official Statement, including revisions, amendments and completions as necessary, relating to the County and the Bonds is true and correct in all material respects, and that such Official Statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

**BOOK-ENTRY-ONLY:** The Bonds will be issued in book-entry-only form as one fully registered bond per maturity and will be registered in the name of Cede & Co., as bondholder and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Purchase of the Bonds will be made in book-entry-only form, in the denomination of \$5,000 or any multiple thereof. Purchasers will not receive certificates representing their interest in Bonds purchased.

**BOND INSURANCE AT PURCHASER'S OPTION.** If the Bonds qualify for issuance of any policy of municipal bond insurance or commitment therefor at the option of the bidder/purchaser, the purchase of any such insurance policy or the issuance of any such commitment shall be at the sole option and expense of the purchaser of the Bonds. Any increased costs of issuance of the Bonds resulting from such purchase of insurance shall be paid by the purchaser. Failure of the municipal bond insurer to issue such policy after the bonds have been awarded to the purchaser shall not constitute

cause for failure or refusal by the purchaser to accept delivery of the Bonds from the County.

**CUSIP NUMBERS:** CUSIP identification numbers will be printed on the bonds at the County's expense, but neither the failure to print the numbers nor any error with respect thereto shall constitute cause for refusal by the purchaser to accept delivery of the bonds. The CUSIP Service Bureau charge for the assignment of numbers shall be the responsibility of and paid for by the purchaser of the Bonds.

**FURTHER INFORMATION** may be obtained from Stauder, Barch & Associates, Inc., 3989 Research Park Drive, Ann Arbor, Michigan 48108 (734/668-6688).

**THE RIGHT IS RESERVED TO REJECT ANY OR ALL BIDS .**

**ENVELOPES** containing the bids should be plainly marked "Proposal for Bingham Township Sanitary Sewer Project Bonds, Series 1999."

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