

**CHARTER TOWNSHIP OF WEST BLOOMFIELD
COUNTY OF OAKLAND
STATE OF MICHIGAN**

ORDINANCE NO. C-706-A

AN ORDINANCE TO AMEND AND SUPPLEMENT ORDINANCE NO. C-706, WHICH WAS ENACTED BY THE TOWNSHIP BOARD ON FEBRUARY 5, 2007, AUTHORIZING THE ISSUANCE OF CERTAIN WATER SYSTEM IMPROVEMENT REVENUE BONDS BY THE CHARTER TOWNSHIP OF WEST BLOOMFIELD, OAKLAND COUNTY, MICHIGAN, FOR THE PURPOSE OF DEFRAYING ALL OR A PORTION OF THE COST OF ACQUIRING AND CONSTRUCTING CERTAIN IMPROVEMENTS TO THE TOWNSHIP'S WATER SUPPLY AND SEWAGE DISPOSAL SYSTEM. THIS ORDINANCE AMENDS ORDINANCE NO. C-706 BY: ADDING SECTION 1A ("PROJECT DESCRIPTION FOR 2008 BONDS") TO DESCRIBE THE WATER SYSTEM IMPROVEMENT PROJECT THAT WILL BE FINANCED WITH THE PROCEEDS OF THE 2008 BONDS; ADDING SECTION 3A ("THE MICHIGAN MUNICIPAL BOND AUTHORITY - 2008 BONDS") TO DESCRIBE CERTAIN TERMS AND PROVISIONS RELATED TO THE SALE OF THE 2008 BONDS TO THE MICHIGAN MUNICIPAL BOND AUTHORITY; ADDING SECTION 4A ("THE 2008 BONDS") TO PROVIDE DETAILS AND PARAMETERS FOR THE 2008 BONDS; PROVIDING FOR OTHER MATTERS RELATED TO THE BONDS AND THE SYSTEM; REPEALING ORDINANCES AND PORTIONS OF ORDINANCES INCONSISTENT WITH THIS ORDINANCE; AND PROVIDING AN EFFECTIVE DATE THEREOF.

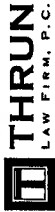
WHEREAS, pursuant to Ordinance No. C-706, enacted by the Township Board on February 5, 2007, the Township Board authorized the issuance of not to exceed Sixteen Million Eight Hundred Thousand Dollars (\$16,800,000) of Charter Township of West Bloomfield, Oakland County, Michigan (the "Township" or "Issuer") Water System Improvement Revenue Bonds, to be issued in one or more series of bonds, in order to finance the acquisition and construction of certain improvements to the Township's water supply and sewage disposal system (the "System"); and

WHEREAS, pursuant to the authority of Ordinance No. C-706, the Township issued its 2007 Water System Improvement Revenue Bonds (General Obligation - Limited Tax), dated March 29, 2007, in the principal amount of \$935,000, said bonds being sold to the Michigan Municipal Bond Authority (the "MMBA" or the "Authority") pursuant to a negotiated sale; and

WHEREAS, the Township Board now desires to authorize the negotiated sale of its 2008 Bonds (defined below) to the MMBA, in a principal amount not to exceed Nine Million Five Hundred Thousand Dollars (\$9,500,000), and to authorize the execution and delivery of any and all agreements, certificates and documents necessary to effectuate the sale and delivery of the 2008 Bonds to the Authority; and

WHEREAS, the Township Board now desires to make certain amendments to Ordinance No. C-706 with respect to the details and parameters for the issuance of the 2008 Bonds.

NOW, THEREFORE, THE TOWNSHIP BOARD FOR THE CHARTER TOWNSHIP OF WEST BLOOMFIELD ORDAINS:



1. Section 1A ("Project Description for 2008 Bonds") is hereby added to Ordinance No. C-706 as follows:

1A. Project Description for 2008 Bonds. The portion of the Project to be financed with the proceeds of the 2008 Bonds (defined below) is described as follows:

The acquisition and construction of certain improvements to the Township's public water supply system, including, but not limited to, the construction of three new internal pressure-reducing valves and vault facilities, the replacement of one master meter and pressure-reducing facility, and the rehabilitation of five existing mater meter and pressure-reducing facilities. The Project also includes the abandonment of certain water system pressure vaults and the conversion or addition of four pressure district interconnection and sustaining valve facilities along with the installation of a new supervisory control and data acquisition system (SCADA) to alarm, monitor and control flows and pressures throughout the water supply system. The improvements also include the construction of approximately 15,000 lineal feet of additional ductile iron transmission water mains within the water supply system to provide looping, reliability and pipe capacity, and approximately 15,000 lineal feet of replacement ductile iron water main, as well as any and all other necessary and related improvements.

2. Section 3A ("The Michigan Municipal Bond Authority – 2008 Bonds") is hereby added to Ordinance No. C-706 as follows:

3A. The Michigan Municipal Bond Authority – 2008 Bonds. The Township Board, based upon consultations with and recommendations from its financial consultant and bond counsel, hereby determines that it is in the best interests of the Township to issue the 2008 Bonds through a negotiated sale to the MMBA, rather than sell the 2008 Bonds at a public sale, based upon the favorable terms [including the interest rate(s)] and reduced costs of issuance that are available through the MMBA pursuant to the MDEQ's DWRF Program. In the event that the 2008 Bonds are sold to the MMBA, the following subprovisions shall apply:

(a) Bond Purchase Contract. The 2008 Bonds are hereby authorized to be sold to the MMBA pursuant to the Act, Act 227 of 1985, Act 34 of 2001, and other applicable statutory provisions, and to bear an original issue date, and bear interest at the rates as shall be determined by the Supervisor, Clerk or Treasurer (each an "Authorized Officer"). In the event that the 2008 Bonds are sold to the MMBA, the Issuer hereby approves, and an Authorized Officer is hereby authorized and directed to execute and deliver, the Bond Purchase Contract, the Supplemental Agreement, the Revenue Sharing Pledge Agreement, if necessary, and the Issuer's Certificate as provided by the MMBA for the sale to the MMBA of the 2008 Bonds, if, in the judgment of the Authorized Officer, the interest rate or rates on the 2008 Bonds and other terms and conditions of the Bond Purchase Contract and other agreements and certificates are in the best interests of the Township to accept.

(b) Discount. The Township hereby authorizes the sale of the 2008 Bonds to the MMBA at a discount of not to exceed five percent (5%), and an Authorized Officer is hereby authorized and directed to approve the specific discount offered by the MMBA and the interest rates for the principal amount of the 2008 Bonds, if, in the Authorized Officer's judgment, the discount, interest rates and principal amount of the 2008 Bonds are in the best interests of the Township to accept.

(c) MMBA's Depository. Notwithstanding any other provision of this Ordinance, so long as the MMBA is the owner of the 2008 Bonds, (a) the 2008 Bonds are payable as to principal, premium, if any, and interest at the designated corporate trust office of the MMBA's Depository, or at such other place as shall be designated in writing to the Issuer by the MMBA; (b) the Issuer agrees that it will deposit with the MMBA's Depository payments of the principal of, premium, if any, and interest on the 2008 Bonds in immediately available funds at least five business days prior to the date on which any such payment is due whether by maturity, redemption or otherwise; and (c) written notice of any redemption of the 2008 Bonds shall be given by the Issuer and received by the MMBA's Depository at least 40 days prior to the date on which such redemption is to be made.

In the event of a default in the payment of principal or interest thereon when due, whether at maturity, by redemption or otherwise, the amount of such default shall bear interest (the "additional interest") at a rate equal to the rate of interest which is one percent above the MMBA's cost of providing funds (as determined by the MMBA) to make payment on the bonds of the MMBA issued to provide funds to purchase the 2008 Bonds, but in no event in excess of the maximum rate of interest permitted by law. The additional interest shall continue to accrue until the MMBA has been fully reimbursed for all costs incurred by the MMBA (as determined by the MMBA) as a consequence of the Issuer's default. Such additional interest shall be payable on the interest payment date following demand of the MMBA. In the event that (for reasons other than the default in the payment of any municipal obligation purchased by the MMBA) the investment of amounts in the reserve account established by the MMBA for the bonds of the MMBA issued to provide funds to purchase the 2008 Bonds fails to provide sufficient available funds (together with any other funds which may be made available for such purpose) to pay the interest on outstanding bonds of the MMBA issued to fund such account, the Issuer shall and hereby agrees to pay on demand only the Issuer's pro-rata share (as determined by the MMBA) of such deficiency as additional interest on the 2008 Bonds.

(d) Prior Redemption. The 2008 Bonds may be subject to redemption prior to maturity by the Township only with the prior written consent of the MMBA and on such terms as may be required by the MMBA.

Notice of redemption of any bond shall be given at least thirty (30) days prior to the date fixed for redemption by mail to the registered owner(s) at the registered address shown on the registration books kept by the Bond Registrar. Bonds shall be

called for redemption in multiples of \$5,000, and bonds of denominations of more than \$5,000 shall be treated as representing the number of bonds obtained by dividing the denomination of the bond by \$5,000, and such bonds may be redeemed in part. The notice of redemption for bonds redeemed in part shall state that, upon surrender of the bond to be redeemed, a new bond or bonds in an aggregate principal amount equal to the unredeemed portion of the bond surrendered shall be issued to the registered owner thereof. No further interest payment on the bonds or portions of the bonds called for redemption shall accrue after the date fixed for redemption, provided funds are on hand with the Bond Registrar to redeem same.

(e) The Issuer hereby agrees to and approves the inclusion of the following terms and conditions in the 2008 Bonds and other related closing documents and certificates in substantially the form as provided below:

- (1) The Issuer promises to pay to the Authority the principal amount of the Bond or so much thereof as shall have been advanced to the Issuer pursuant to a Purchase Contract between the Issuer and the Authority and a Supplemental Agreement by and among the Issuer, the Authority and the State of Michigan acting through the MDEQ.
- (2) Interest is first payable October 1, 2008 and semiannually thereafter and principal is payable on the first day of April commencing April 1, 2009 (as identified in the Purchase Contract) and annually thereafter, or as otherwise approved by the Supervisor.
- (3) Bonds may be subject to redemption prior to maturity by the Issuer only with the prior written consent of the Authority and on such terms as may be required by the Authority.
- (4) Notwithstanding any other provision of this Bond, so long as the Authority is the owner of this Bond, (a) this Bond is payable as to principal, premium, if any, and interest at The Bank of New York Trust Company, N.A., or at such other place as shall be designated in writing to the Issuer by the Authority (the "Authority's Depository"); (b) the Issuer agrees that it will deposit with the Authority's Depository payments of the principal of, premium, if any, and interest on this Bond in immediately available funds by 12:00 noon at least five business days prior to the date on which any such payment is due whether by maturity, redemption or otherwise; in the event that the Authority's Depository has not received the Issuer's deposit by 12:00 noon on the scheduled day, the Issuer shall immediately pay to the Authority as invoiced by the Authority an amount to recover the Authority's administrative costs and lost investment earnings attributable to that late payment; and (c) written notice of any redemption of this Bond shall be given by the Issuer and received by the Authority's Depository at least 40 days prior to the date on which such redemption is to be made.

- (5) In the event of a default in the payment of principal or interest hereon when due, whether at maturity, by redemption or otherwise, the amount of such default shall bear interest (the "additional interest") at a rate equal to the rate of interest which is two percent above the Authority's cost of providing funds (as determined by the Authority) to make payment on the bonds of the Authority issued to provide funds to purchase this Bond but in no event in excess of the maximum rate of interest permitted by law. The additional interest shall continue to accrue until the Authority has been full reimbursed for all costs incurred by the Authority (as determined by the Authority) as a consequence of the Issuer's default. Such additional interest shall be payable on the interest payment date following demand of the Authority. In the event that (for reasons other than the default in the payment of any municipal obligation purchased by the Authority) the investment of amounts in the reserve account established by the Authority for the bonds of the Authority issued to provide funds to purchase this Bond fails to provide sufficient available funds (together with any other funds which may be made available for such purpose) to pay the interest on outstanding bonds of the Authority issued to fund such account, the Issuer shall and hereby agrees to pay on demand only the Issuer's pro rata share (as determined by the Authority) of such deficiency as additional interest on this Bond.
- (6) During the time funds are being drawn down by the Issuer under this Bond, MMBA will periodically provide the Issuer a statement showing the amount of principal that has been advanced and the date of each advance, which statement shall constitute prima facie evidence of the reported information; provided that no failure on the part of MMBA to provide such a statement or to reflect a disbursement or the correct amount of a disbursement shall relieve the Issuer of its obligation to repay the outstanding principal amount actually advanced, all accrued interest thereon, and any other amount payable with respect thereto in accordance with the terms of this Bond.
- (7) Such other standard terms and provisions as may be reasonably required by the MMBA for bonds issued pursuant to the DWRF Program.

3. Section 4A ("The 2008 Bonds") is hereby added to Ordinance No. C-706 as follows:

4A. The 2008 Bonds. The 2008 Bonds of the Issuer aggregating the principal sum of not to exceed Nine Million Five Hundred Thousand Dollars (\$9,500,000) shall be issued for the purpose of paying all or a portion of the cost of the Project described in Section 1A. The 2008 Bonds may be issued in one or more series, with the aggregate principal amount(s) not to exceed Nine Million Five

Hundred Thousand Dollars (\$9,500,000).

The 2008 Bonds shall be designated "2008 Water System Improvement Revenue Bonds" (the "2008 Bonds"); shall be dated the date of delivery; shall be fully registered bonds as to principal and interest; shall be issued in denominations of \$5,000 or integral multiples thereof, shall bear interest at a rate or rates to be hereafter determined not exceeding 2.50% per annum, payable on October 1, 2008, and semiannually thereafter on the first day of April and October in each year; and shall mature semiannually on April 1 in each year as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2009	\$370,000	2019	\$475,000
2010	380,000	2020	490,000
2011	390,000	2021	500,000
2012	400,000	2022	515,000
2013	410,000	2023	530,000
2014	420,000	2024	540,000
2015	430,000	2025	555,000
2016	440,000	2026	565,000
2017	450,000	2027	580,000
2018	465,000	2028	595,000

The Township Supervisor is hereby authorized to adjust the maturity schedule, the interest payment dates, determine (after consultation with the Township's bond counsel and financial consultant) the priority of the statutory lien on the Net Revenues of the System associated with the 2008 Bonds, and/or reduce the principal amount of the borrowing as deemed necessary and reasonable to the Project.

4. Publication and Recordation. This Ordinance shall be published once in full in a newspaper of general circulation within the corporate limits of the Township, qualified under Michigan law to publish the legal notice, promptly after its enactment.

5. Severability. If a court of competent jurisdiction declares any provision of this Ordinance, or a statutory provision referred to or adopted by reference herein, to be unenforceable, in whole or in part, such declaration shall only affect the provision held to be unenforceable and shall not affect any other part or provision of this Ordinance.

6. Repeal. All ordinances or parts of ordinances in conflict or inconsistent with the provisions of this Ordinance are hereby repealed.

7. Effective Date. This Ordinance is hereby determined to be immediately necessary for the preservation of the public health and safety of the Issuer and shall be in full force and effect from and after its passage and publication as required by law.

APPROVED AND ENACTED by the Township Board of the Charter Township of West Bloomfield, County of Oakland, State of Michigan, on March 3, 2008.

Alvin Flaisher
Supervisor

(Seal)

Attest:
Sharon Law
Clerk
Charter Township of West Bloomfield

I hereby certify that the foregoing constitutes a true and complete copy of an Ordinance duly enacted by the Township Board of the Charter Township of West Bloomfield, County of Oakland, State of Michigan, at a regular meeting held on Monday, the 3rd day of March, 2008, and that the meeting was conducted and public notice of the meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, as amended, and that the minutes of the meeting were kept and will be or have been made available as required by the Act.

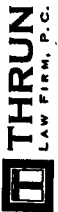
I further certify that the following Board Members were present at the meeting:
Brickner, Flaisher, Hammond, Macon, Sher, Spector

and that the following Board Members were absent:
Law

I further certify that Board Member Hammond moved enactment of the Ordinance, and that the motion was supported by Board Member Brickner.

I further certify that the following Board Members voted for enactment of the Ordinance:
Brickner, Flaisher, Hammond, Macon, Sher, Spector
and that the following Board Members voted against enactment of the Ordinance:

None



I further certify that the Ordinance has been recorded in the Ordinance Book and that the recording has been authenticated by the signatures of the Supervisor and the Clerk.

A handwritten signature in cursive script that reads "Sharon Law" followed by a flourish.

Sharon A. Law, Clerk
Charter Township of West Bloomfield