



BOARD OF COMMISSIONERS

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NOTICE OF MEETING

There will be a meeting of the **BOARD OF COMMISSIONERS** on Tuesday, July 14, 2015, at 9 a.m., on the 9th Floor of the County Administration Building, in the Commissioners' Board Room, Mount Clemens. **IMMEDIATELY FOLLOWING WILL BE A MEETING OF THE GOVERNMENT OPERATIONS COMMITTEE.**

PRELIMINARY AGENDA

1. Correspondence from Executive
2. Item Waived by Infrastructure/Economic Development and Finance Committee Chairs:
 - a) Adopt Resolution to Provide for the Issuance and Sale of Revenue Bonds Relating to the Southeast Macomb County Waste Water Disposal (page 1) **(attached)**
3. Presentation of 2016 Recommended Budget

***To review the 2016 recommended budget, click on link below:**

<http://boc.macombgov.org/sites/default/files/content/pdfs/agendas/2016%20Recommended%20Budget.pdf>

A copy is also available in the Board Library for review purposes only.

Corinne Bedard
Committee Reporter

MACOMB COUNTY BOARD OF COMMISSIONERS

David J. Flynn – Board Chair
District 4

Kathy Tocco – Vice Chair
District 11

Steve Marino – Sergeant-At-Arms
District 10

Andrey Duzyj – District 1
Don Brown – District 7

Marvin Sauger – District 2
Kathy Vosburg – District 8

Veronica Klinefelt – District 3
Fred Miller – District 9

Robert Mijac - District 5
Bob Smith – District 12

James Carabelli – District 6
Joe Sabatini – District 13



Macomb County Executive Mark A. Hackel

Mark F. Deldin
Deputy County Executive

To: David Flynn, Board Chair

From: Pamela J. Lavers, Assistant County Executive *PJL*

Date: June 30, 2015

RE: Agenda Item – Public Works, \$3 Million Bond Issue for Waste Water Improvements

Attached you will find documentation and a resolution from Chief Deputy Macomb County Public Works, William Misterovich, to approve the sale of bonds under the State Revolving Fund program in the amount of not to exceed \$3 million for financing improvements to the Southeast Macomb County Waste Water Disposal System serving 144,000 residents of St. Clair Shores, Roseville and Eastpointe.

Certain elements of the Southeast Macomb County Waste Water Disposal System, constructed in the 1970's, require repair and rehabilitation.

The Executive Office respectfully submits this agenda item for the Commission's consideration and recommends approval of the \$3 million bond issue for Waste Water improvements as stated above.

PJL/smf

cc: Anthony Marrocco
William Misterovich
Stephen Smigiel



MACOMB COUNTY, MICHIGAN

Resolution Number:	Full Board Meeting Date:
	06/25/2015

RESOLUTION

Resolution to:

Approve the sale of bonds under the State Revolving Fund program in the amount of not to exceed \$3 million for financing improvements to the Southeast Macomb County Waste Water Disposal System serving 144,000 residents of St. Clair Shores, Roseville and Eastpointe. The bond resolution provides for the issuance of bonds, pledges the County's full faith and credit as secondary security for payment of debt service, approves the publication of a notice of intent to sell the bonds and approves other actions relating to the bond sale as recommended by bond counsel.

Introduced By:

James Carabelli and Robert Mijac, Co-Chairs, Infrastructure/Economic Development Committee

Additional Background Information (If Needed):

The Southeast Macomb County Waste Water Disposal System was constructed by the Macomb County Public Works Commissioner's Office in the 1970s and 1980s. It consisted of multiple contracts totaling some \$34 million involving new construction and improvement of existing pump stations, retention basins, treatment facilities, sanitary sewers and storm drains. A engineering study was performed last year on the condition of the facilities, which recommended structural improvements to three components: the Northeast Relief Sewer, Violet Pump Station and Bon Heur Pump Station at a cost not to exceed \$3 million. A construction contract will be publicly advertised and competitively bid through a sealed bid process.

***WAIVED TO FULL BOARD BY INFRASTRUCTURE/ECONOMIC DEVELOPMENT AND FINANCE COMMITTEE CHAIRS**

Committee	Meeting Date
Infrastructure Committee *	
Finance Committee *	
Full Board	07/14/2015

June 26, 2015

Date

Office of County Executive
County of Macomb
One South Main, 8th Floor
Mount Clemens, MI 48043

Office of Macomb County Public Works Commissioner
REQUEST APPROVAL / ADOPTION OF
Resolution approving \$3 Million Bond Issue for Wastewater Improvements

SUBJECT:

Southeast Macomb County Waste Water Disposal System

IT IS RECOMMENDED THAT THE EXECUTIVE SUBMIT TO THE BOARD:

A Resolution to: provide for the issuance of Revenue Bonds in the amount of not to exceed \$3 Million, pledge the Full Faith and Credit of Macomb County for payment of debt service, publish a Notice of Intent to Issue the Bonds and take other actions relating to the sale of bonds for financing improvements to the Southeast Macomb County Waste Water Disposal System serving the cities of St. Clair Shores, Roseville and Eastpointe.

PURPOSE / JUSTIFICATION:

Certain elements of the Southeast Macomb County Waste Water Disposal System, constructed in the 1970s, require repair and rehabilitation: the Northeast Relief Sewer, Violet Pump Station and Bon Heur Pump Station. These elements are critical components of the wastewater system serving southeast Macomb County and have been identified in an engineering study as being in need of structural improvements and repairs to extend their design life.

FISCAL IMPACT / FINANCING:

There will be no fiscal impact to Macomb County as debt service will be paid by local ratepayers of St. Clair Shores, Roseville and Eastpointe.

FACTS AND PROVISION / LEGAL REQUIREMENTS:

The Southeast Macomb County Waste Water Disposal System is organized under the County Public Improvement Act, Act 342 of Public Acts of 1939, as amended; Michigan Compiled Laws 46.171, et seq., pursuant to Resolution adopted by the Macomb County Board of Commissioners on April 27, 1978. The Southeast Macomb County Waste Water Disposal System is financed by sewer system ratepayers and is not subsidized by county general fund revenues.

CONTRACTING PROCESS:

A construction contract will be awarded to the low responsible bidder in a publicly advertised, sealed bid, competitively bid, contract procurement process.

IMPACT ON CURRENT SERVICES (PROJECTS):

None, as the Southeast Macomb County Waste Water Disposal System operates independently from Macomb County government. .

Respectfully submitted,

Signature

William Misterovich, Chief Deputy
Office of Macomb County Public Works Commissioner

RESOLUTION NO. 15-__

A RESOLUTION TO PROVIDE FOR THE ISSUANCE AND SALE OF REVENUE BONDS RELATING TO THE SOUTHEAST MACOMB COUNTY WASTE WATER DISPOSAL SYSTEM AND TO PRESCRIBE THE FORM OF THE REVENUE BONDS; TO PLEDGE THE FULL FAITH AND CREDIT OF MACOMB COUNTY WITH RESPECT TO THE PAYMENT OF PRINCIPAL OF AND INTEREST ON THE REVENUE BONDS; TO PROVIDE FOR THE COLLECTION OF REVENUES FROM THE DISTRICT SUFFICIENT FOR THE PURPOSE OF PAYING THE COSTS OF OPERATION AND MAINTENANCE OF THE SYSTEM AND TO PAY THE PRINCIPAL OF AND INTEREST ON THE REVENUE BONDS; TO PROVIDE FOR THE SEGREGATION AND DISTRIBUTION OF THE REVENUES; TO PROVIDE FOR THE RIGHTS OF THE HOLDERS OF THE REVENUE BONDS; TO AUTHORIZE THE PUBLICATION OF A NOTICE OF INTENT: AND TO PROVIDE FOR OTHER MATTERS RELATING TO THE SYSTEM AND THE REVENUE BONDS.

WHEREAS, on March 27, 1978, the Macomb County Board of Commissioners by Resolution 1396 established the Southeast Macomb County Waste Water Disposal System (the “System”) pursuant to Public Act 342 of 1939, MCL 46.171 *et seq.* (“Act 342”); and

WHEREAS, the area served by the System encompasses portions of the Cities of Eastpointe, Roseville and St. Clair Shores (the “District”)

WHEREAS, the performance of the projects relating to the System described in the attached Appendix A (“Project”) is necessary to protect and preserve the public health; and

WHEREAS, the County of Macomb, State of Michigan (the “County”) desires to issue one or more series of Bonds (as defined herein) pursuant to Section 7 of Act 342 and under the provisions of Public Act 94 of 1933, MCL 141.101 *et seq.* (“Act 94”); to finance the costs of the Project in anticipation of the collection of revenues from the District, and to pledge the full faith and credit of the County for the prompt payment of the principal thereof and the interest thereon; and

WHEREAS, Bonds will be sold to the Michigan Finance Authority (the “Authority”) under the State Revolving Fund Program (“SRF”) to the extent the costs of the Project are eligible under the SRF; and

WHEREAS, a Notice of Intent to Issue Bonds must be published at least 45 days before the issuance of any of the Series 2015 Revenue Bonds in order to comply with the requirements of Section 33 of Act 94;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE COUNTY OF MACOMB, MICHIGAN AS FOLLOWS:

1. Definitions. Whenever used in this Resolution, except when otherwise indicated by the context, the following terms shall have the following meanings:

- a. “Act 94” means Act 94, Public Acts of Michigan, 1933, as amended.
- b. “Additional Bonds” means any additional bonds of equal standing with the Bonds.
- c. The term “Authority” shall have the meaning set forth in the preamble.
- d. “Bond Reserve Account” means the account established in the Redemption Fund pursuant to Section 14(d) of this Resolution.
- e. “Bonds” mean the Series 2015 Revenue Bonds, and any Additional Bonds hereafter issued.
- f. “Construction Fund” means the Southeast Macomb County Waste Water Disposal System Construction Fund established pursuant to Section 17 of this Resolution.
- g. “County Agency” means the Macomb County Public Works Commissioner as the designated “county agency” with respect to the System pursuant to Act 342, or his deputy or designee.

- h. “County Executive” means the person holding the office of County Executive pursuant to the Home Rule Charter of Macomb County, Michigan, or his designee.
- i. The term “District” shall have the meaning set forth in the preamble.
- j. “Finance Director” means the Finance Director of the County or his designee.
- k. “Issuer” or “County” means the County of Macomb, State of Michigan.
- l. “Junior Lien Bonds” means bonds or other obligations which may be issued or incurred by the Issuer to provide funds for any lawful purpose of the System which are of junior standing and priority of lien with respect to the Net Revenues to the claim of the Bonds.
- m. “Mandatory Redemption Requirements” means the mandatory prior redemption requirements for Bonds that are term Bonds, if any, as specified in the Purchase Contract or in any subsequent resolution or successful bid in connection with the issuance of Additional Bonds.
- n. “Operation and Maintenance Fund” means the fund established pursuant to Section 14(b) of this Resolution.
- o. The term “Project” shall have the meaning set forth in the preamble.
- p. The term “Purchase Contract” shall mean the Purchase Contract between the Authority and the Issuer for the sale of the Series 2015 Revenue Bonds to the Authority.
- q. “Receiving Fund” means the Southeast Macomb County Waste Water Disposal System Receiving Fund established pursuant to Section 14(a) of this Resolution.
- r. “Redemption Fund” means the Bond and Interest Redemption Fund established pursuant to Section 14(c) of this Resolution.
- s. “Replacement Fund” means the Replacement and Improvement Fund established pursuant to Section 14(f) of this Resolution.

- t. “Reserve Amount” has the meaning set forth in Section 14(d) of this Resolution.
- u. “Revenues” and “Net Revenues” mean the revenues and net revenues of the System and shall be construed as defined in Section 3 of Act 94, including with respect to “Revenues,” the earnings derived from the investment of moneys in the various funds and accounts established by this Resolution, and including with respect to Net Revenues the net revenues of the System derived by reason of future improvements, enlargements, extensions, or repairs to the improvements, and payments made to the Issuer by any other governmental entity pursuant to another law of the State of Michigan or the United States for payment of principal and interest on the Bonds, even though the payments are made from or include grants or other funds provided by the State of Michigan or the United States or the proceeds of taxes levied on taxable property as provided by law.
- v. “Series 2015 Revenue Bonds” means the Southeast Macomb County Waste Water Disposal System Revenue Bonds, Series 2015 of the Issuer authorized by this Resolution.
- w. The term “SRF” shall have the meaning set forth in the preamble.
- x. “Sufficient Government Obligations” means direct obligations of the United States of America or obligations the principal and interest on which is fully guaranteed by the United States of America, not redeemable at the option of the issuer, the principal and interest payments upon which, without reinvestment of the interest, come due at such times and in such amounts as to be fully sufficient to pay the interest as it comes due on the Bonds and the principal and redemption premium, if any, on the Bonds as it comes due whether on the stated maturity date or upon earlier redemption. Securities representing such obligations shall be placed in trust with a bank or trust company, and if any of the Bonds are to be called for redemption prior to maturity, irrevocable instructions to call the Bonds for redemption shall be given to the paying agent.

y. The term “System” means the Southeast Macomb County Waste Water Disposal System, including all sewers, instrumentalities, facilities and properties used or useful in connection with the collection and disposal of sewage, as the same now exists, and all enlargements, extensions, repairs and improvements thereto hereafter made.

2. Necessity; Public Purpose. It is hereby determined to be a necessary public purpose of the Issuer to issue the Series 2015 Revenue Bonds in order to provide funds to finance the costs of the Project. The Issuer estimates that the cost of the Project shall be Two Million and Five Hundred Thousand Dollars (\$2,500,000) and that the period of usefulness of the Project will be not less than 25 years.

3. Payment of Cost; Bonds Authorized.

a. To pay the costs associated with the Project, including all engineering, legal, accounting, financial and other expenses incident thereto and incident to the issuance and sale of the Series 2015 Revenue Bonds, the Issuer shall borrow the sum of not to exceed Three Million Dollars (\$3,000,000), as finally determined in the Purchase Contract and issue the Series 2015 Revenue Bonds therefor pursuant to the provisions of Act 94. The remaining costs, if any, of the Project shall be paid from any other lawful source.

b. The Series 2015 Revenue Bonds shall be sold through the SRF of the Authority and not at a competitive sale. The sale through the SRF of the Authority is hereby determined to be in the best interest of the County because of the nature of the financing and the cost savings and efficiencies expected to be achieved.

4. Bond Details, Registration and Execution.

a. The Series 2015 Revenue Bonds hereby authorized shall be designated COUNTY OF MACOMB, STATE OF MICHIGAN, SOUTHEAST MACOMB COUNTY WASTE

WATER DISPOSAL SYSTEM REVENUE BONDS, SERIES 2015, and the principal of and interest thereon shall be payable in the first instance out of the Net Revenues, as set forth more fully herein.

b. The Series 2015 Revenue Bonds shall be dated as of the date of delivery or such other date as the Authority shall require and principal shall be payable annually in the amounts and at the times as required by the Authority. The Series 2015 Revenue Bonds shall have such other terms and conditions as the required by the Authority, as evidenced by execution of the Purchase Contract. Except as otherwise provided in the Purchase Contract, the Series 2015 Revenue Bonds shall consist of one (1) single fully-registered Bond in a single denomination.

c. Subject to the provisions of this Resolution, the County Executive and the County Agency are hereby authorized to approve the principal and interest payment dates, discount (if any), premium (if any), interest rates for and principal amount of the Series 2015 Revenue Bonds, date of issuance, the place of delivery and payment, and all other matters and procedures necessary to complete the transactions authorized by this Resolution and the issuance of the Series 2015 Revenue Bonds, as evidenced by their execution of Purchase Contract for the Series 2015 Revenue Bonds; provided that (i) the interest rate may not exceed six per cent per annum; (ii) the first principal installment date or mandatory redemption date shall be not later than 5 years following the delivery of the Series 2015 Revenue Bonds, and some principal amount shall mature or be subject to mandatory redemption in each subsequent year of the term of the Series 2015 Revenue Bonds; (iii) the last annual principal installment of the Series 2015 Revenue Bonds shall not be longer than the estimated period of usefulness of the Project, or 40 years from the dated date of the Series 2015 Revenue Bonds, if less; and (iv) the first interest installment

shall be payable not later than 10 months following the delivery of the Series 2015 Revenue Bonds.

d. The Series 2015 Revenue Bonds may be subject to redemption prior to maturity by the County only with the prior written consent of the Authority (or other registered owners of the Series 2015 Revenue Bonds) and on such terms as may be required by the Authority (or other registered owners of the Series 2015 Revenue Bonds). The County Agency is authorized to approve the redemption provisions for the Series 2015 Revenue Bonds. In case less than the full amount of an outstanding Bond is called for redemption, the Issuer, upon presentation of the Bond called for redemption, shall register and deliver to the registered owner of record a new Bond in the principal amount of the portion of the original Bond not called for redemption of the same tenor.

e. The Series 2015 Revenue Bonds shall contain such provisions as are required by the Authority.

f. The County Executive is hereby authorized and directed to execute the Series 2015 Revenue Bonds by means of his manual or facsimile signature when issued and sold for and on behalf of the Issuer. No transfer agent shall be required with respect to the Series 2015 Revenue Bonds except as otherwise provided in this Resolution and the Series 2015 Revenue Bonds shall not be required to be authenticated. The Series 2015 Revenue Bonds shall be delivered to the Authority in accordance with the Purchase Contract.

5. Registration and Transfer.

a. The Issuer or its designee shall maintain and keep registration books for the Series 2015 Revenue Bonds on behalf of the Issuer.

b. If the Authority transfers all or any portion of the Series 2015 Revenue Bonds, the Issuer shall, as directed by the Authority, take all steps necessary to effectuate such transfer, including, if requested by the Authority, converting the Series 2015 Revenue Bonds to registered bonds of any applicable denomination requested by the Authority. In connection with such transfer, the Issuer is authorized to engage a bank or trust company, which the Issuer may change from time to time, as registrar and transfer agent for such Series 2015 Revenue Bond(s) and otherwise take all actions necessary in connection with replacement of such 2015 Revenue Bond. If the Authority transfers a Bond, except as otherwise directed by the Authority, interest shall be paid by check or draft mailed by the transfer agent selected from time to time by the Issuer to the person or entity who or which is, as of the 15th day of the month preceding the interest payment date, the registered owner of the Bond at the registered address as shown on the registration books maintained by the transfer agent. The date of determination of registered owner for purposes of payment of interest as provided in this Section may be changed by the County Agency to conform to market practice in the future. If the Authority transfers a Bond, except as otherwise directed by the Authority, the principal of the Bond shall be payable upon presentation and surrender of the Bond at the bank or trust company designated by the Issuer as registrar and transfer agent for the Bond. Any Bond not registered in the name of the Authority may be transferred upon the books required to be kept pursuant to this section by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of the Bond for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the transfer agent. Whenever any Bond or Bonds not registered in the name of the Authority shall be surrendered for transfer, the Issuer shall execute and the transfer agent shall

authenticate and deliver in the name of the transferee or transferees a new Bond or Bonds, bearing the same interest rate and maturity date and for like aggregate principal amount as the surrendered Bond or Bonds. 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.

c. If any Bond shall become mutilated, the Issuer, at the expense of the holder of the Bond, shall execute, and the transfer agent shall authenticate and deliver, a new Bond of like tenor in exchange and substitution for the mutilated Bond, upon surrender to the transfer agent of the mutilated Bond. If any Bond issued under this Resolution shall be lost, destroyed or stolen, evidence of the loss, destruction or theft may be submitted to the transfer agent and, if this evidence is satisfactory to both and indemnity satisfactory to the transfer agent shall be given, and if all requirements of any applicable law including Act 354, Public Acts of Michigan, 1972, as amended (“Act 354”), being Sections 129.131 to 129.135, inclusive, of the Michigan Compiled Laws have been met, the Issuer, at the expense of the owner, shall execute, and the transfer agent shall thereupon authenticate and deliver, a new Bond of like tenor and bearing the statement required by Act 354, or any applicable law hereafter enacted, in lieu of and in substitution for the Bond so lost, destroyed or stolen. If any such Bond shall have matured or shall be about to mature, instead of issuing a substitute Bond the transfer agent may pay the same without surrender thereof.

6. Primary Security for Bonds. The Series 2015 Revenue Bonds and the interest thereon shall be payable primarily from the Net Revenues, and to secure such payment, there is hereby created a statutory lien upon the whole of the Net Revenues which shall be a first lien to continue until payment in full of the principal of and interest on all Bonds payable from the Net Revenues,

or, until sufficient cash or Sufficient Government Obligations have been deposited in trust for payment in full of all Bonds of a series then outstanding, principal and interest on such Bonds to maturity, or, if called for redemption, to the date fixed for redemption together with the amount of the redemption premium, if any. Upon deposit of cash or Sufficient Government Obligations, as provided in the previous sentence, the statutory lien shall be terminated with respect to that series of Bonds, the holders of that series, shall have no further rights under this Resolution except for payment from the deposited funds, and the Bonds of that series shall no longer be considered to be outstanding under this Resolution.

7. Secondary Security for Bonds. Pursuant to Section 7 of Act 342 and Section 7 of Act 94, the Issuer hereby pledges its full faith and credit for payment of the principal of and interest on the Series 2015 Revenue Bonds, and in the event of the insufficiency of the revenues therefor, the Issuer shall pay the amount of the insufficiency from its general fund or levy taxes therefor to the extent permitted by applicable law, and in addition to any other taxes it may be authorized to levy, but not in an amount or rate in excess of that necessary to make up the insufficiency. If it becomes necessary for the Issuer to so advance such moneys, it shall have such right or rights of reimbursement and any and all remedies therefor as provided by Section 7 of Act 94 and other applicable law.

8. Bondholders' Rights; Receiver. The holder or holders of the Bonds representing in the aggregate not less than twenty percent (20%) of the entire principal amount thereof then outstanding, may, by suit, action, mandamus or other proceedings, protect and enforce the statutory lien upon the Net Revenues of the System, and may, by suit, action, mandamus or other proceedings, enforce and compel performance of all duties of the officers of the Issuer, including the fixing of sufficient rates, the collection of Revenues, the proper segregation of the Revenues

of the System and the proper application thereof. The statutory lien upon the Net Revenues, however, shall not be construed as to compel the sale of the System or any part thereof.

If there is a default in the payment of the principal of or interest on the Bonds, any court having jurisdiction in any proper action may appoint a receiver to administer and operate the System on behalf of the Issuer and under the direction of the court, and by and with the approval of the court, to fix rates and charges and collect revenues sufficient to provide for the payment of the Bonds, and to perform all of the duties of the officers of the Issuer, as more particularly set forth herein and in Section 10 of Act 94.

The holder or holders of the Bonds shall have all other rights and remedies given by Act 94 and law, for the payment and enforcement of the Bonds and the security therefor.

9. Management; Fiscal Year. The County Agency shall have all of the powers and duties provided by Act 342 and any other applicable law with respect to the System. The fiscal year for the System shall end on September 30. The County Agency may employ such person or persons in such capacity or capacities as it deems advisable to carry on the efficient management and operation of the System. The County Agency may make such rules and regulations as it deems advisable and necessary to assure the efficient management and operation of the System.

10. Rates and Charges. The rates and charges for service furnished by and the use of the System and the methods of collection and enforcement of the collection of the rates shall be those in effect on date even herewith, as the same may be modified by the County Agency from time to time.

11. No Free Service or Use. No free service or use of the System, or service or use of the System at less than the reasonable cost and value thereof, shall be furnished by the System to any person, firm or corporation, public or private, or to any public agency or instrumentality, including the Issuer.

12. Fixing and Revising Rates. The rates presently in effect with respect to the System are estimated to be sufficient to provide for the payment of the expenses of administration and operation and such expenses for maintenance of the System as are necessary to preserve the System in good repair and working order, to provide for the payment of the principal of and interest on the Bonds as the same become due and payable, and the maintenance of any reserve therefor and to provide for all other obligations, expenditures and funds for the System required by law, and this Resolution. The rates shall be reviewed not less than once a year and shall be fixed and revised from time to time as may be necessary to produce these amounts, and it is hereby covenanted and agreed to fix and maintain rates for services furnished by the System at all times sufficient to provide for the foregoing.

13. Additional Covenants. The Issuer covenants and agrees with the holders of the Bonds that so long as any of the Bonds remain outstanding and unpaid as to either principal or interest:

- a. The Issuer will maintain the facilities and improvements of the System in good repair and working order and will faithfully and punctually perform all duties with reference to the System required by the Constitution and laws of the State of Michigan, the Issuer's Charter and this Resolution.
- b. The Issuer shall install, maintain, and keep proper books of record and account, separate from other records and accounts of the Issuer, in which full and correct entries shall be made of all dealings or transactions of or in relation to the properties, business, and affairs of the System.
- c. The Issuer will not sell, lease or dispose of the System, or any substantial part, until all of the Bonds have been paid in full, both as to principal and interest, or provision made thereof as herein provided. The Issuer will not do or suffer to be done any act

which would affect the System in such a way as to have a material adverse effect on the security for the Bonds.

d. The Issuer will cause the Project to be acquired and accomplished promptly and in accordance with the plans and specifications therefor.

14. Funds and Accounts relating to Revenues; Flow of Funds.

a. Receiving Fund: Commencing no later than the date of the issuance of the Series 2015 Revenue Bonds, funds belonging to the System shall be transferred as herein indicated and all Revenues of the System shall be set aside as collected and credited to a fund to be designated Southeast Macomb County Waste Water Disposal System Receiving Fund (the "Receiving Fund"). In addition, by such date, all Revenues in any accounts of the System shall be transferred to the Receiving Fund and credited to the funds and accounts as provided in this section. The Revenues credited to the Receiving Fund are pledged for the purpose of the following funds and shall be transferred or debited from the Receiving Fund periodically in the manner and at the times and in the order of priority hereinafter specified.

b. Operation and Maintenance Fund: Out of the Revenues credited to the Receiving Fund there shall be first set aside in, or credited to, a fund designated Operation and Maintenance Fund (the "Operation and Maintenance Fund"), monthly a sum sufficient to provide for the payment of the next month's expenses of administration and operation of the System and such current expenses for the maintenance thereof as may be necessary to preserve the same in good repair and working order. A budget, showing in detail the estimated costs of administration, operation and maintenance of the System for the next ensuing operating year, shall be prepared by the County Agency at least 30 days prior to the commencement of each ensuing operating year. No payments shall be made to the

Issuer from moneys credited to the Operation and Maintenance Fund except for services directly rendered to the System by the Issuer or its personnel.

c. Bond and Interest Redemption Fund: There shall be established and maintained a separate depository fund designated Bond and Interest Redemption Fund (the "Redemption Fund"), the moneys on deposit therein from time to time to be used solely for the purpose of paying the principal of, redemption premiums (if any) and interest on the Bonds. The moneys in the Redemption Fund (including the Bond Reserve Account) shall be kept on deposit with the bank or trust company, if any, where the principal of and interest on the Bonds, or any series thereof, are payable. Out of the Revenues remaining in the Receiving Fund, after provision for the Operation and Maintenance Fund, there shall be set aside each month commencing the first month after the issuance of the Series 2015 Revenue Bonds in the Redemption Fund an amount equal to the pro rata amount of the interest coming due on the Bonds on the first interest payment date, less any amount on deposit in the Redemption Fund. Commencing on the first interest payment date, the amount set aside each month for interest on the Bonds shall be $1/6$ of the total amount of interest on the Bonds next coming due. The amount set aside each month for principal installment, commencing twelve months prior to the first principal payment date, shall be $1/12$ of the amount of principal next coming due or by maturity. If there is any deficiency in the amount previously set aside, that deficiency shall be added to the next succeeding monthly requirements. The amount to be set aside for the payment of principal and interest on any date shall not exceed the amount which, when added to the money on deposit in the Redemption Fund, including investment income thereon, is necessary to pay principal and interest due on the Bonds on the next succeeding principal payment date.

d. Bond Reserve Account in the Redemption Fund: There is established a separate account in the Redemption Fund to be known as the Bond Reserve Account (the “Bond Reserve Account”). No reserve requirement is established for the Series 2015 Revenue Bonds and no moneys shall be deposited in the Bond Reserve Account with respect to such Bonds. If Additional Bonds are issued, each resolution authorizing the Additional Bonds shall, as applicable, provide for deposits to the Bond Reserve Account to be made from the proceeds of the Additional Bonds or funds on hand and legally available for such use in an amount that will result in the Bond Reserve Account being funded in accordance with the resolutions authorizing the Additional Bonds (the “Reserve Amount”). Except as otherwise provided in this Section, the moneys credited to the Bond Reserve Account shall be used solely for the payment of the principal of, redemption premiums (if any) and interest on the Bonds subject to a reserve requirement as to which there would otherwise be a default. If at any time it shall be necessary to use moneys credited to the Bond Reserve Account for such payment, then the moneys so used shall be replaced from the Net Revenues first received thereafter which are not required for current principal and interest requirements until the amount on deposit equals the Reserve Amount. If as of the last day of any fiscal year the amount in the Bond Reserve Account exceeds the amount required by such resolutions to be in such Account, the excess may be transferred to the Redemption Fund for payment of principal and interest on the Bonds due on or after that date.

e. Mandatory Redemption Requirements: For purposes of making deposits to the Redemption Fund and the Bond Reserve Account, the principal amount of Bonds becoming due by reason of a Mandatory Redemption Requirement shall be deemed to become due in the principal amount and on the due date of the Mandatory Redemption

Requirements. Each resolution authorizing the sale of Additional Bonds shall state the amount of Bonds authorized which are term Bonds, if any, or the method by which the Bonds which are term Bonds, if any, shall be determined. A Mandatory Redemption Requirement for the Bonds of a term maturity may be satisfied by the call of term Bonds of the same issue and maturity in the principal amount of the Mandatory Redemption Requirement at par and accrued interest or by the purchase and surrender to the transfer agent of the Bonds of the same issue and maturity from money allocated therefor as provided herein, or purchased with other funds legally available therefor. The Issuer shall elect the manner in which it intends to satisfy a Mandatory Redemption Requirement not less than forty-five days prior to the due date of each Mandatory Redemption Requirement. The money set aside to satisfy the next Mandatory Redemption Requirement for the Bonds shall be used by redeeming said Bonds on the required due date relating to such Mandatory Redemption Requirement or by purchasing Bonds of the same issue and maturity with respect to which the Mandatory Redemption Requirement applies and surrendering the same to the paying agent for cancellation or on prior to the required due date of the Mandatory Redemption Requirement. In the event that after any Mandatory Redemption Requirement date moneys remain in the Redemption Fund, as a result of the purchase of Bonds at less than par, the amount of such excess may be transferred to the Receiving Fund. If no Bonds of an issue are issued as term Bonds then there shall be no Mandatory Redemption Requirement with respect to those Bonds.

f. Replacement and Improvement Fund: There shall next be established and maintained a separate depository account, designated Replacement and Improvement Fund (the "Replacement Fund"), the money credited thereto to be used solely for the

purpose of making repairs, replacements, improvements, enlargements or extensions to the System, including any buildings or structures related to said System. Out of the Revenues and moneys of the System remaining in the Receiving Fund at the end of each month after provision has been made for the deposit of moneys in the Operation and Maintenance Fund and the Redemption Fund including the Bond Reserve Account, there may be deposited in the Replacement Fund such additional funds as the County Agency may deem advisable. If at any time it shall be necessary to use moneys in the Replacement Fund for the purpose for which the Replacement Fund was established, the moneys so used shall be replaced from any moneys in the Receiving Fund which are not required by this Resolution to be used for the Operation and Maintenance Fund or the Redemption Fund including the Bond Reserve Account.

g. The Issuer is authorized to create or continue such funds and accounts and subaccounts as are necessary or appropriate to distinguish one series of Bonds from another and one priority of Bonds from another priority of Bonds.

h. Surplus Moneys: All moneys remaining in the Receiving Fund at the end of any fiscal year after satisfying all the foregoing requirements of this Section 14 and which are considered surplus, may, at the option of the County Agency, be used for any of the following purposes:

1. Transferred to the Replacement Fund; or
2. Transferred to the Redemption Fund and used for the purchase of Bonds on the open market at not more than the fair market value thereof or for the redemption of Bonds prior to maturity; or
3. Any other use permitted by law;

provided, however, that in the event the money of the System is insufficient to provide for the current expenses of the Operation and Maintenance Fund or the Redemption Fund, any money or securities in other accounts of the System shall be transferred first to the Operation and Maintenance Fund and second to the Redemption Fund to the extent of any deficits in those funds.

15. Priority of Funds. In the event the moneys in the Receiving Fund are insufficient to provide for the current requirements of the Operation and Maintenance Fund or the Redemption Fund, any moneys or securities in other funds of the System, except the proceeds of sale of the Bonds, shall be credited or transferred, first, to the Operation and Maintenance Fund, and second to the Redemption Fund.

16. Investments. Moneys in the funds and accounts established herein and moneys derived from the proceeds of sale of the Bonds, may be invested by the Issuer in United States of America obligations or in obligations the principal of and interest on which is fully guaranteed by the United States of America and any other investments permitted by law. Investment of moneys in the Redemption Fund being accumulated for payment of the next maturing principal or interest payment of the Bonds shall be limited to obligations bearing maturity dates prior to the date of the next maturing principal or interest payment on the Bonds. In the event investments are made, any securities representing the same shall be kept on deposit with the financial institution having on deposit the fund or funds or account from which the purchase was made. Profit realized or interest income earned on investment of funds in the Receiving Fund, Operation and Maintenance Fund, Replacement Fund and Redemption Fund, including income derived from the Bond Reserve Account, shall be deposited in or credited to the Receiving Fund at the end of each fiscal year.

17. Bond Proceeds. Except as otherwise provided in a resolution authorizing the issuance of Additional Bonds, from the proceeds of the sale of each series of the Bonds there shall be immediately deposited in the Redemption Fund an amount equal to the capitalized interest, accrued interest and premium, if any, received on the delivery of the Bonds. In addition, there shall be deposited in the Bond Reserve Account from the proceeds of the Bonds the amounts required to be deposited in the Bond Reserve Account, if any, from the proceeds of the series of the Bonds in the amounts required to be so deposited by the resolutions for any Additional Bonds. The remainder of the proceeds of the sale of the series of the Bonds representing the costs of the applicable project for which such series of Bonds was issued shall be deposited in a bank or banks, designated by the County Treasurer or otherwise in accordance with applicable law, qualified to act as depository of the proceeds of sale under the provisions of Section 15 of Act 94, in a separate depository account designated Southeast Macomb County Waste Water Disposal System Construction Fund (the "Construction Fund"). Moneys in the Construction Fund relating to a series of Bonds shall be applied solely in payment of the cost the acquisition and construction of the applicable project, including any engineering, legal, accounting and other expenses incident thereto and to the financing thereof. Any unexpended balance of the proceeds of sale of a series of Bonds remaining after completion of the applicable project in the Construction Fund shall be used for further improvements, enlargements and extension to the System, if the use (i) is approved by the Michigan Department of Treasury, if such approval is then required by law, and (ii) based upon an opinion of bond counsel, will not adversely affect the exclusion from gross income for federal income tax purposes of Bonds which were issued as tax-exempt Bonds, the proceeds of which were deposited in such account. Any remaining balance shall be paid immediately into the Redemption Fund and the money shall be used only for meeting Bond reserve requirements, if any, or for the redemption or purchase, at no more

than the fair market value but not more than the price at which such Bonds may next be called for redemption, of outstanding Bonds of the issue from which the proceeds were derived. Bonds acquired by purchase shall be canceled and shall not be reissued. The Issuer may provide additional or different lawful uses for such unexpended balance, which shall be subject to the relevant tax covenants.

18. Funds and Depository. Moneys in the several funds and the accounts established pursuant to this Resolution, except moneys in the Redemption Fund (including the Bond Reserve Account) and moneys derived from the proceeds of sale of the Bonds, which shall be maintained and accounted for in separate accounts, may be kept in one or more combined accounts at a qualified depository designated by the County Treasurer or otherwise in accordance with applicable law, and if kept in one account the moneys shall be allocated on the books and records of the Issuer in the manner and at the times provided in this Resolution. All accounts and funds shall be maintained at qualified depositories, which are one or more banks, savings and loan associations, or credit unions, each having unimpaired capital and surplus amounting to at least \$2,000,000 or that are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or the National Credit Union Share Insurance Fund; provided that the funds and accounts may be invested as permitted by applicable law.

19. Bond Form. The Bonds shall be in substantially the following form, with such modifications, additions or deletions as may be required by the Authority:

UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTY OF MACOMB
SOUTHEAST MACOMB COUNTY WASTE WATER DISPOSAL SYSTEM
REVENUE BONDS, SERIES 2015

Date of Maturity	Interest Rate	Date of Original Issue
Various (See Schedule I)	(See Schedule I)	_____, 2015

Registered Owner: Michigan Finance Authority

Principal Amount: _____ Dollars
 (\$ _____)

The County of Macomb, State of Michigan (the “Issuer”), for value received, hereby promises to pay to the Registered Owner specified above, or registered assigns, the Principal Amount specified above, in lawful money of the United States of America on the dates and in the principal installment amounts set forth in Schedule I attached hereto and made a part hereof, unless prepaid prior thereto as hereinafter provided, or so much thereof as shall have been advanced to the Issuer pursuant to a Purchase Contract between the Issuer and the Michigan

Finance Authority (the “Authority”) and a Supplemental Agreement by and among the Issuer, the Authority and the State of Michigan acting through the Department of Environmental Quality, and in any event not exceeding \$_____ with interest on said installments from the date each installment of principal is delivered to the Issuer, until paid, at the interest rate of _____ percent (____%) per annum. Interest is first payable on _____ 1, 201____, and semiannually each _____ and _____ thereafter and principal is payable on the first day of _____ commencing _____ 1, 20____, and annually thereafter.

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 Mellon 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.

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 fully 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.

During the time funds are being drawn down by the Issuer under this Bond, the Authority 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 the Authority 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.

This Bond 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.

This Bond is issued pursuant to a resolution duly adopted by the Board of Commissioners of the Issuer on _____, 2015 (the “Resolution”), and under and in full compliance with the Constitution and statutes of the State of Michigan, and particularly Public Act 342 of 1939, as amended (“Act 342”), and Public Act 94 of 1933, as amended (“Act 94”), for the purpose of paying the costs of certain improvements to the facilities of the Southeast Macomb County Waste Water Disposal System (the “System”), including payment of engineering, architectural, legal and financing expenses in connection therewith.

For prompt payment of principal and interest on this bond, the Issuer has irrevocably pledged the revenues of the System, including all appurtenances, extensions and improvements thereto, after provision has been made for reasonable and necessary expenses of operation, maintenance and administration (the “Net Revenues”), and a statutory first lien thereon is hereby recognized and created. Pursuant to the authorization provided in Section 7 of Act 342 and Section 7 of Act 94, the Issuer by resolution of its Board of Commissioners has pledged its full faith and credit for payment of the principal of and interest on the Bonds in the event that the Net Revenues are not sufficient to pay principal and interest on the Bonds as they become due. The full faith and credit pledge of the County is a limited tax general obligation.

The Issuer has covenanted and agreed, and does hereby covenant and agree, to fix and maintain at all times while any bonds payable from the Net Revenues of the System shall be outstanding, such rates for service furnished by the System as shall be sufficient to provide for payment of the interest on and the principal of the Bonds of this issue and any additional bonds of equal standing as and when the same shall become due and payable, and to create and maintain a bond and interest redemption fund therefor, to provide for the payment of expenses of administration and operation and such expenses for maintenance of the System as are necessary

to preserve the same in good repair and working order, and to provide for such other expenditures and funds for the System as are required by the Resolution.

For a complete statement of the revenues from which and the conditions under which this Bond is payable, a statement of the conditions under which additional bonds of equal standing as to the Net Revenues may hereafter be issued and the general covenants and provisions pursuant to which this Bond is issued, reference is made to the Resolution. Capitalized terms not otherwise defined herein have the meaning ascribed to them in the Resolution.

It is hereby certified and recited that all acts, conditions and things required by law precedent to and in the issuance of this Bond have been done and performed in regular and due time and form as required by law, and that the full faith and credit of the Issuer is hereby pledged for the prompt payment of this bond and the interest hereon, when due.

IN WITNESS WHEREOF, the County of Macomb, State of Michigan has caused this bond to be signed in its name by the [facsimile] signature of the County Executive, all as of the Date of Original Issue.

COUNTY OF MACOMB, STATE OF
MICHIGAN

By: _____
County Executive

SCHEDULE I

Based on the schedule provided below unless revised as provided in this paragraph, repayment of principal of the Bond shall be made until the full amount advanced to the Issuer is repaid. In the event the Order of Approval issued by the Department of Environmental Quality (the "Order") approves a principal amount of assistance less than the amount of the Bond delivered to the Authority, the Authority shall only disburse principal up to the amount stated in the Order. In the event (1) that the payment schedule approved by the Issuer and described below provides for payment of a total principal amount greater than the amount of assistance approved by the Order or (2) that less than the principal amount of assistance approved by the Order is disbursed to the Issuer by the Authority, the Authority shall prepare a new payment schedule which shall be effective upon receipt by the Issuer.

Due	Amount of Principal
Date	Installment Due
_____	_____

Interest on the Bond shall accrue on principal disbursed by the Authority to the Issuer from the date principal is disbursed, until paid, at the rate of ___% per annum, payable _____, 201__, and semi-annually thereafter.

The Issuer agrees that it will deposit with The Bank of New York Mellon 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”) 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.

20. Additional Bonds.

- a. Except as hereinafter provided, the Issuer shall not issue Additional Bonds of equal standing with the Bonds. The right is reserved pursuant to Section 19 of Act 94 for the Issuer to issue Additional Bonds of equal standing for the completion of the Project in the event that the Series 2015 Revenue Bonds shall prove to be insufficient therefor, or for the subsequent enlargement, extension, improvement, or repair of the facilities or improvements of the System, or to refund part or all of one or more outstanding issues, or for any of these purposes, which Additional Bonds may be issued and be negotiated from time to time as the proceeds therefrom may be necessary for that purpose. Such Bonds, when sold, shall have equal standing with those issued in the first instance. The Additional Bonds may be issued in separate series from the Series 2015 Revenue Bonds, with different dates of issuance, and with changes in the form thereof which are consistent with that equality of standing. The provisions of Section 7 of Act 94 providing for annual installments, the amounts of the installments, and the due date of the first installment shall not be controlling as to each additional series whether the additional series is of equal or subordinate standing. Instead, Section 7 of Act 94 shall be applied to the combined annual principal installments and interest at actual rates on outstanding bonds and at the maximum authorized rate on the additional series.
- b. Nothing in this Section 20 shall be construed to prohibit the issuance of additional bonds, by further action of this Board of Commissioners, which are Junior Lien Bonds.

21. Sale of Series 2015 Revenue Bonds.

- a. The Finance Director or his designee is hereby designated, for and on behalf of the Issuer, to file a qualifying statement, request for reconsideration, or application for prior written approval, as applicable, with the Michigan Department of Treasury pursuant

to Act 34, Public Acts of Michigan, 2001, as amended (“Act 34”), and pay any related fees in connection with any of the foregoing, and taking any other actions necessary or desirable under Act 34.

b. The County Executive and the County Agency are authorized and directed to execute and deliver (i) the Purchase Contract, (ii) a Supplemental Agreement by and among the Issuer, the Authority and the State of Michigan acting through the Department of Environmental Quality, (iii) an Issuer’s Certificate, (iv) a Revenue Sharing Pledge Agreement, if required by the Authority, and any other documents which may be required by the Authority or by applicable law or regulation, in such form as the Authority may require, which form is hereby approved.

c. The County Executive, the Finance Director, the County Agency, the County Treasurer, the County Corporation Counsel, and all other officials, employees and agents of the County and their respective designees are authorized and directed to (i) cooperate with the Authority, the Michigan Department of Environmental Quality, the Department of Treasury, and other parties to issue the Series 2015 Revenue Bonds in a timely fashion; and (ii) do all other acts and take all other actions and other necessary or desirable procedures required to effectuate a sale, issuance and delivery of the Series 2015 Revenue Bonds or as may be necessary or desirable to carry out and comply with the terms and provisions of this Resolution, and all such actions, whether heretofore or hereafter taken, shall be ratified, confirmed and approved, including, if appropriate, and without limitation, reducing the amount of Series 2015 Revenue Bonds sold and/or delivered if the County Agency determines that the full amount thereof is not necessary. The County Agency shall not be required to secure an amendment to this Resolution or other approval from the Issuer if any reduction produces a bond issue whose terms

remain within the terms authorized by this Resolution as outside parameters, or if such reduction or alteration is insignificant or insubstantial.

d. Information concerning the Issuer may be provided by officers, agents and employees of the Issuer for inclusion in a preliminary official statement and a final official statement with respect to the Series 2015 Revenue Bonds if required by the Authority, the circulation and dissemination of which are hereby approved, and, if required by the Authority, the County Executive and the County Agency are authorized to execute and deliver a continuing disclosure undertaking meeting the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended.

22. Amendments; Consent of Bondholders.

a. The Issuer, from time to time and at any time, subject to the conditions and restrictions in this Resolution and any subsequent resolutions authorizing the issuance of Additional Bonds or Junior Lien Bonds, may enact one or more supplemental or amendatory resolutions which thereafter shall form a part hereof and thereof, for any one or more or all of the following purposes:

- i. To issue Additional Bonds or Junior Lien Bonds;
- ii. To add to the covenants and agreements of the Issuer contained in this resolution or any subsequent resolution authorizing any Additional Bonds or Junior Lien Bonds, other covenants and agreements thereafter to be observed or to surrender, restrict or limit any right or power therein reserved to or conferred upon the Issuer;
- iii. To cure any ambiguity in any such resolution or to cure, correct or supplement any defective provision contained in any such resolution,

provided that such supplemental or amendatory resolution shall not be inconsistent with any such resolutions and shall not have a material, adverse affect on the interests of the owners of the Bonds; and

- iv. To make such modifications in the provisions thereof as may be deemed necessary by the Board of Commissioners to accommodate the issuance of Additional Bonds or Junior Lien Bonds.

Any amendment or supplemental resolution or resolution authorized by the provisions of this paragraph (a) may be enacted by the Board of Commissioners without the consent of or notice to the owners of any of the Bonds at the time outstanding, notwithstanding any of the provisions of paragraph (b) below.

b. With the consent of the owners of not less than 51% in principal amount of the Bonds then outstanding, the Board of Commissioners, from time to time and at any time, may adopt a resolution or resolutions supplemental to this Resolution and any subsequent resolutions authorizing the issuance of Additional Bonds or Junior Lien Bonds for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of such resolutions or of any supplemental resolution; provided, however, that no such supplemental resolution shall (i) extend the fixed maturity of any Bond, change a Mandatory Redemption Requirement or reduce the rate of interest thereon or extend the time of payment of interest, or reduce the amount of the principal thereof, or reduce or extend the time for payment of any premium payable on the redemption thereof, without the consent of the owner of each Bond so affected, or (ii) reduce the aforesaid percentage of owners of the Bonds required to approve any such supplemental resolution, or (iii) deprive the owners of the Bonds (except as aforesaid) of the right to payment of the Bonds from the Net Revenues, without the consent of the

owners of all the Bonds then outstanding. No amendment may be made under this paragraph (b) which affects the rights or duties of the insurer of any of the Bonds without its consent. It shall not be necessary for the consent of the bondholders under this paragraph (b) to approve the particular form of any proposed supplemental ordinance, but it shall be sufficient if such consent shall approve the substance thereof.

23. Tax Matters. The Issuer shall, to the extent permitted by law, take all actions within its control necessary to maintain the exclusion of the interest on the Bonds issued as tax-exempt Bonds from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "Code"), including, but not limited to, actions and abstentions from actions relating to any required rebate of arbitrage earnings and the expenditures and investment of Bond proceeds and moneys deemed to be Bond proceeds.

24. Notice of Intent. The Finance Director is hereby authorized and directed to publish one or more Notices of Intent to Issue Bonds with respect to the Series 2015 Revenue Bonds in an aggregate principal amount not to exceed \$3,000,000, or such lesser amount as shall be determined by the Finance Director, in a newspaper of general circulation in the County of Macomb. Such Notice of Intent shall be published in substantially the form attached hereto as Appendix B, which such necessary or desirable changes as may be approved by the Finance Director, his approval to be conclusively evidenced by the publication of such Notice of Intent. It is determined that such form of Notice of Intent and the manner of publication directed is adequate notice to the electors and taxpayers of the County and users of the System and is well calculated to inform them of the intention of the County to issue the Series 2015 Revenue Bonds, the purpose of the Series 2015 Revenue Bonds, the source of payment for the Series 2015 Revenue Bonds, and the rights of referendum of the electors with respect thereto, and that the provision of 45 days within which to file a referendum petition is adequate to insure that the

City's electors may exercise their legal rights of referendum. The Series 2015 Revenue Bonds shall not be issued other than in accordance with the requirements of Section 33 of Act 94 regarding the referendum period and if, within 45 days after the publication of the Notice of Intent, a petition complying with the requirements of applicable law, signed by not less than 10% or 15,000 of the registered electors, whichever is less, residing within the limits of the County, is filed with the County Clerk requesting a referendum upon the question of the issuance of the Series 2015 Revenue Bonds described in the Notice of Intent, then such Series 2015 Revenue Bonds shall not be issued until approved by the vote of a majority of the electors of the Issuer qualified to vote and voting on such bonds at a general or special election.

25. Severability Paragraph Headings and Conflict. If any section, paragraph, clause or provision of this Resolution shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this Resolution. The paragraph headings in this Resolution are furnished for convenience of reference only and shall not be considered to be part of this Resolution.

26. Publication and Recordation. This Resolution shall be published in full in a newspaper of general circulation in the County, qualified under State law to publish legal notices, promptly after its adoption, and shall be recorded in the minutes of the meeting of the County Board of Commissioners and such recording shall be authenticated by the signatures of the Chair of the County Board of Commissioners and the County Clerk.

27. Consultants. Bendzinski & Co. Municipal Finance Advisors and Bodman PLC are hereby retained as financial advisor and bond counsel respectively for the Series 2015 Revenue Bonds.

28. Conflicting Provisions Repealed; Ratification of Establishment of the System. All resolutions or orders or parts thereof in conflict with the provisions of this Resolution, including without limitation any conflicting provisions of Resolution 1396 of 1978, are, to the extent of

such conflict, hereby repealed. All actions heretofore taken by this Commission to establish the System pursuant to Act 342 are hereby ratified, confirmed and approved.

29. Effective Date. Pursuant to the provisions of Section 6 of Act 94, this Resolution shall immediately be effective upon its adoption.

Adopted and signed this _____ day of _____, 2015.

Signed _____
David Flynn, Chair
Macomb County Board of Commissioners

Signed _____
Carmella Sabaugh,
Macomb County Clerk

APPENDIX A

PROJECT DESCRIPTION

The Project consists of the rehabilitation of two pump stations and force main appurtenances. Significant items of work include the following:

Force Main Appurtenances

Remove valve equipment and install 6" DI caps in three (3) cleanout wells; remove existing air relief valve and install 4" single body wastewater combination valve.

Bon Heur Pump Station

Structural roof replacement; EPDM roof system; door and window replacements; exterior brick, mansard roof rehabilitation, parapet & other minor repairs; HVAC improvements; electrical and controls improvements; generator replacement; fencing, fence repair and bollard installation.

Violet Pump Station

Floor rehabilitation; wet well structural repairs and slab replacement; new 25 hp constant speed pumps with motors; new 60 hp variable speed pumps with motors; valve replacement and piping modifications; ventilation Improvements; odor control system; electrical improvements; instrumentation and controls improvements including addition of a flow meter and replacement of level control equipment ; generator replacement; valve and bypass vault; new water supply; miscellaneous concrete work; cathodic protection rehabilitation; installation of retractable ladder.

APPENDIX B

FORM OF NOTICE OF INTENT TO ISSUE BONDS

NOTICE TO THE ELECTORS, TAXPAYERS AND OTHER INTERESTED PERSONS OF MACOMB COUNTY AND TO USERS OF THE SOUTHEAST MACOMB COUNTY WASTE WATER DISPOSAL SYSTEM OF THE INTENT OF MACOMB COUNTY TO ISSUE SOUTHEAST MACOMB COUNTY WASTE WATER DISPOSAL SYSTEM REVENUE BONDS PAYABLE FROM THE RATES AND CHARGES FOR SEWAGE DISPOSAL SERVICES ASSESSED BY MACOMB COUNTY AGAINST THE USERS OF THE SOUTHEAST MACOMB COUNTY WASTE WATER DISPOSAL SYSTEM AND THE RIGHT OF REFERENDUM RELATING THERETO

Please Take Notice that Macomb County, Michigan, intends to issue and sell its Southeast Macomb County Waste Water Disposal System Revenue Bonds, pursuant to Act No. 94, Public Acts of Michigan, 1933, as amended, in an aggregate principal amount not to exceed ***\$3.0 million*** (the “***Revenue Bonds***”). The Revenue Bonds will be issued to finance the acquisition, construction, installation and equipping of all or any portion of improvements to the Southeast Macomb County Waste Water Disposal System (the “***System***”) consisting of the rehabilitation of the Bon Heur and Violet Pump Stations as well as rehabilitation of appurtenances to the force main effluent to the Violet Pump Station (the “***Project***”); together with related engineering, other professional and administrative services, and financing and issuance costs for the Revenue Bonds. The System serves portions of the Cities of Eastpointe, Roseville, and St. Clair Shores, each in Macomb County.

SOURCE OF PAYMENT OF REVENUE BONDS

The principal of and interest on the Revenue Bonds shall be primarily payable from the rates and charges for sewage disposal services assessed against the users of the Southeast Macomb County Waste Water Disposal System. The Revenue Bonds will be secondarily secured by the limited tax full faith and credit pledge of Macomb County, as authorized pursuant to a resolution of the County Commission.

BOND DETAILS

The Revenue Bonds will be issued in one or more series from time to time. Each series will be payable in principal installments as determined at the time of sale, with the final installment due not more than 40 years after the original date of the series of Revenue Bonds. The Revenue Bonds will bear interest at the rate or rates to be determined upon the sale thereof, but in no event to exceed 6% per annum or such higher maximum rates permitted by law.

RIGHT OF REFERENDUM

THE REGISTERED ELECTORS OF MACOMB COUNTY HAVE THE RIGHT TO FILE A PETITION FOR REFERENDUM UPON THE QUESTION OF THE ISSUANCE OF THE REVENUE BONDS DESCRIBED IN THE FIRST PARAGRAPH OF THIS NOTICE. THE REVENUE BONDS WILL BE ISSUED WITHOUT A VOTE OF THE ELECTORS UNLESS A PETITION REQUESTING SUCH VOTE SIGNED BY NOT LESS THAN 10% OR 15,000 OF THE REGISTERED ELECTORS OF MACOMB COUNTY, WHICHEVER IS LESS, IS FILED WITH THE COUNTY CLERK WITHIN 45 DAYS AFTER PUBLICATION OF THIS NOTICE. If such a petition is filed, the Revenue Bonds cannot be issued without an approving vote by a majority of qualified electors of Macomb County voting on the question.

Additional Information with respect to the above described Revenue Bonds, the Southeast Macomb County Waste Water Disposal System, the rates and charges assessed and to be assessed against the users of the District, the Project, the financing thereof, and any other matters relating to the foregoing may be obtained from William Misterovich, Chief Deputy Macomb County Public Works Commissioner, 21777 Dunham Road, Clinton Township, MI 48036.

This Notice is given pursuant to the requirements of Section 33 of Act No. 94, Public Acts of Michigan, 1933, as amended.

By: _____
 Finance Director
 Macomb County, Michigan

Dated: _____, 2015

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Board of Commissioners of the County of Macomb, Michigan, at its regular meeting held on _____, 2015, at __:00 o'clock __.m., local time, 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.

I further certify that the following Members were present at said meeting: Commissioners _____. I further certify that the following Members were absent from said meeting: Commissioners _____.

I further certify that Commissioner _____ moved adoption of said resolution and that Commissioner _____ supported said motion.

I further certify that the following Members voted for adoption of said resolution: Commissioners _____.

[I further certify that the following Members voted against adoption of said resolution: Commissioners _____.]

There were __ yes votes. There were __ no votes.

I further certify that said resolution has been recorded in the minutes of the meeting of the Board of Commissioners and that such recording has been authenticated by the signatures of the Chair and the County Clerk.

Carmella Sabaugh
Macomb County Clerk
Dated: _____, 2015