



**PLAINFIELD CHARTER TOWNSHIP
(Kent County, Michigan)**

Resolution No. 11-53

**RESOLUTION TO AUTHORIZE ISSUANCE OF
2011 WATER SUPPLY SYSTEM REVENUE REFUNDING BONDS
(General Obligation – Limited Tax)**

Minutes of a regular meeting of the Township Board of Plainfield Charter Township, Kent County, Michigan, held in the Township Offices, 6161 Belmont Avenue NE, Belmont, Michigan 49306-9609, on September 6, 2011, at 7:00 p.m., local time.

PRESENT: Board Members Stover, Harvey, Hagedorn, Bottema, Matthews, Weldon, and Meek

ABSENT: None

The following Resolution was offered by Board Member Harvey and supported by Board Member Hagedorn:

WHEREAS, Plainfield Charter Township (the “Township”) issued its \$5,710,000 Water Supply System Revenue Bonds, Series 2001 (the “Prior Bonds”) pursuant to Resolution No. 01-40 for the purpose of refunding its Water Supply System Revenue Bonds, Series 1994 (Limited Tax General Obligation), which were issued for purposes of the acquisition and construction of improvements to the Township’s Water Supply System; and

WHEREAS, the Prior Bonds maturing on and after May 1, 2012, are subject to redemption prior to maturity on November 1, 2011; and

WHEREAS, the Act (defined below) permits the Township to refund all or part of the Prior Bonds; and

WHEREAS, the outstanding principal amount of the Prior Bonds is presently \$1,821,000; and

WHEREAS, the Township has received a report from Umbaugh & Associates, which shows that refunding all or a portion of the Prior Bonds will provide a substantial savings in interest costs to the Township, and the Township has determined that it is in the best interest of the Township to refund all or a portion of these bonds; and

WHEREAS, the Township desires to issue not to exceed \$1,900,000 of its 2011 Water Supply System Revenue Refunding Bonds (General Obligation – Limited Tax) (the “Refunding Bonds”) to refund the Prior Bonds, or a portion of them; and

WHEREAS, Act 34, Public Acts of Michigan, 2001, as amended, permits the Township to authorize, within limitations which shall be contained in the authorization resolution, an officer to sell, deliver and receive payment for obligations, and to approve interest rates or methods for fixing interest rates, prices, discounts, maturities, principal amounts, denominations, dates of issuance, interest payment dates, redemption rights, place of delivery and payment, and other matters and procedures necessary to complete an authorized transaction.

NOW, THEREFORE, BE IT RESOLVED as follows:

Section 1. **DEFINITIONS.** Whenever used in this Resolution except when otherwise indicated by context, the following definitions shall apply:

- (a) “Act” means Act 94, Public Acts of Michigan, 1933, as amended.
- (b) “Additional First Lien Bonds” means any additional bonds of equal standing with the Series 2011 Bonds.
- (c) “Adjusted Net Revenues” means for any operating year the Net Revenues to which may be made the following adjustments:
 - (i) Revenues may be augmented by the amount of any rate increase adopted prior to the issuance of additional Bonds or to be placed into effect before the time principal or interest on the additional Bonds becomes payable from Revenues as applied to quantities of service furnished during the operating year or portion thereof that the increased rates were not in effect;
 - (ii) Revenues may be augmented by amounts that may be derived from rates and charges to be paid by new customers of the System.
- (d) “Authorized Officer” means the Township Supervisor and the Township Manager, or either of them acting alone.
- (e) “Board” means the Township Board of the Township, the legislative and governing body thereof.
- (f) “Bondholder” or “Bondholders” means the holder or holders of the Bonds.

- (g) “Bond Purchase Agreement” means the Bond Purchase Agreement for the purchase of the Series 2011 Bonds by and between the Township and the Purchaser.
- (h) “Bond Reserve Account” means any subaccount established by the Prior Resolution or that may be established within the Redemption Account pursuant to Section 15(b)(ii)(B) for a future series of Bonds.
- (i) “Bonds” mean the Series 2004 Bonds, the Series 2011 Bonds and any Additional First Lien Bonds and any Junior Lien Bonds that may be issued in the future.
- (j) “Code” means the Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated thereunder.
- (k) “Escrow Agreement” means an Escrow Agreement to be executed between the Township and the Escrow Trustee providing for deposit of the proceeds of the Series 2011 Bonds with the Escrow Trustee for the purpose of investment and administration.
- (l) “Escrow Fund” means the Escrow Fund established pursuant to the Escrow Agreement for the purpose of paying principal, interest and redemption premiums, if any, on the Refunded Bonds.
- (m) “Escrow Trustee” means such escrow trustee appointed by the Authorized Officer to serve under the Escrow Agreement, to administer the Escrow Fund pursuant to the terms of the Escrow Agreement.
- (n) “First Lien Bonds” shall mean the Series 2004 Bonds, the Series 2011 Bonds, and any Additional First Lien Bonds or other obligations that may be issued or incurred by the Township in the future payable from revenues of the System secured by a lien that is a first lien on the Net Revenues of the System of equal standing with the Series 2004 Bonds and/or the Series 2011 Bonds, senior in standing and priority of lien with respect to the Net Revenues to the claim of any Junior Lien Bonds.
- (o) “First Lien Redemption Account” means the First Lien Bond and Interest Redemption Account created as a sub-account of the Redemption Account pursuant to Section 15(b)(ii)(A).
- (p) “G. O. Fund” means the General Obligation Debt Fund created pursuant to Section 15(b)(iii).
- (q) “Government Obligations” means any bonds or other obligations not callable at the option of the issuer thereof, which as to principal and interest constitute direct obligations of the United States of America, or obligations the principal of and interest on which is fully guaranteed by the United States of America, including U.S. Treasury Trust Receipts, or any other obligations permitted under the terms of the Escrow Agreement.
- (r) “Issuance Fund” means Plainfield Charter Township 2011 Refunding Bonds Cost of Issuance Fund established pursuant to the Escrow Agreement.
- (s) “Junior Lien Bonds” shall mean any Junior Lien Bonds secured by a lien on the Net Revenues of the System that is subordinate to the first lien on the Net Revenues of the System created for the benefit of the First Lien Bonds and any Additional First Lien Bonds issued in the future.
- (t) “Junior Lien Redemption Account” shall mean the Junior Lien Bond and Interest Redemption Account created as a sub-account of the Redemption Account pursuant to Section 15(b)(ii)(C).
- (u) “Net Revenues” shall have the same meaning as defined in Section 3 of the Act.
- (v) “Operation and Maintenance Fund” means the Operation and Maintenance Fund created pursuant to Section 15(b)(i).
- (w) “Paying Agent” means the paying agent appointed from time to time by the Authorized Officer, which shall also act as transfer agent and bond registrar.
- (x) “Prior Resolution” means the Township’s Resolution No. 04-02 adopted to authorize the issuance of the Series 2004 Bonds.
- (y) “Purchaser” means such underwriter or financial institution selected by the Authorized Officer to purchase the Series 2011 Bonds.
- (z) “Receiving Fund” shall mean the Water Supply System Receiving Fund created pursuant to Section 15(b).
- (aa) “Redemption Account” shall mean the Bond and Interest Redemption Account created pursuant to Section 15(b)(ii).
- (bb) “Refunded Bonds” means any of the Township’s Water Supply System Revenue Refunding Bonds, Series 2001, which the Authorized Officer determines to refund pursuant to this Resolution.
- (cc) “Resolution” means this Resolution and all amendments hereto.
- (dd) “Revenues” shall have the same meaning as defined in Section 3 of the Act and shall include all earnings on investment of funds of the System and all other revenues derived from or pledged to operation of the System.

- (ee) “Sale Order” means an order to be signed by the Authorized Officer respecting the sale of the Series 2011 Bonds.
- (ff) “Series 2004 Bonds” means the Township’s Water Supply System Revenue Refunding Bonds, Series 2004.
- (gg) “Series 2011 Bonds” means the Township’s 2011 Water Supply System Revenue Refunding Bonds (General Obligation – Limited Tax) authorized and issued pursuant to this Resolution.
- (hh) “System” means the Township’s complete water supply system, both inside and outside the Township, including all treatment and distribution facilities and all appurtenances thereto now owned by the Township and all extensions and improvements thereto hereafter made.
- (ii) “Township” means Plainfield Charter Township, Kent County, Michigan.

Section 2. NECESSITY, PUBLIC PURPOSE. The Township determines that it is a necessary public purpose of the Township to refund the Refunded Bonds.

Section 3. ISSUANCE OF BONDS. If the refunding of the Refunded Bonds would accomplish a net savings of debt service costs, then bonds of the Township are authorized to be issued pursuant to the Act, in the aggregate principal amount of not to exceed \$1,900,000, as finally determined in the Sale Order, for the purpose of refunding the Refunded Bonds, and to pay the legal and financial expenses and all other expenses incidental to the issuance of the Series 2011 Bonds.

Section 4. SERIES 2011 BOND TERMS. The Series 2011 Bonds shall be known as the 2011 Water Supply System Revenue Refunding Bonds (General Obligation – Limited Tax); and shall be issued in fully registered form as to both principal and interest, in minimum denominations of \$100,000 or any multiple of \$1,000 above that amount. The Series 2011 Bonds shall be numbered consecutively in the order of their registration, shall be dated and mature, serially or as term bonds subject to mandatory redemption, in the years and month as set forth in the Sale Order. The Bonds shall bear interest at an average interest rate not exceeding 6%, as set forth in the Sale Order, payable semiannually on such dates determined in the Sale Order. The Series 2011 Bonds may be offered at a discount as determined in the Sale Order at the time of sale.

Section 5. PAYMENT OF BONDS; PLEDGE OF NET REVENUES. Principal of and interest on the Bonds shall be payable in lawful money of the United States of America to the person appearing on the Bond registration books as the registered owner thereof. Payment of principal on the Bonds shall be made at the principal office of the Paying Agent, upon surrender of the Bonds. Payment of interest on the Bonds shall be paid to the registered owner at the address as it appears on the registration books as of the Determination Date. Initially, the Determination Date shall be the date as of the fifteenth (15th) day of the month prior to the payment date for each interest payment; however, the Determination Date may be changed by the Township to conform to market practice.

The principal of and interest on the Bonds shall be payable from the Net Revenues derived from the operation of the System, including future improvements, enlargements and extensions thereof, after provision has been made for the payment of expenses of administration, operation and maintenance thereof. The Net Revenues of the System, including future enlargements, improvements, and extensions thereto, are hereby pledged to the payment of the principal of and interest on the Bonds. To secure the payment of the principal of and interest on the Bonds there is hereby created a statutory lien to and in favor of the Bondholders of the Bonds upon the Net Revenues of the System, including future enlargements, improvements, and extensions thereof. The statutory lien on the Net Revenues securing the First Lien Bonds and any Additional First Lien Bonds shall be a first lien and shall at all times and in all respects be and remain superior to the lien on the Net Revenues securing any Junior Lien Bonds. The Net Revenues so pledged shall be and remain subject to such lien until the payment in full of the principal of and interest on the Bonds or until Bonds are defeased as provided in Section 23.

Pursuant to Section 20 of the Act, the Township hereby pledges its general obligation – limited tax, full faith and credit as an additional source of payment for the prompt payment of the principal of and interest on the Bonds, which pledge is subject to the constitutional and statutory limitations on the taxing power of the Township. This pledge shall be a first budget obligation on the general fund of the Township.

Section 6. PRIOR REDEMPTION. The Series 2011 Bonds shall not be subject to optional redemption prior to maturity.

Section 7. PAYING AGENT AND REGISTRATION.

- (a) Appointment of Paying Agent. From time to time the Authorized Officer shall designate and appoint a paying agent, which shall also act as transfer agent and bond registrar. The initial paying agent for the Bonds shall be designated by the Authorized Officer. In the event of a change in the Paying Agent, notice shall be given in writing, by certified mail, to each Registered Owner not less than sixty (60) days prior to the next interest payment date. The Paying Agent shall keep the official books for the recordation of the Registered Owners of the Bonds.
- (b) Book Entry Eligible. At the option of the initial purchaser of the Bonds, the Bonds will be issued in book-entry only form as one fully-registered bond per maturity and will be registered in the name of Cede & Co., as bondholder and nominee for The Depository Trust Company (“DTC”), New York, New York; if this option is selected, DTC will act as securities depository for the Bonds, purchase of the Bonds will be made in book-entry only form, in the minimum denomination of \$100,000 or any integral multiple of \$1,000 above that amount, and purchasers will not receive certificates representing their interest in Bonds purchased.
- (c) Registration of Bonds. While the Bonds are held in book-entry-only form, the Bonds shall be transferred in accordance with the procedures established by DTC. In the event the book-entry-only system is not selected or is discontinued, the following provisions would apply to the Bonds. Registration of the Bonds shall be recorded in the registration books of the Township to be kept by the Paying Agent. Bonds may be transferred only by submitting the same to the Paying Agent, together with a satisfactory instrument of transfer signed by the Registered Owner or his legal representative duly authorized in writing, after which a new Bond or Bonds shall be issued by the Paying Agent to the transferee (new registered owner) in minimum denominations of \$100,000 or any integral multiple of \$1,000 above that amount, in the same aggregate principal amount as the Bond submitted for transfer. No transfer of Bonds shall be valid unless and until recorded on the bond registration books in accordance with the foregoing. The person in whose name any bond is registered may for all purposes, notwithstanding any notice to the contrary, be deemed and treated by the Township and the Paying Agent as the absolute owner thereof, and any payment of principal and interest on any Bond to the Registered Owner thereof shall constitute a valid discharge of the Township’s liability upon such Bond to the extent of such payment. No Bond shall be transferred less than fifteen (15) days prior to an interest payment date nor after the Bond has been called for redemption. If the Bonds are held in book entry only form, then the transfer agent shall act as paying agent only, and the Bonds shall be transferred in accordance with the procedures established by DTC.

Section 8. SALE OF BONDS. The Board determines that it is in the best interest of the Township to Sell the Series 2011 Bonds by negotiated sale in order to most effectively time and structure the issuance of the Series 2011 Bonds in response to changing market conditions, and to reduce the costs of issuance. The Authorized Officer is hereby authorized to select a Purchaser and negotiate the terms of the Series 2011 Bonds with the Purchaser, and without further approval by the Board, the Authorized Officer shall be authorized to execute the Bond Purchase Agreement.

Section 9. BOND FORM. The Series 2011 Bonds shall be substantially in the form attached hereto as Exhibit A, and incorporated herein, with such completions, changes and additions as recommended by the Township’s Bond Counsel and approved by the officers of the Township signing the Series 2011 Bonds.

Section 10. AUTHORIZED OFFICER. The Authorized Officer is hereby designated, for and on behalf of the Township, to do all acts and to take all necessary steps required to effectuate the sale, issuance and delivery of the Series 2011 Bonds to the Purchaser. Notwithstanding any other provision of this Resolution, the Authorized Officer is authorized within the limitations of this Resolution to determine the specific interest rate or rates to be borne by the Series 2011 Bonds, the principal amount, the amount of original issue and underwriter’s discount, denominations, interest payment dates, dates of maturities, and the amount of maturities, the amount of good faith deposit, if any, optional and mandatory redemption rights, term bond options, the title of the Series 2011 Bonds, date of issuance, the amount of the rate covenant in Section 18 and additional bonds test in Section 21 and other terms and conditions relating to the Series 2011 Bonds and the sale thereof provided, however, the last annual principal installment shall not be more than thirty years from the date of issuance of the Series 2011 Bonds. The Authorized Officer’s approval of the terms shall be evidenced by his or her signature on the document or agreement stating such terms. The Authorized Officer is hereby authorized for and on behalf of the Township, without further Township Board approval, to do all acts and take all necessary

steps required to effectuate the sale, issuance, and delivery of the Series 2011 Bonds, including to: (a) negotiate, approve and execute the Escrow Agreement with the Escrow Trustee; (b) apply to rating agencies for a rating on the Series 2011 Bonds; (c) execute the Bond Purchase Agreement; and (d) do all other acts and take all other necessary procedures required to effectuate the sale, issuance and delivery of the Series 2011 Bonds. The Authorized Officer, together with the Clerk, the Treasurer and the Finance Director, or any one or more of them, is authorized to execute any orders, receipts, agreements, pledge agreements, documents or certificates necessary to complete the transaction, including, but not limited to, any issuers certificate, any certificates relating to federal or state securities laws, rules or regulations, and any applications to the Michigan Department of Treasury.

Section 11. EXECUTION OF BONDS. The Supervisor or the Deputy Supervisor, and the Clerk or the Deputy Clerk of the Township, are hereby authorized and directed to sign the Series 2011 Bonds, either manually or by facsimile signature, on behalf of the Township. Upon execution, the Series 2011 Bonds shall be delivered to the purchaser thereof.

Section 12. RIGHTS OF BONDHOLDERS. The Bondholders representing in the aggregate not less than twenty percent (20%) of the entire issue then outstanding may protect and enforce the statutory lien, either at law or in equity, by suit, action, mandamus, or other proceedings, and enforce and compel the performance of all duties of the officials of the Township, including the fixing of sufficient rates, the collection of revenues, the proper segregation of revenues and the proper application thereof; provided, however, that such statutory lien shall not be construed to give any Registered Owner of any Bond authority to compel the sale of the System, the revenues of which are pledged thereto.

If there is any default in the payment of the principal of or interest on any of the Bonds, any court having jurisdiction in any proper action may appoint a receiver to administer and operate the System on behalf of the Township and under the direction of such court, and by and with the approval of such court, to fix and charge rates and collect revenues sufficient to provide for the payment of any Bonds or other obligations outstanding against the revenues of the System and for the payment of the expenses of operating and maintaining the System and to apply the income and revenues of the System in conformity with the Act and this Resolution.

The owners or Bondholders, from time to time, of the Bonds, shall have all the rights and remedies given by law, and particularly by the Act, for the collection and enforcement of the Bonds and the security therefor.

Section 13. MANAGEMENT OF SYSTEM. Except as provided in this Resolution, the construction, alteration, repair and management of the System shall be under the supervision and control of the Board. The Township may employ such persons in such capacities as it deems advisable to carry on the efficient management and operation of the System. The Board may make such rules, orders and regulations as it deems advisable and necessary to assure the efficient management and operation of the System.

Section 14. SUPERVISED BANK ACCOUNTS. The Treasurer of the Township shall be custodian of all funds belonging to and/or associated with the System and such funds shall be deposited in a bank or banks, each of which has unimpaired capital and surplus of at least \$2,000,000, or which are each a member of the Federal Deposit Insurance Corporation.

Section 15. FUNDS AND ACCOUNTS. The Township Treasurer is hereby directed to deposit the Bond proceeds as follows and to create and maintain the following funds, into which the revenues and income from the System shall be deposited, which funds and accounts shall be established and maintained, except as otherwise provided, so long as any of the Bonds hereby authorized remain unpaid.

- (a) ESCROW AGREEMENT AND FUNDS. The proceeds of the Series 2011 Bonds shall be used to pay the costs of issuance of the Series 2011 Bonds and to secure payment of the Refunded Bonds, as follows:
- (i) Proceeds of the Series 2011 Bonds in the amount designated by the Authorized Officer at the time of delivery of the Series 2011 Bonds, together with any monies transferred by the Township from the funds and accounts held for the Refunded Bonds and any other available funds of the Township at the time of sale of the Series 2011 Bonds, shall be deposited in the Escrow Fund, to be used pursuant to the terms of the Escrow Agreement or placed with the Paying Agent to pay principal, interest and redemption premiums, if any, on the Refunded Bonds.
 - (ii) The balance of the proceeds of the sale of the Series 2011 Bonds shall be deposited in the Issuance Fund to be used solely to pay legal, financing or other expenses incidental to issuance of the Series 2011 Bonds.

The Escrow Fund shall be held in trust by the Escrow Trustee pursuant to the Escrow Agreement, which agreement shall irrevocably direct the Escrow Trustee to take all necessary steps to call for redemption the Refunded Bonds, including publication and mailing of redemption notices, on the first call date on which the Refunded Bonds may be called for redemption, specified by the Township. The proceeds of the Series 2011 Bonds to be deposited in the Escrow Fund shall be invested in deposits of cash and Government Obligations. The investments held in the Escrow Fund shall be such that the principal and interest payments received thereon will be sufficient, without reinvestment, to pay the principal, interest and redemption premiums on the Refunded Bonds as they become due at their maturity or at the call for redemption required by this section. The Authorized Officer is hereby authorized to approve the form of the Escrow Agreement, to appoint the trustee to serve thereunder, and is directed to execute the Escrow Agreement for and on behalf of the Township.

- (b) RECEIVING FUND. The gross income and revenue of the System shall be set aside into the Receiving Fund. The moneys so deposited are pledged for the purpose of the following funds and accounts and shall be expended and used only in the manner and order as follows:
- (i) Operation and Maintenance Fund. The Township shall create and maintain the Operation and Maintenance Fund. Prior to the beginning of each fiscal year, the Board shall prepare an annual budget of the System for the ensuing fiscal year. Out of the revenues in the Receiving Fund, there shall be set aside, quarterly and deposited into the Operation and Maintenance Fund a sum sufficient to pay the reasonable and necessary current expenses of administering, operating and maintaining the System for the ensuing three months.
- (ii) Redemption Account. The Township shall create and maintain the Redemption Account.
- (A) First Lien Redemption Account. The First Lien Redemption Account shall be established as a sub-account within the Redemption Account to be used solely for the purpose of paying the principal of and interest on First Lien Bonds (including the Series 2011 Bonds). After the transfers required above, there shall first be transferred quarterly from the Receiving Fund, and deposited in the First Lien Redemption Account, for payment of principal of and interest on the First Lien Bonds, a sum equal to at least one-half (1/2) of the amount of interest due on First Lien Bonds on the next ensuing interest payment dates plus not less than one-fourth (1/4) of the principal maturing on First Lien Bonds on the next ensuing principal payment dates in each year. The moneys in the First Lien Redemption Account shall be accounted for separately.
- (B) Bond Reserve Account. The Bond Reserve Account established for the Series 2004 Bonds shall be maintained pursuant to the terms of the Prior Resolution. Upon the issuance of any Additional First Lien Bonds the Township shall deposit into the Bond Reserve Account such amounts, if any, determined by the Township in the resolution authorizing such Additional First Lien Bonds, to be used solely for the payment of the First Lien Bonds as provided in the resolution authorizing their issuance.
- (C) Junior Lien Redemption Account. The Junior Lien Redemption Account shall also be established as a sub-account within the Redemption Account to be used solely for the purpose of paying the principal of and interest on Junior Lien Bonds. After the transfers required above, there shall be transferred quarterly from the Receiving Fund, and deposited in the Junior Lien Redemption Account for payment of principal of and interest on the Junior Lien Bonds, a sum equal to at least one-half (1/2) of the amount of interest on Junior Lien Bonds due on the next ensuing interest payment dates plus not less than one-fourth (1/4) of the principal maturing on Junior Lien Bonds on the next ensuing principal payment dates in each year. The monies in the Junior Lien Redemption Account shall be accounted for separately.
- (D) Additional Deposits. If for any reason there is a failure to make a required deposit to any of the sub-accounts of the Redemption Fund or for any reason there is a deficiency in any of the sub-accounts, then an amount equal to the deficiency shall be set aside and deposited in the sub-account from the Net Revenues in the next succeeding period, which amount shall be in addition to the regular deposit required during such succeeding period.

No further payments need be made into a sub-account of the Redemption Fund after the amount accumulated and held in the sub-account is sufficient to pay when due the entire amount of principal and interest that will be payable at the time of maturity or at an earlier redemption date of all the Bonds then remaining outstanding that are payable from the sub-account, or for Bonds that have been defeased as provided in Section 23.

- (iii) General Obligation Debt Fund. The G. O. Fund is hereby established. After meeting the requirement of the foregoing funds, there shall be transferred quarterly from remaining revenues in the Receiving Fund, or from other available monies, and deposited in the G. O. Fund, such sums as the Township Board deems necessary to pay debt service on presently existing or future general obligation bond issues of the Township or general obligation contractual obligations of the Township incurred or to be incurred for System purposes, which are not First Lien Bonds or Junior Lien Bonds.
- (iv) Improvement and Repair Fund. The Township hereby establishes the Improvement and Repair Fund, into which there shall be placed, after meeting the requirements of the subsections set forth above, such sums as the Board shall determine to be used by the Township for the purpose of acquiring and constructing improvements, additions and extensions to the System and for making repairs and replacements to the System.
- (v) Surplus Moneys. All moneys remaining in the Receiving Fund at the end of any operating year after satisfying the above requirements may be transferred to the Redemption Account and its sub-accounts and used as authorized in this Resolution or, at the option of the Township, transferred to the G. O. Fund or the Improvement and Repair Fund and used for the purposes for which said funds were established. Provided, however, that if there should be a deficit in the Operation and Maintenance Fund, and any sub-account of the Redemption Account, the G. O. Fund or a bond reserve account on account of defaults in setting aside therein the amounts required in this Resolution, or a future resolution, then the Township shall transfer the moneys remaining in the Receiving Fund at the end of any operating year to such funds in the priority and order named, to the extent of such deficits. Available surplus moneys may be used to retire any outstanding obligations of the Township incurred for construction, expansion or addition to the System, including additional bonds, the issuance of which is authorized by this Resolution, or if no other disposition has been provided for, such moneys may be used for such other purposes of the System as the Board may deem to be for the best interest of the Township.
- (vi) Priority of Accounts. In the event the monies in the Receiving Fund are insufficient to provide for the current requirements of the Operation and Maintenance Fund or any sub-accounts of the Redemption Account, any monies or securities in other funds of the System shall be credited or transferred, first, to the Operation and Maintenance Fund, second to the First Lien Redemption Account and third to the Junior Lien Redemption Account, to the extent of any deficit therein.

Section 16. INVESTMENT OF FUNDS. Moneys in the funds and accounts established herein may be invested by the Township in bonds, notes, bills and certificates of, or guaranteed by, the United States of America, or in interest bearing time deposits or other investments as shall be determined by the Township, subject to the provisions of Act 20, Public Acts of Michigan, 1943, as amended, or any statute subsequently adopted regulating investments by the Township, and subject to the limitations imposed by arbitrage regulations and Section 148 of the Code. Profit realized or interest income earned on investment of funds in the various funds and accounts shall be deposited in or credited as received to the Receiving Fund.

Section 17. DEPOSITORY AND FUNDS ON HAND. Monies in the several funds and accounts maintained pursuant to this Resolution, except monies held pursuant to the Escrow Agreement, and except monies in the Redemption Account, which must be kept in a separate account, may be kept in one or more accounts at financial institutions designated by resolution of the Township, and if kept in one account, the monies shall be allocated on the books and records of the Township in the manner and at the times provided in this Resolution.

Section 18. RATES AND CHARGES. The rates and charges for the services of the System shall be those in effect on the date of adoption of this Resolution. Rates shall be fixed and revised from time to time by the Board so as to produce amounts that are sufficient to pay the expenses of administration and the costs of operation and maintenance of the System, to provide an amount of revenues adequate for the payment of principal of and interest on the Bonds, reserve, replacement and improvement requirements and to otherwise comply with all requirements and covenants provided herein; provided, however, that the annual Net Revenues of the System, shall not at any time be less than 100% of the annual debt service on the Bonds. The rates and charges for all services and facilities rendered by the System shall be reasonable and just, taking into consideration the costs and value of the System, the cost of maintaining, repairing, and operating the System, and the amounts necessary for the retirement of all Bonds and interest accruing on all Bonds, and there shall be charged such rates and charges as shall be adequate to meet the requirement of this and the preceding sections.

Section 19. NO FREE SERVICE. No free service shall be furnished by the System to the Township or to any individual, firm or corporation, public or private, or to any agency or instrumentality.

Section 20. REVENUE BOND COVENANTS. The Township covenants and agrees, so long as any of the Bonds hereby authorized remain unpaid, as follows:

- (a) That it will punctually perform all duties with reference to the System and comply with applicable State laws and regulations and continually operate and maintain the System in good condition.
- (b) That it will not sell, lease, mortgage or in any manner dispose of the System, or any substantial part of it, until all Bonds payable from the revenues of the System shall have been paid in full or provision has been made for the payment of such Bonds.
- (c) That it will cause an annual review of rates and charges to be made and based thereon will adjust such rates and charges to provide the amounts required by this Resolution.
- (d) That it will maintain complete books and records relating to the operation of the System and its financial affairs, will cause such books and records to be audited annually at the end of each fiscal year and an audit report prepared, and will furnish a Bondholder a copy of such report upon written request.
- (e) That it will prepare, keep and file such records, statements and accounts as may be required by law and that, if required by law, it will file a report with the Michigan Department of Treasury, not later than one hundred and eighty (180) days after the close of the fiscal year, on forms prepared by the Department of Treasury, completely setting forth the financial operation for such fiscal year of the System in accordance with the accounting method of the municipality.
- (f) That it will maintain and carry insurance on all physical properties of the System, for the benefit of the Bondholders, of the kinds and in the amounts normally carried by municipalities engaged in the operation of similar systems. All moneys received for losses under any such insurance policies shall be applied solely to the replacement and restoration of the property damaged or destroyed, and to the extent not so used, shall be used for the purpose of calling Bonds.
- (g) That it hereby pledges, from other funds of the Township available for such purpose, such moneys as may be necessary on an annual basis to maintain the requirements of the following Section for the issuance of additional bonds.

Section 21. ADDITIONAL BONDS. Additional First Lien Bonds of equal standing and priority any outstanding First Lien Bonds may be issued for repair, replacement, improvement or extension of the System and to refund all or a portion of Bonds and paying the costs of issuing the Additional First Lien Bonds, but only if the average Adjusted Net Revenues for the last two completed operating years, or the Adjusted Net Revenues for the last completed operating year if the same shall be lower than the average, shall be equal to at least one hundred percent (100%) of the average annual principal and interest thereafter maturing in any operating year on the then outstanding First Lien Bonds and the Additional First Lien Bonds then being issued. If the Additional First Lien Bonds are to be issued in whole or in part for refunding outstanding Bonds, the annual principal and interest requirements shall be determined by deducting from the principal and interest requirements for each operating year the annual principal and interest requirements of any Bonds to be refunded from the proceeds of the Additional First Lien Bonds. Junior Lien Bonds may be issued in the discretion of the Township.

Any additional Bonds shall be subject to the various funds herein established, and all revenue from any such extension or replacement constructed by the proceeds of any additional Bonds shall be paid into the Receiving Fund.

Section 22. BONDS MUTILATED, LOST OR DESTROYED. If any Bond shall become mutilated, the Township, at the expense of the holder of the Bond, shall execute, and the Paying Agent shall authenticate and deliver, a new Bond of like tenor in exchange and substitution for the mutilated Bond, upon surrender to the Paying 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 Paying Agent and, if this evidence is satisfactory to both the Township and the Paying Agent and indemnity satisfactory to the Paying Agent shall be given, the Township, at the expense of the owner, shall execute, and the Paying Agent shall thereupon authenticate and deliver, a new Bond of like tenor, which shall bear the statement required by Act No. 354, Public Acts of Michigan, 1972, as amended, 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 Paying Agent may pay the same without surrender thereof.

Section 23. DEFEASANCE. In the event cash or direct obligations of the United States or obligations the principal of and interest on which are guaranteed by the United States, or a combination thereof, the principal of and interest on which, without reinvestment, come due at times and in amounts

sufficient to pay at maturity or irrevocable call for earlier optional or mandatory redemption, the principal of, premium, if any, and interest on any of the Bonds, shall be deposited in trust, this Resolution shall be defeased with respect to such Bonds (the "Defeased Bonds"), and the owners of the Defeased Bonds shall have no further rights under this Resolution except to receive payment of the principal of, premium, if any, and interest on the bonds from the cash or securities deposited in trust and the interest and gains thereon and to transfer and exchange bonds as provided herein. Defeased Bonds shall be treated as if they have been redeemed for all purposes under this Resolution.

Section 24. FISCAL YEAR OF SYSTEM. The fiscal year for operating the System shall coincide with the fiscal year of the Township.

Section 25. MICHIGAN TAXATION. The Series 2011 Bonds provided for herein are authorized by the Constitution and Statutes of the state of Michigan, and in particular by the Act, and are exempt from any and all taxation whatsoever by the State of Michigan or by any taxing authority within the state, except inheritance, estate and gift taxes, taxes on gains realized from the sale, payment or other disposition thereof.

Section 26. CONTRACT WITH BONDHOLDERS. The provisions of this Resolution shall constitute a contract between the Township and the Bondholders from time to time, and after the issuance of any of such Bonds, no change, variation or alteration of the provisions of this Resolution may be made that would lessen the security for the Bonds. The provisions of this Resolution shall be enforceable by appropriate proceedings taken by such Bondholder, either at law or in equity.

Section 27. INTERNAL REVENUE CODE. The Township has consulted with its attorney and understands that the Code contains certain requirements on (i) the expenditure of proceeds from the sale of the Series 2011 Bonds, (ii) the investment of the proceeds from the issuance of the Series 2011 Bonds and (iii) the rebate of interest earned on the investment of the proceeds of the Series 2011 Bonds under certain circumstances. The Township hereby covenants to comply with such requirements.

Section 28. QUALIFIED TAX-EXEMPT OBLIGATION. The Township reasonably anticipates that the amount of qualified tax-exempt obligations that will be issued by the Township and all subordinate entities during the calendar year 2011 shall not exceed \$10,000,000. The Township hereby designates the Bonds in their total principal amount as "qualified tax-exempt obligations" for purposes of Code Section 235(b)(3)(B).

Section 29. BOND COUNSEL. Clark Hill PLC, Grand Rapids, Michigan, is hereby employed to act as bond counsel for the Series 2011 Bonds.

Section 30. ESCROW TRUSTEE. The Authorized Officer is hereby authorized to select and retain on behalf of the Township the Escrow Trustee to serve under the Escrow Agreement, a Paying Agent to serve pursuant to this Resolution, and a Verification Agent to review the calculations made by the Financial Advisor and verify savings resulting from issuance of the Series 2011 Bonds.

Section 31. PRIOR RESOLUTION. Except to the extent supplemented or otherwise provided in this Resolution, the provisions and covenants of the Prior Resolution shall apply to the Series 2004 Bonds.

Section 32. PUBLICATION AND RECORDATION. This Resolution shall be published once in full in a newspaper of general circulation in the Township qualified under state law to publish legal notices, and the same shall be recorded in the records of the Township and such recording authenticated by the signature of the Township Clerk.

Section 33. RESOLUTION SUBJECT TO MICHIGAN LAW. The provisions of this Resolution are subject to the laws of the State of Michigan.

Section 34. SECTION HEADINGS. The section headings in this Resolution are furnished for convenience of reference only and shall not be considered to be a part of this Resolution.

Section 35. SEVERABILITY. 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.

Section 36. CONFLICT. Except as provided above, all Resolutions and Resolutions or parts thereof, insofar as the same may be in conflict herewith, are hereby repealed to the extent of the conflict;

provided, that the foregoing shall not operate to repeal any provision thereof, the repeal of which would impair the obligation on the Series 2011 Bonds or the Refunded Bonds.

Section 37. EFFECTIVE DATE OF RESOLUTION. Pursuant to Section 6 of the Act, this Resolution shall be approved on the date of first reading and this Resolution shall be effective immediately upon its adoption.

YEAS: Members Stover, Harvey, Hagedorn, Bottema, Matthews, Weldon, and Meek

NAYS: None

RESOLUTION DECLARED ADOPTED.

George K. Meek, Supervisor

K. Scott Harvey, Clerk

STATE OF MICHIGAN)
) SS
COUNTY OF KENT)

I, as the duly qualified and acting Clerk of Plainfield Charter Township, Kent County, Michigan do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Township Board at a regular meeting held on September 6, 2011, and that notice of said meeting was given pursuant to Act. No. 267, Public Acts of Michigan, 1976, as amended.

IN WITNESS WHEREOF, I further hereunto affixed my signature this ____ day of _____,
_____.

Township Clerk

EXHIBIT A

UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTY OF KENT
PLAINFIELD CHARTER TOWNSHIP

2011 WATER SUPPLY SYSTEM REVENUE REFUNDING BONDS
(General Obligation – Limited Tax)

<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
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Registered Owner:

Principal Amount: _____ Dollars (\$_____)

Plainfield Charter Township, Kent County, Michigan (the "Issuer"), acknowledges itself indebted and, for value received, hereby promises to pay to the Registered Owner specified above, or registered assigns, out of the net revenues of the Water Supply System of the Township (the "System"), including all appurtenances, additions, extensions and improvements thereto after provision has been made for reasonable and necessary expenses of operation, maintenance and administration of the System (the "Net Revenues"), and if necessary from the General Fund of the Township, subject to constitutional and statutory limitations on the taxing power of the Township, the Principal Amount specified above, on the Date of Maturity specified above, together with interest thereon from the Date of Original Issue specified above, or such later date to which interest has been paid, until paid, at the Interest Rate per annum specified above, first payable on _____ 1, 20__, and semiannually thereafter on the first day of _____ and _____ of each year until the Principal Amount hereof and interest thereon is paid, except as the provisions hereinafter set forth with respect to redemption of this Bond prior to maturity may become applicable hereto.

Principal of this Bond is payable in lawful money of the United States of America, upon presentation and surrender hereof, at the principal office of _____, of _____, Michigan, as the bond registrar, paying agent and transfer agent (the "Paying Agent"), or such other Paying Agent as the Township may hereafter designate by notice mailed to the Registered Owner not less than sixty (60) days prior to the next interest payment date. Interest on this Bond is payable to the Registered Owner of record at the registered address shown on the registration books of the Township maintained by the Paying Agent as of the fifteenth (15th) day of the month preceding such interest payment date.

This Bond shall be registered in the name of the Registered Owner on the registration books kept by the Paying Agent, and such registration noted hereon, and thereafter no transfer shall be valid unless made upon the registration books and likewise noted hereon. This Bond is exchangeable at the request of the Registered Owner, in person or by his attorney duly authorized in writing, at the office of the Paying Agent, but only in the manner, subject to the limitations and at his sole expense, for other bonds of an equal

aggregate amount, upon surrender of this bond to the Paying Agent. Upon such transfer, a new registered bond or bonds of the same series and the same maturity of authorized denomination will be issued to the transferee in exchange therefor.

This Bond is one of a total authorized series of bonds of even date and like tenor, except as to date of maturity and interest rate aggregating the principal sum of \$_____, consisting of bonds in minimum denominations of \$100,000, or integral multiples of \$1,000 above that amount, numbered in order of their registration, is issued in accordance with the provisions of Act 94, Public Acts of Michigan, 1933, as amended and a resolution adopted by the Township Board of the Issuer on September __, 2011 (the "Resolution"), for the purpose of refunding the Township's outstanding Water Supply System Revenue Bonds, Series 2001, which were issued to finance the cost of improvements to the System. This Bond is payable, both as to principal and interest, primarily from the Net Revenues of the System. The principal of and interest on this Bond are secured by a statutory lien on the Net Revenues.

The Issuer hereby covenants and agrees to fix, and maintain at all times while any of the Bonds shall be outstanding, such rates for service furnished by the System as shall be sufficient to provide for payment of the principal of and interest upon all such Bonds as and when the same become due and payable, to maintain a bond and interest Redemption Account and 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. The Bonds of this series shall have equal standing with the Township's First Lien Bonds (as defined in the Resolution), and additional bonds of subordinate standing to the bonds of this series may be issued pursuant to the Resolution. As additional security, the Township has pledged its full faith and credit to the prompt payment of the principal of and interest on the Bonds, subject to applicable constitutional and statutory limitations on the taxing power of the Township. 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 or superior standing may hereafter be issued, and the general covenants and provisions pursuant to which this Bond is issued, reference is made to the Resolution.

Bonds of this shall not be subject to redemption prior to maturity.

The Township has designated the 2011 Water Supply System Revenue Refunding Bonds (General Obligation – Limited Tax) as qualified tax-exempt obligations for purposes of Section 235(b)(3)(B) of the Internal Revenue Code of 1986, as amended.

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

IN WITNESS WHEREOF, Plainfield Charter Township, Kent County, Michigan, by its Township Board, has caused this Bond to be signed, by the manual or facsimile signatures of its Supervisor and Township Clerk, all as of the ____ day of _____, 2011.

George K. Meek, Supervisor

K. Scott Harvey, Clerk

CERTIFICATE OF REGISTRATION AND AUTHENTICATION

This Bond is one of Plainfield Charter Township \$_____ 2011 Water Supply System Revenue Refunding Bonds (General Obligation – Limited Tax), and has been registered in the name of the Registered Owner designated on the face thereof in the bond register maintained for the Township.

As Paying Agent/Bond Registrar/Paying Agent

Date of Authentication: _____

WRONGFUL USE OF CERTIFICATE

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

TRANSFER

For value received, the undersigned hereby sells, assigns and transfers unto _____ (Tax Identification or Social Security No. _____) the within Bond and all rights thereunder, and hereby constitutes and appoints _____ attorney, to transfer the within Bond on the books kept for registration thereof by the Paying Agent, with full power of substitution in the premises.

Dated: _____

Notice: The signature to this assignment must correspond with the name as it appears on the registration books every particular, without alteration or enlargement or any change whatever.