

Regular Session of the Board of County Commissioners for the County of St. Joseph, State of Michigan, was held in the Commissioners' Room, Courthouse at the Village of Centreville, Michigan on February 7, 2012 at 5:00 p.m.

Chairman Rick Shaffer called the meeting to order.

The Invocation was given by Chairman Shaffer.

The Pledge to the American Flag was given.

The County Clerk, Pattie S. Bender, called the roll and the following Commissioners were present:

Rick Shaffer	Gerald E. Loudenslager
Robin Baker	Jerry Ware
Donald Eaton	John L. Dobberteen

Absent: Allen Balog

Also present were Judy West-Wing, Administrator/Controller, Joni Smith, Finance Director and Elishia Arver, Human Resources Director.

AGENDA

Ms. West-Wing stated that a resolution regarding depositories and investments should be added to the agenda under Resolutions.

It was moved by Commissioner Loudenslager and supported by Commissioner Dobberteen that the agenda be approved as amended. Motion carried.

MINUTES APPROVED

It was moved by Commissioner Dobberteen and supported by Commissioner Ware that the minutes for January 17, 2012 be approved. Motion carried.

COMMUNICATIONS

1. Letter from the Michigan Association of Counties, Re: MAC Legislative Updates, January 20 and January 27, 2012.
2. Letter from Maureen Willma and Katherine Stevenson, Re: Commission on Aging. Copy of email from Lynn Coursey, COA Director, Re: Response to letter from Maureen Willma and Katherine Stevenson.
3. Letter from Tim Carls, Re: Road Commission.
4. Resolution from Oscoda County, Re: Supporting the County Road Association of Michigan's Position on HB 5125-5126.
5. Minutes of the Commission on Aging meeting of November 16, 2011.
6. Minutes of the Community Mental Health and Substance Abuse Services Board meeting of December 19, 2011.
7. Minutes of the Southwest Michigan Substance Abuse Advisory Council meeting of January 9, 2012.

It was moved by Commissioner Dobberteen and supported by Commissioner Loudenslager that the communications be accepted and placed on file. Motion carried.

CITIZENS COMMENTS

Thomas E. Shumaker, Probate Judge, distributed some information regarding Partners with Resource Families. He thanked the Board of Commissioners for the commitment to the program as they are trying to reverse the trend of foster care circumstances by conducting some activities such as bowling. He spoke of a bowling event that garners 100 people from the ages of 2 to 56 years old. He believes that they have honored the commitment of the board. They have partnered with Community Mental Health and they have conducted PRIDE classes for people that want to become foster parents.

Cindy Underwood, Director of the Department of Human Services, has been very helpful.

The recent parenting fair was a success as well.

Chairman Shaffer thanked the Judge stating that partnering is what it is all about.

Judge Shumaker further stated that the more foster homes that are available allows for more choices which leads to better matches.

Steve Todd, Health Officer, for the Branch, Hillsdale, St. Joseph Community Health Agency, stated that flu season is upon us and encourages everyone to get a flu shot. Flu is on the rise. They have 400 doses of the 3-2 vaccine and they are free while the supply lasts.

Judie Ratering, County Treasurer, introduced herself stating that she began yesterday and stated that it was an honor to be here. She is both emotional and excited and will do her best.

Chairman Shaffer thanked the Statutory Committee that appointed Mrs. Ratering.

**BOARD OF PUBLIC WORKS**  
**WHITE PIGEON SANITARY SYSTEM BOND SALE RESOLUTION**

Ken Jones, Project Engineer from Wightman-Petrie, is requesting that the Board approve the following resolution and contract which essentially pledges the County’s full faith and credit for the bond sale to upgrade the White Pigeon Sanitary System which is jointly owned and operated by White Pigeon Village and White Pigeon Township. They plan to reline the lagoons and expect the cost to be \$2.9 million and the bonds they are requesting are \$3.1 million. The project is scheduled to begin in March and they are currently waiting for the permits from the Department of Environmental Quality.

**RESOLUTION AUTHORIZING ACT 185 BONDS**

**ST. JOSEPH COUNTY, STATE OF MICHIGAN**  
**2012 WASTEWATER SYSTEM BONDS**  
**(LIMITED TAX GENERAL OBLIGATION)**  
**WHITE PIGEON SANITARY SYSTEM**  
**RESOLUTION NO. 4-2012**

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Minutes of a regular meeting of the Board of Commissioners of the County of St. Joseph, State of Michigan, held in said County on February 7, 2012.

PRESENT: Commissioners Shaffer, Loudenslager, Baker, Ware, Eaton and Dobberteen

ABSENT: Commissioner Balog

The following preamble and resolution were offered by Commissioner Loudenslager and supported by Commissioner Dobberteen:

WHEREAS, the County of St. Joseph, State of Michigan (the “County”), acting by and through its Board of Commissioners and pursuant to the authority conferred upon it by Act 185, Public Acts of Michigan, 1957, as amended (the “Act”), did, by resolution duly adopted by at least a two-thirds (2/3) vote of the members-elect of said Board of Commissioners, establish a department of public works in and for the County for the administration of the powers conferred upon the County by the Act; and

WHEREAS, pursuant to the authorization of Section 2 of the Act, a Board of Public Works has been appointed and is functioning as the governing body of said department; and

WHEREAS, pursuant to the Act the County has previously established the White Pigeon Sanitary System, formerly known as the White Pigeon-Klinger Lake Wastewater System (the “System”), in the County; and

WHEREAS, the County, by and through the Board of Public Works (the “Board” or the “Board of Public Works”), and the Township of White Pigeon and the Village of White Pigeon located in the County (the “Local Units”), have entered into an Act 185 Contract (the “Contract”) for the acquisition, construction and financing of certain additional wastewater system improvements to the System as more fully described in the Contract (the “Project”), which Contract is made a part of this resolution by this reference thereto; and

WHEREAS, the Contract has been duly approved by resolutions of the Board of Public Works and the legislative body of the Local Units and has been fully executed by the Local Units; and

WHEREAS, the Contract must be approved by resolution of the County Board of Commissioners and then executed by the Board of Public Works; and

WHEREAS, plans, specifications and estimate of cost of the Project have been preliminarily prepared by Wightman Petrie, Inc., engineers of Elkhart, Indiana (the “Engineers”), which said estimate of construction cost totals \$2,930,900.00, and duly approved by the Board of Public Works; and

WHEREAS, under the provisions of the Contract, each Local Unit has obligated itself to pay the cost of the Project to be financed by the issuance of bonds of the County by paying the installments, plus interest, as specified in the Contract (the “Contractual Payments”), and has further obligated itself to collect sufficient moneys annually for the purpose of meeting the Contractual Payments, subject to statutory and constitutional limitations; and

WHEREAS, the County now proposes to issue its bonds, as authorized by the Act, in anticipation of and secured primarily by the Contractual Payments that each Local Unit has in the Contract obligated itself to provide in such amounts as may be necessary to pay the cost of constructing the Project, and all things necessary to the authorization and issuance of said series of bonds under the Act having been done, and the County being now empowered and desirous of authorizing the issuance of said bonds; and

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

THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE COUNTY OF ST. JOSEPH, AS FOLLOWS:

1. The preliminary plans, specifications and estimates of cost for the Project as prepared by the Engineers are hereby accepted and approved, and it is hereby determined to be advisable and necessary for the public health of the County to acquire, construct and complete the Project as provided in said plans and specifications and in the Contract.

2. The Contract is hereby approved, confirmed and ratified. The County Clerk is authorized and directed to transmit such approval to the Board of Public Works. The Chairperson and the Secretary of the Board of Public Works are authorized and directed to execute the Contract for and on behalf of the County.

3. The total estimated cost of acquiring and constructing the Project, including payment of incidental expenses as specified in Section 5 of this resolution, in the amount of \$3,100,000 is hereby approved and confirmed.

4. The estimated period of usefulness of the Project is determined to be not less than twenty (20) years.

5. For the purpose of defraying part of the costs of the Project, including payment of engineering, legal, financial expenses and capitalized interest there be borrowed the sum of not to exceed Three Million One Hundred Thousand Dollars (\$3,100,000), and that in evidence thereof there be issued the bonds of the County in an equivalent aggregate principal amount, which bonds are sometimes hereinafter referred to in this resolution as the “bonds.”

The bonds shall be designated ST. JOSEPH COUNTY WASTEWATER SYSTEM (WHITE PIGEON SANITARY SYSTEM) BONDS, SERIES 2012 (LIMITED TAX GENERAL OBLIGATION), the principal of and interest thereon to be payable primarily out of the Contractual Payments required to be paid by the Local Units pursuant to the Contract. Said bonds shall be registered as to principal and interest of the denomination of \$5,000 or multiples of \$5,000 up to the amount of a single maturity, numbered consecutively in order of authentication from 1 upwards, dated as of the date of delivery, callable prior to maturity as hereinafter provided, and shall be payable annually on November 1 of the years and in the principal amounts as follows:

<u>Year</u>	<u>Principal</u>	<u>Year</u>	<u>Principal</u>
2013	\$ 85,000	2023	\$150,000
2014	90,000	2024	160,000
2015	100,000	2025	170,000
2016	105,000	2026	180,000
2017	110,000	2027	190,000
2018	115,000	2028	200,000
2019	120,000	2029	210,000
2020	130,000	2030	220,000
2021	135,000	2031	235,000
2022	145,000	2032	250,000

The bonds bear interest at a rate or rates determined on sale thereof, not exceeding six percent (6%) per annum, payable on November 1, 2012 and semiannually thereafter, by check drawn on the Paying Agent (hereafter defined) for the bonds and mailed to the registered owner at the registered address as shown on the registration books of the County maintained by the Paying Agent. Interest shall be payable to the registered owner of record as of the 15th day of the month prior to the payment date for each interest payment. The date of determination of registered owner for purposes of payment of interest as provided in this Section may be changed by the County to conform to market practice in the future. The principal of the bonds shall be payable at a bank or trust company qualified to act as paying agent, transfer agent and bond registrar and designated by the Board of Public Works in the notice of sale of the Bonds as published (the "Paying Agent") and the Board of Public Works and the County Treasurer each is hereby authorized to enter into all required contractual arrangements with the Paying Agent. In the event the bonds are not held in book-entry only form as described herein, then the Paying Agent shall also act as bond registrar and transfer agent. The County, through the Board of Public Works or County Treasurer, may designate another qualified institution to serve as paying agent, transfer agent and bond register at any time by notice mailed to registered owners of the Bonds not less than sixty (60) days prior to an interest payment date.

The bonds are subject to redemption prior to maturity as provided in the form of the bonds set forth in Section 16 of this Resolution. The bonds may not be sold at a price that is less than 98.5% or more than 102.5% of the principal amount of the bonds.

6. The bonds may be issued in book-entry-only form through The Depository Trust Company in New York, New York ("DTC"). So long as the bonds are in the book-entry-only form, the Paying Agent shall comply with the terms of the Letter of Representations to be entered into among the County, the Paying Agent and DTC, which provisions shall govern registration, notices and payment, among other things, and which provisions are incorporated herein with the same effect as if fully set forth herein. The Chairman and the Secretary of the Board and the County Treasurer each is hereby authorized and directed to enter into the Letter of Representations with DTC in such form as determined by the Chairman or the Secretary of the Board or the County Treasurer, in consultation with bond counsel, to be necessary and appropriate. The Paying Agent is hereby authorized and directed to also enter into the Letter of Representations with DTC as agent for the County. In the event the County determines that the continuation of the system of book-entry-only transfer through DTC (or a successor securities depository) is not in the best interest of the DTC participants, beneficial owners of the Bonds, or the County, the County will notify the Paying Agent, whereupon the Paying Agent will notify DTC of the availability through DTC of the bond certificates. In such event, the County shall issue and the Paying Agent as transfer agent shall transfer and exchange bonds as requested by DTC of like principal amount, series and maturity, in authorized denominations to be identifiable beneficial owners in replacement of the beneficial interest of such beneficial owners in the bonds, as provided herein.

7. The Board is hereby authorized to (a) prepare the form of notice of sale in substantially the form provided in Section 9 of this Resolution, fix a sale date, conduct the sale, and accept the best bid received at such sale; (b) publish such notice of sale in an authorized publication at least seven (7) full days prior to the date fixed for sale; and (c) do all other acts and take all other necessary procedures required to effectuate the sale, issuance and delivery of the bonds, including, if appropriate, making continuing disclosure undertakings, purchase of credit enhancements, and reducing the amount of the bonds sold and/or delivered if the Board of Public Works or County Drain Commissioner on behalf of the Board determines that the full amount of the bonds is not necessary to complete the project; and

8. A notice of sale of said bonds shall be published in the manner directed by the Board in *The Bond Buyer*, New York, New York.

9. [Reserved]

10. The notice of sale for said bonds shall be in substantially the following form with such modifications as shall be made by the Board upon the advice of Bond Counsel:

**OFFICIAL NOTICE OF SALE**  
**\$3,100,000**  
**COUNTY OF ST. JOSEPH, STATE OF MICHIGAN**  
**ST. JOSEPH COUNTY WASTEWATER SYSTEM**  
**(WHITE PIGEON SANITARY SYSTEM) BONDS, SERIES 2012**  
**(LIMITED TAX GENERAL OBLIGATION)**

SEALED BIDS for purchase of the above bonds will be received at the St. Joseph County Board of Public Works office, 115 Dean St., PO Box 427, Centreville, Michigan 49032, on \_\_\_\_\_, the \_\_\_\_ day of \_\_\_\_\_, 2012, until \_\_:\_\_ o'clock \_\_.m., prevailing Eastern Time, at which time and place said bids will be publicly opened and read. Sealed bids will also be received on the same date and until the same time at the offices of the Municipal Advisory Council of Michigan, 535 Griswold, Suite 1850, Detroit, Michigan 48226 (the "MAC"), when, simultaneously, the bids will be opened and read. The bonds will be considered for award or rejection on the same day.

FAXED BIDS: Signed bids may be submitted by fax to the MAC at (313) 963-0943; provided that faxed bids must arrive before the time of sale, the bidder bears all risks of transmission failure and the GOOD FAITH DEPOSIT MUST BE MADE AND RECEIVED as described in the section captioned "GOOD FAITH" below.

ELECTRONIC BIDS: Electronic bids will also be received on the same date and until the same time by Bidcomp/Parity as agent of the undersigned. Further information about Bidcomp/Parity, including any fee charged, may be obtained from Bidcomp/Parity, Anthony Leyden or CLIENT SERVICES, 1359 Broadway, Second Floor, New York, New York 10018, (212) 849-5021. IF ANY PROVISION OF THIS NOTICE OF SALE CONFLICTS WITH THE INFORMATION PROVIDED BY BIDCOMP/PARITY AS THE APPROVED PROVIDER OF ELECTRONIC BIDDING SERVICES, THIS NOTICE OF SALE SHALL CONTROL.

BOND DETAILS: Said bonds will be registered bonds of the denomination of \$5,000 or multiples thereof up to the amount of a single maturity, dated the date of delivery, numbered in order of registration and will bear interest from their date payable on November 1, 2012 and semiannually thereafter.

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

<u>Year</u>	<u>Principal</u>	<u>Year</u>	<u>Principal</u>
2013	\$ 85,000	2023	\$150,000
2014	90,000	2024	160,000
2015	100,000	2025	170,000
2016	105,000	2026	180,000
2017	110,000	2027	190,000
2018	115,000	2028	200,000
2019	120,000	2029	210,000
2020	130,000	2030	220,000
2021	135,000	2031	235,000
2022	145,000	2032	250,000

INTEREST RATE AND BIDDING DETAILS: The bonds shall bear interest at a rate or rates not exceeding 6% per annum, to be fixed by the bids therefor, expressed in multiples of 1/8 or 1/20 of 1%, or both. The interest on any one bond shall be at one rate only. All bonds maturing in any one year must carry the same interest rate. THE INTEREST RATE BORNE BY BONDS MATURING IN ANY ONE YEAR SHALL NOT BE LESS THAN THE INTEREST RATE BORNE BY BONDS MATURING IN THE PRECEDING YEAR. The difference between the highest and lowest interest rate on the bonds shall not exceed two percent (2%). No proposal for the purchase of less than all of the bonds or at a price less than 99% or more than 102% of their par value will be considered. In submitting a proposal for the Bonds, the bidder agrees to the representation of the County of St. Joseph (the "County"), by Miller, Canfield, Paddock and Stone, P.L.C. as bond counsel.

TERM BONDS: [Reserved]

PRIOR REDEMPTION: Bonds of this issue maturing in the years 2012 to 2020, inclusive, shall not be subject to redemption prior to maturity. Bonds or portions of bonds in multiples of \$5,000 of this issue maturing in the years 2021 to 2032, inclusive, shall be subject to redemption prior to maturity, at the option of the County, in such order as the County shall determine, on any date on or after November 1, 2020, at par and accrued interest to the date fixed for redemption.

In case less than the full amount of an outstanding bond is called for redemption, the paying agent, upon presentation of the bond called for redemption, shall register, authenticate 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.

Notice of redemption shall be given to the registered owners of bonds or portions thereof called for redemption by mailing of such notice not less than thirty (30) days prior to the date fixed for redemption to the registered address of the registered owner of record. Bonds so called for redemption shall not bear interest after the date fixed for redemption, whether presented for redemption or not, provided funds are on hand with the paying agent to redeem said bonds.

PAYING AGENT AND REGISTRATION: Principal and interest shall be payable at the corporate trust office of \_\_\_\_\_, \_\_\_\_\_, Michigan, or such other paying agent as the Board of Public Works may hereafter designate by notice mailed to the registered owner not less than sixty (60) days prior to any interest payment date. Interest shall be paid by check or draft mailed to the registered owner as shown by the registration books of the County on the fifteenth (15th) day of the month prior to any interest payment date. The bonds will be transferable only upon the registration books of the County kept by the paying agent.

BOOK-ENTRY-ONLY: The bonds will be issued in book-entry-only form as one fully registered bond per maturity and will be registered in the name of Cede & Co., as bondholder and nominee for The Depository Trust Company (“DTC”), New York, New York. DTC will act as securities depository for the bonds. Purchase of the bonds will be made in book-entry-only form, in the denomination of \$5,000 or any multiple thereof. Purchasers will not receive certificates representing their interest in bonds purchased. It will be the responsibility of the purchaser to obtain DTC eligibility. Failure of the purchaser to obtain DTC eligibility shall not constitute cause for a failure or refusal by the purchaser to accept delivery of and payment for the Bonds.

PURPOSE AND SECURITY: The bonds are to be issued under the provisions of Act 185, Public Acts of Michigan, 1957, as amended, and pursuant to a resolution duly adopted by the Board of Commissioners of the County for the purpose of paying costs of construction of wastewater system improvements in the Township of White Pigeon and the Village of White Pigeon (the “Local Units”).

The bonds are issued in anticipation of, and are payable primarily from, certain specified contractual payments to be paid by the Local Units to the Board of Public Works, acting for and on behalf of the County, pursuant to a certain contract among said governmental units, whereby said Board, on behalf of the County, is to construct the aforesaid improvements. By the provisions of said contract and pursuant to the authorization provided by law, each Local Unit has pledged its limited tax full faith and credit for the payment of its contractual obligations. The County has irrevocably pledged to the payment of said bonds the total contractual payments, which payments are payable at such times and are established in such amounts as are required to pay the entire principal of and interest on the bonds promptly when due.

As additional security for the payment of the bonds and the interest thereon, the County, as authorized by law, has pledged its full faith and credit for the prompt and timely payment thereof, should the Local Units' contractual payments prove insufficient for any reason.

The full faith and credit pledges of the Local Units and the County are a limited tax general obligation of each, and the Local Units and the County are required to pay their respective debt service commitments on the bonds as a first budget obligation from their respective general funds, including the collections of any ad valorem taxes which each is authorized to levy. However, the ability of the Local Units and the County to levy such taxes is subject to applicable constitutional and statutory limitations.

The rights and remedies of bondholders may be affected by bankruptcy, insolvency, fraudulent conveyance or other laws affecting creditor's rights generally, now existing or hereafter enacted, and by application of general principles of equity including those relating to equitable subordination.

**GOOD FAITH:** A good faith deposit in the form of a certified or cashier's check drawn upon an incorporated bank or trust company, or wire transfer, in the amount of \$31,000 payable to the order of the Treasurer of the County will be required of the successful bidder. The successful bidder is required to submit its good faith deposit to the County as instructed by the County not later than Noon, prevailing Eastern Time, on the next business day following the sale. The good faith deposit will be applied to the purchase price of the bonds. In the event the purchaser fails to honor its accepted bid, the good faith deposit will be retained by the County. No interest shall be allowed on the good faith check. The good faith check of the successful bidder will be cashed and payment for the balance of the purchase price of the bonds shall be made at the closing.

**AWARD OF BONDS-TRUE INTEREST COST:** The bonds will be awarded to the bidder whose bid produces the lowest true interest cost determined in the following manner: the lowest true interest cost will be the single interest rate (compounded on November 1, 2012 and semi-annually thereafter) necessary to discount the debt service payments from their respective payment date to \_\_\_\_\_, 2012, in an amount equal to the price bid, excluding accrued interest. Each bidder shall state in its bid the true interest cost to the County, computed in the manner specified above.

**LEGAL OPINION:** Bids shall be conditioned upon the approving opinion of Miller, Canfield, Paddock and Stone, P.L.C., attorneys of Detroit and Kalamazoo, Michigan, a copy of which opinion will be furnished without expense to the purchaser of the bonds at the delivery thereof. The fees of Miller, Canfield, Paddock and Stone, P.L.C., for services rendered in connection with such approving opinion are expected to be paid from bond proceeds. Except to the extent necessary to issue its approving opinion as to validity of the above bonds, Miller, Canfield, Paddock and Stone, P.L.C., has made no inquiry as to any financial information, statements or materials contained in any financial documents, statements or materials that have been or may be furnished in connection with the authorization, issuance or marketing of the bonds, and accordingly will not express any opinion with respect to the accuracy or completeness of any such financial information, statements or materials.

**TAX MATTERS:** In the opinion of Miller, Canfield, Paddock and Stone, P.L.C., bond counsel, under existing law, assuming compliance with certain covenants, interest on the bonds is excludable from gross income for federal income tax purposes as described in the opinion, and the bonds and interest thereon are exempt from all taxation by the State of Michigan or by any taxing authority within the State of Michigan except inheritance and estate taxes and taxes on gains realized from the sale, payment or other disposition thereof. The successful bidder will be required to furnish, at delivery of the bonds, a certificate in a form acceptable to bond counsel as to the "issue price" of the bonds within the meaning of Section 1273 of the Internal Revenue Code of 1986, as amended (the "Code"). Such certificate will include (i) for those maturities where 10% of each such maturity of the bonds has been sold to members of the general public (excluding underwriters, brokers and dealers) prior to delivery of the bonds, the price at which the first 10% of each such maturity was sold to members of the general public, and (ii) for those maturities where 10% of such maturity has not been sold to members of the general public (excluding underwriters, brokers and dealers) prior to delivery of the bonds, an agreement by the successful bidder to provide bond counsel with the prices at which the first 10% of each such maturity is ultimately sold to members of the general public.

**"QUALIFIED TAX EXEMPT OBLIGATIONS":** The County has designated the bonds as "qualified tax-exempt obligations" for purposes of the deduction of interest expense by financial institutions pursuant to the Code.

**BOND INSURANCE AT PURCHASER'S OPTION:** If the bonds qualify for issuance of any policy of municipal bond insurance or commitment therefor at the option of the bidder/purchaser, the purchase of any such insurance policy or the issuance of any such commitment shall be at the option and expense of the purchaser of the bonds. Any increased costs of issuance of the bonds resulting from such purchase of insurance shall be paid by the purchaser, except that, if the County has requested and received a rating on the bonds from a rating agency, the County will pay the fee for the requested rating. Any other rating agency fees shall be the responsibility of the purchaser. **FAILURE OF THE MUNICIPAL BOND INSURER TO ISSUE THE POLICY AFTER THE BONDS HAVE BEEN AWARDED TO THE PURCHASER SHALL NOT CONSTITUTE CAUSE FOR FAILURE OR REFUSAL BY THE PURCHASER TO ACCEPT DELIVERY OF THE BONDS FROM THE COUNTY.**

**CONTINUING DISCLOSURE:** The County and the Local Units have agreed by resolution to provide or cause to be provided, in accordance with the requirements of Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission, (i) on or prior to the last day of the sixth month after the end of its fiscal year, commencing for the County with the fiscal year ending December 31, 2012 and for the Charter Township of White Pigeon with the fiscal year ending December 31, 2012 certain annual financial information and operating data, including audited financial statements for the preceding fiscal year, generally consistent with the

information contained or cross-referenced in the Official Statement relating to the Bonds, (ii) timely notice of the occurrence of certain material events with respect to the Bonds and (iii) timely notice of a failure by the County or the Local Units to provide the required annual information on or before the dates specified in (i) above.

**OFFICIAL STATEMENTS:** A copy of the Official Statement relating to the Bonds may be obtained by contacting Public Financial Management, Inc. at the address referred to below. The Official Statement is in a form deemed final by the County for purposes of paragraph (b)(1) of the Rule, but is subject to revision, amendment and completion in a final Official Statement.

After the award of the bonds, the County will provide on a timely basis a reasonable number of a final Official Statement, as that term is defined in paragraph (f)(3) of the Rule, at the expense of the County (and such additional copies of the final Official Statement as reasonably requested by, and at the expense of, the successful bidder or bidders) to enable the successful bidder or bidders to comply with paragraph (b)(4) of the Rule and the rules of the Municipal Securities Rulemaking Board. Requests for such additional copies of the final Official Statement shall be made to Public Financial Management, Inc., within 24 hours of the award of the bonds.

**DELIVERY OF BONDS:** The County will furnish bonds ready for execution at its expense. Bonds will be delivered without expense to the purchaser to DTC in New York, New York. The usual closing documents, including a certificate that no litigation is pending affecting the issuance of the bonds will be delivered at the time of the delivery of the bonds. If the bonds are not tendered for delivery by Noon, prevailing Eastern Time, on the 45th day following the date of sale, or the first business day thereafter if said 45th day is not a business day, the successful bidder may on that day, or any time thereafter until delivery of the bonds, withdraw its proposal by serving notice of cancellation, in writing, on the undersigned in which event the County shall promptly return the good faith deposit. Payment for the bonds shall be made in Federal Reserve Funds. Accrued interest to the date of delivery of the bonds shall be paid by the purchaser at the time of delivery.

**CUSIP NUMBERS:** It is anticipated that CUSIP identification numbers will be printed on said bonds, but neither the failure to print such numbers on any bonds nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for said bonds. All expenses in relation to the printing of CUSIP numbers on said bonds shall be paid for by the County; provided, however, that the CUSIP Service Bureau charge for the assignment of said numbers shall be the responsibility of and shall be paid for by the purchaser.

**ADDITIONAL INFORMATION:** Further information with respect to the bonds may be obtained from Public Financial Management, Inc., 305 E. Eisenhower Parkway, Suite 305, Ann Arbor, MI 48108; telephone (734) 994-9700, facsimile (734) 994-9710.

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

**ENVELOPES** containing the bids should be plainly marked "Proposal for St. Joseph County Wastewater System (White Pigeon Sanitary System) Bonds, Series 2012 (Limited Tax General Obligation)."

Board of Public Works  
County of St. Joseph, Michigan

11. The Chairman of the Board of Commissioners and the County Clerk are hereby authorized and directed to execute said bonds by means of their facsimile signatures when issued and sold for and on behalf of the County and to cause to be printed thereon a facsimile of the seal of the County. No bond of this series shall be valid until authenticated by an authorized officer of the Paying Agent. The Bonds shall be delivered to the Paying Agent for authentication and shall then be delivered to the purchaser in accordance with instructions from the Treasurer of the County or the Secretary of the Board upon payment of the purchase price for the bonds in accordance with the bid therefor when accepted. Executed blank bonds for registration and issuance to transferees shall simultaneously, and from time to time thereafter as necessary, be delivered to the Paying Agent for safekeeping.

In the event the bonds are not held in book-entry-only form, then any bond 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 Paying Agent as transfer agent. Whenever any bond or bonds shall be surrendered for transfer, the Paying Agent as transfer agent shall authenticate and deliver a new bond or bonds, for like aggregate principal amount. The Paying 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.

12. Said bonds and the interest thereon shall be payable primarily from the Contractual Payments received by the Board on behalf of the County, for the payment of which the Local Units has in the Contract pledged its full faith and credit pursuant to the provisions of the Act. Pursuant to the provisions of Section 6, Article IX of the Michigan Constitution of 1963, the Local Units have covenanted and agreed to levy taxes annually to the extent necessary to provide the funds to meet its Contractual Payments when due in anticipation of which the bonds are issued, which taxes shall be subject to statutory and constitutional limitations. All of such Contractual Payments are hereby pledged solely and only for the payment of principal of and interest on the bonds.

13. Pursuant to the authorization provided in the Act, the full faith and credit of the County is hereby pledged for the prompt payment of the principal of and interest on the bonds as the same shall become due. If for any reason there are not sufficient funds on hand from the Contractual Payments to pay the principal of and interest on the bonds when due, upon written notification by the Board to the County Treasurer of the amount of such deficiency, the County Treasurer shall promptly deposit into the debt retirement fund for said bonds the amount of such deficiency out of general funds of the County. If it becomes necessary for the County to so advance any such moneys, it shall be entitled to reimbursement from any surplus from time to time existing in the fund which said principal and interest are primarily liable, or from any other legally available source. The County recognizes and covenants that its full faith and credit pledge hereunder is a first budget obligation, and, to the extent necessary to provide funds to meet such pledge herein provided, it is obligated to levy ad valorem taxes against the taxable property in the County, which taxes, however, shall be subject to statutory and constitutional limitations.

14. It shall be the duty of the Board or the County Treasurer, after the adoption of this resolution and the sale of the bonds herein authorized, to establish a special depository account to be designated DEBT RETIREMENT FUND – ST. JOSEPH COUNTY WASTEWATER BONDS (WHITE PIGEON SANITARY SYSTEM), SERIES 2012, sometimes referred to as the “Debt Retirement Fund,” into which account shall be deposited accrued interest received upon delivery of the bonds, and all Contractual Payments as received, and into which account any advances made by the County pursuant to Section 13 of this resolution shall be deposited. The moneys from time to time on hand in the Debt Retirement Fund shall be used solely and only for the payment of the principal of and interest on the bonds, or, to the extent of any surplus, to reimburse the County for any advances made pursuant to Section 13 hereof. The County shall have the right to invest moneys in the Debt Retirement Account as provided in the Contract, which investments may be in obligations other than those of the depository bank or trust company.

15. The operation, maintenance and administration of the System and the acquisition and construction of the Project shall be under the overall jurisdiction and control of the Board as agency of the County, and the provisions in the Contract relative to such operation, maintenance and administration are hereby recognized, approved and confirmed.

16. Said bonds shall be in substantially the following form:

**FORM OMITTED**

17. Nothing contained in this resolution or the Contract shall be construed to prevent the County from issuing additional bonds under the provisions of the Act for any of the purposes authorized by the Act, but any such bonds shall in no way have any lien on or be payable out of the Contractual Payments pledged to the payment of the bonds of this authorized issue, except such additional bonds as may be necessary may be issued to complete the Project pursuant to the authorization provided in Section 16 of the Contract.

18. The proceeds of sale bonds shall be deposited in a special depository account, said account to be designated ST. JOSEPH COUNTY WASTEWATER BONDS (WHITE PIGEON SANITARY SYSTEM), SERIES 2012 CONSTRUCTION FUND (hereinafter referred to as the “construction fund”). The moneys from time to time in such fund shall be used solely and only to pay costs of acquiring and constructing the Project, such costs including costs of issuance associated with issuing the Bonds. Any premium and accrued interest paid at the time of delivery of the bonds shall be deposited into the Debt Retirement Fund.

19. The provisions of this resolution, together with the Contract, shall constitute a contract between the County and the owner or owners of the bonds from time to time, and after the issuance of such bonds, no change, variation or alteration of the provisions of this resolution and the Contract may be made which would lessen the security for the bonds. The provisions of this resolution and the Contract shall be enforceable by appropriate proceedings taken by such owner either at law or in equity.

20. The County covenants and agrees with the successive owners of the bonds that so long as any of the bonds remain outstanding and unpaid as to either principal or interest:

(a) The County and the Board, as agency of the County, will punctually perform all of their obligations and duties under this resolution and the Contract, including all collection, segregation and application of the Contractual Payments in the manner required by the provisions of this resolution.

(b) The County and the Board, as the agency of the County, will apply and use the proceeds of the sale of the bonds for the purposes and in the manner required by the Contract and this resolution. The County will maintain and keep proper books of record and account relative to the application of funds for the construction of the Project and the Contractual Payments received pursuant to the Contract or monies advanced by the County. Not later than three (3) months after the end of each year, the Board shall cause to be prepared a statement, in reasonable detail, sworn to by its chief accounting officer, showing the application of the proceeds of the sale of the bonds, the cash receipts from the Contractual Payments or monies advanced by the County during such year, and the application thereof, and such other information as may be necessary to enable any taxpayer or any holder or owner of the bonds, or anyone acting in their behalf, to be fully informed as to all matters pertaining to the construction of the Project and application of funds therefor or for the payment of bonds during such year. A certified copy of said statement shall be filed with the County Clerk and the Clerk of the Local Units and a copy shall also be sent to the manager or managers of the account purchasing the bonds.

(c) The County will take or abstain from taking all actions required by the federal Internal Revenue Code and regulations thereunder as may be necessary to retain for the interest on the bonds the exemption from direct federal income taxation, including specifically all actions and abstention from actions as required by the Non-Arbitrage and Tax Compliance Certificate and related documents furnished in connection with the bonds.

21. The Board and the Director of the Board on behalf of the Board are each hereby designated, for and on behalf of the County, to do all other acts and take all other necessary procedures required to effectuate the sale, issuance and delivery of the bonds, including, if appropriate, making continuing disclosure undertakings, purchase of the credit enhancements, and adjusting the final bond details set forth herein to the extent necessary or convenient to complete the transaction authorized herein, and in pursuance of the foregoing is authorized to exercise the authority and make the determinations authorized pursuant to Section 315(1)(d) of Act 34, including but not limited to determinations regarding interest rates, prices, discounts, maturities, principal amounts, denominations, dates of issuance, interest payment dates, redemption rights, the place of delivery and payment, designation of series, and other matters, within the parameters established by this resolution.

22. The Board, County Treasurer, County Clerk are each hereby authorized to apply for prior approval to issue the bonds, if necessary, with the Michigan Department of Treasury, and to execute and deliver all other documents and certificates as may be required to be filed with the Michigan Department of Treasury to enable the bonds to be issued and delivered as contemplated by this resolution..

23. The County shall enter into an undertaking for the benefit of the holders and beneficial owners of the Bonds, as more specifically set forth in Exhibit A hereto (the "Undertaking"); provided, however, that the terms of the Undertaking are subject to completion and modification prior to delivery of the Bonds by the authorized officer of the County executing the Undertaking as such authorized officer shall deem necessary to comply with law or market requirements. The Director of the Board of Public Works, the County Clerk and the County Treasurer are each hereby authorized to execute and deliver the Undertaking on behalf of the County after completion and modification as provided in this Resolution.

24. 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 redemption, the principal of, premium, if any, and interest on the bonds, shall be deposited in trust, this resolution shall be defeased and the owners of the 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 in this resolution.

25. The County hereby designates the bonds as “qualified tax exempt obligations” under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, and the regulations thereunder (the “Code”) for the purpose of permitting the deduction of certain expenses by financial institutions pursuant to Section 265(b) of the Code.

26. The County hereby confirms that the posting required pursuant to Section 308 of Act 34 was done in due time in substantially the form attached hereto as Exhibit B. Pursuant to and subject to the terms and conditions of the Act, the County does hereby ratify and confirm the prior establishment of the White Pigeon Sanitary System (formerly known as the White Pigeon-Klinger Lake Wastewater System) to provide wastewater system services for the Township of White Pigeon and the Village of White Pigeon in the County (the “System”).

27. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same hereby are repealed.

28. This resolution shall become effective immediately upon its passage.

Commissioner Eaton stated that he would abstain because of a possible conflict of interest due to his company’s history of buying and selling municipal bonds.

AYES: 5 - Members Shaffer, Loudenslager, Baker, Ware and Dobberteen

NAYS: 0 - Members \_\_\_\_\_

NOT VOTING: 1 - Member Eaton.

ABSENT: 1 - Member Balog

RESOLUTION DECLARED ADOPTED.

/S/ \_\_\_\_\_  
Pattie S. Bender  
County Clerk

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 St. Joseph, State of Michigan, at a regular meeting held on February 7, 2012, and that said meeting was conducted and public notice of said meeting was given 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 notice of the aforesaid meeting held on February 7, 2012, contained or was accompanied by a notice that stated that this resolution will include a limited tax full faith and credit pledge of the County of St. Joseph in accordance with the requirements of Sec. 308 of Act 34, Public Acts of Michigan, 2001, as amended.

/S/ \_\_\_\_\_  
Pattie S. Bender  
County Clerk

#### EXHIBIT A

#### CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (the “Undertaking”) is executed and delivered by the County of St. Joseph, State of Michigan (the “County”), in connection with the issuance of its St. Joseph County Wastewater System Bonds (White Pigeon Sanitary System), Series 2012 (Limited Tax General Obligation) (the “Bonds”). The County covenants and agrees for the benefit of the Bondholders, as hereinafter defined, as follows:

- (a) *Definitions.* The following terms used herein shall have the following meanings:
  - “Audited Financial Statements” means the annual audited financial statement pertaining to the County prepared by an individual or firm of independent certified public accountants as required

by Act 2, Public Acts of Michigan, 1968, as amended, which presently requires preparation in accordance with generally accepted accounting principles.

“Bondholders” shall mean the registered owner of any Bond or any person (a) with the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bond (including any person holding a Bond through a nominee, depository or other intermediary) or (b) treated as the owner of any Bond for federal income tax purposes.

“EMMA” shall mean the MSRB’s Electronic Municipal Market Access System, or such other system, Internet Web site, or repository hereafter prescribed by the MSRB for the submission of electronic filings pursuant to the Rule.

“MSRB” means the Municipal Securities Rulemaking Board.

“Rule” means Rule 15c2-12 promulgated by the SEC pursuant to the Securities Exchange Act of 1934, as amended.

“SEC” means the United States Securities and Exchange Commission.

(b) *Continuing Disclosure.* The County hereby agrees, in accordance with the provisions of the Rule, to provide or cause to be provided to the MSRB through EMMA, on or before the last day of the 6th month after the end of the fiscal year of the County, the following annual financial information and operating data, commencing with the fiscal year ending December 31, 2012, in an electronic format as prescribed by the MSRB:

(1) Updates of the numerical financial information and operating data included in the official statement of the County relating to the Bonds (the “Official Statement”) appearing in the Tables in the Official Statement as described below:

- a. Historical Valuation - Current year state equalized valuation (“SEV”) and taxable value (“TV”);
- b. Tax Base Composition - By Class and By Use - Analysis of current year TV by class and use;
- c. Major Taxpayers - Current year major taxpayers and current year SEV and TV thereof;
- d. Tax Rates (Per \$1,000 of Valuation) - Current year tax rates;
- e. Tax Rate Limitation - Current year tax rate limitations;
- f. Tax Levies and Collections - Current year tax levies and collections;
- g. County Reserve Fund – Current year revenue sharing payments;
- h. Labor Force – Update as of current year;
- i. Pension Fund - Fund Balance – Update as of current year;
- j. Other Post-Employment Benefits – Update as of current year;
- k. General Fund – Fund Balance – Update as of current year;
- l. Debt Statement - Update as of current year;
- m. Debt Ratios - Update as of current year; and
- n. Legal Debt Margin - Update as of current year.

(2) The Audited Financial Statements. provided, however, that if the Audited Financial Statements are not available by the date specified above, they shall be provided when available and unaudited financial statements will be filed by such date and the Audited Financial Statements will be filed as soon as available

Such annual financial information and operating data described above are expected to be provided directly by the County or by specific reference to documents available to the public through EMMA or filed with the SEC.

If the fiscal year of the County is changed, the County shall send a notice of such change to the MSRB through EMMA, prior to the earlier of the ending date of the fiscal year prior to such change or the ending date of the fiscal year as changed.

(c) *Notice of Failure to Disclose.* The County agrees to provide or cause to be provided, in a timely manner, to the MSRB through EMMA, in an electronic format as prescribed by the MSRB, notice of a failure by the County to provide the annual financial information with respect to the County described in subsection (b) above on or prior to the dates set forth in subsection (b) above.

(d) *Occurrence of Events.* The County agrees to provide or cause to be provided in a timely manner to the MSRB through EMMA, in an electronic format as prescribed by the MSRB, notice of the occurrence of any of the following events listed in (b)(5)(i)(C) of the Rule with respect to the Bonds, if applicable, if material:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions or events affecting the tax-exempt status of the security;
- (7) modifications to rights of security holders;
- (8) bond calls;
- (9) defeasances;
- (10) release, substitution, or sale of property securing repayment of the securities;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the Issuer, which is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer;
- (13) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; or
- (14) appointment of a successor or additional trustee or the change of name of a trustee, if material.

(e) *Materiality Determined Under Federal Securities Laws.* The County agrees that its determination of whether any event listed in subsection (d) is material shall be made in accordance with federal securities laws.

(f) *Identifying Information.* All documents provided to the MSRB through EMMA shall be accompanied by the identifying information prescribed by the MSRB.

(g) *Termination of Reporting Obligation.* The obligation of the County to provide annual financial information and notices of material events, as set forth above, shall be terminated if and when the County no longer remains an “obligated person” with respect to the Bonds within the meaning of the Rule, including upon legal defeasance of all Bonds.

(h) *Benefit of Bondholders.* The County agrees that its undertaking pursuant to the Rule set forth in this Undertaking is intended to be for the benefit of the Bondholders and shall be enforceable by any Bondholder; provided that, the right to enforce the provisions of this Undertaking shall be limited to a right to obtain specific enforcement of the County’s obligations hereunder and any failure by the County to comply with the provisions of this Undertaking shall not constitute a default or an event of default with respect to the Bonds.

(i) *Amendments to the Undertaking.* Amendments may be made in the specific types of information provided or the format of the presentation of such information to the extent deemed necessary or appropriate in the judgment of the County, provided that the County agrees that any such amendment will be adopted procedurally and substantively in a manner consistent with the Rule, including any interpretations thereof by the SEC, which, to the extent applicable, are incorporated herein by reference. Such interpretations currently include the requirements that (a) the amendment may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the County or the type of activities conducted thereby, (b) the undertaking, as amended, would have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, and (c) the amendment does not materially impair the interests of Bondholders, as determined by parties unaffiliated with the County (such as independent legal counsel), but such interpretations may be changed in the future. If the accounting principles to be followed by the County in the preparing of the Audited Financial Statements are modified, the annual financial information for the year in which the change is made shall present a comparison between the financial statements as prepared on the prior basis and the statements as prepared on the new basis, and otherwise shall comply with the requirements of the Rule, in order to provide information to investors to enable them to evaluate the ability of the County to meet its obligations. A notice of the change in accounting principles shall be sent to the MSRB through EMMA.

IN WITNESS WHEREOF, the County has caused this Undertaking to be executed by its authorized officer.

COUNTY OF ST. JOSEPH  
State of Michigan

By \_\_\_\_\_

Its \_\_\_\_\_

Dated: \_\_\_\_\_, 2012

**EXHIBIT B**

**MEETING NOTICE  
COUNTY OF ST. JOSEPH  
State of Michigan**

PLEASE TAKE NOTICE that at the regular meeting of the County Board of Commissioners of the County of St. Joseph, Michigan, to be held on February 7, 2012, at 5:00 o'clock p.m., prevailing Eastern Time, at the St. Joseph County Building, 125 West Main Street, Centreville, Michigan 49032, the County Board of Commissioners will consider a resolution authorizing the issuance and sale of a proposed bond issue which will contain a limited tax full faith and credit pledge of the County of St. Joseph.

The proposed bond issue is for sanitary sewer improvements in the Village of White Pigeon and the Township of White Pigeon (the "Local Units") and the bond issue provides that all payments on the proposed bond issue will be made from payments received by the County Board of Public Works from the Local Units.

This notice is given pursuant to the requirements of Section 308, Act 34, Public Acts of Michigan, 2001, as amended.

Pattie S. Bender  
County Clerk  
County of St. Joseph

**WHITE PIGEON SANITARY SYSTEM  
2012 ACT 185 CONTRACT**

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THIS CONTRACT, dated for reference purposes as of February 1, 2012, is made and entered into by and between the COUNTY OF ST. JOSEPH, a Michigan county corporation (the "COUNTY"), by and through its Board of Public Works, and the TOWNSHIP OF WHITE PIGEON and the VILLAGE OF WHITE PIGEON, each a Michigan municipal corporation located in the COUNTY (the "LOCAL UNITS").

WITNESSETH:

WHEREAS, the COUNTY, under the provisions of Act 185, Public Acts of Michigan, 1957, as amended (the "Act"), has established a department of public works for the administration of the powers conferred upon the COUNTY by the Act, which department is under the control of and administered by the Board of Public Works (the "Board"), under the general control of the Board of Commissioners of the COUNTY; and

WHEREAS, the Act authorizes a county to acquire, construct, improve and operate a sewage disposal system and to improve, enlarge, extend and operate such system or systems; and

WHEREAS, the COUNTY, acting by and through the Board, previously has acquired, constructed and financed certain sewage disposal and wastewater treatment improvements for the use and benefit of the LOCAL UNITS, which improvements have been conveyed by the COUNTY to the LOCAL UNITS and are owned by the LOCAL UNITS; and

WHEREAS, it is now necessary for the public health and welfare of the present and future residents of the LOCAL UNITS that certain additional wastewater system improvements generally described on Exhibit A attached hereto and made a part hereof (the "Project") be constructed to meet the present and future requirements of the LOCAL UNITS; and

WHEREAS, by the terms of the Act the COUNTY and the LOCAL UNITS are authorized to enter into a contract for the acquisition and financing of the Project and the payment of the cost thereof by the LOCAL UNITS, with interest, over a period of not exceeding forty (40) years, and the COUNTY is then authorized, pursuant to appropriate action by its Board of Commissioners, to issue bonds of the COUNTY to provide the funds necessary therefor, secured primarily by the full faith and credit contractual obligations of the LOCAL UNITS and secondarily by the full faith and credit pledge of the COUNTY if duly authorized by appropriate resolution of its Board of Commissioners; and

WHEREAS, the Act provides the most practicable and economic method and means for acquiring and financing the Project so vitally necessary for the public health and welfare of the residents of the COUNTY residing in the LOCAL UNITS to be served; and financing under the Act is expected to result in the lowest cost for the money necessary to be borrowed for acquiring the Project; and

WHEREAS, plans and an estimate of construction cost for the Project have been prepared by Wightman Petrie, Inc., engineers of Elkhart, Indiana (the "Engineers"), which said estimate of construction cost totals \$2,930,900.00; and

WHEREAS, in order to issue bonds of the COUNTY to provide funds in the amount of not to exceed \$3,100,000 to pay said cost, it is necessary for the COUNTY and the LOCAL UNITS to enter into a contract, as provided in the Act; and

WHEREAS, it is also necessary for the COUNTY and the LOCAL UNITS to contract relative to the operation and maintenance of the Project as additional parts of the White Pigeon Sanitary System (the "System") previously established by the County and formerly known as the White Pigeon-Klinger Lake Wastewater System;

NOW, THEREFORE, in consideration of the premises and the covenants of each other, the parties hereto agree as follows:

1. The COUNTY and the LOCAL UNITS approve the acquisition and construction of the Project under the provisions of the Act, which Project is more specifically set out in the plans for the Project prepared by the Engineers and in Exhibit A hereto.

2. The LOCAL UNITS each hereby consent to the use by the COUNTY of the public streets, alleys, lands and rights-of-way in the LOCAL UNITS for the purpose of constructing, operating and maintaining the Project and any improvements, enlargements and extensions thereto.

3. The Project is designed to serve the LOCAL UNITS and the users of the System and is immediately necessary to protect and preserve the public health; and the LOCAL UNITS, by these presents, consent to the furnishing of wastewater service, as provided in Section 7 hereof, to the individual users of the LOCAL UNITS. The parties specifically agree, however, that the COUNTY shall not have the right to take over operation of the Project and serve individual customers directly, the COUNTY being limited to other remedies prescribed in this Contract in the event of any default hereunder by the LOCAL UNITS.

4. The Board and the LOCAL UNITS hereby approve and confirm the plans for the Project prepared by the Engineers and the estimated cost thereof in the estimated sum of \$3,100,000. Said estimated cost includes all surveys, plans, specifications, acquisition of property for rights-of-way, physical construction necessary to acquire and construct the Project, the acquisition of all materials, machinery and necessary equipment, and engineering, engineering supervision, administrative, legal and financing expenses necessary in connection with the acquisition and construction of the Project and the financing thereof, including bond discount.

5. The Board will acquire and construct the Project or cause the Project to be acquired and constructed and for that purpose will cause bids to be taken for the acquisition and construction thereof prior to the time that the bonds are issued for the purpose of financing costs thereof. The Board shall in no event enter into any final contract or contracts or cause such contracts to be entered into for the acquisition and construction of the Project if such contract price or prices will be such as to cause the actual cost of the Project to the LOCAL UNITS to exceed the installment obligations approved in Section 9 of this Contract unless each LOCAL UNIT, by resolution of its legislative body, (a) approves said increased cost and (b) agrees to pay said increased amount, either in cash or by specifically authorizing the maximum principal amount of bonds to be issued, as provided in Sections 8 and 9 of this Contract, to be increased to an amount which will provide sufficient funds to meet said increased cost and a similar increase in the installment obligations of the LOCAL UNITS pledged under the terms of this Contract to the payment of such bonds.

6. The Project shall be acquired by the Board in accordance with the plans and specifications therefor approved by this Contract; provided, however, that variations from said plans and specifications may be made without the approval of the LOCAL UNITS if such variation shall not materially affect such plans and specifications. All matters relating to engineering plans and specifications, together with the making and letting of final contracts for acquisition of the Project, the approval of work and materials thereunder, and construction supervision, shall be in the exclusive control of the Board. Any acquisition of rights-of-way shall be done by the LOCAL UNITS, title to be in the COUNTY's name, but the cost of such acquisition shall be paid from the proceeds of sale of the bonds.

7. The COUNTY does hereby let and lease the Project to the LOCAL UNITS, and the LOCAL UNITS do hereby rent and hire the Project from the COUNTY for a term commencing upon the completion of the Project, or any substantial part thereof, and ending upon the expiration of this Contract. The LOCAL UNITS shall be responsible for the operation, maintenance and administration of the Project as a part of the System for and on behalf of and as the agency of the COUNTY for such purpose.

The LOCAL UNITS will retain as between the LOCAL UNITS and the COUNTY the exclusive right and option to establish, maintain and collect rates and charges for services to its inhabitants or other persons using any facilities of the System. Revenues derived from any such rates or charges shall be first used and applied to pay any operation and maintenance costs for wastewater service in the LOCAL UNITS, including costs of the Project. Thereafter revenues shall be applied to debt service on any wastewater system revenue bonds of the LOCAL UNITS and then shall be used to pay obligations to the COUNTY hereunder. Any remaining revenues may be applied by the LOCAL UNITS to any expenses reasonably related to wastewater system purposes.

The LOCAL UNITS covenants that should it appear that additional funds will be needed to pay the expenses of operation, maintenance and administration of the System and/or debt service on the bonds when due, the LOCAL UNITS will promptly increase or cause to be increased rates and charges for the use of all wastewater system facilities of the LOCAL UNITS so that sufficient revenues will be available for such purposes. The COUNTY shall have the right to examine the books and records of the LOCAL UNITS relative to the System and, after conferring with the LOCAL UNITS, shall have the authority to direct the LOCAL UNITS to increase or cause to be increased such rates and charges should it appear to the COUNTY that additional funds will be needed for such purposes.

The LOCAL UNITS shall operate, maintain and administer the Project as part of the System and integrated with its other wastewater system facilities and to pay all costs thereof, so as to keep all such facilities in proper repair and working order, and the COUNTY shall have the right to inspect the Project at reasonable times to insure that LOCAL UNITS servicing is appropriate. If the COUNTY in its reasonable discretion shall determine that repairs to the Project are necessary, or that some other operation, maintenance or administrative action is necessary, it shall have the right to order the LOCAL UNITS in writing to make such repairs or take such action. If the LOCAL UNITS shall not make the necessary repairs or take the necessary action within 30 days after the date such notice is sent, the COUNTY shall have the authority to make the necessary repairs or take the necessary action itself and charge the same to the LOCAL UNITS, using any of the methods provided herein for collection of such charges. As a part of its obligation to operate, maintain and administer the Project and the System properly, the LOCAL UNITS shall provide and pay for insurance on the Project as well as liability insurance protecting the Project and the COUNTY and all officers and employees thereof, such insurance to be in amounts and coverage as is generally carried for public utilities similar to the Project.

The parties hereto agree that the Project shall be acquired, constructed, operated, administered and maintained for the sole use and benefit of the LOCAL UNITS and its various wastewater system users, and the LOCAL UNITS shall pay all costs in connection therewith, the COUNTY remaining the titular owner of the Project only to comply with the requirements of the Act. As between the COUNTY and the LOCAL UNITS, the LOCAL UNITS shall have the exclusive right and discretion, subject only to review by the COUNTY on the basis of sound public utility operational procedure, to determine policy for the use, expansion, improvement, operation and administration of the Project.

8. To provide for the construction and financing of the Project in accordance with the provisions the Act, the Board shall take the following steps:

(a) The Board will submit to the Board of Commissioners of the COUNTY a resolution providing for the issuance of bonds in the aggregate principal amount of not to exceed Three Million One Hundred Thousand Dollars (\$3,100,000), except as authorized pursuant to Section 5 of this Contract, to finance a portion of the cost of the Project. Said bonds shall mature as authorized by law; and shall be secured primarily by the contractual obligations of the LOCAL UNITS to pay the annual installments due, plus interest, as hereinafter provided in this Contract, and secondarily, if approved by at least a three-fifths (3/5) majority of the members of the Board of Commissioners, by the full faith and credit of the COUNTY. After due adoption of the resolution, the Board will take all steps necessary to effectuate the sale and delivery of the bonds.

(b) The Board shall take all steps necessary to enter into and execute or cause to be entered into and executed final construction contracts for the acquisition and construction of the Project as specified and approved in this Contract in accordance with the plans and specifications therefor as approved by this Contract. Said contracts shall specify a completion date agreeable to the LOCAL UNITS.

(c) The Board will require and procure or cause to be required and procured from the contractor or contractors undertaking the actual construction and acquisition of the Project necessary and proper bonds to guarantee the performance of the contract or contracts and such labor and material bonds as may be required by law, in such amount and such form as may be approved by the Board.

(d) The Board upon receipt of the proceeds of sale of the bonds will comply with all provisions and requirements provided for in the resolution authorizing the issuance of the bonds and this Contract relative to the disposition and use of the proceeds of sale of the bonds.

(e) The COUNTY may temporarily invest any bond proceeds or other funds held by it for the benefit of the LOCAL UNITS as permitted by law, and investment income shall accrue to and following the fund producing such income. Neither the COUNTY nor the LOCAL UNITS shall invest, reinvest, or accumulate any moneys deemed to be proceeds of the bonds pursuant to applicable federal law and regulations, in such a manner as to cause the bonds to be "arbitrage bonds" within the meaning of said law and regulations, nor shall either take or fail to take any actions which, if the bonds are issued on a tax-exempt basis, would cause the interest on the bonds to be included in gross income for federal income taxation purposes.

9. The cost of the Project to be financed by the issuance of the aforesaid bonds shall be charged to and paid by the LOCAL UNITS to the Board in the manner and at the times herein set forth. The principal amount thereof of the bonds shall be paid to the Board in annual principal installments, plus interest and other expenses as hereinafter provided, on October 1st of each year, as follows:

<u>Year</u>	<u>Principal</u>	<u>Year</u>	<u>Principal</u>
2013	\$ 85,000	2023	\$150,000
2014	90,000	2024	160,000
2015	100,000	2025	170,000
2016	105,000	2026	180,000
2017	110,000	2027	190,000
2018	115,000	2028	200,000
2019	120,000	2029	210,000
2020	130,000	2030	220,000
2021	135,000	2031	235,000
2022	145,000	2032	250,000

It is understood and agreed between the parties hereto that the annual payments of bond principal and the semi-annual payments of bond interest shall be allocated between the LOCAL UNITS as follows:

Township of White Pigeon	___.%
Village of White Pigeon	___.%

Said allocation is based upon the number of customers of the System situated in each LOCAL UNIT. Each LOCAL UNIT, at its expense, may request the Board to cause a count of customers in each LOCAL UNIT to be made and on the basis of such count the above allocation may be revised on or before January 1 of any year to reflect the actual customer count in each LOCAL UNIT and in such event the Board shall on or before the immediately succeeding February 1 notify each LOCAL UNIT of the revised payment schedule due by each LOCAL UNIT hereunder.

It is understood and agreed that the bonds of the COUNTY hereinbefore referred to will be issued in anticipation of the above contractual obligation, with principal maturities on October 1 of each year, commencing with the year 2013, corresponding to the principal amount of the above-described installments. Subject to Section 11 of this Contract, the LOCAL UNITS shall also pay to the Board in addition to said principal installments, on April 1 and October 1 of each year, commencing October 1, 2012, or such other date as required to meet the debt service on the Bonds as accrued interest on the principal amount remaining unpaid, an amount sufficient to pay all interest due on the succeeding interest payment dates (April 1st and October 1st) on said COUNTY bonds from time to time outstanding. From time to time as the Board is billed by the paying agent for the bonds to be issued for its services as paying agent/transfer agent/registrar for the bonds, and as other costs and expenses accrue to the Board from handling of the payments made by the LOCAL UNITS, or from other actions taken in connection with the Project, the Board shall promptly notify the LOCAL UNITS of the amount of such paying agent fees and other costs and expenses, and the LOCAL UNITS shall promptly remit to the Board sufficient funds to meet such fees and other costs and expenses. The foregoing payment dates may be changed with the consent of the parties.

It is understood and agreed that the payments described in the previous paragraph are required to be made for the purpose of paying principal and interest on the bonds to be issued by the County for the Local Unit and for costs related to the issuance and servicing of the bonds and therefore the Local Unit will make the payments to the County not less than three (3) business days prior to the payment date.

Should cash payments be required from the LOCAL UNITS in addition to the amounts specified in the preceding paragraph to meet costs of constructing the Project, the LOCAL UNITS shall, upon written request by the Board, furnish to the Board written evidence of its agreement and ability to make such additional cash payments, and the Board may elect not to proceed with the acquisition or financing of the Project until such written evidence satisfactory to the Board, has been received by it. The LOCAL UNITS shall pay to the Board such additional cash payments within thirty (30) days after written request for such payment has been delivered by the Board to the LOCAL UNITS.

It is further understood that in the event that principal amount of the bonds to be sold is reduced as provided in Section 16 of the Contract, then the annual principal installments shall be adjusted by the County acting through the Board and the Board shall notify the LOCAL UNITS of such adjustments as provided in the following paragraph.

10. The Board shall, within thirty (30) days after the delivery of the bonds of the County previously referred to, furnish the LOCAL UNITS with a complete schedule of maturities of principal and interest thereon, and the Board shall also, at least thirty (30) days prior to each principal and/or interest installment due date, advise the LOCAL UNITS, in writing, of the exact amount of principal and/or interest due on the COUNTY bonds (subject to and taking into consideration the application of Section 11 of this Contract) on the next succeeding bond principal and/or interest due date, and payable by the LOCAL UNIT on the first day of the month immediately preceding, as previously provided. Failure of the Board to notify a LOCAL UNIT of any such payment shall not relieve the LOCAL UNIT of the obligation to make such payment

If any principal installment or interest is not paid when due, the amount not so paid shall be subject to a penalty, in addition to interest, of one percent (1%) thereof for each month or fraction thereof that the same remains unpaid after the due date.

11. The LOCAL UNITS, pursuant to authorization of Section 12 of the Act, each hereby irrevocably pledges its full faith and credit for the prompt and timely payment of its obligations pledged for bond payments as expressed in this Contract. Pursuant to such pledge, if other funds are not available, each LOCAL UNIT shall be required to pay such amounts from any of its general funds as a first budget obligation and shall each year levy an ad valorem tax on all the taxable property in the LOCAL UNIT in an amount which, taking into consideration estimated delinquencies in tax collections, will be sufficient to pay such obligations under this Contract becoming due before the time of the following year's tax collections, such annual levy, however, to be subject to applicable charter, statutory and constitutional tax limitations. The foregoing commitments of the LOCAL UNITS are expressly recognized as being for the purpose of providing funds to meet the contractual obligations of the LOCAL UNITS in anticipation of which the bonds of the COUNTY hereinbefore referred to are issued. Nothing herein contained shall be construed to prevent the LOCAL UNITS from using any, or any combination of, the means and methods provided in paragraph 2, Section 12 of the Act for the purpose of providing funds to meet its obligations under this Contract. The annual tax levy referred to in this paragraph may be reduced by the amount of wastewater system revenues reasonably anticipated to be collected and available for the payment of the contractual obligations of the LOCAL UNITS and by the amount of cash or other funds that the LOCAL UNITS has on hand (or to its credit in the hands of the COUNTY) and available for payment of such contractual obligations. The governing body of the LOCAL UNITS each year, at least 90 days prior to the final date provided by law or charter for the making of the annual tax levy, shall submit to the Board a written statement setting forth the amount of its obligations to the COUNTY that become due and payable under this Contract prior to the time of the next following year's tax collections, the amount of the funds that the LOCAL UNITS has or will have on hand (or to its credit in the hands of the COUNTY) that are or will be available for payment of its contractual obligations to the COUNTY and the amount of taxes next proposed to be levied for the purpose of raising money to meet the obligations. The Board shall review such statement promptly and, if it finds that the proposed tax levy is insufficient after taking into account such other available funds, it shall so notify the governing body of the LOCAL UNITS, and the LOCAL UNITS covenants and agrees that it will increase its levy to such extent as may be required by the Board. The LOCAL UNITS also covenants and agrees that it is required to make the contractual payments under this Contract regardless of an insufficiency in wastewater system user charges, any anticipated federal credits or refunds and regardless of the approval or acceptance by the Board of any projections supplied to it by the LOCAL UNITS.

12. The LOCAL UNITS may pay in advance any of the payments required to be made by this Contract, in which event the Board shall credit the LOCAL UNITS with such advance payment on future-due payments to the extent of such advance payment, or use such advances to call bonds, without credit.

13. The LOCAL UNITS may pay additional moneys over and above any of the payments specified in this Contract, with the written request that said additional funds be used to call bonds for redemption prior to maturity, in which event the Board shall be obligated to apply and use said moneys for such purpose to the fullest extent possible. Such moneys shall not then be credited as advance payments under the provisions of Section 11 of this Contract.

14. In the event the LOCAL UNITS shall fail for any reason to pay to the Board at the times specified the amounts required to be paid by the provisions of this Contract, the Board shall immediately give notice of such default and the amount thereof, in writing, to the LOCAL UNITS Treasurer, the Treasurer of the COUNTY, the Treasurer of the State of Michigan, and such other officials charged with disbursement to the LOCAL UNITS of funds returned by the State and now or hereafter under the Act available for pledge as provided in this paragraph and in Section 17 of the Act, and if such default is not corrected within ten (10) days after such notification, the State Treasurer, or other appropriate official charged with disbursement to the LOCAL UNITS of the aforesaid funds, is, by these presents, specifically authorized by the LOCAL UNITS, to the extent permitted by law, to

withhold from the aforesaid funds the maximum amount necessary to cure said deficit and to pay said sums so withheld to the Board, to apply on the obligations of the LOCAL UNITS as herein set forth. Any such moneys so withheld and paid shall be considered to have been paid to the LOCAL UNITS within the meaning of the Michigan Constitution and statutes, the purpose of this provision being to voluntarily pledge and authorize the use of said funds owing to the LOCAL UNITS to meet any past-due obligations of the LOCAL UNITS due under the provisions of this Contract. In addition to the foregoing, the Board shall have all other rights and remedies provided by law to enforce the obligations of the LOCAL UNITS to make its payments in the manner and at the times required by this Contract, including the right of the COUNTY to direct the LOCAL UNITS to make a tax levy or rate increase to reimburse the COUNTY for any funds advanced. The LOCAL UNITS will not take any action to reduce the right of the COUNTY to receive the aforesaid state-returned moneys in the event of default.

15. It is specifically recognized by the LOCAL UNITS that the debt service payments required to be made by it pursuant to the terms of Section 9 of this Contract are to be pledged for and used to pay the principal of and interest on the bonds to be issued by the COUNTY, as provided by this Contract and authorized by law, and the LOCAL UNITS covenants and agrees that it will make all required payments to the Board promptly and at the times specified herein without regard to whether the Project is actually completed or placed in operation.

16. If after construction bids are let the proceeds of the sale of the bonds to be issued by the COUNTY are for any reason insufficient to complete the Project, the COUNTY shall be automatically authorized to issue additional bonds in an aggregate principal amount sufficient to complete the Project, and the annual payments required to be made by the LOCAL UNITS shall also be increased in an amount so that the total payments required to be made as increased will be sufficient to meet the annual principal and interest requirements on the bonds herein authorized, plus the additional bonds to be issued. Any such additional bonds shall in all respects comply with the requirements of the Act, and any increases in the annual payments shall be made in the manner and at the times specified in this Contract. In lieu of said additional bonds, the LOCAL UNITS may pay over to the Board in cash sufficient money to complete the Project.

If before or after construction bids are let and prior to sale of the bonds it is determined by the Board that the full amount of the bonds is not necessary to complete the Project, then the COUNTY, acting through the Board, shall be automatically authorized to reduce the amount of bonds sold.

17. After completion of the Project and payment of all costs thereof, any surplus remaining from the proceeds of sale of the bonds shall be used by the Board for either of the following purposes, at the option of and upon request made by resolution of the LOCAL UNITS, to wit: (a) for additional extensions and improvements to the System, or (b) credited by the Board toward the next payments due the Board by the LOCAL UNITS hereunder.

18. The obligations and undertakings of each of the parties to this Contract shall be conditioned on the successful issuance and sale of bonds pursuant to the Act, and if for any reason whatsoever said bonds are not issued and sold within three (3) years from the date of this Contract, this Contract, except for payment of preliminary expenses and ownership of engineering data, shall be considered void and of no force and effect. In the event that said bonds are not issued and sold, all preliminary legal and engineering costs shall be paid by the LOCAL UNITS, and the LOCAL UNITS shall have ownership, possession and use of all plans and specifications, surveys and other engineering data and materials prepared.

19. The Board and the LOCAL UNITS each recognize that the holders from time to time of the bonds issued by the COUNTY under the provisions of the Act to finance a portion of the costs of the Project will have contractual rights in this Contract, and it is therefore covenanted and agreed by each of them that so long as any of said bonds shall remain outstanding and unpaid, the provisions of this Contract shall not be subject to any alteration or revision which would in any manner materially affect either the security of the bonds or the prompt payment of principal or interest thereon. The LOCAL UNITS and the Board further covenant and agree that they will each comply with their respective duties and obligations under the terms of this Contract promptly at the times and in manner herein set forth, and will not suffer to be done any act which would in any way impair the bonds, the security therefor, or the prompt payment of principal and interest thereon. It is hereby declared that the terms of this Contract, insofar as they pertain to the security of any such bonds, shall be deemed to be for the benefit of the holders of said bonds.

20. This Contract shall remain in full force and effect for a period of forty (40) years from the date hereof, or until such time as all bonds issued by the COUNTY to finance the Project are paid in full. At such time within said forty-year term as all of said bonds are paid, this Contract shall be terminated and ownership of the Project shall revert to the LOCAL UNITS, unless at that time there are other bonds outstanding of the COUNTY relative to the System or there are other contractual arrangements between the LOCAL UNITS and the COUNTY. In any event, the obligations of the LOCAL UNITS to make payments required by Section 9 of this Contract shall be terminated at such time as all of said bonds are paid in full, together with any deficiency or penalty thereon.

21. The parties hereto hereby expressly agree that the COUNTY shall not be liable for and the LOCAL UNITS shall pay, indemnify and save the COUNTY harmless of, from and against all liability of any nature whatever regardless of the nature in which such liability may arise, for any and all claims, actions, demands, expenses, damages, and losses of every conceivable kind, whatsoever (including, but not limited to, liability for injuries to or death of persons and damages to or loss of property) asserted by or on behalf of any person, firm, corporation or governmental authority arising out of, resulting from, or in any way connected with ownership, acquisition, construction, operation, maintenance and repair of the Project, this Contract, or the issuance, sale and delivery of the bonds herein described. It is the intent of the parties that the COUNTY be held harmless by the LOCAL UNITS from liability for such claim, actions, demands, expenses, damages and losses, however caused or however arising including, but not limited to, to the extent prohibited by law, such claims, actions, demands, expenses, damages and losses even though caused, occasioned or contributed to by negligence, sole or concurrent, of the COUNTY or by negligence for which the COUNTY may be held liable. In any action or proceeding brought about by reason of any such claim or demand, the LOCAL UNITS will also pay, indemnify and save the COUNTY harmless from and against, all costs, reasonable attorneys' fees, and disbursements of any kind or nature incidental to or incurred in said defense, and will likewise pay all sums required to be paid by reason of said claims, demands or any of them, in the event it is determined that there is any liability on the part of the COUNTY. Upon the entry of any final judgment by a court of competent jurisdiction or a final award by an arbitration panel against the COUNTY on any claim, action, demand, expense, damage or loss contemplated by this Section and notwithstanding that the COUNTY has not paid the same, the LOCAL UNITS shall be obligated to pay to the COUNTY upon written demand therefor, the amount thereof not more than sixty (60) days after such demand is made. In the event that any action or proceeding is brought against the COUNTY by reason of any such claims or demands, whether said claims or demands are groundless or not, the LOCAL UNITS shall upon written notice and demand from the COUNTY, resist and defend such action or proceeding in behalf of the COUNTY but will not settle any such action in the proceeding without written consent of the COUNTY. Notwithstanding the foregoing, nothing contained in this Section shall be construed to indemnify or release the COUNTY against or from any liability which it would otherwise have arising from the wrongful or negligent actions or failure to act on the part of the COUNTY'S employees, agents or representatives with respect to matters not related to the ownership, acquisition, construction, operation, maintenance or repair of the Project, this Contract, matters relating to federal tax credits or refunds with respect to the bonds, or the issuance, sale or delivery of the bonds herein described.

The COUNTY will require or procure from the contractor or contractors undertaking the actual construction of the Project insurance protecting both the LOCAL UNITS and the COUNTY (including the Board) from liability in connection with such construction. The cost of such insurance shall be considered to be a part of the cost of the Project.

22. This Contract shall inure to the benefit of and be binding upon the respective parties hereto, their successors and assigns.

23. This Contract shall become effective upon approval by the legislative bodies of the LOCAL UNITS, by the Board of Public Works of the COUNTY and by the Board of Commissioners of the COUNTY, and when duly executed by the Chief Executive Officer and the Clerk of each of the LOCAL UNITS and by the Chairman and the Secretary of the Board of Public Works for and on behalf of the COUNTY. This Contract may be executed in several counterparts.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed as of the date and year first above written.

**COUNTY OF ST. JOSEPH  
By the Board of Public Works**

By \_\_\_\_\_  
Its Chairman

By \_\_\_\_\_  
Its Secretary

**TOWNSHIP OF WHITE PIGEON**

By \_\_\_\_\_  
Its Supervisor

By \_\_\_\_\_  
Its Township Clerk

**VILLAGE OF WHITE PIGEON**

By \_\_\_\_\_  
Its President

By \_\_\_\_\_  
Its Village Clerk

**EXHIBIT A**

**Description of Project**

The Project includes improvements to both the wastewater collection system and the treatment plant. Improvements in the collection system are localized to eight of the system's lift stations which convey wastewater towards the treatment plant. These upgrades include replacing the pumps, guide rails, and controls all of which are original to the collection system construction. Additionally, safety grates will be added to the wet well portion of the lift stations to enhance worker safety while performing routine services. Replacement parts for the control systems have become increasingly difficult to locate as changes in electronics have occurred.

Treatment plant improvements include removal of accumulated sludge from the existing lagoons, reconstructing the liners for the lagoons, replacing the aeration system, replacing the generators at the plant and the main lift station to the plant, and upgrading some of the piping and valves at the plant. These improvements will enable the treatment plant to maintain its level of treatment for years to come.

Also included are necessary site work, engineering, and costs of issuance of bonds.

**Summary of Project Costs  
(Preliminary; Subject to Revision)**

<u>Project Construction Estimate (net of financing costs)</u>	<u>\$2,930,900.00</u>
Collection System Improvements	\$559,400.00

Treatment Plant Improvements	\$1,419,800.00
Sludge Removal	\$ 301,300.00
Contingency (Collection and Treatment)	\$ 187,400.00
Non-construction Cost (Collection and Treatment)	\$ 432,900.00
Non-construction Cost (Sludge Removal)	\$ 30,100.00

REQUEST TO FILL VACANT ROAD PATROL POSITION

It was moved by Commissioner Dobberteen and supported by Commissioner Baker that the vacant Road Patrol position be filled. Motion carried.

REQUEST TO FILL VACANT PART-TIME PARKS AND RECREATION SECRETARY POSITION

It was moved by Commissioner Ware and supported by Commissioner Loudenslager that the vacant Part-time Parks and Recreation Secretary position be filled. Motion carried.

REQUEST TO USE COUNTY PROPERTY FOR COVERED BRIDGE DAYS

It was moved by Commissioner Dobberteen and supported by Commissioner Ware that the Covered Bridge Days Committee be allowed to use County property for the Covered Bridge Days celebration to be held June 22nd and 23rd. Motion carried.

AGREEMENT WITH COMMUNITY ACTION FOR ADMINISTERING THE COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) HOUSING GRANT

Ms. West-Wing recommended approval of an Agreement with the Community Action for administering the CDBG Housing Grant for the County.

It was moved by Commissioner Dobberteen and supported by Commissioner Loudenslager that the Agreement with Community Action for administering the CDBG Housing Grant be approved.

The aye and nay vote was called as follows:

Aye votes cast: 6 - Commissioners Shaffer, Loudenslager, Baker, Ware, Eaton and Dobberteen.

Nay votes cast: 0

Absent: 1 - Commissioner Balog.

Motion carried.

OCCUPANCY AND CARETAKER AGREEMENT FOR THE DOLLY REED HOUSE AT RAWSON'S KING MILL

Ms. West-Wing recommended approval of an Agreement with David Ludders and Caitlin Haring to rent the Dolly Reed House at Rawson's King Mill and act as caretakers of the mill.

It was moved by Commissioner Ware and supported by Commissioner Eaton that the Occupancy and Caretaker Agreement for the Dolly Reed House at Rawson's King Mill with David Lubbers and Caitlin Haring be approved.

The aye and nay vote was called as follows:

Aye votes cast: 6 - Commissioners Shaffer, Loudenslager, Baker, Ware, Eaton and Dobberteen.

Nay votes cast: 0

Absent: 1 - Commissioner Balog.

Motion carried.

SHERIFF'S ADMINISTRATION MERS SERVICE CREDIT REQUEST

Ms. West-Wing stated that a request has been received from the Sheriff's Administration requesting that the 3 administrative employees (undersheriff, jail administrator and operations administrator) receive the same benefit as POAM/FOP employees allowing them to purchase MERS service credit while on FMLA and drawing wages for up to a maximum of 12 weeks.

It was moved by Commissioner Baker and supported by Commissioner Ware that the above request be approved.

The aye and nay vote was called as follows:

Aye votes cast: 6 - Commissioners Shaffer, Loudenslager, Baker, Ware, Eaton and Dobberteen.

Nay votes cast: 0

Absent: 1 - Commissioner Balog.

Motion carried.

COMMUNITY MENTAL HEALTH/COMMUNITY HEALTH

Chairman Shaffer stated that the Executive Committee briefly discussed the future of health care as it is ever changing.

Commissioner Dobberteen stated that health care is ever changing and that being on the Community Mental Health Board he has come to realize that the integration of health care is going to happen between the CMH and the two hospitals and he thinks that it is better to be ahead of the curve or be put under by the wave that will bury us. As discussion ensued he is suggesting that maybe the Health Department and CMH could become one unit in some matter and is asking CMH and the Health Department to talk to possibly integrate in some way to become one unit instead of two.

It was moved by Commissioner Dobberteen and supported by Commissioner Baker that the Community Mental Health Board explore possible opportunities of integrating the Health Department and Community Mental Health in some way to become one unit instead of two.

After discussion the aye and nay vote was called as follows:

Aye votes cast: 6 - Commissioners Shaffer, Loudenslager, Baker, Ware, Eaton and Dobberteen.

Nay votes cast: 0

Absent: 1 - Commissioner Balog.

Motion carried.

RESOLUTION NO. 5-2012

RESOLUTION CONGRATULATING THE MENDON  
2011 STATE CHAMPION FOOTBALL TEAM AND COACH SCHWARTZ

Commissioner Loudenslager read the following resolution:

WHEREAS, the Mendon High School football team won the Division 8 State football championship with a 14-0 overall season record; and

WHEREAS, the Mendon Hornets defeated Lake Michigan Catholic 45–0 and Muskegon Catholic Central 28–21 in the district games; and

WHEREAS, the Mendon Hornets defeated Climax-Scotts 35–10 in regionals and New Lothrop 34–13 in the playoffs to advance to Ford Field in Detroit for the State championship game; and

WHEREAS, the Mendon Hornet football team prevailed over Fowler with a 33–0 win capturing heir sixth state title since 1999; and

WHEREAS, the Mendon Hornets display skill, determination, and teamwork both on and off the field. This combined with the superb leadership of Head Coach John Schwartz has earned the Mendon Hornets a statewide reputation as a winning team.

NOW THEREFORE BE IT RESOLVED, that the St. Joseph County Board of Commissioners sends its congratulations to the Mendon High School football team, Coach John Schwartz, his staff, and the community of Mendon on winning the 2011 Division 8 State football championship.

BE IT FURTHER RESOLVED, that a copy of this resolution be presented to Coach John Schwartz and be spread upon the proceedings of the St. Joseph County Board of Commissioners this 7<sup>th</sup> day of February, 2012.

It was moved by Commissioner Loudenslager and supported by Commissioner Ware that the resolution be adopted and 2nd reading waived.

The aye and nay vote was called as follows:

Aye votes cast: 6 - Commissioners Shaffer, Loudenslager, Baker, Ware, Eaton and Dobberteen.

Nay votes cast: 0

Absent: 1 - Commissioner Balog.

Resolution adopted.

Commissioner Loudenslager presented the resolution to Coach John Schwartz.

RESOLUTION NO. 6-2012

SUPPORT OF HOUSE BILL 5223

Commissioner Loudenslager read the following resolution:

WHEREAS, House Bill 5223 has been introduced in the House; and

WHEREAS, House Bill 5223, if passed, will establish a program of substance abuse testing as a condition of eligibility for Family Independence program assistance.

WHEREAS, under this act if an applicant tests positive for substance abuse, the applicant is ineligible to receive Family Independence program assistance benefits; and

WHEREAS, under this act if an applicant refuses to submit to substance abuse testing, the applicant is also ineligible to receive Family Independence program assistance benefits.

NOW THEREFORE BE IT RESOLVED, that the St. Joseph County Board of Commissioners hereby goes on record in support of HB 5223; and

BE IT FURTHER RESOLVED, that copies of this resolution be forwarded to Governor Rick Snyder, Representative Matt Lori, Senator Bruce Caswell and the Michigan Association of Counties.

It was moved by Commissioner Loudenslager and supported by Commissioner Dobberteen that the resolution be adopted and 2nd reading waived.

The aye and nay vote was called as follows:

Aye votes cast: 6 - Commissioners Shaffer, Loudenslager, Baker, Ware, Eaton and Dobberteen.

Nay votes cast: 0

Absent: 1 - Commissioner Balog.

Resolution adopted.

#### RESOLUTION 7-2012

#### DEPOSITORY AND INVESTMENT RESOLUTION FOR ST. JOSEPH COUNTY

Commissioner Loudenslager presented the following resolution:

WHEREAS, under the laws of the State of Michigan, Act No. 40 of the Michigan Public Acts of 1932, 1<sup>st</sup> Extra Session, as amended (MCL 129.12), this board is required to provide by resolution, for the deposit of all public monies, including tax monies, belonging to, or held for, the State, County or other political units coming into the hands of the County Treasurer in one or more bank or savings and loan associations within the State.

NOW, THEREFORE, BE IT RESOLVED, that

- (1) Effective February 6, 2012 the St. Joseph County Board of Commissioners hereby directs Judith L. Ratering, St. Joseph County Treasurer, to deposit all public monies, including monies and funds held for the State Board of Escheats or missing heirs, coming into her hands as Treasurer in any of the financial institutions in the State of Michigan, provided that such institution remains a legal depository as defined by State and/or Federal law, and
- (2) The Treasurer is authorized to invest funds with these institutions as long as the institutions are legally permitted by State statute Act No. 20 of Michigan Public Acts of 1943, as amended (MCL 129.91) and as per Public Act 367 of 1982 as amended (MCL 129.111); and is authorized to enter into and execute on behalf of the County any contracts with any bank or trust company for the safekeeping of third party custodianship of any of the County's securities.

BE IT FURTHER RESOLVED, that the County Treasurer is authorized to rely on the continuing effect of this resolution until amended or repealed by a subsequent resolution of this or a successor Board of Commissioners.

It was moved by Commissioner Loudenslager and supported by Commissioner Ware that the resolution be adopted and 2nd reading waived.

The aye and nay vote was called as follows:

Aye votes cast: 6 - Commissioners Shaffer, Loudenslager, Baker, Ware, Eaton and Dobberteen.

Nay votes cast: 0

Absent: 1 - Commissioner Balog.

Resolution adopted.

#### COMMITTEE REPORTS

##### Law Enforcement

Commissioner Loudenslager stated that there was no report.

##### Judiciary

Commissioner Eaton stated that the Judiciary Committee would be meeting tomorrow at noon.

### Physical Resources

Commissioner Ware stated that 2 quotes have been reviewed to replace the hot water boiler at the jail. Because the two quotes have differences in the number of BTU/hour and heat exchanger construction materials, a third quote will be requested from another boiler manufacturer.

### Executive Committee

Commissioner Dobberteen stated that the Executive Committee met on February 3rd and everyone has a copy of the minutes and he would answer any questions that anyone may have.

### PERSONNEL REPORT

Ms. West-Wing presented the following report:

#### RETIREMENT:

Daniel Kennedy, Road Patrol, retired effective January 17, 2012.

#### DISMISSAL:

Kendra Kutz, part-time Corrections Officer, has been dismissed effective January 18, 2012.

Patricia Shatto, COA In-home Services Aide, has been dismissed effective January 27, 2012.

#### NEW HIRE:

Reedis Michael Singleton has been hired as part-time Court Security at \$13.20/hr. effective February 7, 2012.

Judith L. Ratering has been appointed as County Treasurer at \$58,568.00 (Rye system, grade 10, maximum) effective February 6, 2012.

Debra Gearhart has been hired as Sub Driver at \$9.01/hr. (COA system, grade 2, minimum) effective January 20, 2012.

Nancy A. Stears has been hired as Administrative Receptionist at \$9.53/hr. (COA system, grade 4, minimum) effective January 17, 2012.

Vicky L. Mann has been hired as In-Home Services Aide at \$10.05/hr. (COA system, grade 5, minimum) effective February 2, 2012.

Heather M. Persing has been hired as In-Home Services Aide at \$10.05/hr. (COA system, grade 5, minimum) effective January 27, 2012.

Sibyl C. Hocevar has been hired as part-time Victim Services Clerk at \$10.13/hr. (Soltysiak system, grade 1, minimum) effective February 14, 2012.

#### MISCELLANEOUS:

Tim Schuler, Jail Administrator, is on medical leave commencing January 24, 2012 under the Family and Medical Leave Act of 1993.

Thomas. J. Harrington, Corrections Officer, is on medical leave commencing January 24, 2012 under the Family and Medical Leave Act of 1993.

Tara Kelley changed from COA Sub Driver to Escort Driver at \$9.27/hr. (COA system, grade 3, minimum) effective December 7, 2011.

Steve DeKilder changed from COA Sub Driver to Nutrition HDM Driver at \$9.01/hr. (COA system, grade 2, minimum) effective January 12, 2012.

Karen C. Willis, part-time Parks and Recreation Secretary, to change to full-time Land Resource Services Clerk at \$12.10/hr. (Soltysiak system, grade 4, minimum) effective February 14, 2012.

It was moved by Commissioner Dobberteen and supported by Commissioner Loudenslager that the personnel report be approved. Motion carried.

BUDGET ADJUSTMENTS

Ms. West-Wing presented the following report:

FROM APPROPRIATION:

\$115,099.00 from Parks and Recreation Appropriation to Parks and Recreation Fund.

\$14,000.00 from Soil Conservation Appropriation to Soil Conservation Fund.

\$8,000.00 from Soil Conservation - Soil Erosion Appropriation to Soil Conservation - Soil Erosion Fund.

2011 BUDGET AMENDMENTS:

DECREASE REGISTER OF DEEDS' BUDGET:

Line item 101-236-706.130 (Wages – Deputies)	\$ 1,468.00
Line item 101-236-706.170 (Wages – Chief Deputy)	<u>5,613.00</u>
	\$ 7,081.00

INCREASE REGISTER OF DEEDS' BUDGET:

Line item 101-236-705.000 (Wages – Elected Official)	\$ 7,081.00
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2012 BUDGET AMENDMENT:

DECREASE GENERAL FUND CONTINGENCY:

Line item 101-890-941.000 (Contingency)	\$ 4,973.00
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INCREASE REGISTER OF DEEDS' BUDGET:

Line item 101-236-705.000 (Wages – Elected Official)	\$ 4,535.00
Line item 101-236-715.000 (FICA)	347.00
Line item 101-236-718.010 (Pension)	<u>91.00</u>
	\$ 4,973.00

It was moved by Commissioner Dobberteen and supported by Commissioner Loudenslager that the budget adjustments be approved. Motion carried.

BILLS

Ms. Smith presented the following bills for payment:

<u>GENERAL FUND</u>	<u>EXPENDITURES</u>	<u>PAYROLL</u>
Due from State	\$ 2,240.70	\$
Appropriations	129,123.25	
County Commission	11,101.11	6,633.32
Circuit Court	8,864.50	13,611.67
District Court	1,269.83	54,885.02
Friend of the Court	420.87	41,338.34
Probate Court	2,740.76	18,634.15
Juvenile Branch	24,337.91	29,573.73
Appeals Court	715.50	

<u>GENERAL FUND</u>	<u>EXPENDITURES</u>	<u>PAYROLL</u>
Public Defender	\$ 77,500.00	\$
Administration	190.00	9,958.43
Elections	16,770.35	
Finance Department	1,087.59	10,716.87
County Clerk	2,499.20	23,090.25
Equalization Department	7,399.78	14,136.69
Human Resources	12,292.38	9,258.61
Geographic Information Systems	368.72	7,832.07
Prosecutor's Office	5,159.70	35,777.86
Register of Deeds	190.05	9,345.17
County Treasurer		15,452.16
Cooperative Extension	19,316.28	9,798.94
Information Technology	5,249.78	12,781.73
Buildings & Grounds	4,403.15	11,188.20
Courts Building Security		5,067.49
Drain Commission	1,412.24	5,261.49
Sheriff Department	21,800.23	131,820.79
Sheriff Reserves	85.00	
Jail & Turnkey	37,720.38	135,625.34
Planning Commission	458.00	
Emergency Services	630.71	3,261.15
Animal Control	639.96	20,281.35
Board of Public Works		732.87
Medical Examiners	1,513.50	
Child Care - Juvnile	3,587.65	280.26
Veterans' Services	399.00	2,542.03
Utilities & General Services	<u>37,604.00</u>	
Total	\$ 439,092.08	\$ 638,885.98

<u>OTHER FUNDS</u>	<u>EXPENDITURES</u>	<u>PAYROLL</u>
County Road Commission	\$ 428,254.60	\$
Parks & Recreation	21,182.57	5,069.27
Emergency 911 Service	36,017.48	91,524.05
Central Dispatch - Wireless	370.50	4,186.78
Meyer Broadway/Coon Hollow Park	7,340.48	2,745.44
Cade Lake Park	7,629.85	
Traffic Safety Program Fund	11,888.40	
Economic Development Fund	545.90	4,553.51
Victims' Rights Advocate Fund	16.50	3,520.80
Community Corrections Advisory Bd.	6,835.00	3,009.02
Community Corrections Program	2,094.00	
Drug Law Enforcement Fund	5,414.38	
Law Enforcement Fund	459.50	24,266.64
Secondary Road Patrol	33.00	12,892.18
Homeland Security Grant Fund	2,456.12	2,956.93
Law Library Fund	415.28	
Principal Residence Denial Fund	188.00	733.57
Commission on Aging	100,392.66	63,624.76
Sheriff's Justice Training Fund	150.00	

<u>OTHER FUNDS</u>	<u>EXPENDITURES</u>	<u>PAYROLL</u>
Child Care: Probate Court	\$ 18,486.59	\$ 11,468.47
Veterans' Trust Fund	2,415.79	
Facilities Maintenance Fund	1,789.42	
Forfeiture & Foreclosure Fund	12,300.43	
Tax Payment Fund	229,687.09	
Inmate Store	1,583.26	
Three Rivers Community Center	3,967.24	1,000.48
Long Lake Level Revolving	19.49	
Flexible Benefits Insurance Fund	<u>193,829.86</u>	
 Total	 \$ 1,095,763.39	 \$ 231,551.90
 Grand Total	 \$ 1,534,855.47	 \$ 870,437.88
 General Fund Operating Expenditures		
Pre-Authorized	\$299,774.64	
Accounts Payable	<u>139,317.44</u>	
	\$ 439,092.08	
 General Fund Payroll Expenditures	 \$ 638,885.98	
 Other Funds Operating Expenditures		
Pre-Authorized	\$956,746.82	
Accounts Payable	<u>139,016.57</u>	
	\$ 1,095,763.39	
 Other Funds Payroll Expenditures	 \$ <u>231,551.90</u>	
Total Recorded for the Month	\$ 2,405,293.35	

It was moved by Commissioner Dobberteen and supported by Commissioner Loudenslager that the bills be approved for payment. Motion carried.

WORK SESSION

After discussion on several dates it was moved by Commissioner Ware and supported by Commissioner Eaton that a work session be scheduled for March 22nd at 2:00 p.m. to discuss a MERS study. Motion carried.

ADJOURNMENT

It was moved by Commissioner Dobberteen and supported by Commissioner Loudenslager that the St. Joseph County Board of Commissioners adjourn until February 21, 2012 at 5:00 p.m. Motion carried.

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Pattie S. Bender, County Clerk

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Rick Shaffer, Chairman