

CHARTER TOWNSHIP OF EAST BAY
RESOLUTION 2003-5

At a regular meeting of the Township Board of the Charter Township of East Bay, Grand Traverse County, Michigan, held in the Township Hall, Traverse City, Michigan on June 16, 2003, at 7:30 p.m. Eastern Daylight Savings Time, there were:

PRESENT: Bartko, Gee, Watson, Hentschel, McAllister, Reichert, Strait

ABSENT: None

The following preamble and resolution were offered by Watson and seconded by McAllister.

**RESOLUTION APPROVING THE CONTRACT FOR THE
SEPTAGE TREATMENT FACILITY PROJECT**

WHEREAS, the County of Grand Traverse (the "County") by resolution of its Board of Commissioners has approved the establishment of a project known as the "Septage Treatment Facility Project" (the "Project"); and

WHEREAS, it is necessary for the Charter Township of East Bay (the "Township") to enter into a contract with respect to the Project, which contract is attached as Appendix 1.

NOW, THEREFORE, IT IS RESOLVED AS FOLLOWS:

1. The contract attached as Appendix 1 is hereby approved by the Township Board of the Charter Township of East Bay for execution by the designated officials.

2. If necessary, the Township Manager or Supervisor shall apply to the Michigan Department of Treasury for approval to issue the Bonds through the County and to pay the related fee and provide any other documentation necessary for approval.

3. All resolutions, or portions thereof, insofar as they may be in conflict with the foregoing, are hereby rescinded.

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

YES: Bartko, Gee, Watson, Hentschel, McAllister, Reichert, Strait

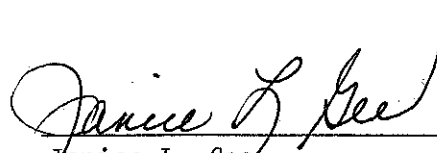
NO: None

ABSTAIN: None

The resolution was declared adopted.

CERTIFICATION

The undersigned, being the Township Clerk of the Charter Township of East Bay, Grand Traverse County, Michigan hereby certifies that (1) the foregoing is a true and complete copy of a resolution duly adopted by the Township Board at a regular meeting held on June 16, 2003, 2003, at which meeting a quorum was present and remained throughout, (2) that an original thereof is on file in the records of the Township, (3) the meeting was conducted, and public notice thereof was given, pursuant to and in full compliance with the Open Meetings Act (Act No. 267, Public Acts of Michigan, 1976, as amended), and (4) minutes of such meeting were kept and will be or have been made available as required thereby.



Janice L. Gee
Township Clerk

SEAL

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APPENDIX 1

CONTRACT BETWEEN
THE COUNTY OF GRAND TRAVERSE

AND

THE TOWNSHIP OF ACME,
THE CHARTER TOWNSHIP OF EAST BAY,
THE CHARTER TOWNSHIP OF GARFIELD,
THE TOWNSHIP OF PENINSULA

AND THE

CHARTER TOWNSHIP OF ELMWOOD

SEPTAGE TREATMENT FACILITY PROJECT
GRAND TRAVERSE COUNTY, MICHIGAN

DATED AS OF JULY 1, 2003

CONTRACT

THIS CONTRACT, made and entered into as of this 1st day of July, 2003, by and among the COUNTY OF GRAND TRAVERSE (the "County"), a Michigan county corporation, by and through its Board of Public Works, the governing body of its Department of Public Works, and THE TOWNSHIP OF ACME, THE CHARTER TOWNSHIP OF EAST BAY, THE CHARTER TOWNSHIP OF GARFIELD AND THE TOWNSHIP OF PENINSULA all located in Grand Traverse County, Michigan as well as THE CHARTER TOWNSHIP OF ELMWOOD located in Leelanau County, Michigan (together the "Townships").

W I T N E S S E T H :

WHEREAS, it is immediately necessary and imperative for the public health and welfare of the present and future residents of the Townships that adequate facilities be acquired and constructed for a Septage Treatment Facility Project (the "System") to serve the Townships, or part thereof; and

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 (the "DPW") for the administration of the powers conferred upon the County by the Act, which DPW is under the immediate control of a Board of Public Works (sometimes referred to as the "Board"), and under the general control of the Board of Commissioners of the County (sometimes referred to as the "Board of Commissioners"); and

WHEREAS, the Act authorizes a county to acquire and construct septage treatment facility improvements as defined in the Act, and to improve, enlarge, extend and operate such systems; and

WHEREAS, by the terms of the Act, the County and the Townships are authorized to enter into a contract for the acquisition, construction, improvement, enlargement or extension of a septage treatment facility and for the payment of the cost thereof by the Townships, with interest, over a period of not exceeding forty (40) years, and the County is then authorized, pursuant to appropriate action of its Board of Commissioners, to issue its bonds to provide the funds therefor, secured primarily by the full faith and credit contractual obligations of the Townships, and secondarily by the full faith and credit pledge of the County, if duly authorized by proper resolution of its Board of Commissioners; and

WHEREAS, the Act provides, in the opinion of the Townships and the County, the means of acquiring and constructing the Project necessary for the public health and welfare of the residents of the County residing in portions of the Townships to be served at the most reasonable cost; and

WHEREAS, plans, specifications and an estimate of cost for the Project to adequately serve the Townships, have been prepared by Gourdie/Fraser & Associates, consulting engineers of Traverse City, Michigan (the "consulting engineers"), with an estimated total cost of Six Million Five Hundred Thousand Dollars (\$6,500,000); and

WHEREAS, in order to issue bonds, it is necessary that the County and the Townships enter into this Contract as provided in the Act; and

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

1. The County and the Townships approve the Septage Treatment Facility Project of the Townships, under the provisions of Act 185, Public Acts of Michigan, 1957, as amended, (hereinafter referred to as the "Project") for use in the Townships.

2. The System referred to in the first "Whereas" clause above has been established and designated as the Septage Treatment Facility Project (the "Project") and shall consist of the Project to be constructed pursuant to this Contract and septage treatment facilities hereafter acquired by the County to serve the Townships pursuant to the Act.

3. The Townships hereby consent to and license the use by the County of the public streets, alleys, lands and rights-of-way in the Townships for the purpose of acquisition and construction of the Project and the operation and maintenance of the System and any improvements or extension thereto.

4. The System is designed to service those areas in the Townships in need of septage treatment service and is immediately necessary to protect and preserve the public health, and the Townships do hereby consent to such service furnished by the System to the individual users in the areas of the Townships to be served by the System.

5. The County and the Townships hereby approve and confirm the plans for the Project and approve the estimate of not to exceed \$6,500,000 as the total cost of the Project to be constructed pursuant to this Contract and the estimate of thirty (30) years and upwards as the period of usefulness thereof. The County and the Townships hereby agree that the estimate of cost shall include all surveys, plans, specifications, acquisitions of property, or interests therein, construction of the Project, acquisition of all materials, machinery and equipment, a reasonable amount for contingencies and engineering supervision, administration, legal and financial expenses necessary in connection with the acquisition, construction and financing of the Project including reasonable capitalized interest and interest on the bonds for a period not exceeding the actual

construction period and six months thereafter. The initial estimate of cost is set forth on Exhibit "A" hereto and by this reference made a part hereof and said Exhibit "A" shall be revised by the County, with the consent by resolutions of the Township Boards, as actual costs are incurred or ascertained for the various items.

6. After approval of the Project and the execution of this Contract by the County and the Townships, the Board shall take the following steps:

(a) Submit to the Board of Commissioners of the County one or more resolutions, duly approved and recommended by the Board, providing for the issuance of one or more series of bonds in an amount not to exceed the aggregate principal amount of \$6,500,000, being the present estimated cost of the Project rounded down to the nearest \$5,000, or such different amount, reflecting any revision in the total cost, as may be approved from time to time, in writing, by the Townships. The bonds are to mature serially as authorized by law, over a period not to exceed 30 years, which bonds will be secured primarily by the payments, hereinafter provided to be made by the Townships, to the making of which their respective full faith and credit is hereby pledged (subject to Constitutional Limitations), and secondarily, if approved by a three-fifths (3/5ths) majority of the members-elect of the Board of Commissioners, by the full faith and credit of the County of Grand Traverse.

(b) After the Board of Commissioners has adopted a bond resolution, the Board will take all necessary steps to obtain the approvals necessary for the issuance of the bonds and to complete the sale and delivery of the bonds in the manner authorized by law.

(c) The parties hereby designate the Board of Public Works the agent of the Townships for the purpose of design and construction of the Project as provided in the First Amended Restated Operating Agreement (2002) between the Grand Traverse County Board of Public Works and the Townships of Acme and Peninsula and the Charter Townships of East Bay, Elmwood and Garfield. The County shall enter into a contract with the County's consulting engineer Gourdie-Fraser, Inc. for the design of the System and shall thereafter bid out the Project for construction by a contractor acceptable to the Townships. In the alternative, the County may, in its discretion, enter into a negotiated design/build contract combining design with construction.

(d) The County shall not enter into any final contracts for the acquisition and construction of the Project if the contract prices will be such as to cause the actual cost of the Project to exceed the cost heretofore or hereafter approved by the Townships and the Board of Public Works.

7. Subject to the authority granted in paragraph 4 hereof, it is understood and agreed by the parties hereto that the System is to serve the Townships and not the individual property owners and users thereof, unless by special agreement between the Board and the Townships in which the property is located. The County shall not be obligated by this Contract to serve any area outside the Townships, or to construct any facilities other than the Project.

8. The Project shall be acquired and constructed by the County on behalf of the Townships in accordance with the plans and specifications therefor based upon plans approved by this Contract, in accordance with the engineering and construction contracts except that minor variations from said plans and specifications may be made without the approval of the Townships, if such variations shall not materially affect the overall intent of the Project. All matters relating to the engineering plans and specifications, together with the making and letting of the construction contracts for the System, the approval of work and material thereunder, and construction supervision, shall be under the control of the County. The County shall (1) negotiate all necessary contracts for the construction of the Project, (2) require all proper bonds to secure performance by the various contractors, and (3) carry out all matters in connection with the acquisition and construction of the Project in accordance with the approved plans and specifications.

9. (a) The Townships shall pay or cause to be paid to the County the cost of the Project. The term "cost" as used herein shall be construed to include all items of cost of the type set forth in Exhibit "A" hereto and any other items of cost of a similar nature as may be set forth in any revision of Exhibit "A" agreed to by the County and the Townships in accordance with paragraph 5 above. A portion or all of the cost of the Project in the amount of \$6,500,000 shall be funded with the proceeds of the bonds to be issued by the County hereunder. If necessary, the Townships shall pay or cause to be paid the balance of the cost of the Project on or before the date of issuance of the bonds by delivering to the Board (i) amounts which are sufficient to pay the balance of the present estimated cost of the Project, as set forth in Exhibit A hereto or any revision thereof or (ii) written evidence of the availability of amounts sufficient to pay said balance of Project costs from the proceeds of grants, Township loans, donated property or other legally available funds.

(b) The Townships hereby agree to pay the debt service on the bonds issued pursuant hereto together with registrar and transfer agent costs associated with the debt service payments.

(c) Once the bonds have been issued by the County each of the Townships shall be responsible for their portion of the debt service on the bonds. The payments which, shall be due on such dates semiannually as the County shall designate

sufficiently in advance of each payment date to permit the funds to be on hand at the County in time to make each bond payment, shall be made by each Township in the following percentages:

Township of Acme	6.30%
Charter Township of East Bay	30.75%
Charter Township of Elmwood	16.32%
Charter Township of Garfield	25.10%
Township of Peninsula	<u>21.54%</u>
TOTAL	100.00%

10. The Townships shall pay the cost of operation and maintenance of the Project.

11. No change in the jurisdiction over any territory in any of the Townships shall in any manner impair the obligations of this Contract based upon the full faith and credit of the Townships. In the event all or any part of the territory of any of the Townships is incorporated as a new city or is annexed to or becomes a part of the territory or another municipality, the municipality into which such territory is incorporated, or to which such territory is annexed, shall assume the proper proportionate share of the contractual obligation and maximum rate of flow of the Township from which such territory is taken, based upon a division determined by the Board, which shall make such determination after taking into consideration all factors necessary to make the division equitable, and in addition shall in the case of partial incorporation or annexation, prior to such determination, receive a written recommendation as to the proper division from a committee composed of one representative designated by the governing body of the Township from which the territory is taken, one designated by the governing body of the new municipality or the municipality annexing such territory, and one independent registered engineer appointed by the Board. The Township shall appoint its representative within fifteen (15) days after being notified to do so by the Board and within a like time the Board shall appoint the engineer third member. If the Township shall fail to appoint its representative within the time above provided, then the Board may proceed without said recommendation. If the committee shall not make its recommendation within forty-five (45) days after its appointment or within any extension thereof by the Board, then the Board may proceed without such recommendation. In the consideration of the matters herein provided, including the designation of the third member of the committee, any member of the Board who is also an official of the affected Township shall be disqualified to act or vote.

12. Immediately upon the issuance of any bonds by the County to finance a portion or all of the cost of the Project, the Board shall notify the Townships, by written communication addressed to each treasurer, of the payment schedule of principal of and interest on the bonds, and the amount of the annual

payments to be made by that Township. The Townships hereby covenant and agree, not less than thirty (30) days prior to the due date of any principal of or interest on any such bonds, to remit to the Board sufficient funds to meet their payment in full. The obligation herein expressed shall be applicable to all bonds issued by the County to pay all or a portion of the cost of the Project, as herein defined, whether issued at one time or at more than one time. If any of the Townships shall fail to make any of such payments when due, the amount thereof shall be subject to a penalty of one percent (1%) for each month or fraction thereof that the same remains unpaid after the due date. The Townships may pay in advance of maturity all or any part of any annual installment by surrendering to the County bonds issued in anticipation of the payments to be made under this Contract, of a like principal amount maturing in the same calendar year. The County agrees that upon the written request of any or all of the Townships, it shall take all necessary steps to call for redemption those bonds designated in such request, provided that the Township or Townships shall furnish the County with sufficient funds to effect such redemption on or before the date notice of such redemption is to be given in accordance with the Bond Authorizing Resolution.

13. In the event that any one or more of the Townships shall fail for any reason to pay to the Board at the times specified, the amounts herein required to be paid, the Board shall immediately notify, in writing, the Treasurer of the County of Grand Traverse who shall, in accordance with Section 17 of the Act notify, in writing, the Treasurer of the State of Michigan or other appropriate disbursing official, and the governing body of the Township or Townships in question of such default and the amount thereof, and if such default is not corrected within ten (10) days after such notification, the State Treasurer, the County Treasurer or other official charged with disbursement to the Townships of funds, is by these presents specifically authorized and directed by the Townships, in accordance with Section 17 of the Act, to deduct the amount of the delinquency from any moneys in their possession belonging to the Township or Townships in question which are not pledged to the payment of debts, but there shall not be withheld in any one (1) year a sum greater than twenty-five percent (25%) of the total amount owed to the County by the delinquent Township or Townships as stated in the notice from the County Treasurer. Said sums so withheld shall be paid to the Board to apply on the obligation of that Township as herein set forth. Any such moneys so withheld and paid shall be considered to have been returned to that Township within the meaning of the Michigan Constitution of 1963, the purpose of this provision being solely to authorize voluntarily the use of such funds to meet past due obligations of the Township or Townships to which the moneys are owed. In addition to the foregoing, the Board shall have all other rights and remedies provided by law to enforce the obligations of the Townships to make payments in the manner and at the times required by this Contract. It is specifically recognized by the

Townships that the payments required to be made by them pursuant to the terms of this Contract are to be pledged for the payment of principal of and interest on the bonds to be issued by the County, and the Townships covenant and agree that they will make their required payments to the Board promptly and at the times herein specified, without regard to whether the Project herein contemplated is actually completed or placed in operation.

14. After completion of the Project and payment of all costs thereof, any surplus remaining in the construction fund shall be used to extend and improve the System, or shall be used to call such bonds to the extent bonds are then callable, or shall be credited to the respective obligations of each Township hereunder next falling due with respect to such bonds or shall be used to purchase bonds of such series on the open market, and in such event the Contract obligations of the Townships shall be reduced (as specified in paragraph 9 of this Contract) of each Township's amount of the credit or of the bonds so purchased or redeemed for the year or years of maturity of the bonds. Any bonds so purchased or redeemed shall be canceled.

15. If the proceeds of the sale of the original bonds to be issued by the County are for any reason insufficient to complete the Project in accordance with the plans and specifications therefor, the Board shall, if necessary, and with written consent of the Townships, submit for adoption to the Board of Commissioners a resolution providing for the issuance of additional bonds in an amount necessary to provide funds to pay the municipal cost of completing the Project, in which event the duties and obligations of the Board and the Townships as expressed and set forth in paragraph 9 of this Contract shall be applicable to such additional series of bonds as well as the original series; it being at all times fully recognized and agreed that the payments to be made by the Townships in the manner specified in paragraph 12 of this Contract, shall be based upon the cost of the Project. In lieu of the issuance of such additional bonds, any other method may be agreed upon by the County and the Townships to provide the necessary funds to complete the Project.

16. The Townships, pursuant to the authorization of paragraph (2), Section 12 of Act 185, Public Acts of Michigan, 1957, as amended, do hereby irrevocably pledge their full faith and credit for the prompt and timely payment of their obligations expressed in this Contract, and shall each year, within their constitutional limitations, commencing with the year 2003, levy a tax in an amount which, taking into consideration estimated delinquencies in tax collections, will be sufficient to pay their obligations under this Contract becoming due before the time of the following year's tax collections: PROVIDED, HOWEVER, that if at the time of making such annual tax levy there shall be other funds on hand earmarked and set aside for the payment of the contractual obligations falling due prior to the next tax collection period, then the annual tax levy may be reduced by

such amount. The Townships further covenant and agree that they will, from time to time, raise sufficient sums to pay their obligations by the confirmation of special assessments or by imposing user service charges, connection charges, availability charges and/or debt service charges, or by other method of raising funds authorized by law. It is understood and agreed that the Townships have not pledged and no lien in favor of bond holders arises with regard to the proceeds of the special assessments, user charges, connection charges, availability charges and/or debt service charges or such other method of raising funds authorized by law, until such time and except to the extent that such funds are used to make a payment to the County in accordance with Paragraph 12. Accordingly, the County agrees that the Townships may utilize the proceeds of special assessments, user service charges, connection charges, availability charges and/or debt service charges to repay debt incurred by the Townships in accordance with law to fund the portion of the Project referenced on Exhibit A attached to this Contract and subsequent additions, extensions and improvements to the System. It is acknowledged and agreed that the Townships may, without the consent of the County, construct subsequent additions, extensions and improvements to the System by any means provided by state law including the proceeds of bonds issued by the Townships.

17. This Contract is contingent upon the County issuing its bonds, as set forth in subdivision (b) of paragraph 6 of this Contract, to pay part of the estimated municipal cost of the Project, which bonds shall be issued under the authorization provided in the Act.

18. The Project shall be constructed in part on property owned by the County, on the streets and alleys within the Townships, and on such easements and rights of way acquired for the Project, as shown on the plans and specifications, and the Townships hereby consent to the use of such site by the County for the Project without payment of any rent or other consideration to the Townships during the term of this contract.

19. In addition to the payment of their obligations for the cost of the Project heretofore specified in this Contract, the Townships shall also pay:

(a) For all costs of operating and maintaining the Project;

(b) For any other proper costs and expenses relating to the Project or the financing thereof;

(c) For insurance on the machinery and equipment of the Project against fire or loss by explosion or destruction, of a comprehensive type customarily carried, and for liability insurance protecting the County and the Townships as their interests may appear, against loss on

account of damage or injury to persons or property in connection with the Project;

20. Service charges for septage treatment within the Townships shall be made by the Townships upon the basis of a schedule of rates and charges promulgated from time to time by the Townships. The rates and charges specified in such schedule shall be adjusted from time to time in order to provide funds to meet the costs of the Project in accordance with this Contract, including without limitation Paragraphs 9 and 19 hereof.

21. The County shall establish rates to be collected for individual users in an amount sufficient to pay their septage treatment charges, and the County shall be responsible for billing and collecting such charges. Such rates may be fixed and established in such amounts as permitted by law (MCLA 324.11708 "...actual, costs related to the treatment and storage of the waste...")

22. (a) The County shall be the owner of the System so long as bonds used to finance its acquisition are outstanding. During its period of ownership, the County through its Board shall operate, maintain and manage the System for the benefit of the Townships and their residents in accordance with an agreement or agreements between the County and the Townships. The County shall maintain the facilities comprising the System in good condition and repair to the satisfaction of the Townships provided that the Townships shall bear all of the costs thereof. The Townships shall have the right to inspect the System at any time and if the System, or any part thereof, is not in good condition and repair, then the Townships shall notify the County in writing as to any deficiency. If the County shall fail to restore the System to good condition and repair within a reasonable time thereafter, then the Townships shall have the right to perform the necessary work and furnish the necessary materials at its own cost.

(b) The County provides insurance as the interests of the County, the Board and the Townships may appear, against loss on account of damage or injury to persons or property imposed by reason of ownership or operation of the System or resulting from any act of omission or commission on the part of the Townships, their agents, officers, or employees in connection with the operation, maintenance or repair of the System. In addition, the Townships shall hold the County harmless and keep it fully indemnified at all times against any loss, injury, or liability to any persons or property by reason of the use, misuse, or nonuse of the System or from any act or omission in, on, or about the System.

(c) So long as the Bonds used to finance the Project are not in default, the Townships may, upon six (6) month's notice to the County designate another party to perform operation and maintenance upon the System. The County may, after transfer

of operation and maintenance responsibility, inspect the System at any time and if the System, or any part thereof, is not in good condition and repair, then the County shall notify the Townships in writing of any deficiency. If the Townships shall fail to restore the System to good condition and repair within a reasonable time thereafter, then the County shall have the right to perform the necessary work and furnish the necessary materials. The Townships shall reimburse the County for any expense so incurred within thirty (30) days of being billed therefor. The Townships shall maintain insurance on the System for the benefit of the Townships, the Board, and the County furnishing continuing evidence thereof to the County, and if the Townships shall fail to do so the County may do so at the Townships' expense to be paid within thirty (30) days of billing therefor.

(d) The Townships shall at their own expense make any changes or alterations in, on, or about the System which may be required by any applicable statute, charter, ordinance or governmental regulation or order and shall hold the County harmless and free from all costs or damages with respect thereto.

23. The County and the Townships recognize that the holders from time to time of any of the bonds issued by the County under the provisions of said Act 185, Public Acts of Michigan, 1957, as amended, and secured by the full faith and credit pledges of the Townships to the making of their proportionate payments as set forth in this Contract, will have rights in this Contract and it is therefore covenanted and agreed by all of them that so long as any of the 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 adversely affect either the security of the bonds or the prompt payment of principal of or interest on the bonds. The Townships and the Board further covenant and agree that they will comply with their respective duties and obligations under the terms of this Contract promptly, at the times and in the 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 of and interest on the bonds. 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 the bonds.

24. In the event it appears advantageous in the opinion of the County's Financial Consultant to issue bonds to refund any series of bonds issued by the County pursuant to this Contract (including advance refunding bonds), the Townships consent to such refunding so long as:

(1) In the case of any refunding bonds and the first issue of advance refunding bonds, there is a total net overall present value saving to the Townships in their remaining payments to the County of at least 5% or \$20,000, whichever is less.

25. It is understood that the County Treasurer may act as the Treasurer of the DPW and that the County Treasurer will have the responsibility to invest all funds coming into the County's possession in connection with the Project. The Treasurer is accordingly authorized to invest any such surplus funds in any obligations permitted by law and credit investment earnings for the benefit of the Townships to the fund earning the same.

26. The County and the Townships hereby covenant and agree, if the Bonds are issued in the amount of \$1,000,000 or more, for the benefit of the beneficial owners of the Bonds, to enter into a written undertaking (the "Undertaking") required by SEC Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities and Exchange Act of 1934 (the "Rule") to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events in accordance with the Rule. The undertaking shall be in the form attached hereto as Appendix A. This Undertaking shall be enforceable by the beneficial owners of the Bonds or by the Purchaser(s) on behalf of such beneficial owners (provided that the Purchaser(s) right to enforce the provisions of this Undertaking shall be limited to a right to obtain specific enforcement of the obligations hereunder and any failure by the County and the Townships to comply with the provision of this Undertaking shall not be an event of default with respect to the Bonds).

The County Treasurer and Clerk, and the Township Treasurers or Clerks, or other officer of the County or the Townships charged with the responsibility for issuing the Bonds, shall provide a Continuing Disclosure Certificate for inclusion in the transcript of proceedings, setting forth the details and terms of the County and Townships' Undertaking.

27. This Contract shall become effective upon approval by the legislative bodies of the Townships, by the Board of Public Works of Grand Traverse County, and by the Board of Commissioners, and execution by the authorized officers of the Townships and of the Board of Public Works. This Contract shall terminate when all of the principal of and interest due and to become due on the bonds referred to in paragraph 6(b) of this Contract has been paid or the payment thereof has been fully provided for by the deposit of U.S. Government Obligations sufficient to defease the Bonds. Upon the occurrence of the foregoing, this Contract shall terminate and full right, title and interest in the System, including all easements and rights-of-way acquired for the System, shall revert to the Townships in a manner contemplated by Act 185 upon such terms as the Townships and the County shall then reasonably determine. This Contract may be executed in several counterparts. The provisions of this Contract shall be in full force and effect and binding upon the successors and assigns of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused this Contract to be executed and delivered by their respective duly authorized representatives, all as of the day and year first above written.

TOWNSHIP OF ACME

By: _____
Its: Supervisor

By: _____
Its: Clerk

CHARTER TOWNSHIP OF GARFIELD

By: _____
Its: Supervisor

By: _____
Its: Clerk

CHARTER TOWNSHIP OF ELMWOOD

By: _____
Its: Supervisor

By: _____
Its: Clerk

CHARTER TOWNSHIP OF EAST BAY

By: _____
Its: Supervisor

By: Jamie R. Gee
Its: Clerk

TOWNSHIP OF PENINSULA

By: _____
Its: Supervisor

By: _____
Its: Clerk

COUNTY OF GRAND TRAVERSE

By Its Board of Public Works

By: _____
Its: Chairman

By: _____
Its: Secretary

Approved by Resolution of _____,
Grand Traverse County Board of Commissioners

By: _____
Chairman

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EXHIBIT A

DESCRIPTION OF THE PROJECT

The Project will consist of the purchase of property for and the construction of a septage treatment facility to be connected to the sanitary sewer system to treat septage from septic and holding tanks in Grand Traverse County.

[PLEASE SEE ATTACHED PAGES FOR A MORE DETAILED DESCRIPTION]

ESTIMATED PROJECT COSTS

The costs are estimated as follows:

Purchase of Real Estate, Plant Engineering and Construction & Connection to Sewer System	\$5,841,040
Reimbursable Legal and Engineering	175,000
Financing Costs Including Bond Discount Capitalized Interest and Contingency	<u>483,960</u>
TOTAL ESTIMATED PROJECT COSTS	<u>\$6,500,000</u>

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