

At a special meeting of the Township Board of the Township of Homer, Midland County, Michigan, held on November __, 2012.

PRESENT: Mealy, Varner, Lee, Turk, Stern, Pruitt

ABSENT: Glynn

The following resolution was offered by Mealy and supported by Turk:

WHEREAS, pursuant to the provisions of Act No. 185, Public Acts of Michigan, 1957, as amended ("Act 185"), the Township of Homer (the "Township") and the County of Midland (the "County"), acting by and through its Board of Public Works, have entered into (i) the Midland County Water Supply (Township of Homer) System No. 1 Contract, dated August 1, 1997 (the "1997 Contract"), (ii) the Midland County Water Supply (Township of Homer) System No. 1 Extension Contract, dated August 1, 2002 (the "2002 Contract"), and (iii) the Midland County Water Supply (Township of Homer) System No. 1 Extension No. 2 Contract, dated October 1, 2003 (the "2003 Contract") (the 1997 Contract, the 2002 Contract and the 2003 Contract collectively referred to as the "Contracts"); and

WHEREAS, pursuant to (i) the 1997 Contract the County has issued its Midland County Water Supply (Township of Homer) System Bonds, Series 1997, dated as of September 1, 1997 (the "1997 Bonds") in the original principal amount of \$4,990,000, (ii) the 2002 Contract the County has issued its Midland County Water Supply (Township of Homer) System Bonds, Series 2003, dated as of February 1, 2003 (the "2003 Bonds") in the original principal amount of \$2,955,000, and (iii) the 2003 Contract the County has issued its Midland County Water Supply (Township of Homer) System Bonds, Series 2003B, dated as of November 1, 2003 (the "2003B Bonds") in the original principal amount of \$2,660,000, to defray the cost of acquiring and

constructing water supply system improvements and extensions as described in the Contracts (the "1997 Bonds", the "2003 Bonds" and the "2003B" Bonds collectively, the "Prior Bonds"); and

WHEREAS, the 1997 Bonds remain outstanding in the aggregate principal amount of \$1,460,000, mature in various principal amounts in the years 2013 through 2017, and bear interest at rates per annum which vary from 4.00% to 4.40%; and

WHEREAS, the 2003 Bonds remain outstanding in the aggregate principal amount of \$1,695,000, mature in various principal amounts in the years 2013 through 2023, and bear interest at rates per annum which vary from 3.80% to 4.75%; and

WHEREAS, the 2003B Bonds remain outstanding in the aggregate principal amount of \$1,550,000, mature in various principal amounts in the years 2013 through 2024, and bear interest at rates per annum which vary from 3.75% to 4.75%; and

WHEREAS, the Township has been advised that conditions in the bond market have now improved from the conditions which prevailed at the time the Prior Bonds were sold and that all or part of the callable Prior Bonds could be refunded at a considerable savings to the Township; and

WHEREAS, it is the determination and judgment of this Township Board that all or part of the callable Prior Bonds should be refunded to secure for the Township the anticipated savings.

THEREFORE, BE IT RESOLVED:

1. The County is requested and authorized to issue its refunding bonds in the aggregate principal amount of not to exceed \$3,400,000 (the "Refunding Bonds") pursuant to the provisions of Act No. 34, Public Acts of Michigan, 2001, amended, for the purpose of refunding all or part of the outstanding callable Prior Bonds and paying the costs of issuing the Refunding Bonds.

2. The proceeds of the Refunding Bonds shall be sufficient, together with other available funds to be contributed by the Township, if any, to pay the costs of issuing the Refunding Bonds and to establish an Escrow Fund in an amount that will be sufficient to pay the principal of, redemption premiums, if any, and the interest on the Prior Bonds that are refunded.

3. The Township of Homer covenants and agrees to continue to make payments to the County in accordance with the requirements of the Contracts, said payments to be in amounts sufficient to pay the principal of and interest on the Refunding Bonds and any of the Prior Bonds that are not refunded as the same shall become due and all paying agency fees and other expenses and charges that are payable on account of the Refunding Bonds and those Prior Bonds that are not refunded. The Township acknowledges and agrees that its obligations as set forth in the Contracts shall continue for the Refunding Bonds and the County shall have all rights and remedies set forth in the Contracts to enforce the obligations of the Township with respect to the Refunding Bonds in the same manner and to the same extent that such rights and remedies are available with respect to the Prior Bonds.

4. The Township of Homer specifically (but not by way of limitation) reaffirms its pledge of its full faith and credit for the payment of its obligations with respect to the Refunding Bonds and its obligation to levy taxes for the payment of the principal of and interest on the Refunding Bonds in accordance with the provisions of the Contracts.

5. The Township requests that Great Lakes Capital Markets, LLC, and Dickinson Wright PLLC be appointed to serve as financial advisor and bond counsel, respectively, for the proposed issuance of the Refunding Bonds.

6. The Township shall reduce the interest rate charged on unpaid installments of special assessments securing its contractual obligations to the County under each Contract to an interest rate not exceeding 1% above the average interest rate borne by the Refunding Bonds relating to the respective Contract.

7. The Township Clerk is authorized, if necessary, to file an application for State Treasurer's approval to issue the Refunding Bonds. The Township Supervisor, Clerk and Treasurer are each authorized to sign such documents and take such action to facilitate the issuance of the Refunding Bonds by the County.

8. The Township Treasurer is hereby authorized to execute a certificate of the Township to comply with the continuing disclosure undertaking of the Township with respect to the Refunding Bonds pursuant to paragraph (b)(5) of SEC Rule 15c2-12 issued under the Securities Exchange Act of 1934, as amended, and amendments to such certificate from time to time in accordance with the terms of such certificate (the certificate and any amendments thereto are collectively referred to herein as the "Continuing Disclosure Certificate"). The Township hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate.

9. The Township Treasurer is authorized to approve the circulation of a preliminary and final official statement for the Refunding Bonds, to cause the preparation of those portions of such preliminary and final official statement that pertain to the Township, and to do all other things necessary for compliance with the Rule.

ADOPTED:

Yeas Vamer, Pruett, Stern, Lee, Turk, Moody

Nays None

STATE OF MICHIGAN)
) SS:
COUNTY OF MIDLAND)

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Township Board of the Township of Homer, Midland County, Michigan at a special meeting duly called and held on November __, 2012, the original of which resolution is on file in my office. Public notice of said meeting was given to and in compliance with the open meetings act, MCL 15.261 et seq., including posting of notice of the meeting at least 18 hours before the meeting in accordance with MCL 15.265.



Clerk
Township of Homer