

ORDINANCE NO. 01-02

AN ORDINANCE TO PROVIDE FOR THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF IMPROVEMENTS AND EXTENSIONS TO THE SANITARY SEWER SYSTEM OF THE VILLAGE OF CAMDEN; TO PROVIDE FOR THE ISSUANCE AND SALE OF REVENUE BONDS IN ONE OR MORE SERIES TO PAY THE COST THEREOF; TO PRESCRIBE THE FORM OF THE BOND; TO PROVIDE FOR THE COLLECTION OF REVENUES FROM THE SYSTEM SUFFICIENT FOR THE PURPOSE OF PAYING THE COSTS OF OPERATION AND MAINTENANCE OF THE SYSTEM AND TO PAY THE PRINCIPAL OF AND INTEREST ON THE BOND; TO PROVIDE AN ADEQUATE RESERVE FUND FOR THE BOND; TO PROVIDE FOR THE SEGREGATION AND DISTRIBUTION OF THE REVENUES; TO PROVIDE FOR THE RIGHTS OF THE HOLDERS OF THE BOND IN ENFORCEMENT THEREOF; AND TO PROVIDE FOR OTHER MATTERS RELATING TO THE BOND AND THE SYSTEM.

THE VILLAGE OF CAMDEN ORDAINS:

Section 1. Definitions. The following words and terms used in this Ordinance shall have the meanings assigned in the preamble to this Ordinance and in this Section, unless the context clearly indicates otherwise.

The word "acquired," as used in this Ordinance, shall be construed to include acquisition by purchase, construction or by any other method.

"Act 94" shall mean Act 94, Public Acts of Michigan, 1933, as amended.

"Bond" shall mean the Issuer's Sanitary Sewer System Revenue Bond, Series 2002, in the principal amount of \$448,000 authorized to be issued pursuant to this Ordinance, together with any additional bonds of equal standing hereafter issued.

"Bond Reserve Account" shall mean the subaccount in the Bond and Interest Redemption Fund established in accordance with Section 12 of this Ordinance.

"Department of Treasury" shall mean the Department of Treasury of the State of Michigan.

"Depository Bank" shall mean any financial institution qualified to serve as depository bank and designated by resolution of the Issuer.

"Engineer" shall mean Feller, Finch & Associates, Inc., Jackson, Michigan.

"Fiscal Year" shall mean the fiscal year of the Issuer and the operating year of the System, commencing March 1 and ending on the last day of February of the succeeding same year, as such year may be changed from time to time.

"Government" shall mean the government of the United States of America or any agency thereof.

"Issuer" shall mean the Village of Camden, County of Hillsdale, State of Michigan.

"Ordinance" shall mean this ordinance and any ordinance or resolution of the Issuer amendatory or supplemental to this ordinance, including ordinances or resolutions authorizing issuance of Additional Bonds.

"Project" shall mean the acquisition and construction of certain improvements and extensions to the sanitary sewer system of the Issuer consisting of improvements to the wastewater treatment facility, together with all related sites, structures, equipment and appurtenances and attachments thereto.

"Public improvements," shall be understood to mean the public improvements, as defined in Section 3 of Act 94, which are authorized to be acquired and constructed under the provisions of this Ordinance.

"Reserve Amount" shall mean with respect to the Bond the sum of \$25,000

"Revenues" and "Net Revenues" shall mean the revenues and net revenues of the Issuer derived from the operation of the System and shall be construed as defined in Section 3 of Act 94, including with respect to "Revenues", the earnings derived from the investment of moneys in the various funds and accounts established by this Ordinance.

"System" shall mean the Issuer's sanitary sewer system including such facilities thereof as are now existing facilities, acquired and constructed as the Project, and all enlargements, extensions, repairs and improvements thereto hereafter made.

"Transfer Agent" shall mean the transfer agent and bond registrar for Bond as appointed from time to time by the Issuer as provided in Section 5 of this Ordinance and who or which shall carry out the duties and responsibilities as set forth in Sections 5 and 6 of this Ordinance.

Section 2. Necessity; Approval of Plans and Specifications. It is hereby determined to be a necessary public purpose of the Issuer to acquire and construct the Project in accordance with the plans and specifications prepared by the Issuer's Engineer and on file with the Issuer, which plans and specifications are hereby approved.

Section 3. Costs; Useful Life. The total cost of the Project is estimated to be not less than Four Hundred Forty Eight Thousand Dollars (\$448,000) including the payment of incidental expenses as specified in Section 4 of this Ordinance, which estimate of cost is hereby approved and confirmed, and the period of usefulness of the Project is estimated to be forty (40) years.

Section 4. Payment of Cost; Bond Authorized. To pay part of the cost of acquiring and constructing the Project and legal, engineering, financial and other expenses incident to said acquisition and construction, and incident to the issuance and sale of the Bond, it is hereby determined that the Issuer borrow the sum of Four Hundred Forty Eight Thousand Dollars (\$448,000) and that revenue bonds be issued therefor pursuant to the provisions of Act 94. The remaining cost of the Project shall be paid from grant funds or other monies available to the Issuer.

Section 5. Bond Details. The Bond shall be designated SANITARY SEWER SYSTEM REVENUE BOND, SERIES 2002, shall be dated as of the date of delivery of the first installment, shall consist of one fully-registered nonconvertible bond of the denomination of \$448,000 and shall be payable in principal installments serially on April 1 of each year, as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2003	\$ 4,000	2023	\$ 10,000
2004	4,000	2024	10,000
2005	4,000	2025	11,000
2006	5,000	2026	11,000
2007	5,000	2027	12,000
2008	5,000	2028	13,000
2009	5,000	2029	13,000
2010	6,000	2030	14,000
2011	6,000	2031	14,000
2012	6,000	2032	15,000
2013	6,000	2033	16,000
2014	7,000	2034	16,000
2015	7,000	2035	17,000
2016	7,000	2036	18,000
2017	8,000	2037	19,000
2018	8,000	2038	20,000
2019	8,000	2039	21,000
2020	9,000	2040	22,000
2021	9,000	2041	23,000
2022	10,000	2042	24,000

The Bond is expected to be delivered to the Government as initial purchaser thereof in installments (the "delivery installments") and each delivery installment shall be noted on the registration grid set forth on the applicable Bond. The delivery installments shall be deemed to correspond to the serial principal installments of the applicable Bond in direct chronological order of said serial principal installments.

The serial principal installments of the Bond will bear interest from the date of delivery of the corresponding delivery installment to the registered holder thereof as shown on the registration grid set forth on the Bond at the rate of not to exceed four and one-half percent (4.50%) per annum, payable on the first April 1 or October 1 following the date of delivery of said delivery installment, and semiannually thereafter on April 1 and October 1 of each year until maturity or earlier prepayment of said installment. Acceptance of the interest rate on the Bond shall be made by execution of the Bond which so designates the rate specified by the Government and accepted in writing by the Issuer. The Bond shall be issued in fully-registered form and shall not be convertible or exchangeable into more than one fully-registered bond.

The Bond or installments thereof will be subject to prepayment prior to maturity in the manner and at the times as provided in the form of the Bond set forth in Section 9 of this Ordinance.

Section 6. Bond Registration and Transfer. The Transfer Agent shall keep or cause to be kept at its principal office sufficient books for the registration and transfer of the Bond, which shall at all times be open to inspection by the Issuer. The Transfer Agent shall transfer or cause to be transferred on said books any Bond presented for transfer, as hereinafter provided and subject to such reasonable regulations as it may prescribe.

Any Bond may be transferred upon the books required to be kept by the Transfer Agent pursuant to this Section, by the person in whose name it is registered, in person or by his duly authorized attorney,

upon surrender of such Bond for transfer, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Transfer Agent. Whenever any Bond shall be surrendered for transfer, the Transfer Agent shall record such transfer on the registration books and shall register such transfer on the registration grid attached to the Bond. At the time of such transfer the Transfer Agent shall note on the Bond the outstanding principal amount thereof at the time of such transfer. The Transfer Agent shall require the payment by the bondholder requesting the transfer of any tax or other governmental charge required to be paid with respect to the transfer. The Issuer shall not be required (i) to issue, register the transfer of, or exchange any Bond during a period beginning at the opening of business fifteen days before the day of the mailing of a notice of prepayment of the Bond or installments thereof selected for redemption and ending at the close of business on the day of that mailing, or (ii) to register the transfer of or exchange any Bond or portion thereof so selected for prepayment. In the event any Bond is called for prepayment in part, the Transfer Agent, upon surrender of the Bond, shall note on the Bond the principal amount prepaid and shall return the Bond to the registered owner thereof together with the prepayment amount on the prepayment date.

The Issuer's Treasurer is hereby appointed to act as Transfer Agent with respect to the Bond. If and at such time as the Bond is transferred to or held by any registered owner other than the Government, the Issuer by resolution may appoint a bank or trust company qualified under Michigan law to act as transfer agent and bond registrar with respect to such bond, and the Issuer may thereafter appoint a successor Transfer Agent upon sixty (60) days notice to the registered owner of the Bond.

Section 7. Payment of the Bond. Principal of and interest on the Bond shall be payable in lawful money of the United States of America by check or draft mailed by the Transfer Agent to the registered owner at the address of the registered owner as shown on the registration books of the Issuer kept by the Transfer Agent. If the Government shall no longer be the registered owner of the Bond, then the principal of and interest on the Bond shall be payable to the registered owner of record as of the fifteenth day of the month preceding the payment date by check or draft mailed to the registered owner at the registered address. Such date of determination of the registered owner for purposes of payment of principal or interest may be changed by the Issuer to conform to future market practice. The Issuer's Treasurer is hereby authorized to execute an agreement with any successor Transfer Agent.

The Transfer Agent shall record on the registration books the payment by the Issuer of each installment of principal or interest or both on the Bond when made and the canceled checks or drafts representing such payments shall be returned to and retained by the Issuer's Treasurer, which canceled checks or drafts shall be conclusive evidence of such payments and the obligation of the Issuer with respect to such payments shall be discharged to the extent of such payments.

Upon payment by the Issuer of all outstanding principal of and interest on the Bond, the registered owners thereof shall deliver the Bond to the Issuer for cancellation.

The Issuer has been authorized and has made application to the Department of Treasury for authority to issue and sell the Bond. Upon receipt of said approval, the Issuer's Supervisor and Clerk are hereby authorized and directed to negotiate privately the sale of the Bond to the Government at an interest rate not to exceed four and one-half percent (4.50%) per annum.

The sale of the Bond to the Government at an interest rate of not to exceed four and one-half percent (4.50%) per annum and at the par value thereof is hereby approved. The Issuer's Treasurer is hereby authorized to deliver the Bond in accordance with the delivery instructions of the Government, after approval of the issuance and sale thereof by the Department of Treasury, if such approval is at that

time required, or receipt of an order of exception of the Department of Treasury or expiration of the notice period without receipt of an order of denial of the Department of Treasury.

Section 8. Execution and Delivery of the Bond. The Bond shall be manually signed by the Supervisor and countersigned by the Township Clerk and shall have the corporate seal of the Issuer impressed thereon. After execution, the Bond shall be held by the Issuer's Treasurer for delivery to the Government. No Bond or any installment thereof shall be valid until registered by the Issuer's Treasurer or by another person designated in writing by the Issuer's Treasurer to act as Bond Registrar, or upon transfer by the Government and thereafter, by an authorized representative of the Transfer Agent.

Section 9. Bond Form. The form and tenor of the Bond shall be substantially as follows, subject to appropriate variation upon issuance of additional bonds:

REGISTERED

UNITED STATES OF AMERICA  
STATE OF MICHIGAN  
COUNTY OF HILLSDALE

VILLAGE OF CAMDEN

SANITARY SEWER SYSTEM REVENUE BOND, SERIES 2002

No. R-1

\$448,000

The Village of Camden, County of Hillsdale, State of Michigan (the "Issuer"), for value received, hereby promises to pay to the registered owner hereof, but only out of the hereinafter described Net Revenues of the Issuer's Sanitary Sewer System including all appurtenances, additions, extensions and improvements thereto (the "System"), the sum of

Four Hundred Forty Eight Thousand Dollars

on the dates and in the principal installment amounts set forth in Exhibit A attached hereto and made a part hereof with interest on said installments from the date each installment is delivered to the Issuer and as set forth on the registration grid hereon until paid at the rate of four and one-half percent (4.50%) per annum, first payable on October 1, 2002, and semiannually thereafter; provided that the principal repayments required herein to the registered owner shall not exceed the total of the principal installments set forth on the registration grid attached hereto from time to time hereafter to acknowledge receipt of payment of the purchase price of this bond up to a total of \$448,000. Both principal of and interest on this bond are payable in lawful money of the United States of America to the registered owner at the address shown on the Issuer's registration books by check or draft mailed to the registered holder at the address shown on the registration books of the Issuer, and for the prompt payment thereof, the revenues of the System, after provision has been made for reasonable and necessary expenses of operation, administration and maintenance thereof (the "Net Revenues"), are hereby irrevocably pledged and a statutory lien thereon is hereby recognized and created.

This bond is a single, fully-registered, non-convertible bond constituting an issue in the total aggregate principal sum of principal sum of \$448,000, issued pursuant to Ordinance \_\_\_ (the "Ordinance"), and under and in full compliance with the Constitution and statutes of the State of Michigan, including specifically Act 94, Public Acts of Michigan, 1933, as amended, for the purpose of acquiring and constructing certain improvements and extensions to the System consisting generally of improvements and extensions to the System serving the Issuer, together with relates sites, structures, equipment and appurtenances and attachments thereto. For a complete statement of the revenues from which, and the conditions under which, this bond is payable, a statement of the conditions under which the additional bonds of equal standing may hereafter be issued, and the general covenants and provisions pursuant to which this bond is issued, reference is made to the Ordinance.

This bond is a self-liquidating bond and is not a general obligation of the Issuer and does not constitute an indebtedness of the Issuer within any constitutional or statutory debt limitation, but is payable, both as to principal and interest, from the Net Revenues of the System. The principal of and interest on the bond is secured by the statutory lien hereinbefore mentioned.

Principal installments of this bond are subject to prepayment prior to maturity, in inverse chronological order, at the Issuer's option, on any interest payment date on or after April 1, 2004, at par and accrued interest to the date fixed for prepayment.

Thirty days notice of the call of any principal installments for prepayment shall be given by mail to the registered owner at the registered address. The principal installments so called for prepayment shall not bear interest after the date fixed for prepayment, provided funds are on hand to prepay said installments.

This bond shall be registered as to principal and interest on the books of the Issuer kept by the Issuer's Treasurer or successor or written designee as bond registrar and transfer agent (the "Transfer Agent") and noted hereon, after which it shall be transferable only upon presentation to the Transfer Agent with a written transfer by the registered owner or his attorney in fact. Such transfer shall be noted hereon and upon the books of the Issuer kept for that purpose by the Transfer Agent.

The Issuer has covenanted and agreed and does hereby covenant and agree to fix and maintain at all times while any bonds including any installments of this bond payable from the Net Revenues of the System shall be outstanding, such rates for service furnished by the System as shall be sufficient to provide for payment of the interest upon and the principal of this bond and any additional bonds of equal standing payable from the Net Revenues of the System as and when the same become due and payable, and to create a bond and interest redemption fund (including bond reserve account) therefor, to provide for the payment of expenses of administration and operation and such expenses for maintenance of the System as are necessary to preserve the same in good repair and working order, and to provide for such other expenditures and funds for the System as are required by the Ordinance.

It is hereby certified and recited that all acts, conditions and things required by law to be done precedent to and in the issuance of this bond have been done and performed in regular and due time and form as required by law.

IN WITNESS WHEREOF, the Village of Camden, County of Hillsdale, State of Michigan, by its Village Clerk, has caused this bond to be signed in its name by its President and to be countersigned by its Clerk, and its corporate seal to be hereunto affixed, all as of \_\_\_\_\_, 2002.

VILLAGE OF CAMDEN

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

(Seal)

Countersigned:

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

REGISTRATION  
 NOTHING TO BE WRITTEN HEREON EXCEPT  
 BY THE BOND REGISTRAR/TRANSFER AGENT

Date of Registration of Delivery	Name of Registered Owner	Principal Installment Delivered	Signature of Bond Registrar/ Transfer Agent
	United States of America		
	United States of America		
	United States of America		
	United States of America		
	United States of America		
	United States of America		
	United States of America		
	United States of America		
	United States of America		
	United States of America		
	United States of America		
	United States of America		
	United States of America		
	United States of America		

MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.