

**County of Jackson  
120 W. Michigan Ave.  
Jackson, MI 49201  
(517) 788-4335**

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## **BOARD OF COMMISSIONERS**

**Clifford E. Herl, District 1  
David F. Lutchka, District 2  
Carl Rice, Jr., District 3  
Philip S. Duckham III, District 4  
Julie Alexander, District 5  
James C. Videto, District 6  
James E. Shotwell, Jr., District 7  
Gail W. Mahoney, District 8  
Jonathan T. Williams, District 9  
Patricia A. Smith, District 10  
Michael J. Way, District 11  
David K. Elwell, District 12**

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## **ELECTED OFFICIALS**

**Amanda Riska, Clerk  
Steven Rand, Sheriff  
Mindy Reilly, Register of Deeds  
Karen Coffman, Treasurer  
Geoffrey Snyder, Drain Commissioner  
Hank Zavislak, Prosecuting Attorney**

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## **COUNTY STAFF**

**Michael Overton, Administrator/Controller  
Adam Brown, Deputy Administrator  
Charles Adkins, Circuit Court Administrator  
Tammy Bates, District Court Administrator  
Andy Crisenbery, Friend of the Court  
Jim Latham, Acting Finance Officer  
Connie Frey, IT Director  
Brandon Ransom, Parks Director  
Teresa Hawkins, Youth Center Director  
Ruth Scott, Equalization Director  
Crystal Dixon, Human Resources Director  
Dr. John Maino, Medical Director  
Kent Maurer, Airport Manager  
Ric Scheele, Director-Fleet & Facilities Opns.  
Matt Shane, MSU Ext.-District Coordinator  
Marce Wandell, Department on Aging Director  
Dave Welihan, Veterans Affairs Officer  
Ted Westmeier, Health Officer**

## **County Commission Agenda April 17, 2012**

### **Order of Business:**

1. Call to Order
2. Invocation
3. Pledge of Allegiance
4. Roll Call
5. Approval of Agenda
6. Awards and Recognitions
7. Communications and Petitions
8. Special Orders/Public Hearing(s)
9. Public Comment
10. Special Meetings of Standing Committees
11. Minutes
12. Consent Agenda
13. Standing Committees
  - A. Policy
  - B. County Affairs & Agencies
  - C. Human Services
  - D. Personnel & Finance
14. Unfinished Business
15. New Business
16. Public Comment
17. Commissioner Comment
18. Closed Session
19. Adjournment

### **Public Comment**

Any person desiring to speak on a matter to the Board of Commissioners may do so under the Public Comment items near the beginning and end of the meeting. Please state your name and use the microphone. Please note that the Commission allocates a maximum of five minutes per individual at the beginning of the meeting and three minutes per individual at the end of the meeting for this purpose.

### **Consent Agenda**

Items on the Consent Agenda are items generally routine in nature that have passed a Standing Committee and will be enacted by one motion and one vote. There will be no separate discussion on these items. Any Commissioner may remove an item from the Consent Agenda and it will be considered by separate motion at the proper place during the meeting.

### **Standing Committees**

The Board of Commissioners operates under a Standing Committee system with the following Committees: Policy, County Affairs & Agencies, Human Services, Personnel & Finance. All departments of the County coordinate their business through one of the Standing Committees. The Committees then forward their recommendations to the Board of Commissioners.

### **Closed Session**

The Board of Commissioners is permitted under the Open Meetings Act to go into Closed Session to discuss labor contracts, purchase of property, and certain employee matters if requested by the employee. A two-thirds vote of the Commission is required to go into Closed Session.

**"Your interest in your County Government is appreciated"**

**AGENDA**  
**JACKSON COUNTY BOARD OF COMMISSIONERS BOARD MEETING**  
**April 17, 2012**  
**7:00 p.m.**  
**County Commission Chambers**

***Mission Statement:** Jackson County Government, in cooperation with the community  
and local governmental units, strives through a planned process  
to deliver quality services that address public needs.*

1. **CALL TO ORDER** – *by Chairman Steve Shotwell*
2. **INVOCATION** – *by Commissioner Julie Alexander*
3. **PLEDGE OF ALLEGIANCE** – *by Zari Mahoney Robinson – Senior at Jackson High School*
4. **ROLL CALL** – *County Clerk Amanda Riska*
5. **APPROVAL OF AGENDA**
6. **AWARDS & RECOGNITIONS** – None.
7. **COMMUNICATIONS/PETITIONS** – None.
8. **SPECIAL ORDERS/PUBLIC HEARINGS** – None.
9. **PUBLIC COMMENTS**
10. **SPECIAL MEETINGS OF STANDING COMMITTEES**
11. **MINUTES** - Minutes of the 3/20/12 Regular Meeting of the Jackson County Board of Commissioners

Attachments:

\*3/20/12 Regular Meeting Minutes

12. **CONSENT AGENDA** (*Roll Call*)

**A. County Policy**

1. **Revised – Policy 6070 – Network Password**

Attachments:

\*Policy 6070

**B. County Affairs & Agencies**

2. **Clearing and Grubbing Airport I-94 Property**

Attachments:

\*Memo from Airport Manager and attachment

**3. Resolution (04-12.14) Authorizing Purchase of an Easement for the Runway 7-25 Safety Area Project (Parcel #87 – Stoner)**

Attachments:

- \*Memo from Airport Manager and attachment
- \*Resolution (04-12.14)

**4. Register of Deeds Annual Report**

Attachments:

- \*Annual Report

**5. Resolution (04-12.9) Rives Township Partial Redemption of Jackson County Wastewater Disposal Facility Bonds**

Attachments:

- \*Memo from Drain Commissioner
- \*Resolution (04-12.9)

**6. Resolution (04-12.10) Lake Columbia Refunding Bonds**

Attachments:

- \*Memo from Drain Commissioner
- \*Resolution (04-12.10)

**7. Resolution (04-12.11) Vineyard Lake Refunding Bonds**

Attachments:

- \*Memo from Drain Commissioner
- \*Resolution (04-12.11)

**8. Resolution (04-12.13) Golf Cart Lease**

Attachments:

- \*Memo from Parks Director and attachments
- \*Resolution (04-12.13)

**9. Equalization L4024 Report**

Attachments:

- \*L4024 Report

**C. Human Services – None.**

**D. Personnel & Finance**

**10. Resolution (04-12.12) Adopting third Amended and Restated Section 125 Cafeteria Plan**

Attachments:

- \*Memo from Human Resources Deputy Director
- \*Resolution (04-12.12)
- \*Third Amended and Restated Section 125 Cafeteria Plan

**11. Resolution (04-12.16) Legislative Agenda**

Attachments:

- \*Resolution (04-12.16)
- \*Policy Issues

**12. Budget Adjustments**

a. Fleet and Facilities Operations

Attachments:

- \*Fleet and Facilities Operations Budget Adjustment

**E. Other Business**

**13. Claims – March 1-31, 2012**

Attachments: None.

**13. STANDING COMMITTEES**

**A. County Policy – *Commissioner Dave Elwell* – None.**

**B. County Affairs & Agencies – *Commissioner Dave Lutchka***

**1. Appointments**

- a. **Airport Joint Zoning Board** - three public members, terms to 3/2015
- b. **LifeWays** – one public member, term to 3/2015
- c. **Parks Board** – one Region 2 Planning Commission representative, term to 3/2015
- d. **Region 2 Area Agency on Aging** – three public members, terms to 4/2014

Attachments:

- \*Commissioner Board Appointments
- \*Applications

C. **Human Services – Commissioner Jon Williams** - None.

D. **Personnel and Finance – Commissioner Jim Videto** – None.

14. **UNFINISHED BUSINESS** – None.

15. **NEW BUSINESS**

A. **Resolution (04-12.17) Approving a Brownfields Revolving Loan Fund Amended Subgrant Agreement Between the Jackson County Brownfield Redevelopment Authority and the County of Jackson**

Attachments:

- \*Memo from Deputy Administrator
- \*Resolution (04-12.17)
- \*Resolution (March 4, 2011)

B. **Resolution (04-12.15) Requesting that the Michigan Department of Community Health Designate LifeWays as the Coordinating Agency for Jackson County Effective October 1, 2012**

Attachments:

- \*Resolution (04-12.15)

16. **PUBLIC COMMENTS**

17. **COMMISSIONER COMMENTS**

18. **CLOSED SESSION** – None.

29. **ADJOURNMENT**

**DRAFT**  
**MINUTES**  
**JACKSON COUNTY BOARD OF COMMISSIONERS BOARD MEETING**  
**March 20, 2012**  
**7:00 p.m.**  
**County Commission Chambers**

1. **CALL TO ORDER** – Chairman Steve Shotwell called the March 20, 2012, Jackson County Board of Commissioners Meeting to order at 7:00 p.m.
2. **INVOCATION** – *by Commissioner Philip S. Duckham III*
3. **PLEDGE OF ALLEGIANCE** – *by Keandra Potts, junior at Jackson Christian High School and student at Spring Arbor University*
4. **ROLL CALL** – *County Clerk Amanda Riska*

(11) Present. Commissioners Herl, Lutchka, Rice, Duckham, Alexander, Videto, Mahoney, Way, Elwell, Williams, and Shotwell.

(1) Absent. Commissioner Smith.

5. **APPROVAL OF AGENDA**

*Moved by Mahoney, supported by Way for Approval of the Agenda.* Motion carried.

6. **AWARDS & RECOGNITIONS** – None.
7. **COMMUNICATIONS/PETITIONS** – None.
8. **SPECIAL ORDERS/PUBLIC HEARINGS** – None.
9. **PUBLIC COMMENTS**

Jeff Peterson requested support for his reappointment to the LifeWays board. He expressed thanks for the 12 years he has served.

John Wilson requested that Commissioner Elwell justify the pressing need for employees to carry guns at work. He asked for the Board to not support this policy. He believes it would have a negative effect in attracting business to Jackson County.

Mark Smith stated that CPL holders are the most law abiding citizens. He supports the policy change.

10. **SPECIAL MEETINGS OF STANDING COMMITTEES**

11. **MINUTES** - Minutes of the 2/21/12 Regular Meeting of the Jackson County Board of Commissioners

*Moved by Mahoney, supported by Duckham to Approve the Minutes of the 2/21/12 Regular Meeting of the Jackson County Board of Commissioners.* Motion carried.

12. **CONSENT AGENDA**

Cmr. Way asked that Item 12. A. 2. be removed. Item will be moved to 13. A. 1. under County Policy.

*Moved by Herl, supported by Mahoney for Approval of the Consent Agenda as Amended.*  
Roll Call: (11) Yeas. Motion carried unanimously.

**A. County Policy**

1. **Revised – Fiscal Policy 1160 – Donations**
2. ~~**Revised – Policy 3310 – Workplace Violence**~~

**B. County Affairs & Agencies**

3. **Resolution (03-12.5) Opposing Cuts to the Federal Aviation Administration's (FAA) Contract Tower Program**
4. **Food System Economic Partnership (FSEP) Appropriation Contract**
5. **Resolution (03-12.7) Approving a Grant Application to the Michigan Natural Resources Trust Fund for the Sparks Park/Inter-City Trail Connector Project Development Phase**
6. **Resolution (03-12.8) Approving a Grant Application to the Michigan Recreation Passport Grant Program**

**C. Human Services**

7. **LifeWays 2012 Contract – Department on Aging**
8. **Resolution (03-12.6) Department on Aging Millage Proposal**

**D. Personnel & Finance**

9. **Appointment of New Equalization Director**
10. **Information Technology Reorganization**
11. **Departmental Reorganization**
12. **Budget Adjustments**
  - a. **Prosecutor's Office Imaging Project**
  - b. **District Court Drunk Driving Assistance Funds**
  - c. **Facilities**

**E. Other Business**

13. **Claims – February 1-29, 2012**

13. **STANDING COMMITTEES**

A. **County Policy – Commissioner Dave Elwell**

1. **Revised - Policy 3310 – Workplace Violence**

Much discussion held.

*Moved by Elwell, supported by Williams to Approve Revised Policy 3310 – Workplace Violence.* Roll Call: (4) Yeas. Cmr. Duckham, Alexander, Williams, and Elwell. (7) Nays. Cmr. Herl, Lutchka, Rice, Videto, Shotwell, Mahoney, and Way. Motion failed.

B. **County Affairs & Agencies – Commissioner Dave Lutchka**

1. **Appointments**

a. **Brownfield Redevelopment Authority** – three public members, terms to 3/2015

Commissioner Lutchka stated that the committee recommended James Shotwell Jr., Rodney Melling, and Christopher Dimas. No other nominations from the floor. James Shotwell Jr., Rodney Melling and Christopher Dimas appointed.

b. **Economic Development Corporation** – three public members, terms to 3/2018

Commissioner Lutchka stated that the committee recommended Ron Ellison, James Shotwell Jr., and Timothy Levy. No other nominations from the floor. Ron Ellison, James Shotwell Jr., and Timothy Levy appointed.

c. **LifeWays** - two public members, terms to 3/2015

Commissioner Lutchka stated that the committee recommended Jeffrey Peterson and Edward Woods. No other nominations from the floor. Jeffrey Peterson and Edward Woods appointed.

d. **Veterans Affairs** – one WWII Veteran, term to 3/2016

Commissioner Lutchka stated that the committee recommended Virginia Maitland. No other nominations from the floor. Virginia Maitland appointed.

C. **Human Services – Commissioner Jon Williams** - None.

D. **Personnel and Finance – Commissioner Jim Videto** – None.

14. **UNFINISHED BUSINESS** – None.

15. **NEW BUSINESS**

16. **PUBLIC COMMENTS**

None.

17. **COMMISSIONER COMMENTS**

Cmr. Lutchka thanked commissioners for showing up for Rural Education Day. They saw over 1,100 kids throughout the county.

Cmr. Videto expressed thanks on behalf of Pat Smith who wanted to pass on her gratitude for all the well wishes sent to her.

Cmr. Williams had questions on the FAA item for the Airport and thanked Kent Maurer for his response to his concerns.

18. **CLOSED SESSION** – None.

29. **ADJOURNMENT**

Chairman Shotwell adjourned the March 20, 2012 Meeting of the Jackson County Board of Commissioners at 7:42 p.m.

James E. Shotwell – Chairman, Jackson County Board of Commissioners

Amanda L. Riska – County Clerk

Respectfully submitted by Carrienne VanDusseldorp – Chief Deputy County Clerk

# COUNTY OF JACKSON POLICY MANUAL

## INFORMATION TECHNOLOGY

Policy No.  
6070

### Network Password

In order to protect the integrity, security, and confidentiality of the County Systems and Data, all employees shall adhere to specific guidelines and restrictions regarding personal access passwords and log-in/log-off procedures.

#### Network Password Creation and User

1. All employees will be assigned a unique user ID and password before obtaining access to the Jackson County Information Systems.
2. IT will assign a temporary password for new users that is to be changed by the employee immediately upon first logon to the system.
3. ~~Employees will create passwords using the following rules:~~
  - ~~\* Passwords will be a minimum of eight characters.~~
  - ~~\* Passwords will contain a combination of at least one digit from each of the following character sets:~~
    - ~~a. Upper case Character (A..Z)~~
    - ~~b. Lower case Character (a..z)~~
    - ~~c. A digit (0..9)~~
  - ~~\* Passwords will be unique from prior passwords used by the employee~~
- ~~\* 3. Password must meet complexity requirements:~~
  - ~~• Not contain the user's account name or parts of the user's full name that exceed two consecutive characters~~
  - ~~• Be at least eight characters in length~~
  - ~~• Contain characters from three of the following four categories:~~
    - ~~1. English uppercase characters (A through Z)~~
    - ~~2. English lowercase characters (a through z)~~
    - ~~3. Base 10 digits (0 through 9)~~
    - ~~4. Non-alphabetic characters (for example, !, \$, #, %)~~
  - ~~• Complexity requirements are enforced when passwords are changed or created~~
  - ~~• Cannot be one of the last 10 passwords~~
  - ~~• Cannot contain a dictionary word or proper name~~

~~Employees will not use personal or family information, such as family member's names, birth dates, or pet's names as passwords~~

~~\* Passwords cannot be transmitted in the clear.~~

- 4.3. Employees will not post passwords or have them written in conspicuous places.

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- 5.4. \_\_\_\_\_ Employees will not give their password to **ANYONE**, unless authorized to do so by their Department Head or designee. With the exception of Information Technology as they may need to access the designated profile to assist with troubleshooting or software install. If your password has been given to IT for technical support you ~~should~~shall change it after the session has ended.
- 6.5. \_\_\_\_\_ Employees will be required to change their password ~~on a quarterly basis~~ at least every 90 days.
- 7.6. \_\_\_\_\_ IFAS passwords are assigned and maintained by IT. Changes can be requested.

#### Log-in/Log-off

1. Employees will log in only during their authorized work schedule or other times approved by a supervisor.
  2. Employees will not log in using another's password nor permit anyone else to log in with the employee's password unless authorized by the Department Head or designee.
  3. Employees will log off or lock their PC at lunch, during extended periods away from their workstation, and when leaving the workstation for the day. (If employees leave their workstation unattended without exiting applications or without logging off the network, the network and data are vulnerable to loss or security breach).
- 
4. Employees will have a maximum of six tries to log on. After six tries, they must contact IT for assistance in logging on.

Employees who fail to comply with the provisions of this policy may be subject to disciplinary action up to and including possible employment termination.

Adopted: 7/22/08  
Revised: 00/00/00




# J X N

## Jackson County Airport

3606 Wildwood Avenue  
(517) 788-4225

Jackson, Michigan 49202  
FAX (517) 788-4682

TO: Michael Overton – Administrator/Controller  
FROM: Kent L. Maurer, Airport Manager   
SUBJECT: Clearing and Grubbing Airport I-94 Property  
DATE: March 22, 2012 (Updated April 11, 2012)

Motion Requested: Award clearing and grubbing contract to Mead Brothers Excavating for 74 acres of airport property located along I-94 at a cost of \$59,200. **The bids specs and bidding process were coordinated by Blackman Township and a copy furnished to the Airport.**

I. Background: Based on prior discussions between the Blackman Township DDA and the County of Jackson proposals were requested to either brush-hog or clear and grub 74 acres of airport land plus 28 acres of Blackman LDFA land. The low bid was from Mead Brothers.

II. Current Situation: The land has become overgrown. The advantage to the airport is to clear trees and obstructions on our primary approach. It also believed the land would become more commercially attractive if it was cleared.

III. Analysis

A. Strategic: **Completion of this project will make the vacant property more marketable by improving its appearance plus there is income potential for the airport if the property could be used for some agricultural purpose (requires FAA approval). There is some airport safety improvement since this land is in our primary runway approach. NOTE: This runway will be decommissioned within two years.**

B. Financial: The airport budget does not have funding for this project. **A suggestion has been made to use unallocated general funds for this project to support the Blackman LDFA since the County opted out of the tax capture to support the LDFA.**

C. Customer: **The public because of future development potential.**

D. Timing: **Is not a critical factor in this project.**

IV. Recommendation: Determine a source of funding and award the contract.

Attachments: Bid summary from Ripstra & Sheppleman Inc.



**RIPSTRA & SCHEPPELMAN, INC.**  
**CIVIL ENGINEERING - LAND SURVEYING**

2535 SPRING ARBOR ROAD  
JACKSON, MI 49203  
OFFICE 517-789-9898  
FAX 517-789-6065  
[www.ripstra-schepelman.com](http://www.ripstra-schepelman.com)

**BLACKMAN CHARTER TOWNSHIP DDA  
BRUSH HOG AND CLEAR & GRUB BIDS  
RECEIVED FEBRUARY 12, 2012**

**BRUSH HOG BLACKMAN TOWNSHIP 28 ACRES**

\$2,100.00 - Mead Brothers Excavating, Inc.  
\$2,660.00 - Bailey Excavating, Inc.  
\$10,500.00 - Concord Excavating, Inc.  
\$50,400.00 - Bailey Sand & Gravel Co.

**CLEAR AND GRUB BLACKMAN TOWNSHIP 28 ACRES**

\$7,980.00 - Mead Brothers Excavating, Inc.  
\$28,000.00 - Concord Excavating, Inc.  
\$72,900.00 - Bailey Sand & Gravel Co.  
\$98,000.00 - Bailey Excavating, Inc.

**BRUSH HOG JACKSON COUNTY 74 ACRES**

\$7,030.00 - Bailey Excavating, Inc.  
\$7,400.00 - Mead Brothers Excavating, Inc.  
\$27,750.00 - Concord Excavating, Inc.  
\$28,000.00 - Bailey Sand & Gravel Co.

**CLEAR AND GRUB JACKSON COUNTY 74 ACRES**

\$59,200.00 - Mead Brothers Excavating, Inc.  
\$173,900.00 - Concord Excavating, Inc.  
\$333,000.00 - Bailey Excavating, Inc.  
\$478,000.00 - Bailey Sand & Gravel Co.

Prepared By: Jack L. Ripstra, P.E.

February 20, 2012

C:\documents\blackman

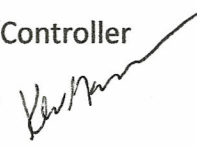


# J X N

## Jackson County Airport

3606 Wildwood Avenue  
(517) 788-4225

Jackson, Michigan 49202  
FAX (517) 788-4682

TO: Michael Overton, Administrator/Controller  
FROM: Kent L. Maurer, Airport Manager   
SUBJECT: Approval of Easement Purchase Parcel #87 (Stoner)  
DATE: March 30, 2012 (**Updated April 11, 2012**)

Motion Requested: Approve purchase of easement for Parcel #87 (Deborah and William Stoner) located at 4637 Woodville Road

I. Background: This easement is necessary for the Runway 7-25 Safety Project and was previously approved for acquisition by the Board of Commissioners.

II. Current Situation: This purchase is the result of a negotiated administrative settlement subject to final approval by the Office of Aeronautics, Judge LaFlamme and the Stoner party.

III. Analysis

A. Strategic: This settlement is recommended by our counsel Boris Yakima **and is necessary for the runway 7-25 safety project.**

B. Financial: Funded by MDOT-Aeronautics grant previously approved by the Board of Commissioners

C. Customer: **The public and airport users because of increased safety.**

D. Timing: **This is time sensitive.**

IV. Recommendation

I recommend approval of this request.

Attachments: Draft resolution and consent judgment.

STATE OF MICHIGAN

IN THE CIRCUIT COURT FOR THE COUNTY OF JACKSON

*In the Matter of the Petition of the County of Jackson  
for the Condemnation of Private Property for Public  
Airport Purposes in Jackson County, Michigan*

COUNTY OF JACKSON,  
a Michigan Public Body Corporate,

Plaintiff,

Case No. 10- 2533 - CC

v.

Hon. Richard N. LaFlamme

WILLIAM A. STONER and DEBORAH A. STONER,  
individually and as Trustees of  
WILLIAM A. STONER AND DEBORAH A. STONER  
FAMILY REVOCABLE LIVING TRUST dated July 25, 2001;  
CITIZENS REPUBLIC BANCORP, INC., a Michigan Corporation,

Parcel 87

Defendants.

BORIS K. YAKIMA (P22607)  
Attorney for Plaintiff  
MONAGHAN, P.C.  
33 Bloomfield Hills Parkway, Suite 260  
Bloomfield Hills, Michigan 48304  
(248) 642-5770

KEVIN M. THOMSON (P37943)  
Attorney for Plaintiff  
ABBOTT, THOMSON & BEER, PLLC  
180 West Michigan Avenue, Suite 601  
P.O. Box 450  
Jackson, Michigan 49204-0450  
(517) 787-8570

WILLIAM A. STONER  
DEBORAH A. STONER  
*In Pro Per*  
4637 Woodville Road  
Jackson, Michigan 49201  
(517) 750-4943

MARK SMITH (P33600)  
Attorney for Citizens Republic Bancorp, Inc.  
328 South Saginaw Street  
Flint, MI 48502  
(810) 768-4715

CONSENT JUDGMENT

At a session of said Court, held in the  
Jackson County Circuit Court,  
on \_\_\_\_\_

PRESENT: HON. \_\_\_\_\_  
Circuit Court Judge

This matter having come on to be heard upon the consent of Plaintiff County of Jackson ("County") and Defendants William A. Stoner and Deborah A. Stoner (the "Stoners"), the parties advising the Court that they have agreed to a settlement in this matter, and the Court being otherwise advised in the premises;

IT IS HEREBY ORDERED AND ADJUDGED that the full and final just compensation to be paid to the Defendants in connection with the taking of an avigation easement on Parcel 87, which real property is more particularly described in the Complaint heretofore filed, shall be \$92,500.00, less any credits or prior payments of estimated just compensation made in this cause, plus statutory interest, if any, on any unpaid amounts of final just compensation from the date of surrender of possession to the date of payment pursuant to MCL 213.65;

IT IS FURTHER HEREBY ORDERED AND ADJUDGED that any due, payable or delinquent taxes, assessments, charges or indebtedness, if any there be, shall be deducted by the County prior to the delivery of the aforesaid monies in accordance with the applicable statute;

IT IS FURTHER HEREBY ORDERED AND ADJUDGED that expert witness fees and appraisal fees incurred by the Stoners, are properly reimbursable by the County pursuant to MCLA § 213.66 in the amount of \$5,185.00, which amount the County shall pay by separate check to the Stoners' former attorneys, Ackerman, Ackerman & Dynkowski;

IT IS FURTHER HEREBY ORDERED AND ADJUDGED that payment of the within compensation, including items of reimbursement, comprises full and final settlement of all claims that the Stoners may have against the County arising out of the taking of the Stoners' property.

**Pursuant to MCR 2.602(A)(3), this Consent Judgment resolves the last pending claim and closes this case.**

\_\_\_\_\_  
HON. RICHARD N. LaFLAMME  
CIRCUIT COURT JUDGE

I Stipulate/Consent to the Entry of the above  
Consent Judgment and waive hearing thereon:

\_\_\_\_\_  
Boris K. Yakima (P22607)  
Attorney for Plaintiff

\_\_\_\_\_  
William A. Stoner

\_\_\_\_\_  
Deborah A. Stoner

**RESOLUTION (04-12.14)**

**AUTHORIZING PURCHASE OF AN EASEMENT FOR THE RUNWAY 7-25 SAFETY AREA  
PROJECT**

**For Easement Acquisition on Parcel #87 located at 4637 Woodville Road, Jackson, Michigan.  
(William and Deborah Stoner) as Further Described in Attachments  
AT THE JACKSON COUNTY AIRPORT**

**WHEREAS, The FAA has indicated that Runway 6-24 at the Jackson County Airport does not have the required “safety areas” and necessitating construction of a new runway, Runway 7-25; and**

**WHEREAS, continued progress in building this new runway with safety areas requires easement acquisition on parcel # 94; and,**

**WHEREAS, grant funds in the amount of \$1,500,000 (Federal \$1,425,000; State \$37,500 and County \$37,500) have been granted by the Michigan Aeronautics Commission to the Jackson County Airport – Reynolds Field and are in the public interest and will fund these purchases; and,**

**WHEREAS, acquisition of an easement for Parcel #97 is required in order to construct new runway # 7-25 as detailed on the Jackson County Airport – Reynolds Field Airport Layout Plan; and,**

**WHEREAS, contingent upon agreement by the all parties to a proposed Consent Judgment by Hon. Richard N. LaFlamme calling for compensation of \$92,500.00 plus reimbursement of expert witness and appraisal fees in the amount of \$5,185 plus accrued interest according statute, less any credits or prior payments**

**WHEREAS, the Jackson County Board of Commissioners, have previously decided that this overall Runway Safety Area project will enhance the safety of the airport and is in the public interest; and,**

**WHEREAS, The Jackson County Board of Commissioners has legal authority to approve such easement and property acquisitions; and**

**WHEREAS, James E. Shotwell, Jr. is the Chairman of the Jackson County Board of Commissioners and has authority to sign legal documents on behalf of the Commission; and;**

**NOW, THEREFORE, BE IT RESOLVED THAT, the Jackson County Board of Commissioners approves of the referenced acquisitions AND authorizes James E. Shotwell, Jr. to sign on behalf of the Jackson County Board of Commissioners.**

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**James E. Shotwell, Jr., Chairman  
Jackson County Board of Commissioners  
April 17, 2012**

STATE OF MICHIGAN            )  
  ) ss.  
COUNTY OF JACKSON        )

I, the duly qualified and acting Clerk of the County of Jackson, Michigan, do hereby certify that the foregoing is a true and complete copy of a Resolution adopted by the County Board of Commissioners of the County of Jackson, State of Michigan, at a regular meeting held on April 17, 2012 at which meeting a quorum was present and remained throughout and that an original thereof is on file in the records of the County. I further certify that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act No. 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.

# ***2011 ANNUAL REPORT***

## **Register of Deeds**



***Jackson County, Michigan  
Mindy Reilly, Register***

# 2011 Annual Report

HONORABLE COMMISSIONERS  
COUNTY BOARD OF COMMISSIONERS  
JACKSON, MICHIGAN 49201

April 2012

Dear Commissioners:

We are pleased to submit the annual report of the Register of Deeds office for 2011. This report reflects the activities of the office, the recording and filing of real property instruments, fixture filings and miscellaneous documents. It also reflects the revenues received during the year and the net revenue credited to the County General Fund.

In 2011 we again collected State Transfer Tax, in the amount of \$1,151,550.00, which we remitted to the treasurer, and forwarded to the State of Michigan. The total amount of money that went through our office in 2011 was \$2,106,534.52.

On March 31, 2003 PA 698 of 2002 required Register of Deeds to collect additional recording fees with a portion of the total fee specifically earmarked for an "automation fund." This office collected \$132,740.00 in 2011 that went into this fund. This same act earmarked another portion of the total fee to be collected for the Remonumentation program for the county which we collected \$81,944.00.

Projects we accomplished in 2011, using our automation fund, have been converting historical data and images onto our computer system. We have completed Phase 1, images and data back to 1965. Our goal for 2012 will be index and images from 1964 back to 1800.

Also, as of October, we now have credit card capability for our online services. Customers can now use credit card to purchase copies on line and deposit funds into their pre-paid account. And with the move to 2<sup>nd</sup> floor, we now have all 3 departments programs on our public computers, which has been a great customer service feature.

Unfortunately, Jackson County continues to struggle in these tough economic times, as you will see our revenue totals are lower than what we would expect them to be.

We would like to thank our wonderful staff in the Register of Deeds for the continuing excellent customer service they provide the citizens of Jackson County, and their great support and attitude regarding the move to 2<sup>nd</sup> floor.

As always, we would like to invite you to visit our office sometime and share in the pride that we all take here in the Register of Deeds office.

Respectfully submitted,

Mindy Reilly  
Register of Deeds

Mona Webb  
Chief Deputy

Revenues received in 2011, credited to account numbers assigned to the Register of Deeds Office and remitted to the County General Fund are:

<u>NUMBER</u>	<u>ACCOUNT</u>	<u>2008 AMOUNTS</u>	<u>2009 AMOUNTS</u>	<u>2010 AMOUNTS</u>	<u>2011 AMOUNTS</u>
609	Searches	\$ 168.00	\$ 99.00	\$ 266.00	\$ 114.00
625	Transfer Tax	350,986.35	235,610.65	201,516.15	210,226.10
634	Recording	359,441.00	354,331.00	333,497.00	328,353.00
636	Land Search	25,045.00	25,555.00	26,942.00	27,600.00
643.06	Copies	107,924.89	140,105.25	136,118.25	139,319.75
643.140	Optical Imaging	49,168.00	37,500.00	37,500.00	37,500.00
685.010	Admin. Reimb	1,573.74	1,387.86	1,256.88	1,249.86
695.000	Refunds	743.25	589.43	729.65	595.61
<b>TOTAL FEES COLLECTED:</b>		<b>\$ 894,050.23</b>	<b>\$795,178.19</b>	<b>\$ 738,570.13</b>	<b>\$ 744,958.32</b>
<b>LESS DEPARTMENTAL EXPENSES:</b>		<u>304,293.63</u>	<u>301,441.24</u>	<u>261,805.49</u>	<u>288,787.75</u>
<b>EXCESS REVENUE GENERAL FUND</b>		<b>\$ 589,756.60</b>	<b>493,736.05</b>	<b>\$476,764.64</b>	<b>\$456,170.57</b>

### CORNERS

P. A. 132 of 1970 requires Surveyors to file with the Register of Deeds Office a written record of corner establishment or restoration. In 2011, twenty three (23) corners were recorded.

### SURVEYS

P. A. 132 of 1970 allows the recording of certified surveys in the County. In 2011 a thirteen (13) surveys were recorded.

**RECORDING OF****REAL ESTATE DOCUMENTS:****2006    2007    2008    2009    2010    2011**

Deeds 8,123 7,328 7,062 6,664 6,360 6,165

Mortgages 11,070 7,669 4,984 4,714 3,761 3,622

Mortgage Discharges 9,163 6,872 4,919 4,704 4,173 4,189

Miscellaneous Documents- Court Orders, Land Contracts, Agreements, Assignments,  
Tax Liens, Leases,  
Affidavits, Death Certificates, etc. 11,018 10,542 11,427 12,246 12,952 12,488

Plats 1 0 0 0 0 0

Condominiums 8 3 4 0 1 1

Corners 12 33 14 24 13 23

Remonumentation Corners 140 144 101 63 69 67

Surveys 26 13 41 45 31 13

**TOTAL: 39,561 32,604 28,552 28,460 27,360 25,058****FINANCING STATEMENTS:**

Financing Statements 0 0 0 0 0 0

Federal &amp; State Tax Liens 55 178 356 378 306 0

Federal &amp; State Tax Lien Releases 23 23 79 100 132 89

Terminations (no charge) 14 0 0 0 1 0

Fixture Filings &amp; Releases 3 6 3 0 0 0

Releases 0 0 0 0 0 0

Assignments 0 0 0 0 0 0

Amendments 0 0 0 0 0 0

Jeopardy Tax &amp; Release 3 8 5 1 2 0

**TOTAL: 98 215 443 479 441 89****TOTAL INSTRUMENTS 39,659 32,819 28,995 28,939 27,801 26,657**

## **COUNTY TRANSFER TAX**

Public Act 134 of 1966, as amended by Public Act 258 of 1967 and Public Act 327 of 1968, imposes a county transfer tax on the value of property sold. Certain transactions are exempt for the provisions of this law. The current tax rate of \$0.55 per \$500.00, or fraction thereof, of value. All proceeds of this Act are county revenues and are credited to the General Fund of the County.

Revenue from this Act over the past 30 years:

<b>1982</b>	61,058.76	<b>1983</b>	92,561.25	<b>1984</b>	100,055.40
<b>1985</b>	119,104.66	<b>1986</b>	170,217.50	<b>1987</b>	170,027.50
<b>1988</b>	171,201.80	<b>1989</b>	189,824.40	<b>1990</b>	222,710.06
<b>1991</b>	187,454.45	<b>1992</b>	209,591.35	<b>1993</b>	261,180.15
<b>1994</b>	249,727.50	<b>1995</b>	253,722.70	<b>1996</b>	297,580.85
<b>1997</b>	329,584.75	<b>1998</b>	411,539.15	<b>1999</b>	421,353.80
<b>2000</b>	415,037.15	<b>2001</b>	431,459.60	<b>2002</b>	462,719.95
<b>2003</b>	503,588.80	<b>2004</b>	570,175.70	<b>2005</b>	586,434.20
<b>2006</b>	560,162.90	<b>2007</b>	413,041.20	<b>2008</b>	350,986.35
<b>2009</b>	235,610.65	<b>2010</b>	201,516.15	<b>2011</b>	210,226.10

## **STATE TRANSFER TAX**

Effective January 1, 1995 the State imposed a state transfer tax on the value of property sold. This tax is at the rate of \$3.75 per \$500.00, or fraction thereof, of value and is in addition to the County Transfer Tax. Revenues generated by this tax in 2011 totaled \$1,151,550.00. This entire amount is forwarded to the State Treasurer.

## **MICROFILM AND COPY REVENUE**

Revenue generated through the sale of document copies to the public and microfilm of all recordings to various title companies generated additional revenue for this department and the County general fund. Revenues from this source over the past years are reflected below:

1986	27,487.25	1995	69,750.82	2004**	119,709.20
1987	28,381.00	1996	47,824.61	2005**	125,627.00
1988	32,517.15	1997**	31,783.00	2006**	122,458.00
1989	35,571.79	1998**	47,743.39	2007**	137,699.50
1990	27,670.76	1999**	53,486.51	2008**	107,924.89
1991	49,368.76	2000**	61,160.47	2009**	140,056.25
1992	62,449.65	2001**	88,146.50	2010**	136,118.25
1993	77,830.37	2002**	97,229.05	2011**	137,851.75
1994	77,005.75	2003**	143,276.75	2011***	1,468.00

\*This amount is 12 months of copies and 3 months microfilm.

\*\* Copies of Documents only, either on paper, CD-ROM, Fax or E-Mailed.

\*\*\*Beginning October 2011-Copies purchased online using credit card.

## **MICROFILM SYSTEM**

Since the installation of microfilm system in 1965, the public has been able to do their record searching, with some assistance from staff. With the addition of the Land Search section, anyone is able to search their own property recordings either by name or property description.

Since January 1985 all index information is maintained on a computer, which saves much time in locating records by grantor/grantee or legal description. In 1996 we went to the optical imaging which allows this search process to be done at one station instead of the three different stations before our imaging. We currently have complete images and index back to 1965. By State statute we must maintain backup of every recorded document and store offsite.

## **IMAGING REVENUE**

With the implementation of our new image system, April 15, 1996, we have replaced the microfilm revenue with imaging revenue. The imaging revenue is money collected from our local title companies and individuals that will be using our optical imaging remote access. The title companies will no longer purchase microfilm. They are using the remote and doing their searches and making copies through the remote. Our remote system is available 24 hours a day seven days a week.

The imaging revenue is as follows:

<b>2001</b>	<b>\$48,791.00 **</b>	<b>2006</b>	<b>\$56,700.00 **</b>
<b>2001</b>	<b>\$ 1,646.00***</b>	<b>2006</b>	<b>\$32,805.00 ***</b>
<b>2002</b>	<b>\$55,949.50 **</b>	<b>2007</b>	<b>\$51,767.00**</b>
<b>2002</b>	<b>\$ 1,320.00 ***</b>	<b>2007</b>	<b>\$39,112.11***</b>
<b>2003</b>	<b>\$57,118.00 **</b>	<b>2008</b>	<b>\$37,725.00**</b>
<b>2003</b>	<b>\$ 707.00 ***</b>	<b>2008</b>	<b>\$1,443.00****</b>
<b>2004</b>	<b>\$58,275.00 **</b>	<b>2009</b>	<b>\$37,500.00**</b>
<b>2004</b>	<b>\$ 1,490.00 ***</b>	<b>2010</b>	<b>\$37,500.00**</b>
<b>2005</b>	<b>\$ 56,400.00**</b>	<b>2011</b>	<b>\$37,500.00**</b>
<b>2005</b>	<b>\$ 1,506.00 ***</b>		

**\*\*MONTHLY CONTRACT COMPANIES    \*\*\* PER MINUTE CASUAL USERS**

**\*\*\*\*PER MINUTE CASUAL USERS STOPPED 10/2008**

This department does all the setup and security levels for these users. We have surveyors, attorneys and independent title people as example of this type of user. We also have some governmental units such as City Assessor, Equalization and the Treasures office, along with all townships as users.

\*\*\*As of 10/1/2008 we no longer charge by the minute, they are charged for their prints only. The customer has a pre-paid account, when they log in they see their balance and each time they print it subtracts \$1.00 per page from that balance.

## REMONUMENTATION

Public Acts 345 and 346 of 1990 required the County to establish a plan for monumenting (marking) all section corners in the County, and included an increase in recording fees to provide funds for this purpose on a statewide basis. In 2011 the Register of Deeds office collected a total of **\$81,944.00** in fees for this purpose.

Remonumentation fees collected in previous years were:

*\*Fee increase for remonumentation on 3/31/2003 from \$2.00 per document to \$4.00 per document.*

<b>1994</b>	\$56,076.00	<b>2003</b>	*\$198,256.00
<b>1995</b>	\$53,526.00	<b>2004</b>	\$184,554.00
<b>1996</b>	\$58,232.00	<b>2005</b>	\$161,945.00
<b>1997</b>	\$60,966.00	<b>2006</b>	\$143,282.00
<b>1998</b>	\$79,072.00	<b>2007</b>	\$114,724.00
<b>1999</b>	\$77,396.00	<b>2008</b>	\$94,985.00
<b>2000</b>	\$61,406.00	<b>2009</b>	\$92,236.00
<b>2001</b>	\$84,432.00	<b>2010</b>	\$85,164.00
<b>2002</b>	\$102,250.00	<b>2011</b>	\$81,944.00

In 2011 a total of **67** remonumentation corners were recorded, up in comparison with the 69 recorded in 2010.

## LAND SEARCH

The Abstract Office in Jackson County was dissolved on January 13, 1976 by action of the Board of Commissioners and the Land Search index was made a part of the Register of Deeds Office. This area is not considered part of the public record and fees are charged for using these records. Service agreements with title companies and hourly fees produced **\$27,600.00** in revenue in 2011. The State, County, City, Townships and person checking their own property ownership are not charged for use of these records.

## RECORDING COMPARISONS

DOCUMENTS		YEAR	PAGES	
<i>NUMBER</i>	<i>AVERAGE</i>		<i>NUMBER</i>	<i>AVERAGE</i>
41257	152.07	1999	125356	503.53
36318	139.92	2000	111822	444.36
44195	175.51	2001	190914	759.48
52194	200.75	2002	229626	915.33
59368	228.34	2003	285100	1126.88
46873	180.28	2004	223824	894.29
43949	169.03	2005	206989	796.11
39659	152.53	2006	171810	660.81
32819	126.23	2007	129444	497.86
28995	111.52	2008	100841	387.85
28939	111.30	2009	98708	379.65
27800	106.93	2010	92788	356.88
26657	102.53	2011	90045	346.33

### PLATS

In 2011 we had no plats recorded.

### CONDOMINIUMS

In 2011 the following new condominiums were recorded:

<u>NAME</u>	<u>LOCATION</u>	<u>Units</u>
Stone Village Condominium	Summit Township	3

### SHERIFF'S DEEDS

During **2011** a total of **945** Sheriff's Deeds (mortgage foreclosure sales) were recorded in this office, with a total consideration of **\$94,884,138.16**.

Past year's information regarding Sheriff Deeds:

Year	Number of recorded Sheriff Deeds	Total Consideration
2010	1070	\$ 102,100,500.38
2009	990	100,319,439.40
2008	1252	123,293,106.39
2007	1227	135,043,702.13
2006	874	90,515,747.95
2005	582	56,121,224.44
2004	491	47,546,305.44
2003	481	40,275,813.29
2002	442	32,445,099.27
2001	282	18,553,689.06
2000	228	13,354,678.56
1999	194	10,406,639.09
1998	159	7,732,933.37
1997	95	4,894,186.12
1996	88	3,975,037.84
1995	62	2,475,347.23



# Jackson County

## Office of County Drain Commissioner

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**TO:** County Affairs Committee  
Board of County Commissioners

**FROM:** Geoffrey Snyder  
Jackson County Drain Commissioner/Chairman of Jackson County Board of Public Works

**SUBJECT** Partial Redemption of Series 2008 County Bonds for Rives Township Sewer System

**DATE:** March 26, 2012

**Motion Requested:** Resolution to Authorize Partial Redemption of Wastewater Disposal Facility (Rives Township Section) Bonds (General Obligation Limited Tax), Series 2008

### I. Background

- A. In 2008 the County issued bonds in the amount of \$1,075,000 to fund the cost of public sewer system improvements to serve the unincorporated Village of Rives Junction located in Rives Township.
- B. These bonds bear interest at a rate of 4.125% and mature annually on May 1 of each year in the years 2012 through 2047.

### II. Current Situation

- A. The Township levied special assessments against benefited property owners to cover the cost of the project and the repayment of the bonds. As the result of prepayments of special assessments by property owners, the Township has accumulated sufficient excess monies that the Township Board adopted a resolution on February 7, 2012 requesting that the County prepay the outstanding Series 2008 Bonds in the amount of \$175,000 from the proceeds of these prepaid special assessments.

### III. Analysis

- A. **Strategic and Financial.** Authorization of the partial redemption of the Series 2008 Bonds at this time will enable the County to pay down the outstanding principal amount of the bonds by \$175,000. The Township of Rives, which is responsible to the County for repayment of the bonds, will benefit from the repayment of the bonds. The County will also benefit from the repayment of the bonds as it will reduce the bonded indebtedness of the County.
- B. **Legal.** The proposed Resolution authorizes the optional redemption of the bonds in the amount of \$175,000 from funds to be provided by Rives Township and authorizes

the County Treasurer, as Registrar for the Series 2008 Bonds, to give notice to the United States Government, which is the holder of the bonds (through the USDA Rural Development loan program).

- C.     **Timing.** It is the goal to redeem the Series 2008 Bonds in the amount of \$175,000 on May 1, 2012.

**IV.     Alternatives**

Take no action and continue to pay current interest rates on the current outstanding balance of the Series 2008 Bonds.

**V.     Recommendation**

The Jackson County Board of Public Works at its meeting held on Monday, March 26, 2012, recommended adoption of the Resolution.

**Attachments:**

Resolution to Authorize Partial Redemption of Wastewater Disposal Facility (Rives Township Section) Bonds (General Obligation Limited Tax), Series 2008

**RESOLUTION NO. \_\_\_\_\_**

**COUNTY OF JACKSON**

**STATE OF MICHIGAN**

**RESOLUTION TO AUTHORIZE PARTIAL REDEMPTION OF  
JACKSON COUNTY WASTEWATER DISPOSAL FACILITY  
(RIVES TOWNSHIP SECTION) BONDS (GENERAL OBLIGATION  
LIMITED TAX), SERIES 2008**

Minutes of a regular meeting of the Board of Commissioners of the County of Jackson, Michigan, held in the County Tower Building in Jackson, Michigan on the 17th day of April, 2012, at 7:00 p.m. Local Time.

PRESENT: Members: \_\_\_\_\_  
\_\_\_\_\_

ABSENT: Members: \_\_\_\_\_  
\_\_\_\_\_

The following preamble and resolution were offered by Commissioner \_\_\_\_\_ and supported by Commissioner \_\_\_\_\_:

WHEREAS, the County of Jackson (the “County”) and the Township of Rives (the “Township”) are parties to that certain Jackson County Wastewater Disposal Facility (Rives Township Section) Bond Contract dated as of May 1, 2007, as amended by that certain First Amendment to Jackson County Wastewater Disposal Facility (Rives Township Section) Bond Contract dated as of August 19, 2008 (collectively, the “Bond Contract”); and

WHEREAS, in accordance with the Bond Contract, the County previously issued its \$1,075,000 Wastewater Disposal Facility (Rives Township Section) Bonds (General Obligation Limited Tax), Series 2008, dated as of September 12, 2008 (the “Series 2008 Bonds”); and

WHEREAS, the principal amount of the Series 2008 Bonds currently outstanding is \$1,030,000; and

WHEREAS, pursuant to the terms of Paragraph 5 of the County Bond Resolution dated as of August 19, 2008, by which the County Board of Commissioners authorized the issuance of the Series 2008 Bonds (the “Bond Resolution”) by the County:

Bonds maturing in the years 2009 to 2047, both inclusive, shall be subject to redemption prior to maturity, at the option of the County, in whole or in part in increments of \$1,000 in such order of maturity as the County may determine and within any maturity by lot on any interest payment date on or after November 1, 2008, at par and accrued interest to the date fixed for redemption without premium.

; and

WHEREAS, pursuant to paragraph 10(i) of the Bond Contract, the Township may request that the County redeem any bonds subject to redemption prior to maturity by:

... pay[ing] to the County in cash the principal amount of any such County bonds which are subject to redemption prior to maturity, plus all interest thereon to the first date upon which such bonds may be called for redemption, plus all applicable call premiums and bond service charges necessary to call such amount of bonds on such date, and in such event the County shall call said bonds for redemption at the earliest possible date....

; and

WHEREAS, the Series 2008 Bonds are fully registered in the name of the “United States of America” (the “Government”); and

WHEREAS, the County is in receipt of a certified resolution adopted by the Township Board on February 7, 2012, requesting that the County partially redeem the Series 2008 Bonds prior to maturity in the amount of \$175,000 and directing the Township Treasurer to deposit with the County the required funds necessary to enable the County to make such optional redemption.

NOW, THEREFORE, BE IT HEREBY RESOLVED AS FOLLOWS:

1. It is in the best interest of the County and the Township for the County to redeem the Series 2008 Bonds in part on May 1, 2012, or such other date that is mutually acceptable to

the County and the Government (the “Redemption Date”), in the aggregate amount of \$175,000 in the following amounts and maturities (the “Bonds to be Redeemed”):

<u>Principal Maturity Date</u>	<u>Principal Amount to be Redeemed</u>
May 1, 2036	\$10,000
May 1, 2037	\$10,000
May 1, 2038	\$10,000
May 1, 2039	\$10,000
May 1, 2040	\$10,000
May 1, 2041	\$10,000
May 1, 2042	\$15,000
May 1, 2043	\$20,000
May 1, 2044	\$20,000
May 1, 2045	\$20,000
May 1, 2046	\$20,000
May 1, 2047	\$20,000

2. The County Treasurer, as Registrar for the Series 2008 Bonds, is hereby authorized and directed to undertake all steps necessary to redeem the Series 2008 Bonds on the Date of Redemption, including the provision of notice by mail to the Government, as the sole fully registered holder, substantially in the form attached hereto as Exhibit A, in accordance with the Bond Resolution.

3. The County Treasurer shall, in accordance with the Bond Contract and the Bond Resolution, utilize the funds on deposit or to be deposited with the County by the Township in the aggregate amount of \$175,000, plus accrued interest and bond service charges, if any, to redeem the Bonds to be Redeemed.

4. The County Clerk is hereby authorized and directed to deliver certified copies of this Resolution to County Treasurer, as the Registrar for the Series 2008 Bonds, to the Government and to the Municipal Finance Division, Michigan Department of Treasury.

5. All resolutions or parts of resolutions in conflict herewith are hereby rescinded.

YEAS: Members: \_\_\_\_\_  
\_\_\_\_\_

NAYS: Members: \_\_\_\_\_

ABSTAIN: Members: \_\_\_\_\_

RESOLUTION DECLARED ADOPTED.

\_\_\_\_\_  
Amanda L. Riska, County Clerk

STATE OF MICHIGAN     )  
                                      ) ss  
COUNTY OF JACKSON    )

I, Amanda L. Riska, the duly qualified and acting Clerk of the County of Jackson, Michigan, do hereby certify that the foregoing is a true and complete copy of a Resolution adopted by the County Board of Commissioners at a regular meeting thereof held on the 17th day of April, 2012, the original of which is on file in my office. Public notice of said meeting was given pursuant to and in compliance with Act No. 267, Public Acts of Michigan, 1976, as amended, including in the case of a special or rescheduled meeting, notice by publication or posting at least eighteen (18) hours prior to the time set for the meeting.

IN WITNESS WHEREOF, I have affixed my official signature this \_\_\_\_ day of \_\_\_\_\_, 2012.

\_\_\_\_\_  
Amanda L. Riska, County Clerk

## EXHIBIT A

### NOTICE OF REDEMPTION

B.J. Haire  
Area Specialist  
United States Department of Agriculture  
Rural Development  
P.O. Box 703180  
Plymouth, MI 48170  
Ph: (517) 242-5844  
Fax: (734) 468-8500  
email: bj.haire@mi.usda.gov

Take notice that the County of Jackson, Michigan, will redeem in part the County's outstanding Wastewater Disposal Facility (Rives Township Section) Bonds (General Obligation Limited Tax), Series 2008 (the "Series 2008 Bonds") at par plus accrued interest on May 1, 2012, or such other date that is mutually acceptable to the County and the registered holder of the Series 2008 Bonds, as follows:

<u>Principal Maturity Date</u>	<u>Principal Amount to be Redeemed</u>
May 1, 2036	\$10,000
May 1, 2037	\$10,000
May 1, 2038	\$10,000
May 1, 2039	\$10,000
May 1, 2040	\$10,000
May 1, 2041	\$10,000
May 1, 2042	\$15,000
May 1, 2043	\$20,000
May 1, 2044	\$20,000
May 1, 2045	\$20,000
May 1, 2046	\$20,000
May 1, 2047	\$20,000

The principal of the Series 2008 Bonds subject to redemption and the accrued interest thereon shall be payable by the County in lawful money of the United States of America to the registered holder at the address shown on the registration books of the County.

The Series 2008 Bonds so called for redemption shall not bear interest after the date fixed for redemption, whether presented for redemption or not, provided sufficient funds are on hand with the Jackson County Treasurer, acting in the capacity of Registrar for the Series 2008 Bonds, to redeem the Series 2008 Bonds.

This notice was authorized by resolution of the County Board of Commissioners of the County of Jackson on \_\_\_\_\_, 2012.

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

By: \_\_\_\_\_  
Karen A. Coffman, Treasurer  
County of Jackson  
as Registrar for the Series 2008 Bonds



# Jackson County

## Office of County Drain Commissioner

---

**TO:** County Affairs Committee  
Board of County Commissioners

**FROM:** Geoffrey Snyder  
Jackson County Drain Commissioner/Chairman of Jackson County Board of Public Works

**SUBJECT** Refunding of Series 2004 County Bonds for Lake Columbia Area Sewer System

**DATE:** March 26, 2012

**Motion Requested:** Resolution to Authorize Issuance of Wastewater Disposal Facility Refunding Bonds (Lake Columbia Area Section), General Obligation Limited Tax, Series 2012

### I. Background

- A. In 2004 the County issued bonds in the amount of \$11,000,000 to fund the cost of a public sanitary sewer system to serve the Lake Columbia area in Columbia Township.
- B. These bonds bear interest at rates ranging from 3.875% to 4.75% and mature annually on April 1 of each year in the years 2012 through 2024.

### II. Current Situation

- A. Interest rates in the municipal bond market have reached very low levels making it feasible to refinance that portion of the existing bond issue which matures in the years 2015 through 2024 by issuing a new series of refunding bonds, thereby achieving estimated net present value savings in the overall cost of debt service in the range of \$430,000 (assuming market conditions as of February 3, 2012).
- B. Columbia Township, by resolution of its Township Board, has requested that the County refund the Lake Columbia Bonds. A copy of this resolution is on file at the office of the County Drain Commissioner.
- C. Columbia Township has collected prepaid special assessments in excess of \$2,000,000, which will be used to reduce the principal amount of the refunding bonds.

### III. Analysis

- A. **Strategic.** Authorization of the refunding bonds at this time will enable the County to take advantage of current low interest rates. The intent is to sell the new bonds on a negotiated basis using Hutchinson, Shockey, Erley & Co. as underwriter, Bendzinski & Co. as financial advisor, and Mika Meyers Beckett & Jones as bond counsel to the County.

- B. **Financial.** A refunding analysis prepared by Hutchinson, Shockey, Erley & Co. projects net present value debt service savings in the range of \$430,000 after taking into account the use of funds on hand and the payment of all expenses of issuing the new refunding bonds. The Township of Columbia, which is responsible to the County for repayment of the bonds, will benefit from these savings. Columbia Township property owners in the Lake Columbia area will also benefit from these savings, by a reduction in the interest rate payable on outstanding special assessments. In addition, the County of Jackson will benefit by reducing its outstanding bonded indebtedness for the Lake Columbia Sewer System.

The repayment of the Lake Columbia Bonds, both outstanding Series 2004 Bonds and the proposed refunding bonds, are fully secured by special assessments levied on benefited properties.

- C. **Legal.** The proposed Resolution authorizes the issuance of the refunding bonds and directs the Chairman of the Board of Public Works and the County Administrator to make final decisions with regard to the terms of the refunding bonds subject to parameters specified in the Resolution. The proposed Resolution also serves to approve the form of a first amendment to the underlying bond contract, an escrow deposit agreement, a bond purchase agreement and a continuing disclosure agreement, which are all necessary to implement the refunding.
- D. **Timing.** It is the goal to sell, issue and deliver the refunding bonds in the near future during favorable municipal bond market conditions to enable the Series 2004 bonds to be redeemed (i.e. paid off) in full on April 1, 2014, the first date on which the Series 2004 Bonds may be redeemed.

#### IV. **Alternatives**

Take no action and continue to pay current interest rates on the Series 2004 Bonds.

#### V. **Recommendation**

The Jackson County Board of Public Works at its meeting held on Monday, March 26, 2012, recommended adoption of the Resolution.

#### **Attachments:**

Resolution to Authorize Issuance of Wastewater Disposal Facility Refunding Bonds (Lake Columbia Area Section), General Obligation Limited Tax, Series 2012

**RESOLUTION NO. \_\_\_\_\_**

**COUNTY OF JACKSON**

**STATE OF MICHIGAN**

**RESOLUTION TO AUTHORIZE ISSUANCE OF  
WASTEWATER DISPOSAL FACILITY REFUNDING BONDS  
(LAKE COLUMBIA AREA SECTION) GENERAL OBLIGATION  
LIMITED TAX, SERIES 2012**

Minutes of a regular meeting of the Board of Commissioners of the County of Jackson, Michigan, held in the County Tower Building in Jackson, Michigan on the 17th day of April, 2012, at 7:00 p.m. Local Time.

PRESENT: Members: \_\_\_\_\_  
\_\_\_\_\_

ABSENT: Members: \_\_\_\_\_

The following preamble and resolution were offered by \_\_\_\_\_ and supported by \_\_\_\_\_:

WHEREAS, the County of Jackson acting by and through its Board of Public Works (the “County”) and the Township of Columbia (the “Township”) are parties to that certain Jackson County Wastewater Disposal Facility (Lake Columbia Area Section) Bond Contract dated as of February 1, 2004 (the “Bond Contract”), relative to the acquisition, construction and financing by the County, and the operation, maintenance and management by the Township, of the Jackson County Wastewater Disposal Facility (Lake Columbia Area Section) (the “Project”); and

WHEREAS, pursuant to the Bond Contract, to defray the cost of the Project the County issued its Jackson County Wastewater Disposal Facility (Lake Columbia Area Section) Bonds (General Obligation Limited Tax), Series 2004, dated as of August 1, 2004, in the original principal amount of \$11,000,000 (the “Series 2004 Bonds”) in accordance with a bond

authorizing resolution adopted by the Jackson County Board of Commissioners on June 15, 2004 (the “Series 2004 Bond Resolution”) and Act 185 of the Public Acts of Michigan of 1957, as amended (“Act 185”); and

WHEREAS, the Township is obligated under the Bond Contract to make payments to the County in accordance with the Bond Contract, at the times and in the amounts sufficient to pay the principal of and interest on the Series 2004 Bonds (the “Prior Bonds”) when due and to pay such fees and other expenses as may be incurred on account of said bonds, and to the making of such payments the Township has pledged its full faith and credit; and

WHEREAS, the Prior Bonds are currently outstanding in the aggregate principal amount of \$7,950,000, mature, or are subject to mandatory redemption, annually on April 1 in the years 2012 through 2024, inclusive and bear interest at rates ranging from 3.875% to 4.75%; and

WHEREAS, the County is authorized to refund the Prior Bonds, in whole or in part, prior to maturity, subject to the requirements of the Internal Revenue Code of 1986, as amended (the “Code”), Act 185 and Act 34 of the Public Acts of Michigan of 2001 (“Act 34”); and

WHEREAS, by resolution duly adopted, the Township Board of the Township has determined that it is in the best interest of that Township to have the County refund, in whole or in part, the Prior Bonds to achieve savings in the cost of debt service when compared to the cost of debt service on the Prior Bonds; and

WHEREAS, the County intends to use the proceeds of the Refunding Bonds authorized by this resolution and available funds on hand provided by the Township in accordance with the Bond Contract to enable the County to call for optional redemption in full all of the Bonds to be Refunded (as defined below) on the next available optional redemption date (the “Redemption Date”) for the Prior Bonds; and

WHEREAS, a proposed First Amendment to Jackson County Wastewater Disposal Facility (Lake Columbia Area Section) Bond Contract (the “First Amendment”), which supports the refunding of the Prior Bonds in part or in whole, has been submitted to the County Board of Commissioners in the form attached hereto as Exhibit C; and

WHEREAS, the County Board of Commissioners is adopting this resolution to authorize the refunding of the Prior Bonds, in whole or in part.

NOW, THEREFORE, BE IT HEREBY RESOLVED AS FOLLOWS:

1. **Refunding of Bonds to be Refunded; Period of Usefulness.** For the purpose of reducing the net present value of debt service payments on the Bonds to be Refunded, it is necessary for the County to issue bonds pursuant to the provisions of this resolution, Act 185 and Act 34, and to apply the proceeds thereof, together with available Township funds on hand, to pay bond issuance expenses and enable the County to redeem in full all of the Bonds to be Refunded on the Redemption Date. Based in part upon the determination of the County set forth in Paragraph 1 of the Series 2004 Bond Resolution that the estimated period of usefulness of the System was then not less than twenty (20) years, the County hereby determines that, as of the date of this resolution, the remaining period of usefulness of the Project funded by the Prior Bonds is estimated to be not less than thirteen (13) years.

2. **Issuance of Bonds; Plan of Refunding.** The County shall borrow a sum not to exceed Seven Million Dollars (\$7,000,000), and issue its bonds designated Wastewater Disposal Facility Refunding Bonds (Lake Columbia Area Section) General Obligation Limited Tax, Series 2012 (the “Bonds”) therefore, pursuant to Act 185 and Act 34, for the purpose of defraying all or a portion of the cost of refunding the Bonds to be Refunded, including payment of the costs of issuance of the Bonds. The remaining cost of refunding the Bonds to be Refunded, if any, shall

be paid from any funds then on deposit in the Debt Service Fund established under the Series 2004 Bond Resolution and pledged for payment of principal of, premium, if any, and interest on the Bonds to be Refunded and any other funds on hand provided by the Township and legally available for that purpose.

3. **Bond Specifications.** The Chairperson of the Board of Public Works and the County Administrator are hereby authorized and directed in accordance with Section 315(1)(d) of Act 34 to approve which of the Prior Bonds shall be refunded with proceeds of the Bonds (the “Bonds to be Refunded”), the Redemption Date and the final terms of the Bonds in the manner provided in this Resolution. The Bonds shall be secured in the manner provided by Paragraph 9 below, and shall be registered both as to principal and interest in substantially the form and tenor set forth in Exhibit A attached hereto. The Bonds shall be issued in a principal amount and at par or a discount which shall not exceed one percent (1.0%) of the face amount of the Bonds or a premium which shall not exceed three percent (3.0%) of the face amount of the Bonds and shall be dated, all as the Chairperson of the Board of Public Works and the County Administrator shall determine. The Bonds shall mature serially and/or in one or more term maturities due on or before April 1, 2024, on the dates and in the amounts as the Chairperson of the Board of Public Works and the County Administrator shall determine. The Bonds shall bear interest at a fixed rate or rates payable semi-annually on such dates as shall be determined by the Chairperson of the Board of Public Works and the County Administrator, and shall be subject to optional or mandatory redemption, prior to maturity, in whole or in part, in such amounts and at such times with or without premium, which shall not exceed 3.0% of the principal amount subject to redemption, or at no time prior to maturity, as determined by the Chairperson of the Board of Public Works and the County Administrator. The Bonds shall be issued in such minimum

denominations as determined by the Chairperson of the Board of Public Works and the County Administrator. The determinations by the Chairperson of the Board of Public Works and the County Administrator in accordance with this Resolution shall be made in writing in substantially the form attached to this Resolution as Exhibit B.

Notwithstanding the foregoing, the authority of the Chairperson of the Board of Public Works and the County Administrator is subject to the following limitations:

- (a) The principal amount of the Bonds shall not exceed \$7,000,000;
- (b) The net present value of the principal and interest to be paid on the Bonds, including the cost of issuance of the Bonds and taking into account the use of funds on hand, shall be less than the net present value of the principal and interest payable on the Bonds to be Refunded (assuming that the Bonds to be Refunded are not refunded);
- (c) The final maturity of the Bonds shall not be later than the final maturity date of the Bonds to be Refunded;
- (d) The Chairperson of the Board of Public Works and the County Administrator have received the written recommendation of Bendzinski & Co. Municipal Finance Advisors, as financial consultant to the County, with respect to the terms of the Bonds to be determined in accordance with this Paragraph 3.

The Bonds may be issued in book-entry only form as one bond per maturity, fully registered in the name of Cede & Co., as bondholder and nominee for The Depository Trust Company (“DTC”), New York, New York. If this option is selected, DTC will act as securities depository for the Bonds, purchase of the Bonds will be made in book-entry only form in authorized denominations, and purchasers will not receive certificates representing their interest

in Bonds purchased. If the Bonds are issued in book-entry only form, provisions in this Resolution to the contrary shall be of no force or effect unless and until the book-entry only system is suspended. The Chairperson of the Board of Public Works and the County Administrator are authorized to determine whether the Bonds shall be issued in book-entry only form, to make such changes in the form of the Bonds as shall be necessary or convenient to enable the Bonds to be issued in book-entry only form, and to execute such documents as may be required to enable the Bonds to be so issued.

In the alternative, a single bond may be used incorporating all maturities.

4. **Payment of Principal and Interest.** The Bonds and the interest thereon shall be paid in lawful money of the United States of America by the Bond Registrar, as defined in paragraph 7, below. Interest shall be paid when due by check or draft drawn on the Bond Registrar and mailed by first class mail or other acceptable method to the registered owners of record as of each March 15 with respect to payments due and payable on the immediately succeeding April 1, and as of each September 15 with respect to payments due and payable on the immediately succeeding October 1, or such other record date as the Chairperson of the Board of Public Works and the County Administrator shall determine. Principal shall be payable at the principal office of the Bond Registrar upon presentation and surrender of the corresponding bond certificate.

5. **Redemption of Bonds Prior to Maturity.** The Bonds shall be subject to optional or mandatory redemption, prior to maturity, in whole or in part, in such amounts and at such times, with or without premium, or at no time prior to maturity, as determined by the Chairperson of the Board of Public Works and the County Administrator.

In the event of redemption, notice of the call of any Bonds for redemption shall be given by first class mail by the Bond Registrar, at least thirty (30) days prior to the date fixed for redemption, to the registered owners of record at the registered addresses shown on the registration books kept by the Bond Registrar. Bonds shall be called for redemption in multiples of \$5,000 and Bonds of denominations of greater than \$5,000 shall be treated as representing the number of Bonds obtained by dividing the denomination of the Bond by \$5,000 and such Bonds may be redeemed in part. Except in the case when a single bond has been issued which incorporates all maturities, the notice of redemption for Bonds redeemed in part shall state that upon surrender of the Bond to be redeemed a new Bond or Bonds in aggregate principal amount equal to the unredeemed portion of the Bond surrendered shall be issued to the registered owner thereof. No further interest payment on the Bonds or portions of the Bonds called for redemption shall accrue after the date fixed for redemption, whether or not the Bond is presented for redemption, provided funds are on hand with the Bond Registrar to redeem the same.

6. **Registration of Bonds.** The Bonds shall be registered both as to principal and interest in substantially the form and tenor as set forth in Exhibit A attached hereto. Any individual Bond shall be transferable on the bond register maintained with respect to the Bonds upon the surrender of the individual Bond together with an assignment executed by the registered owner or his or her duly authorized attorney in form satisfactory to the Bond Registrar. Upon receipt of a properly assigned Bond, the Bond Registrar shall authenticate and deliver a new Bond or Bonds in equal aggregate principal amount and like interest rate and maturity to the designated transferee or transferees. Any individual Bond may likewise be exchanged for one or more other Bonds with the same interest rate and maturity in authorized denominations aggregating the same principal amount as the Bond being exchanged. Such exchange shall be

affected by surrender of the individual Bond to be exchanged to the Bond Registrar with written instructions signed by the registered owner of the individual Bond or his or her attorney in form satisfactory to the Bond Registrar. Upon receipt of an individual Bond with proper written instructions, the Bond Registrar shall authenticate and deliver a new Bond or Bonds to the registered owner of the Bond or his or her properly designated transferee or transferees or attorney. A transfer, exchange and registration of Bonds shall be without expense or service charge to the registered holder except for any tax or other governmental charge required to be paid with respect to such transfer, exchange or registration. The Bond Registrar shall not be required to transfer or exchange Bonds or parts of Bonds which have been selected for redemption.

7. **Duties of Bond Registrar.** U.S. Bank National Association, Detroit, Michigan, shall act on behalf of the County as paying agent, registrar and transfer agent (the “Bond Registrar”) with respect to the Bonds. The Bond Registrar shall, upon receipt of sufficient funds from the County, make timely payments of principal and interest on the Bonds, authenticate the Bonds upon their initial issuance and subsequent transfer to successive holders, act as registrar of the Bonds including the preparation and maintenance of a current register of registered owners of the Bonds, coordinate the transfer of individual Bonds between successive holders, including printing and transferring new certificates, and all other duties set forth in this Resolution or otherwise normally performed by paying, registration and transfer agents. All reasonable fees and expenses of the Bond Registrar shall be paid by the County. The County reserves the right to designate through the County Treasurer an alternate financial institution to act as Bond Registrar for the Bonds and in such event the County shall mail notice to all registered owners of the Bonds not less than 60 days prior to the effective date of said change in Bond Registrar.

8. **Replacement of Bonds.** Upon receipt by the Bond Registrar of proof of ownership of an unmatured Bond, of satisfactory evidence that the Bond has been lost, apparently destroyed or wrongfully taken and of security or indemnity which complies with applicable law and is satisfactory to the Bond Registrar, the Bond Registrar may deliver a new executed Bond to replace the Bond lost, apparently destroyed or wrongfully taken in compliance with applicable law. In the event an outstanding matured Bond is lost, apparently destroyed or wrongfully taken, the Bond Registrar may pay the Bond without presentation upon the receipt of the same documentation required for the delivery of a replacement Bond. The Bond Registrar for each new Bond delivered or paid without presentation as provided above, shall require the payment by the bondholder of expenses, including counsel fees, which may be incurred by the Bond Registrar and the County in connection therewith. Any Bond delivered pursuant to the provisions of this Paragraph 8 in lieu of any Bond lost, apparently destroyed or wrongfully taken shall be of the same form and tenor and be secured in the same manner as the Bond in substitution for which such Bond was delivered.

9. **Security for Repayment of Bonds.** The Bonds shall be issued in anticipation of payments to be made by the Township pursuant to the Bond Contract, as amended by the First Amendment. The Bonds shall be secured primarily by the full faith and credit pledge made by the Township in the Bond Contract, as amended by the First Amendment, pursuant to the authorization contained in Act 185. As additional and secondary security the full faith and credit of the County are hereby pledged for the prompt payment of the principal of and interest on the Bonds as the same shall become due. The County covenants and agrees with the successive holders of the Bonds that so long as any of the Bonds remain outstanding and unpaid as to either principal or interest, the County will punctually perform all of the obligations and duties imposed

on the County or undertaken by the County, pursuant to this bond resolution or the Bond Contract, as amended by the First Amendment, and the County shall collect, segregate and apply the payments to be made by the Township, pursuant to the Bond Contract, as amended by the First Amendment, in the manner required by this bond resolution and the Bond Contract, as amended by the First Amendment. If the Township shall fail to make payments to the County in amounts sufficient to pay the principal of and interest on the Bonds as the same shall become due, then an amount sufficient to pay the deficiency shall be advanced from the general fund of the County. The County's ability to levy ad valorem taxes to make such advances shall be subject to constitutional and statutory limitations on the taxing power of the County.

10. **Debt Service Fund.** There shall be established and maintained on the books of the County a fund to be designated "2012 WASTEWATER DISPOSAL FACILITY REFUNDING BONDS (LAKE COLUMBIA AREA SECTION) DEBT SERVICE FUND" (the "Debt Service Fund"). Into said fund there shall be placed the accrued interest, if any, received at the time of delivery of the Bonds. All payments received from the Township, pursuant to the Bond Contract, as amended by the First Amendment, for payment of the principal of, premium, if any, and interest on the Bonds are hereby pledged for the payment of the principal of, premium, if any, and interest on the Bonds and shall be deposited into the Debt Service Fund. As part of the Debt Service Fund, there shall be established and maintained such subaccounts as are deemed necessary and appropriate for the proper administration of the Debt Service Fund and compliance with the requirements of Section 148 of the Code, and the Treasury regulations promulgated thereunder. The principal of, premium, if any, and interest on the Bonds when due shall be paid directly out of the Debt Service Fund or its subaccounts.

11.     **Refunding Fund.** There shall be established and maintained on the books of the County a separate account designated “2012 WASTEWATER DISPOSAL FACILITY REFUNDING BONDS (LAKE COLUMBIA AREA SECTION) REFUNDING FUND” (the “Refunding Fund”). After deducting a sum equal to the amount of any accrued interest from the date of the Bonds to the date of delivery thereof, which sum shall be deposited in the Debt Service Fund in accordance with Paragraph 10 above, the balance of the proceeds of the Bonds shall be deposited into the Refunding Fund as follows: An amount equal to the cost of issuance of the Bonds shall be deposited into a subaccount of the Refunding Fund hereby designated as the “COST OF ISSUANCE ACCOUNT,” to be used solely to pay costs of issuance of the Bonds, and the remaining proceeds of the Bonds, together with any funds then on deposit in the Debt Service Fund established under the Series 2004 Bond Resolution and pledged for payment of principal of, premium, if any, and interest on the Bonds to be Refunded and any other funds provided by the Township, shall be deposited into a subaccount of the Refunding Fund hereby designated as the “REFUNDING ACCOUNT,” to be invested in the manner provided by law and used to pay the principal of, premium, if any, and interest on the Bonds to be Refunded on the Redemption Date for the Bonds to be Refunded. The monies on deposit in the Refunding Fund, including the subaccounts thereof, shall be held in a special trust account and subaccounts of the same names maintained at U.S. Bank National Association, Detroit, Michigan, or such other qualified bank or trust company designated by the County Treasurer (the “Escrow Trustee”), invested in the manner required by law and shall be used solely for the purposes specified above for each such subaccount. Any unexpended balance, including interest earnings, shall be used for such purposes as required by law, including without limitation, transfer to the Debt Service Fund. The County Treasurer is hereby authorized to execute and deliver on behalf

of the County an Escrow Deposit Agreement with the Escrow Trustee for the purpose of executing the provisions of this Paragraph 11. The Escrow Deposit Agreement shall be substantially in form attached hereto as Exhibit D with such additions and deletions as shall be determined by the County Treasurer and bond counsel to be in the best interest of the County. After the disposition of such funds pursuant to the provisions of this paragraph, the Refunding Fund shall be closed.

12. **Duties of County Treasurer.** The County Treasurer shall keep full and complete records of all deposits to and withdrawals from the Debt Service Fund and the Refunding Fund and of all investments of monies in such accounts and other transactions relating thereto. The County Treasurer is authorized to invest the monies in said accounts in any one or more lawful investments authorized by law for counties and consistent with the County investment policy.

13. **Revised Municipal Finance Act.** The County Administrator is hereby authorized and directed to file a municipal finance qualifying statement with the Michigan Department of Treasury with a goal of achieving qualified status for the County under section 303(3) of Act 34, and, in the event the County is determined to have qualified status, the County shall comply with all applicable requirements of Act 34, including the filing of a security report and the payment of the filing fee required by section 319 of Act 34. In the alternative, a prior approval application may be prepared and filed for the Bonds and the related filing fee shall be paid in accordance with Act 34 and the County Administrator or the Chairperson of the Board of Public Works is authorized and directed to execute said application on behalf of the County.

14. **Tax Covenant; Not Qualified Tax Exempt Obligations.** The County covenants to comply with all requirements of the Code necessary to assure that the interest on the Bonds will be and will remain excludable from gross income for purposes of federal income taxation

(as opposed to alternative minimum or other indirect taxation). The County does not designate the Bonds as “qualified tax exempt obligations” for purposes of deduction of interest expense by financial institutions under the provisions of Section 265(b)(3) of the Code, it being reasonably anticipated that the aggregate amount of tax exempt obligations which will be issued during 2012 by the County and all subordinate entities to the County shall exceed \$10,000,000. The County Treasurer, the Chairperson of the Board of Public Works and other appropriate County officials, acting for and on behalf of the County, are authorized and directed to do all things and to require the Township to do all things necessary to assure that the interest on the Bonds will be and will remain excludable from gross income for federal income tax purposes and that the Bonds and the Bond Contract, as amended by the First Amendment, will be and remain binding and valid obligations of the Township and the County.

15. **Bond Purchase Agreement; Negotiated Sale of Bonds.** The Board of Commissioners finds it to be in the best interest of the County and the Township, and their respective residents, taxpayers and electors, to sell the Bonds at a negotiated sale, rather than a competitive sale, in order to obtain the maximum flexibility in sizing the Bonds, based upon the structure of the refunding escrow, and in pricing and structuring the Bonds to take advantage of day to day fluctuations in the municipal bond market. The Chairperson of the County Board of Public Works and the County Administrator are hereby authorized to execute and deliver on behalf of the County a Bond Purchase Agreement substantially in the form attached hereto as Exhibit E (the “Bond Purchase Agreement”), which embodies the terms of the Bonds approved by the Chairperson of the County Board of Public Works and the County Administrator in accordance with this Resolution, with such additions to and deletions from the Bond Purchase Agreement as the Chairperson of the County Board of Public Works and the Administrator

determine to be in the best interest of the County, and the Chairperson of the County Board of Public Works and the Administrator are hereby authorized to sell the Bonds at a negotiated sale to Hutchinson, Shockey, Erley & Co., or an affiliate thereof (the “Underwriter”), pursuant to the Bond Purchase Agreement and in accordance with applicable state law, and to do all other things necessary to effectuate the sale, issuance, delivery, transfer and exchange of the Bonds in accordance with the provisions of this Resolution and the Bond Purchase Agreement.

16. **Official Statement.** The County Treasurer and other County officials are authorized to cause the preparation of a near final official statement and a final official statement for the Bonds for the purpose of enabling compliance with SEC Rule 15c2-12 (the “Rule”), and the County Treasurer is authorized to execute and deliver the final official statement on behalf of the County, and to do all other things necessary to enable compliance with the Rule. The use of the official statement by the Underwriter in the public offering and sale of the Bonds is hereby authorized. After the award of the Bonds, the County will provide on a timely basis 100 copies of the final official statement at its expense (and such additional copies of the final official statement as reasonably requested by, and at the expense of, the Underwriter of the Bonds) to enable the Underwriter to comply with paragraph (b)(4) of the Rule and the rules of the Municipal Securities Rulemaking Board.

17. **Continuing Disclosure.** The County hereby covenants and agrees, for the benefit of the holders of the Bonds, to cause the execution of a Continuing Disclosure Agreement in substantially the form attached hereto as Exhibit F, as the written undertaking of the County (the “Undertaking”) required by the Rule and 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. This Undertaking shall be enforceable by the holders of the Bonds in

the manner set forth therein and any failure by the County to comply with the provisions of the Undertaking shall not be an event of default with respect to the Bonds. The Undertaking is hereby approved in the form attached and the County Treasurer is hereby authorized and directed to execute the Undertaking and deliver the same for and on behalf of the County in conjunction with the delivery of the Bonds in the form approved by this Resolution, together with such additions and deletions as said officer deems to be appropriate and in the best interest of the County (in such number of counterparts as may be desirable).

18. **Financial Consultant.** Bendzinski & Co. Municipal Finance Advisors of Detroit, Michigan, is hereby retained by the County as financial consultant (the “Financial Consultant”) in connection with the issuance and sale of the Bonds. In that capacity, the Financial Consultant shall negotiate the terms of the sale of the Bonds to the Underwriter, shall make a written recommendation of the terms of the Bonds to the Chairperson of the Board of Public Works and the County Administrator, shall assist in the preparation of an official statement, shall prepare and file on behalf of the County all necessary applications for bond ratings and municipal bond insurance and shall assist in other related matters as directed by the County.

19. **Execution and Delivery of Bonds.** The Bonds shall be executed in the name of the County by the manual or facsimile signatures of the Chairperson of the Board of Commissioners and the County Clerk and authenticated by the manual signature of an authorized representative or signer for the Bond Registrar, and the seal of the County (or a facsimile thereof) shall be impressed or imprinted on the Bonds. After the Bonds have been executed and authenticated for delivery, they shall be delivered by or on behalf of the County Treasurer to the Purchaser upon receipt of the purchase price. Additional Bonds bearing the manual or facsimile signatures of the Chairperson of the Board of Commissioners and the County Clerk and upon

which the seal of the County (or a facsimile thereof) is impressed or imprinted may be delivered to the Bond Registrar for authentication and delivery in connection with the exchange or transfer of Bonds. The Bond Registrar shall indicate on each Bond the date of its authentication. The proceeds of the Bonds shall be deposited into the Debt Service Fund and the Refunding Fund, as provided in Paragraphs 10 and 11 above. The officers, agents and employees of the County and the Board of Public Works are authorized and directed to execute and deliver such certificates, affidavits or other documents or instruments, including without limitation all necessary applications for municipal bond ratings and municipal bond insurance, and retain a verification agent, as may be required by the Purchaser, or bond counsel, or convenient to effectuate the sale, execution and delivery of the Bonds. The County shall furnish the Bonds ready for execution without expense to the Purchaser. The County shall also furnish without expense to the Purchaser at the time of delivery of the Bonds, the approving opinion of Mika Meyers Beckett & Jones PLC, Attorneys, Grand Rapids, Michigan, as bond counsel, approving the legality of the Bonds. The Bonds will be delivered at the expense of the County in such city as agreed upon with the Purchaser. The County Treasurer shall, within thirty (30) days after delivery of the Bonds furnish to the Township a complete schedule of maturities of principal of and interest thereon.

20. **Defeasance.** In the event cash or direct obligations of the United States or obligations the principal of and interest on which are guaranteed by the United States, or a combination thereof, the principal of and interest on which, without reinvestment, come due at times and in amounts sufficient to pay, at maturity or such earlier date as the Bonds are subject to redemption in full, the principal of, premium, if any, and interest on the Bonds, shall have been 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 herein.

21. **First Amendment.** The First Amendment is hereby approved in the form attached as Exhibit C and the Chairperson and Secretary of the Board of Public Works are hereby authorized and directed to execute and deliver, on behalf of the County, the First Amendment in the form approved by this Resolution together with such additions and deletions as the Chairperson and Secretary of the Board of Public Works deem to be appropriate and in the best interest of the County (in such number of counterparts as may be desirable).

22. **Notice of Redemption of Bonds to be Refunded.** Following the execution and delivery of the Bonds in accordance with the Bond Purchase Agreement, the County Treasurer is hereby directed to give irrevocable instructions to the bond registrar for the Bonds to be Refunded to have such bond registrar call the Bonds To Be Refunded for redemption on the Redemption Date by signing and delivering a notice of redemption to that effect by first-class mail, postage prepaid, to the registered owners of the Bonds To Be Refunded at the registered address as shown on the registration books kept by such bond registrar, it being understood that the necessary directions for redemption of the Bonds to be Refunded may be embodied in the Escrow Deposit Agreement authorized by Paragraph 11 of this Resolution.

23. **Authorized Officers.** In the absence or disability of the Chairman of the Board of Public Works, the Vice Chairman of the Board of Public Works shall act in his stead for all purposes of this Resolution. In the absence or disability of the Secretary of the Board of Public Works, the Deputy Secretary, if any, of the Board of Public Works shall act in his stead for all purposes of this Resolution. In the absence or disability of the County Administrator, the Deputy

County Administrator shall act in his stead for all purposes of this Resolution. In the absence or disability of the County Treasurer, the Chief Deputy Treasurer shall act in her stead. In the absence or disability of the Chairman of the County Board of Commissioners, the Vice Chairman of the County Board of Commissioners shall act in his stead. In the event of the absence or disability of the County Clerk, the Chief Deputy Clerk shall act in her stead.

24. **Prior Resolutions.** All resolutions and parts of resolutions in conflict herewith shall be and the same are hereby rescinded.

YEAS: Commissioners: \_\_\_\_\_  
\_\_\_\_\_

NAYS: Commissioners: \_\_\_\_\_  
\_\_\_\_\_

ABSTAIN: Commissioners: \_\_\_\_\_

RESOLUTION DECLARED ADOPTED.

\_\_\_\_\_  
Amanda L. Riska, County Clerk

STATE OF MICHIGAN     )  
                                  ) SS.  
COUNTY OF JACKSON    )

I, Amanda L. Riska, the duly qualified and acting Clerk of the County of Jackson, Michigan, do hereby certify that the foregoing is a true and complete copy of a Resolution adopted by the County Board of Commissioners at a regular meeting thereof held on the 17th day of April, 2012, the original of which is on file in my office. Public notice of said meeting was given pursuant to and in compliance with Act No. 267, Public Acts of Michigan, 1976, as amended, including in the case of a special or rescheduled meeting, notice by publication or posting at least eighteen (18) hours prior to the time set for the meeting.

IN WITNESS WHEREOF, I have affixed my official signature this \_\_\_\_ day of \_\_\_\_\_, 2012.

\_\_\_\_\_  
Amanda L. Riska, County Clerk

**EXHIBIT A**

REGISTERED

UNITED STATES OF AMERICA

REGISTERED

STATE OF MICHIGAN

COUNTY OF JACKSON

WASTEWATER DISPOSAL FACILITY REFUNDING BONDS  
(LAKE COLUMBIA AREA SECTION)  
GENERAL OBLIGATION LIMITED TAX, SERIES 2012

No.

Rate

Maturity

Date of Original Issue

CUSIP

\_\_\_\_\_, 201\_

Registered Owner:

Principal Amount:

KNOW ALL MEN BY THESE PRESENTS, that the County of Jackson, State of Michigan (the "County"), acknowledges itself indebted and for value received hereby promises to pay on the date specified above to the owner specified above or its registered assigns shown as the owner of record of this bond on the books of \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, Michigan, as bond registrar (the "Bond Registrar") on the applicable date of record, the principal sum specified above in lawful money of the United States of America, upon presentation and surrender of this bond at the principal office of the Bond Registrar, together with interest thereon at the rate per annum specified above payable on \_\_\_\_\_ 1, 201\_, and semi-annually thereafter on the first day of \_\_\_\_\_ and \_\_\_\_\_ of each year from the \_\_\_\_\_ 1 or \_\_\_\_\_ 1 next preceding the Date of Authentication hereof, unless such Date of Authentication is a date to which interest has been paid or duly provided for, in which case from the Date of Authentication hereof, unless interest on this bond has not been paid in full or duly provided for, in which case from the date to which interest has been paid in full, or if no interest has been paid on this bond, from the Date of Original Issue specified above, until payment of the principal hereof has been made or duly provided for. Payment of interest shall be paid to the registered owner hereof by the Bond Registrar by first class mail. The date of record shall be each \_\_\_\_\_ 15 and \_\_\_\_\_ 15 with respect to the payments due on each \_\_\_\_\_ 1 and \_\_\_\_\_ 1, respectively. Principal and interest are payable in lawful money of the United States of America.

This bond is one of a series of bonds of like date and tenor except as to date of maturity and rate of interest aggregating the principal sum of \$\_\_\_\_\_ (the "Bonds") issued by the County under and pursuant to and in full conformity with the Constitution and statutes of

Michigan (especially Act 185 of the Public Acts of 1957, as amended, and Act 34 of the Public Acts of Michigan of 2001, as amended) and a bond authorizing resolution adopted by the Board of Commissioners of the County (the "Bond Authorizing Resolution") for the purpose of refunding [all][that portion] of the County's outstanding Jackson County Wastewater Disposal Facility (Lake Columbia Area Section) Bonds (General Obligation Limited Tax), Series 2004, dated August 1, 2004, maturing in the years \_\_\_\_ through 2024. The bonds of this series are issued in anticipation of payments to be made by the Township of Columbia pursuant to a contract, dated February 1, 2004, and amended February 1, 2012, between the Township and the County. The full faith and credit of the Township has been pledged to the prompt payment of the foregoing amount and the interest thereon as the same become due. As additional security, the full faith and credit of the County are hereby pledged for the prompt payment of the principal of and interest on the bonds of this series. Taxes levied by the Township and the County to pay the principal of and interest on the bonds of this series are subject to constitutional and statutory tax limitations.

[The Bonds maturing in the years \_\_\_\_ through \_\_\_\_ shall not be subject to redemption prior to maturity.]

#### **[MANDATORY REDEMPTION]**

[The Bonds maturing \_\_\_\_\_ 1, 20\_\_\_\_, and \_\_\_\_\_ 1, 20\_\_\_\_ (the "Term Bonds") are subject to mandatory redemption, in part, by lot, on the redemption dates and in the principal amounts set forth below and at a redemption price equal to the principal amount thereof, without premium, together with interest thereon to the date fixed for redemption. When a Term Bond is purchased by the County and delivered to the Bond Registrar for cancellation or is redeemed in a manner other than by mandatory redemption, the principal amount of the Term Bond, to be so redeemed shall be reduced by the principal amount of the Term Bond so redeemed or purchased in the order determined by the County.

Redemption Date	Principal Amount
_____ 1, 20____	\$ _____
_____ 1, 20____	\$ _____ (Term Bond Maturity)
_____ 1, 20____	\$ _____
_____ 1, 20____	\$ _____ (Term Bond Maturity)]

#### **[OPTIONAL REDEMPTION]**

[Bonds maturing in the years \_\_\_\_ to \_\_\_\_, both inclusive, shall be subject to redemption prior to maturity, at the option of the County, in whole or in part in increments of \$5,000 in such order of maturity as the County may determine and within any maturity by lot on any interest payment date on or after \_\_\_\_\_ 1, \_\_\_\_, at par and accrued interest to the date fixed for redemption plus a premium expressed as a percentage of par value as follows:

\_\_\_\_% of the principal amount of each Bond or portion thereof called for redemption on or after \_\_\_\_\_ 1, \_\_\_\_, but prior to \_\_\_\_\_ 1, \_\_\_\_; and

\_\_\_\_% of the principal amount of each Bond or portion thereof called for redemption on or after \_\_\_\_\_ 1, \_\_\_\_\_, but prior to \_\_\_\_\_.

No premium shall be paid on Bonds or portions thereof called for redemption on or after \_\_\_\_\_ 1, \_\_\_\_\_.]

In the event a Bond maturing in any one year is redeemed in part, the unredeemed remaining principal portion of the Bond shall in no event be less than the minimum authorized denomination of \$\_\_\_\_\_.

[Notice of redemption of any Bond shall be given at least thirty (30) days prior to the date fixed for redemption by mail to the registered owner or owners at the registered addresses shown on the registration books kept by the Bond Registrar. Bonds shall be called for redemption in multiples of \$5,000 and Bonds of denominations of greater than \$5,000 shall be treated as representing the number of Bonds obtained by dividing the denomination of the Bond by \$5,000 and such Bonds may be redeemed in part. The notice of redemption for bonds redeemed in part shall state that upon surrender of the bond to be redeemed a new Bond or Bonds in aggregate principal amount equal to the unredeemed portion of the bond surrendered shall be issued to the registered owner thereof. No further interest payment on the Bonds or portions of the Bonds called for redemption shall accrue after the date fixed for redemption, whether or not the Bond is presented for redemption, provided funds are on hand with the Bond Registrar to redeem the same.]

This bond is transferable, as provided in the Bond Authorizing Resolution, on the bond registration books of the Bond Registrar upon surrender of this bond together with an assignment executed by the registered owner or his or her duly authorized attorney in form satisfactory to the Bond Registrar. Upon such transfer, one or more fully registered bonds with minimum authorized denominations up to the amount of a single maturity in the same aggregate principal amount and the same maturity and interest rate, will be issued to the designated transferee or transferees. The Bond Registrar shall not be required to transfer or exchange bonds or portions of bonds which have been selected for redemption.

It is hereby certified and recited that all acts, conditions and things required by law precedent to and in the issuance of the Bonds have been done, exist and have happened in due time and form as required by law, and that the total indebtedness of the County, including the series of bonds of which this bond is one, does not exceed any constitutional or statutory limitations.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Authorizing Resolution until the Certification of Registration and Authentication hereon shall have been manually signed by the Bond Registrar.

IN WITNESS WHEREOF, the County of Jackson, Michigan, by its Board of Commissioners, has caused this bond to be executed in its name by facsimile signatures of the

Chairperson of the Board of Commissioners and the County Clerk and its County seal (or a facsimile thereof) to be impressed or imprinted hereon.

COUNTY OF JACKSON

(SEAL)

By: \_\_\_\_\_  
Amanda L. Riska, County Clerk

By: \_\_\_\_\_  
\_\_\_\_\_, Chairperson  
Board of Commissioners

## CERTIFICATION OF REGISTRATION AND AUTHENTICATION

This Bond is one of the Bonds described in the within mentioned Bond Authorizing Resolution and has been registered in the name of the payee designated on the face hereof in the Register maintained for the Issuer thereof.

U.S. BANK NATIONAL ASSOCIATION  
As Bond Registrar

Date of  
Authentication: \_\_\_\_\_

By \_\_\_\_\_

Its Authorized Representative

## ASSIGNMENT

For value received, the undersigned sells, assigns and transfers unto \_\_\_\_\_

the within Bond and all rights thereunder and hereby irrevocably constitutes and appoints \_\_\_\_\_ attorney to transfer the within Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed:

\_\_\_\_\_  
Signature(s) must be guaranteed by an eligible guarantor institution participating in a Securities Transfer Association recognized signature guarantee program.

\_\_\_\_\_  
NOTICE: The signature(s) to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

The Bond Registrar will not affect transfer of this Bond unless the information concerning the transferee requested below is provided.

Name and Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
(Include information for all joint owners if this Bond is held by joint account)

PLEASE INSERT SOCIAL SECURITY NUMBER OR  
OTHER IDENTIFYING NUMBER OF TRANSFeree

\_\_\_\_\_  
(Insert number for first-named transferee if held by joint account)

## EXHIBIT B

### ORDER APPROVING SALE AND TERMS OF BONDS

We, the undersigned Chairperson of the County Board of Public Works and the County Administrator of the County of Jackson hereby approve the following terms of the Jackson County Wastewater Disposal Facility Refunding Bonds (Lake Columbia Area Section) General Obligation Limited Tax, Series 2012 (the "Bonds") pursuant to authorization set forth in the Resolution to Authorize Issuance of Wastewater Disposal Facility Refunding Bonds (Lake Columbia Area Section) General Obligation Limited Tax, Series 2012, adopted by the Jackson County Board of Commissioners on \_\_\_\_\_, 2012:

1. The Bonds shall be dated as of \_\_\_\_\_.
2. The principal amount of the Bonds shall be \$\_\_\_\_\_;
3. The Bonds shall mature as follows:

Maturity (_____) 1)	Principal <u>Amount</u>	Rate of <u>Interest</u>
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4. Interest shall be paid semi-annually on the Bonds on \_\_\_\_\_ 1 and \_\_\_\_\_ 1 of each year commencing \_\_\_\_\_ 1, \_\_\_\_\_.
5. The Bonds shall [not] be subject to [\_\_\_\_\_] redemption prior to maturity on the following terms: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_.
6. The Bonds shall be issued in minimum denominations of \$\_\_\_\_\_ or any \$\_\_\_\_\_ increment in excess of \$\_\_\_\_\_ up to the aggregate principal amount of a single maturity.
7. The Bonds shall be sold to \_\_\_\_\_.
8. The Bonds [shall] [shall not] be issued in book-entry only form.
9. The Bond Registrar shall be \_\_\_\_\_, \_\_\_\_\_, Michigan.
10. The Escrow Agent shall be \_\_\_\_\_, \_\_\_\_\_, Michigan.

11. The 2012 Wastewater Disposal Facility Refunding Bonds (Lake Columbia Area Section) Bond) Refunding Fund shall be funded in the following manner:

Proceeds of the Refunding Bonds	\$
Funds on Hand in the Debt Service Fund for the Bonds to be Refunded	\$
Funds on Hand Provided by Township of Columbia	\$
Other	\$ _____
Total	\$

- [12. Additional terms applicable to the Bonds, if any.]

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

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Geoffrey W. Snyder  
Chairperson  
Jackson County Board of Public Works

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Mike Overton  
County Administrator  
County of Jackson

**EXHIBIT C**

**FIRST AMENDMENT TO  
JACKSON COUNTY WASTEWATER DISPOSAL FACILITY  
(LAKE COLUMBIA AREA SECTION) BOND CONTRACT**

**FIRST AMENDMENT TO  
JACKSON COUNTY WASTEWATER DISPOSAL FACILITY  
(LAKE COLUMBIA AREA SECTION) BOND CONTRACT**

THIS FIRST AMENDMENT is made and entered into as of this 1st day of February, 2012 (the “First Amendment”), by and between the County of Jackson, Michigan (the “County”) acting by and through its Board of Public Works (the “Board”), the governing body of its Department of Public Works pursuant to Act 185 of the Public Acts of Michigan of 1957, as amended (“Act 185”), and the Township of Columbia, a general law Township located in the County (the “Township”).

**WITNESSETH:**

WHEREAS, the County and the Township are parties to the Jackson County Wastewater Disposal Facility (Lake Columbia Area Section) Bond Contract, dated as of February 1, 2004 (the “Original Bond Contract”), pursuant to which the County issued its Jackson County Wastewater Disposal Facility (Lake Columbia Area Section) Bonds (General Obligation Limited Tax), Series 2004, dated as of August 1, 2004, in the original principal amount of \$11,000,000 (the “Series 2004 Bonds”) in accordance with a bond authorizing resolution adopted by the Jackson County Board of Commissioners on June 15, 2004 (the “Series 2004 Bond Resolution”) and Act 185; and

WHEREAS, the Series 2004 Bonds are currently outstanding in the aggregate principal amount of \$7,950,000, mature, or are subject to mandatory redemption, annually on April 1 of the years 2012 through 2024, inclusive, bear interest at coupon rates which range from 3.875% per annum to 4.75% per annum and are subject to optional redemption on any interest payment date on or after April 1, 2014; and

WHEREAS, the County is authorized to refund the Series 2004 Bonds, in whole or in part, prior to maturity, subject to the requirements of the Internal Revenue Code of 1986, as

amended (the “Code”), Act 185 and Act 34 of the Public Acts of Michigan of 2001, as amended (“Act 34”); and

WHEREAS, the Township has determined that it is in the best interest of the Township to have the Series 2004 Bonds refunded in full or in part to achieve savings in the cost of debt service as a result of current prevailing low interest rates in the municipal bond market; and

WHEREAS, Act 34 authorizes the County to refund all or any portion of the Series 2004 Bonds by the issuance of refunding bonds by resolution of the County Board of Commissioners and without a vote of County electors, which refunding bonds may be issued in a principal amount greater than the principal amount of the bonds to be refunded as may be necessary to effect the refunding pursuant to a plan of refunding, including the payment of the redemption premium and other expenses necessary to be paid in connection with the bonds to be refunded and the cost of issuance of the refunding bonds; and

WHEREAS, the County and the Township are entering into this First Amendment under the authorization of Act 185 and Act 34 (a) to confirm the authority of the County to issue refunding bonds secured by the Original Bond Contract, (b) to enable the Township to ratify and confirm its continuing obligation to pay debt service due on the Series 2004 Bonds, to the extent any portion of the Series 2004 Bonds are not refunded; (c) to enable the Township to confirm that the obligation of the Township to pay to the County in accordance with the Original Bond Contract, as amended hereby, the principal of, premium, if any, and interest on refunding bonds sold by the County to refund any portion of the Series 2004 Bonds is secured by the Original Bond Contract, as amended by this First Amendment; and (d) to enable the County and the Township to determine that this First Amendment and a refunding of the Series 2004 Bonds, in whole or in part, in the manner contemplated by this First Amendment does not in any manner affect the security of the Series 2004 Bonds, if any, which are not refunded.

IT IS THEREFORE AGREED BY AND BETWEEN THE PARTIES HERETO, for and in consideration of the agreement and covenants of each other and moneys to be paid one to the other, as follows:

1. **Amendment of Original Bond Contract.** The Original Bond Contract is hereby amended by the addition of new Section 12A, which shall read as follows:

“12.A. **REFUNDING BONDS.** The Bonds, any additional bonds authorized and issued pursuant to Section 12, and any refunding bonds authorized and issued pursuant to this Section 12A (together, the “Prior Bonds”) may be refunded, in whole or in part, by the issuance of refunding bonds by the County in accordance with Act 185, Act 34 of the Public Acts of Michigan of 2001, as amended (“Act 34”), the Internal Revenue Code of 1986, as amended, and other applicable state and federal law, provided that:

(1) The refunding results in a net present value savings when the debt service on the bonds to be refunded is compared with the debt service on the refunding bonds, including the cost of issuance of the refunding bonds, and taking into account the use of funds on hand; and

(2) The Township consents by resolution of the Township Board to the terms of the refunding, which consent may be based upon the refunding achieving net present value interest savings.

In the event the County issues refunding bonds hereunder, the Township hereby agrees to revise by increase or decrease, as the case may be, the payments required to be made under this Contract by the Township in an amount sufficient to meet the principal and interest payments on the refunding bonds and, in the event of a partial refunding, any portion of the Prior Bonds which will remain outstanding. It is expressly agreed that the Township shall be committed to retire all refunding bonds issued hereunder.

In the event the Prior Bonds are refunded in part such that a portion of the Prior Bonds remain outstanding, the payments required to be made under this Contract with respect to the outstanding Prior Bonds and the refunding bonds shall be made to the County on an equal standing basis.

In the event any refunding bonds are issued by the County in accordance with this Section 12A, the references to Bonds herein shall be deemed to include such refunding bonds for all purposes of Section 10 (with respect to payment of the costs of the Project, debt service and bond service charges, payment procedures, and the pledge by the County of debt service payments made by the Township for the payment of bonds), Section 11 (with respect to the Township’s pledge of full faith and credit and the sources of revenue available to the Township to make payments required by the Contract), Section 15 (with respect to the obligation of the Township to levy rates and charges or provide other

revenues sufficient to enable the Township to pay the expenses of operation, maintenance and administration of the System and/or debt service on any bonds when due), Section 19 (with regard to the rights and remedies available to the County in the event of a default by the Township), Section 21 (with regard to the tax covenant by the County and the Township), Section 22 (with respect to the rights of bondholders), Section 23 (with regard to indemnification), and Section 24a (with regard to the term of this Contract and the termination hereof upon payment in full of all bonds issued in accordance with this Contract), it being the express intent of the County and the Township that the refunding bonds, if any, authorized and issued in accordance with this Section 12A be secured by this Contract, the full faith and credit pledge by the Township and the payments made by the Township in accordance with this Contract in the same manner as the Bonds and any additional bonds authorized and issued pursuant to Section 12 and that the holders of the refunding bonds, if any, authorized and issued in accordance with this Section 12A shall be entitled to the same rights under this Contract as the holders of the Bonds and any additional bonds authorized and issued pursuant to Section 12, on an equal standing basis.”

2.     **REFUNDING BONDS.** The Township has requested the County, and the County has agreed, to issue refunding bonds (the “Refunding Bonds”) in accordance with Section 12A of the Original Bond Contract, as amended by this First Amendment, to refund the County's Series 2004 Bonds in whole or in part (the “Bonds to be Refunded”) to take advantage of low prevailing interest rates and achieve net present value savings in debt service. With respect to the Series 2004 Bonds, the Bonds to be Refunded, and the Refunding Bonds, the County and the Township hereby covenant as follows:

a.     The Series 2004 Bonds are the only Prior Bonds issued by the County pursuant to the Original Bond Contract, as amended by this First Amendment, and outstanding as of the date of this First Amendment.

b.     The adoption and execution of this First Amendment shall not affect the security of the Series 2004 Bonds or the prompt and timely payment of the principal and interest on the Series 2004 Bonds for the following reasons:

(1)    The Bonds to be Refunded will be redeemed in full from the proceeds of the Refunding Bonds and available funds on hand, if any, in accordance with

the terms of the Series 2004 Bond Resolution on the next available redemption date which follows the date of delivery of the Refunding Bonds.

(2) The Refunding Bonds shall not be issued by the County unless there is a net present value savings in the payment of debt service when the debt service on the Bonds to be Refunded is compared to the aggregate debt service payable on the Refunding Bonds, including the cost of issuance of the Refunding Bonds and taking into account the use of funds on hand, thereby reducing the total debt service payments payable by the Township to the County pursuant to the Original Bond Contract, as amended by this First Amendment with respect to the Refunding Bonds, when compared to the total debt service payments on the Bonds to be Refunded, assuming the Bonds to be Refunded are not refunded.

(3) The Series 2004 Bonds, to the extent not refunded by the Refunding Bonds, shall continue to be secured in the same manner and to the same extent as the Series 2004 Bonds are secured by the terms of the Series 2004 Bond Resolution and the Original Bond Contract.

c. Prior to the issuance of the Refunding Bonds, the Series 2004 Bonds will continue to be secured in the same manner and to the same extent as provided by the terms of the Series 2004 Bond Resolution and the Original Bond Contract.

d. After the issuance of the Refunding Bonds, the Bonds to be Refunded shall be fully secured by the proceeds of the Refunding Bonds and available funds on hand, if any, which shall be held in escrow and restricted solely for the purpose of redeeming in full the Bonds to be Refunded on the first available date for redemption and payment of the costs of issuance of the Refunding Bonds.

e. The Refunding Bonds shall be secured in the same manner and to the same extent as the Bonds to be Refunded on an equal standing basis with the Series 2004 Bonds,

to the extent not funded by the Refunding Bonds, in accordance with the terms of the bond authorizing resolution adopted, or to be adopted, by the County Board of Commissioners to authorize the issuance of the Refunding Bonds, the Series 2004 Bond Resolution and the Original Bond Contract, as amended by this First Amendment.

IN WITNESS WHEREOF, the Township of Columbia, Jackson, County, Michigan, by its Township Board, and the County of Jackson, by its Board of Public Works have each caused its name to be signed to this instrument by their duly authorized officers as of the day and year first above written.

This Contract has been executed in counterparts.

COUNTY OF JACKSON  
BY ITS BOARD OF PUBLIC WORKS

By: \_\_\_\_\_  
Geoffrey W. Snyder, Chairperson  
Jackson County Board of Public Works

By: \_\_\_\_\_  
Kenneth L. Elenbaas, Secretary  
Jackson County Board of Public Works

TOWNSHIP OF COLUMBIA

By: \_\_\_\_\_  
Robert Elrod, Supervisor

By: \_\_\_\_\_  
Barry Marsh, Clerk

**EXHIBIT D**

**FORM OF ESCROW DEPOSIT AGREEMENT**

## ESCROW DEPOSIT AGREEMENT

THIS ESCROW DEPOSIT AGREEMENT, is dated as of \_\_\_\_\_, 20\_\_, by and among the COUNTY OF JACKSON, a Michigan county corporation (the “County”) and U.S. BANK NATIONAL ASSOCIATION, a national banking association, as escrow trustee (the “Escrow Trustee”).

WHEREAS, the County has issued and delivered its \$\_\_\_\_\_ Wastewater Disposal Facility Refunding Bonds (Lake Columbia Area Section) General Obligation Limited Tax, Series 2012, dated as of \_\_\_\_\_, 20\_\_ (the “Refunding Bonds”) pursuant to a bond authorizing resolution adopted by the County’s Board of Commissioners on \_\_\_\_\_, 2012 and the \_\_\_\_\_ executed by the County \_\_\_\_\_ (together, the “Refunding Bond Resolution”) for the purpose of [advance] refunding a portion of the County’s \$11,000,000 original aggregate principal amount of Jackson County Wastewater Disposal Facility (Lake Columbia Area Section) Bonds (General Obligation Limited Tax), Series 2004, dated August 1, 2004 (the “Prior Bonds”); and

WHEREAS, the Prior Bonds were issued under and pursuant to a resolution adopted by the County Board of Commissioners on June 15, 2004 (the “Prior Bond Resolution”); and

WHEREAS, the County has determined to provide for the defeasance of the outstanding Prior Bonds maturing on April 1 in each of the years \_\_\_\_ through 2024, inclusive (the “Bonds to be Defeased”), which will be outstanding in the aggregate principal sum of \$\_\_\_\_\_ at the time of the deposit in escrow; and, and the County has provided sufficient funds to the County for that purpose; and

WHEREAS, U.S. Bank National Association, a national banking association, is the bond registrar and paying agent (the “Paying Agent”) with respect to the Bonds to be Defeased; and

WHEREAS, the parties have determined to provide for payment of the Bonds to be Defeased in accordance with Paragraph 20 of the Prior Bond Resolution by depositing with the Escrow Trustee, sufficient cash and noncallable direct obligations of the United States of America, the principal of and interest on which, when due and payable, will provide sufficient money to pay the principal of, premium, if any, and interest on the Bonds to be Defeased in accordance with the schedule set forth in Exhibit B attached hereto;

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

**Section 1. Receipt of Bond Resolution.** Receipt of a true and correct copy of the Prior Bond Resolution and the Refunding Bond Resolution is acknowledged by the Escrow Trustee.

**Section 2. Creation of Escrow Deposit Fund.** There is created and established with the Escrow Trustee a special and irrevocable escrow fund designated the “2012 Wastewater Disposal Facility Refunding Bonds (Lake Columbia Area Section) Refunding Fund” (the “Escrow Deposit Fund”), to be held in trust by the Escrow Trustee on behalf of the County, separate and apart from other funds of the Escrow Trustee and the County, if any. The Escrow Trustee shall create within the Escrow Deposit Fund an account designated the “Refunding Account” and an account designated the “Cost of Issuance Account.”

**Section 3. Funding of the Escrow Deposit Fund; Purchase of Government Obligations.** Concurrently with the execution and delivery of this Agreement, the County shall transfer or cause to be transferred to the Escrow Trustee (a) for deposit in the Refunding Account of the Escrow Deposit Fund the sum of \$\_\_\_\_\_ from proceeds of the Refunding Bonds and from \_\_\_\_\_, and (b) for deposit in the Cost of Issuance Account of the Refunding Fund the sum of \$\_\_\_\_\_ from proceeds of the Refunding Bonds and from \_\_\_\_\_. The Escrow Trustee shall use such funds in the Refunding Account of the Escrow Deposit Fund to purchase on behalf of the County the noncallable direct obligations of the United States of America listed in Exhibit A attached hereto. The noncallable direct obligations of the United States of America deposited into the Refunding Account of the Escrow Deposit Fund shall hereafter be referred to as the "Escrowed Securities." The funds in the Cost of Issuance Account of the Escrow Deposit Fund shall remain uninvested until used in accordance with this agreement.

**Section 4. Acceptance of Escrow; Application of Escrow Deposit Fund; Irrevocable Call for Redemption.** The Escrow Trustee accepts the money and investments deposited pursuant to this Escrow Deposit Agreement. The deposit of the money and investments in the Escrow Deposit Fund shall constitute an irrevocable deposit of the money and investments and the interest earned thereon for the benefit of the holders of the Bonds to be Defeased and such money and investments, together with any interest earned thereon, shall be held in trust and shall be applied solely to (a) from monies in the Refunding Account of the Escrow Deposit Fund, the payment of the principal of, premium, if any, and interest on, the Bonds to be Defeased in accordance with the schedule set forth in Exhibit B attached hereto, and (b) from monies in the Cost of Issuance Account of the Escrow Deposit Fund, the payment of the costs of issuance of the Refunding Bonds as approved by the County. The County irrevocably exercises its option under Paragraph 5 of the Prior Bond Resolution to direct the Paying Agent to call the Bonds to be Defeased maturing on and after \_\_\_\_\_ 1, 20\_\_, for redemption on \_\_\_\_\_ 1, 20\_\_ (the "Redemption Date").

**Section 5. Investment Powers; Substitution of Investments; Reinvestment; Section 148 Matters; Deficits and Surpluses.**

a. The Escrow Trustee shall apply the cash and the Escrowed Securities deposited in the Escrow Deposit Fund and the investments purchased therefrom, if any, together with any interest earned thereon, in accordance with the provisions of this Escrow Deposit Agreement. Except as otherwise expressly provided in this Escrow Deposit Agreement, the Escrow Trustee shall have no power or duty to invest any money in the Escrow Deposit Fund or to make substitutions of the investments held in the Escrow Deposit Fund or to sell, transfer or otherwise dispose of the investments acquired pursuant to this Escrow Deposit Agreement.

b. At the written direction of the County, and upon compliance with the conditions hereinafter stated, the Escrow Trustee shall have the power to sell, transfer, otherwise dispose of or request the redemption of the investments of the Escrow Deposit Fund and to substitute therefor other noncallable direct obligations of the United States of America (other than unit investment trusts and mutual funds) (the "Substituted Investments"). The Escrow Trustee shall purchase such Substituted Investments with the proceeds derived from the sale, transfer, disposition or redemption of money or investments in the Escrow Deposit Fund. The substitution of investments described above may be effected only if: (i) the Escrow Trustee shall have received a written opinion of a firm of independent certified public accountants that, upon

completion of such substitution, the money and Substituted Investments, including the interest to be earned thereon (but not including the reinvestment of interest, if any), together with the money and other Substituted Investments previously deposited into the Escrow Deposit Fund pursuant to this Section and the Escrowed Securities held by the Escrow Trustee in the Escrow Deposit Fund, including the interest thereon, will be no less than an amount sufficient, without reinvestment, to pay the principal of, premium, if any, and interest on the Bonds to be Defeased in accordance with the schedule set forth in Exhibit B attached hereto; and (ii) the County shall have furnished the Escrow Trustee with a written opinion of legal counsel acceptable to the County to the effect that the substitution is then permitted by law and permitted by this Escrow Deposit Agreement and will not cause any of the Prior Bonds or Refunding Bonds to become an “arbitrage bond” as defined in Section 148(a) of the Internal Revenue Code of 1986, as amended (the “Code”), and will not otherwise adversely affect the exclusion of the interest on any of the Prior Bonds or the Refunding Bonds from gross income for purposes of federal income taxation.

c. At the written direction of the County, the Escrow Trustee shall have the power to reinvest proceeds of the Escrowed Securities held by the Escrow Trustee only if: (i) such reinvestment is as contemplated by the written opinion of a firm of independent certified public accountants, delivered on the date of execution and delivery of this Agreement, as to the sufficiency of the cash balance and Escrowed Securities deposited to the Escrow Deposit Fund to pay the principal of, premium, if any, and interest on, the Bonds to be Defeased, or (ii) the Escrow Trustee shall have received (A) a written opinion of a firm of independent certified public accountants that, upon completion of such reinvestment, the amount on deposit in the Escrow Deposit Fund, including the interest thereon, will be sufficient to pay the principal of, premium and interest on, the Bonds to be Defeased in accordance with the schedule set forth in Exhibit B attached hereto and (B) a written opinion of legal counsel, acceptable to the County, that such reinvestment will not cause the Prior Bonds or Refunding Bonds to become “arbitrage bonds” as defined in Section 148(a) of the Code and will not otherwise adversely affect the exclusion of the interest on the Prior Bonds or Refunding Bonds from gross income for purposes of federal income taxation.

d. If the Escrow Trustee receives (i) a written opinion of a firm of independent certified public accountants, acceptable to the County, that the money and investments in the Refunding Account of the Escrow Deposit Fund, including the gains realized and interest earnings thereon without further reinvestment, will be in excess of the amount necessary to pay the principal of, premium and interest on, the Bonds to be Defeased in accordance with the schedule set forth in Exhibit B attached hereto, and (ii) a written opinion of legal counsel, acceptable to the County, that the transfer described in this sentence will not cause the Prior Bonds or Refunding Bonds to become “arbitrage bonds” as defined in Section 148(a) of the Code and will not otherwise adversely affect the exclusion of the interest on the Prior Bonds or Refunding Bonds from gross income for purposes of federal income taxation, the Escrow Trustee shall transfer the amount of such excess in the Refunding Account of the Escrow Deposit Fund to the County. If the Escrow Trustee receives an opinion of a firm of independent certified public accountants that the money and investments in the Refunding Account of the Escrow Deposit Fund, including the earnings thereon (but not including the reinvestment of interest, if any), will be insufficient for any reason to pay all of the Bonds to be Defeased in accordance with the schedule set forth in Exhibit B attached hereto, the County shall pay or cause to be paid to the Escrow Trustee for deposit to the Refunding Account of the Escrow Deposit Fund such sum of money as, in the opinion of such independent certified public accountants, is necessary to remove the insufficiency.

e. In the event the County is unable to cause to be delivered on the date of execution and delivery of this Agreement all or any part of the Escrowed Securities, then the County may substitute for the Escrowed Securities different noncallable direct obligations of the United States of America (other than unit investment trusts and mutual funds) (the "Replacement Securities") for delivery for purchase by the Escrow Trustee on the date of execution and delivery of this Agreement upon receipt of a written opinion of legal counsel acceptable to the County to the effect that the Replacement Securities will not cause the Prior Bonds or Refunding Bonds to be "arbitrage bonds" as defined in Section 148(a) of the Code and will not otherwise adversely affect the exclusion of the interest on any of the Prior Bonds or Refunding Bonds from gross income for purposes of federal income taxation. The Replacement Securities must be demonstrated by a report of a firm of independent certified public accountants to produce principal and interest, on \_\_\_\_\_ 1, 20\_\_, in an amount at least equal to the cash flow (principal and interest) of the Escrowed Securities on such date. The proceeds of the Replacement Securities shall be held in cash, uninvested, and used to make the payments that would have been made from the proceeds of the Escrowed Securities. At any time prior to the maturity of the Escrowed Securities, the County may, upon the direction of the seller of the Replacement Securities to the County, replace the Replacement Securities with the Escrowed Securities, and, upon the delivery of the Escrowed Securities, the Replacement Securities shall be released by the Escrow Trustee and delivered, together with all cash flow previously produced by the Replacement Securities held by the Escrow Trustee and not required to pay the principal of, premium, if any, and interest on the Bonds to be Defeased (as shall be demonstrated by a verification report of a firm of independent certified public accountants), to the seller of the Replacement Securities.

f. The County covenants that it will take no action that would cause any part of the money or investments at any time in the Escrow Deposit Fund to be used directly or indirectly to acquire any investment property, the acquisition of which would cause any of the Prior Bonds or Refunding Bonds to be an "arbitrage bond" as defined in Section 148(a) of the Code or that would otherwise adversely affect the exclusion of the interest on any of the Prior Bonds or Refunding Bonds from gross income for purposes of federal income taxation.

**Section 6. Payment of Bonds to be Defeased.** The Bonds to be Defeased shall be paid pursuant to the applicable provisions of the Prior Bond Resolution pertaining to the payment of the principal of, premium, if any, and interest on the Bonds to be Defeased in accordance with the schedule set forth in Exhibit B attached hereto. The Escrow Trustee shall receive the matured principal of and the interest on the Escrowed Securities as the same are payable. On or before each interest or principal payment date on the Bonds to be Defeased, the Escrow Trustee shall withdraw from the Escrow Deposit Fund sufficient money to pay the principal of, premium, if any, and interest on the Bonds to be Defeased on such dates. If any Bonds to be Defeased are not presented for payment, the Escrow Trustee shall retain funds for that purpose in accordance with the provisions therefor contained in the Prior Bond Resolution. If for any reason there is a deficiency in the amount of money available for payment of the principal of, premium, if any, and interest on the Bonds to be Defeased, the County shall immediately, upon notice of the deficiency from the Escrow Trustee, pay or cause to be paid the amount of the deficiency to the Escrow Trustee for deposit in the Escrow Deposit Fund.

**Section 7. Lien of Holders of Bonds to be Defeased on Escrow Deposit Fund.** The escrow created hereby shall be irrevocable and the holders of the Bonds to be Defeased shall have an express lien on all money and investments, including the interest earned thereon, in the

Refunding Account of the Escrow Deposit Fund until paid out, used and applied in accordance with this Escrow Deposit Agreement.

**Section 8. Duties of the Escrow Trustee in Connection With the Defeasance of Bonds to be Defeased.** The County directs the Escrow Trustee, within 30 days after the deposit of the Escrowed Securities or the Replacement Securities into the Escrow Deposit Fund, to cause a notice signed by it, to be mailed, by first-class mail, postage prepaid, to the registered owners of every Bond to be Defeased at the registered address as shown on the registration books of the County at the close of business on the day on which the Escrowed Securities or the Replacement Securities shall have been deposited with the Escrow Trustee. The notice shall be substantially in the form set forth in Exhibit C attached hereto.

**Section 9. Fees and Expenses.** The County agrees to pay to the Escrow Trustee, a one-time fee for performing the services hereunder in the amount of \_\_\_\_\_ Dollars (\$\_\_\_\_\_). In the event that the Escrow Trustee is requested to perform any extraordinary services hereunder (such extraordinary services include all services required in connection with the delivery of Replacement Securities pursuant to Section 5(e) hereof), the County agrees to pay or cause to be paid reasonable fees to the Escrow Trustee for such extraordinary services, and the Escrow Trustee agrees to look only to the County for the payment of such fees and reimbursement of such expenses. Except as contemplated by Section 11, the Escrow Trustee agrees that in no event shall it ever assert any claim or lien against the Escrow Deposit Fund for any fees for its services, whether regular or extraordinary, in any capacity, or for reimbursement for any of its expenses.

**Section 10. Successor to the Escrow Trustee.** If at any time the Escrow Trustee or its legal successor or successors becomes unable, through operation of law or otherwise (but not including withdrawal solely at the request of the Escrow Trustee which shall not be permitted hereunder), to act as Escrow Trustee hereunder, or if its property and affairs shall be taken under the control of any state or federal court or administrative body because of insolvency or bankruptcy or for any other reason, the County may appoint another bank or trust company to act on its behalf.

Any successor to the Escrow Trustee shall execute, acknowledge and deliver to the County an instrument accepting such appointment hereunder and the Escrow Trustee shall execute and deliver an instrument transferring to such successor, subject to the terms of this Escrow Deposit Agreement, including, without limitation, the right of the Escrow Trustee to demand payment from the County for any unpaid fees and expenses incurred in connection with the provision of extraordinary services of the Escrow Trustee pursuant to Section 9 hereof, and all the rights, powers and trusts of the Escrow Trustee hereunder, including, without limitation, the money and investments in the Escrow Deposit Fund held by the Escrow Trustee. Upon the request of any such successor to the Escrow Trustee, the County shall cause to be executed any and all instruments in writing for more fully and certainly vesting in and confirming to such successor to the Escrow Trustee all such rights, powers and duties.

**Section 11. Application of Escrow Deposit Fund After Payment of Bonds to be Defeased.** After payment in full of the principal of, premium, if any, and interest on the Bonds to be Defeased (such principal, premium and interest being deemed paid on the Redemption Date if the Escrow Trustee then holds sufficient funds available therefor) from monies in the Refunding Account of the Escrow Deposit Fund, the payment of costs of issuance approved by

the County from the Cost of Issuance Account of the Escrow Deposit Fund, and the payment of all of the fees and expenses of the Escrow Trustee relating to the Bonds to be Defeased, all remaining money and investments, together with any interest thereon, in the Escrow Deposit Fund shall be transferred by the Escrow Trustee to the County for immediate deposit in the 2012 Wastewater Disposal Facility Refunding Bonds (Lake Columbia Area Section) Bond) Debt Service Fund established and maintained under the Refunding Bond Resolution.

**Section 12. Records.** The Escrow Trustee shall keep books of record and account in which complete and correct entries shall be made of all transactions relating to the receipts, disbursements, allocations and application of the Escrowed Securities deposited in the Escrow Deposit Fund and all proceeds thereof, and such books shall be available for inspection at reasonable hours and under reasonable conditions by the County and the holders of the Bonds to be Defeased.

**Section 13. Reports.** For the period beginning on the date hereof and ending on \_\_\_\_\_, 20\_\_, and for each six-month period thereafter while this Escrow Deposit Agreement remains in effect, the Escrow Trustee shall prepare and send to the County, by first-class mail within 30 days following the end of such period a written report summarizing all transactions relating to the Escrow Deposit Fund during such period, including, without limitation, credits to the Escrow Deposit Fund as a result of interest payments on or maturities of the Escrowed Securities and transfers from the Escrow Deposit Fund for payments on the Bonds to be Defeased or otherwise, together with a detailed statement of all Escrowed Securities, and the cash balance on deposit in the Escrow Deposit Fund as of the end of such period.

**Section 14. Notice.** Other than as provided in Section 13 of this Escrow Deposit Agreement, any notice, authorization, request or demand required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given when mailed by registered or certified mail, postage prepaid, addressed as follows:

If to the Escrow Trustee:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

If to the County:

County of Jackson  
Attention: Treasurer and Jackson County Drain Commissioner  
120 West Michigan Avenue  
Jackson, MI 49201

The United States Post Office registered or certified mail receipt showing delivery of the aforesaid shall be conclusive evidence of the date and fact of delivery. Any party hereto may change the address to which notices are to be delivered by giving to the other parties not less than 10 days' prior notice thereof.

**Section 15. Termination of Escrow Deposit Agreement.** This Escrow Deposit Agreement shall terminate when the principal of, premium, if any, and interest on the Bonds to be Defeased have been fully paid and discharged in accordance with the Prior Bond Resolution and any remaining money and investments together with any interest thereon in the Escrow

Deposit Fund have been transferred by the Escrow Trustee to the County pursuant to Section 11 hereof.

**Section 16. Amendment.** This Escrow Deposit Agreement is made for the benefit of the County and the holders from time to time of the Bonds to be Defeased, and it shall not be repealed, revoked, altered or amended without the written consent of (i) all of the holders of the outstanding Bonds to be Defeased, and (ii) the parties hereto; provided, however, that the parties hereto may, without the consent of, or notice to, such holders, enter into such agreements supplemental to this Escrow Deposit Agreement as shall not adversely affect the rights of such holders and as shall not be inconsistent with the terms and provisions of this Escrow Deposit Agreement, for any one or more of the following purposes:

- a. to cure any ambiguity or formal defect or omission in this Escrow Deposit Agreement;
- b. to grant to, or confer upon, the Escrow Trustee, for the benefit of the holders of the Bonds to be Defeased, any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such holders or the Escrow Trustee;
- c. to subject to this Escrow Deposit Agreement additional funds, securities or properties; and
- d. to conform this Escrow Deposit Agreement to the provisions of any law or regulation governing the tax-exempt status of the Prior Bonds or Refunding Bonds in order to maintain the exclusion of the interest on the Prior Bonds or Refunding Bonds from gross income for federal income tax purposes.

The Escrow Trustee shall be entitled to rely exclusively upon an unqualified opinion of legal counsel with respect to compliance with this Section, including the extent, if any, to which (i) any change, modification or addition affects the rights of the holders of the Bonds to be Defeased, or (ii) any instrument executed hereunder complies with the conditions and provisions of this Section.

**Section 17. Reliance on Certain Documents.** The Escrow Trustee shall incur no liability in acting or proceeding, or in not acting or proceeding, in good faith, reasonably and in accordance with the terms of this Escrow Deposit Agreement, upon any resolution, order, notice, request, consent, waiver, certificate, statement, affidavit, requisition, bond or other paper or document which the Escrow Trustee shall in good faith reasonably believe to be genuine and to have been adopted or signed by the proper board or person or to have been prepared and furnished pursuant to any of the provisions of this Escrow Deposit Agreement, or upon the written opinion of any attorney, investment banker or accountant believed by the Escrow Trustee to be qualified in relation to the subject matter of such opinion. The Escrow Trustee shall be under no duty to make any investigation or any inquiry as to any statements contained or matters referred to in any such instrument.

**Section 18. Limitation on Liability of the Escrow Trustee.** The liability of the Escrow Trustee for the payment of the principal of and interest on the Bonds to be Defeased shall be limited to the proceeds of the Escrowed Securities and the cash balances from time to time on deposit in the Escrow Deposit Fund. The Escrow Trustee shall not have any liability whatsoever

for the insufficiency of funds from time to time in the Escrow Deposit Fund except for the obligation to notify the County promptly of any such occurrence.

The Escrow Trustee shall not be liable or responsible for any loss resulting from any investment made in the Escrowed Securities or other investments directed by the County as permitted hereby or for any other deficiency in the funds required hereunder not resulting from the negligence or violation of the terms thereof by the Escrow Trustee.

The Escrow Trustee shall not be liable or responsible hereunder for any act done or step taken or omitted by it or any mistake of fact or law or for anything which it may do or refrain from doing, except for its negligence or its default in the performance of any obligation imposed upon it hereunder.

The Escrow Trustee shall never be required to use or advance its own funds or otherwise incur personal financial liability in the performance of any of its duties or the exercise of any of its rights and powers hereunder.

**Section 19. Severability.** If any one or more of the covenants or agreements provided in this Escrow Deposit Agreement on the part of the parties to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable, from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Escrow Deposit Agreement.

**Section 20. Counterparts; Headings.** This Escrow Deposit Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as an original and shall constitute and be but one and the same instrument. The paragraph headings used herein are for convenience of reference only.

IN WITNESS WHEREOF, the parties hereto have each caused this Escrow Deposit Agreement to be executed by their duly authorized officers and to be delivered all as of the date first above written.

COUNTY OF JACKSON

By:\_\_\_\_\_

Its:\_\_\_\_\_

\_\_\_\_\_, as Escrow Trustee

By:\_\_\_\_\_

Its:\_\_\_\_\_

**EXHIBIT A  
TO ESCROW DEPOSIT AGREEMENT**

**ESCROWED SECURITIES**

U.S. Treasury Type	Par Amount	Maturity Date	Coupon Rate
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**EXHIBIT B  
TO ESCROW DEPOSIT AGREEMENT**

**ESCROW FUND REQUIREMENTS FOR  
BONDS TO BE DEFEASED**

**COUNTY OF JACKSON**

**JACKSON COUNTY WASTEWATER DISPOSAL FACILITY  
(LAKE COLUMBIA AREA SECTION) BONDS  
(GENERAL OBLIGATION LIMITED TAX),  
SERIES 2004, DATED AUGUST 1, 2004**

<b>DATE</b>	<b>PRINCIPAL TO BE REDEEMED</b>	<b>PREMIUM</b>	<b>INTEREST</b>	<b>TOTAL</b>
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**EXHIBIT C**  
**TO ESCROW DEPOSIT AGREEMENT**

[Form of Notice of Defeasance]

NOTICE OF DEFEASANCE

COUNTY OF JACKSON

JACKSON COUNTY WASTEWATER DISPOSAL FACILITY  
(LAKE COLUMBIA AREA SECTION) BONDS  
(GENERAL OBLIGATION LIMITED TAX),  
SERIES 2004, DATED AUGUST 1, 2004

NOTICE IS GIVEN that the County of Jackson, Michigan (the "County"), and \_\_\_\_\_, as escrow trustee (the "Escrow Trustee"), have entered into an Escrow Deposit Agreement, dated as of \_\_\_\_\_, 20\_\_ (the "Escrow Deposit Agreement"), to provide for the defeasance [in part] of the Jackson County Wastewater Disposal Facility (Lake Columbia Area Section) Bonds (General Obligation Limited Tax), Series 2004, Dated August 1, 2004, (the "Bonds to be Defeased") as follows:

The Bonds to be Defeased will be called for redemption on \_\_\_\_\_ 1, 20\_\_, at a redemption price equal to the par value of each such Bond to be Defeased, [plus a][without] premium [of \_\_\_ of one percent].

A sum of money provided by the County pursuant to the Escrow Deposit Agreement has been used to establish an escrow fund (the "Escrow Deposit Fund") of cash and the noncallable direct obligations of the United States of America described below:

U.S. Treasury Type	Par Amount	Maturity Date	Coupon Rate
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The Bond Resolution pursuant to which the Bonds to be Defeased were issued (the "Bond Resolution") has been released in accordance with Paragraph 20 thereof, except that applicable provisions of the Bond Resolution pertaining to the payment of the principal of and interest on the Bonds to be Defeased shall continue in force until the Bonds to be Defeased have been fully paid. \_\_\_\_\_, is the bond registrar and paying agent for the Bonds to be Defeased.

The Escrow Deposit Fund will be held by the Escrow Trustee, and will be used to provide for the payment of (i) the interest on the Bonds to be Defeased on \_\_\_\_\_, 20\_\_, and (ii) the redemption price of all Bonds to be Defeased maturing on and after \_\_\_\_\_ 1, 20\_\_, which will have been called for optional redemption on \_\_\_\_\_ 1, 20\_\_. The Escrow Deposit Fund will be held by the Escrow Trustee pursuant to the Escrow Deposit Agreement.

All interest on the Bonds to be Defeased will cease accruing on \_\_\_\_\_ 1, 20\_\_\_\_,  
whether or not the Bonds to be Defeased are presented for payment.

THIS IS NOT A NOTICE OF REDEMPTION.

Dated: \_\_\_\_\_, 20\_\_\_\_

\_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT E**  
**FORM OF BOND PURCHASE AGREEMENT**

**BOND PURCHASE AGREEMENT**  
\$ \_\_\_\_\_  
**COUNTY OF JACKSON, STATE OF MICHIGAN**  
**WASTEWATER DISPOSAL FACILITY REFUNDING BONDS (LAKE COLUMBIA**  
**AREA SECTION) GENERAL OBLIGATION LIMITED TAX, SERIES 2012**

\_\_\_\_\_, 2012

**County of Jackson,**  
**State of Michigan**

Ladies and Gentlemen:

The undersigned, Hutchinson, Shockey, Erley & Co. (the "Underwriter"), offers to enter into this Bond Purchase Agreement (the "Agreement") relating to the captioned Wastewater Disposal Facility Refunding Bonds (Lake Columbia Area Section) General Obligation Limited Tax, Series 2012 (the "Bonds") of the County of Jackson (the "Issuer"). This offer is made subject to the acceptance of this Agreement on or before 11:00 p.m., prevailing Eastern time, on the date of this Agreement, and if not so accepted, this offer will be subject to withdrawal by the Underwriter upon notice delivered to the Issuer at any time prior to acceptance by the Issuer. The Bonds are being issued pursuant to the provisions of (a) Act 34, Public Acts of Michigan, 2001, as amended ("Act 34"), (b) Act 185, Public Acts of Michigan, 1957, as amended ("Act 185"), (c) the Order Approving Sale executed and delivered the date hereof by an authorized officer of the Issuer (the "Sales Order"), and (d) that certain Jackson County Wastewater Disposal Facility (Lake Columbia Area Section) Bond Contract dated February 1, 2004 and amended on February 1, 2012 (the "Bond Contract") by and between, the Issuer, by and through its Board of Public Works, and the Township of Columbia (the "Township"). The Issuer adopted a Bond Authorizing Resolution (the "Issuer Resolution"), for the purpose of refunding a portion of the outstanding Jackson County Wastewater Disposal Facility (Lake Columbia Area Section) Bonds (General Obligation Limited Tax), dated August 1, 2004 (the "Prior Bonds"), maturing in the years \_\_\_\_\_ through 2024, inclusive, (the "Prior Bonds to be Refunded") and to pay costs of issuance incurred with respect to the Bonds. The Prior Bonds maturing April 1, 20\_\_ in the amount of \$ \_\_\_\_\_ will be paid by the Issuer as scheduled.

After payment or provision for payment of all or a portion of the costs of issuance of the Bonds, the remaining proceeds of the Bonds, together with available funds of the Issuer and/or the Township, will be invested in direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, or other obligations the principal of and interest on which are fully secured by the foregoing (the "Government Obligations"), such that the principal of and interest on such obligations will be sufficient to pay the principal of and interest on the Prior Bonds to be Refunded to their call date. The Government Obligations will be held in an escrow account by U.S. Bank National Association, Detroit, Michigan, as escrow agent (the "Escrow Agent"), pursuant to an Escrow Agreement between the Issuer and the Escrow Agent (the "Escrow Agreement") until the call date of \_\_\_\_\_ 1, 20\_\_.

The Bonds shall be dated, shall be in the principal amount, shall have the maturities, bear interest at the rates per annum, be sold with original issue discounts or premiums, if any, on the terms and in the manner set forth in Exhibit A attached to this Agreement.

A Preliminary Official Statement, dated \_\_\_\_\_, 2012 (the “Preliminary Official Statement”), describing the Issuer, the Township, the Bonds and the security for the Bonds has been prepared for use in connection with the public offer, sale and distribution of the Bonds. There has also been prepared a final Official Statement dated \_\_\_\_\_, 2012 (the “Official Statement”), setting forth definitive information relating to the terms of offering of the Bonds. Any and all appendices, exhibits, reports and summaries included in the Preliminary Official Statement or the Official Statement or attached to them shall be for all purposes of this Agreement deemed to be a part of the Preliminary Official Statement and the Official Statement, as applicable. The Issuer deems the information contained in the Preliminary Official Statement to be final as of its date for the purpose of enabling the Underwriter to comply with the requirements of Rule 15c2-12(b)(1) of the Securities and Exchange Commission, except for the omission of such information as is permitted by Rule 15c2-12(b)(1). The Issuer deems the Official Statement to be final as of its date. The Issuer confirms the authority of the Underwriter to use, and consents to the use of, the Preliminary Official Statement and the Official Statement and any amendments or supplements to them in connection with the offer, sale and distribution of the Bonds. The Issuer agrees to provide or cause to be provided to the Underwriter within seven business days after the date of this Agreement sufficient copies of the Official Statement to enable the Underwriter to comply with the requirements of Rule 15c2-12(b)(4) of the Securities and Exchange Commission and with any applicable requirements of the Municipal Securities Rulemaking Board (the “MSRB”).

Mika Meyers Beckett & Jones PLC, Grand Rapids, Michigan (“Bond Counsel”) has prepared Continuing Disclosure Undertakings for execution by the Issuer and Township to be dated on or before the Closing Date (the “Issuer’s Undertaking” and the “Township’s Undertaking”, together the “Undertakings”), where the Issuer and Township agree 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) not later than the last day of the sixth month after the close of the Issuer’s fiscal year or the Township’s fiscal year, as the case may be, certain annual financial information and operating data pertaining to the Issuer and Township, including audited financial statements of the Issuer and Township for the most recently ended fiscal year, generally consistent with the information contained or cross-referenced in the Official Statement, and (ii) timely notice of the occurrence of certain material events with respect to the Bonds.

**1. Purchase, Sale and Closing.** Upon the basis of the representations and covenants contained in this Agreement, but subject to the conditions set forth below, the Issuer agrees to sell to the Underwriter, and the Underwriter agrees to purchase from the Issuer, all (but not less than all) of the Bonds at the price set forth in Exhibit A. Payment for the Bonds shall be made to the order of the Issuer in immediately available funds. The closing for the payment for the Bonds shall take place at the offices of Mika Meyers Beckett & Jones PLC, 900 Monroe Avenue, N.W., Grand Rapids, Michigan at 10:00 a.m., prevailing Eastern time, on \_\_\_\_\_, \_\_\_\_\_, 2012, or at such other date, place, or time as may be designated by the Underwriter, with the approval of the Issuer (the “Closing Date”). The Bonds shall bear proper CUSIP numbers (provided, however, that neither the failure to print such numbers on any of the Bonds nor any error with respect to such numbers shall constitute cause for a failure or refusal by the Underwriter to accept the delivery of or pay for the Bonds in accordance with the terms of this Agreement), and shall be delivered on the Closing Date in registered form without coupons, in such denominations of \$5,000 or any integral multiples of \$5,000, and registered in the name

of Cede & Co., as nominee of DTC. The Bonds will be made available to the Underwriter or its designee for inspection at least 24 hours before the Closing Date.

The Issuer has appointed U.S. Bank National Association, Detroit, Michigan or its successor, as paying agent (in this capacity, the “Paying Agent”).

2. **Issuer’s Representations and Covenants.** The Issuer represents and covenants as follows:

a. The Issuer is duly organized and validly existing under the laws of the State of Michigan, and has full right, power and authority (i) to adopt the Issuer Resolution, (ii) to execute, deliver and perform its obligations under this Agreement, the Issuer Resolution, the Bond Contract, the Escrow Agreement, the Issuer’s Undertaking in substantially the form set forth in the Official Statement and the Bonds, (iii) to issue, sell, execute and deliver the Bonds to the Underwriter as provided in this Agreement, (iv) to pledge the contract payments paid to the Issuer by the Township in accordance with the Bond Contract (the “Contract Payments”) and its limited tax full faith and credit to the payment of the Bonds, and (v) to carry out and consummate all actions required to be taken by it in connection with the transactions contemplated by such documents and the Official Statement.

b. The Issuer has duly authorized (i) the execution and delivery of, and the due performance of its obligations under this Agreement, the Issuer Resolution, the Bond Contract, the Escrow Agreement, the Issuer’s Undertaking and the Bonds and (ii) the taking of any and all actions as may be required on the part of the Issuer to carry out, give effect to and consummate the transactions contemplated by such documents.

c. The Issuer Resolution has been duly adopted by the Issuer and has not been amended, modified, supplemented or repealed, except as expressly provided in the Issuer Resolution, and the Issuer Resolution is in full force and effect. This Agreement and the Bond Contract have been duly authorized, executed and delivered by the Issuer. This Agreement, the Bond Contract, the Escrow Agreement, the Issuer’s Undertaking and the Bonds will be when duly executed and delivered by the Issuer, the legal, valid and binding obligations of the Issuer, enforceable in accordance with their respective terms, except that the binding effect and enforceability of them are subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar laws in effect from time to time affecting the rights of creditors generally and except to the extent that the enforceability of them may be limited by application of general principles of equity including those relating to equitable subordination. At or prior to the Closing Date, the Bonds shall be duly executed and delivered by the Issuer.

d. Upon the advice of Bond Counsel and to the best of the Issuer’s knowledge, (i) the adoption of the Issuer Resolution, the authorization, execution and delivery by the Issuer of this Agreement, the Bond Contract, the Escrow Agreement, the Issuer’s Undertaking and the Bonds and compliance with the provisions of each of such instruments and the pledge by the Issuer of the Contract Payments to the payment of the Bonds, will not, and the Bond Contract does not, conflict with or result in a violation of the Constitution of the State of Michigan or the laws of the State of Michigan (including any debt limitations or other restrictions or conditions on the debt-issuing power of the Issuer) and (ii) the adoption of the Issuer Resolution, the authorization, execution and delivery by the Issuer of this Agreement, the Escrow Agreement, the Bond Contract, the Issuer’s Undertaking and the Bonds, and compliance

with the provisions of each of such instruments will not conflict with or constitute a breach of, or default under, any indenture, commitment, agreement or other instrument to which the Issuer is a party or by which it is bound or under any constitutional or statutory provisions, or rule, regulation, resolution, judgment, order or decree to which the Issuer is subject. The Issuer has not received any written notice, not subsequently withdrawn, given in accordance with the remedy provisions of any bond resolution or ordinance, trust indenture or agreement or state law pertaining to bonds or notes of the Issuer, of any default or event of default which has not been cured, remedied or waived.

e. There is no action, suit, proceeding, inquiry or investigation at law or in equity, or before or by any judicial or administrative court, public board or body, pending or, to the best of the Issuer's knowledge, threatened against the Issuer (nor, to the best of the Issuer's knowledge, is there any basis therefor), in any way (i) affecting the existence of the Issuer or the title of any official of the Issuer to such person's office, (ii) seeking to restrain or enjoin the issuance, sale or delivery of the Bonds, the pledge by the Issuer of the Contract Payments or its limited tax full faith and credit to pay the principal of, premium, if any, and interest on the Bonds, (iii) contesting or affecting the validity or enforceability of this Agreement, the Issuer Resolution, the Bond Contract, the Escrow Agreement, the Issuer's Undertaking or the Bonds, (iv) contesting the completeness or accuracy of the Official Statement or the powers or authority of the Issuer to engage in the transactions contemplated by this Agreement, the Issuer Resolution, the Bond Contract, the Escrow Agreement, the Issuer Undertaking or the Bonds or (v) questioning the exemption of interest on the Bonds from taxation as described under "TAX MATTERS" in the Official Statement.

f. Upon the advice of Bond Counsel and to the best of the Issuer's knowledge, there is no election or referendum of or by any person, organization or public body pending, proposed or concluded (nor, to the best of the Issuer's knowledge, is there any basis for the same) and there are no provisions of law of the State of Michigan which would allow, as of the date of this Agreement or any date subsequent, any election or referendum, the results of which could in any way adversely affect the transactions contemplated by this Agreement, the Issuer Resolution, the Township Resolution (as defined below), the Bond Contract, the Escrow Agreement, the Issuer's Undertaking, or the Bonds, the validity or enforceability of such instruments, the pledge by the Issuer of the Contract Payments to pay debt service on the Bonds or the exemption of interest on the Bonds from taxation as described under "TAX MATTERS" in the Official Statement, or invalidate, limit or condition the obligations of the Issuer under any such document.

g. Upon the advice of Bond Counsel and to the best of the Issuer's knowledge, except as may be required under the securities laws of any state, there is no consent, approval, authorization or other order of, or any filing with, registration with, or certification by, any governmental or regulatory authority having jurisdiction over the Issuer or required for the issuance of the Bonds other than such as has already been provided or obtained (including the approval of or granting of qualified status by the Department of the Treasury, State of Michigan).

h. Any certificate or other instrument signed by the Chairman of the Board of Commissioners, the Treasurer of the Issuer, the Clerk of the Issuer, the Chairman of the County Board of Public Works, the Secretary of the County Board of Public Works or by a duly authorized and acting deputy of any of such officials on his or her behalf (each such person an "Authorized Representative" of the Issuer), and delivered to the Underwriter shall be deemed a

representation by the Issuer to the Underwriter as to the truth of the statements made in such certificate or instrument.

i. On or prior to the Closing Date, the Issuer shall have taken all actions necessary to be taken by it for: (i) the issuance, sale, execution and delivery of the Bonds upon the terms set forth in this Agreement and in the Issuer Resolution, and (ii) the execution and delivery by the Issuer of this Agreement, and all such other instruments and the taking of all actions on the part of the Issuer as may be necessary or appropriate for the effectuation and consummation of the transactions on the part of the Issuer contemplated by them. Between the date of this Agreement and the Closing Date, the Issuer will take no action which will cause any representation contained in this Agreement to be untrue as of the Closing Date.

j. The Issuer will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may deem necessary in order to qualify the Bonds for offer and sale under the “blue sky” or securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate; provided, however, that the Issuer will not be required to consent to service of process in any state or jurisdiction outside the State of Michigan.

k. The Issuer will not take or omit to take any action, which action or omission will in any way adversely affect the exemption from taxation of the interest on the Bonds as described under “TAX MATTERS” in the Official Statement or result in the proceeds from the sale of the Bonds being applied in a manner other than as provided in the Issuer Resolution.

l. No default by the Issuer or, to the knowledge of the Issuer, the Township, has occurred in the payment of the principal of or premium, if any, or interest on any bond, note or other evidence of indebtedness issued by it. No bankruptcy, insolvency or other similar proceedings pertaining to the Issuer are pending or, to the best of the knowledge of the Issuer, contemplated.

m. The Preliminary Official Statement (other than the information relating to the Book-Entry-Only System provided by DTC and the information under the sections captioned “UNDERWRITING,” provided by the Underwriter, “Registered Municipal Advisor’s Obligation,” “Bond Counsel’s Responsibility” and “\_\_\_\_\_” as to which no representation is made), as of its date, did not include any untrue statement of a material fact or omit to state any material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading, and the Official Statement, including any amendments or supplements thereto (other than the information relating to the Book-Entry-Only System provided by DTC, the information under the section captioned “UNDERWRITING,” provided by the Underwriter, “Registered Municipal Advisor’s Obligation,” “Bond Counsel’s Responsibility” and “\_\_\_\_\_” as to which no representation is made), will not, as of the date thereof, as of the Closing Date or as of the date of any such amendment or supplement, include any untrue statement of a material fact or omit to state any material fact necessary to make the statements made therein, in light of the circumstances under which they are or were made, not misleading.

n. The Issuer will not amend or supplement the Official Statement without the consent of the Underwriter. The parties to this Agreement will advise each other promptly of

the institution of any proceedings by any governmental agency or any other material occurrence affecting the use of the Official Statement in connection with the offer and sale of the Bonds.

o. The Issuer will provide the Underwriter with information pertaining to the Issuer concerning developments that affect the accuracy and completeness of key representations contained in the Official Statement until the earlier of (i) 90 days from the end of the underwriting period, as defined below, or (ii) the time when the Official Statement is available to any person from the MSRB's Electronic Municipal Market Access System (the "EMMA"), but in no case less than 25 days following the end of the underwriting period, as defined below. The Issuer further agrees that it will cooperate with the Underwriter in amending the Official Statement if any of such information, in the reasonable judgment of the Underwriter, requires that the Official Statement be amended in fulfillment of the Underwriter's responsibilities pursuant to Rule 15c2-12 of the Securities and Exchange Commission. The "end of the underwriting period" as referred to above shall be the later of the delivery of the Bonds by the Issuer to the Underwriter or 45 days after the Underwriter no longer retains an unsold balance of the Bonds for sale to the public, unless the Underwriter notifies the Issuer in writing prior to such date that there exists an unsold balance of the Bonds, in which case the end of the underwriting period shall be deemed to be extended for 30 days from the date of such notice, subject to extension for additional periods of 30 days each upon receipt of prior written notice from the Underwriter that there exists an unsold balance of the Bonds. The Underwriter agrees to file the Official Statement with the EMMA on or before the Closing Date as provided in Rule G-32 of the MSRB.

p. Except as set forth in the Preliminary Official Statement and the Official Statement, subsequent to the respective dates as of which information is given in the Preliminary Official Statement (except as to dates or information contained in the Preliminary Official Statement that have been changed in the Official Statement) and the Official Statement, the Issuer has not incurred any liabilities, direct or contingent, or entered into any transactions, not in the ordinary course of business, that are material to its business and affairs and there has not been any material adverse change in the condition, results of operation or general affairs of the Issuer (financial or otherwise).

q. The audited financial statements of the Issuer included in the Official Statement present the financial position of the Issuer at \_\_\_\_\_, 201\_, and the results of its operations and the changes in its financial position for the year then ended. For the period from the dates of the presented financial information to the date of this Agreement, there has been no material adverse change in the financial condition of the Issuer except as described in the Official Statement. The inclusion of the audited financial statements in the Official Statement as presented does not violate any agreement with the Issuer's auditors as to the use of such statements.

r. The Issuer covenants and agrees to enter into the Issuer's Undertaking to provide ongoing disclosure about the Issuer, for the benefit of the bondholders on or before the date of delivery of the Bonds as required under Rule 15c2-12(b)(5) (the "Rule") adopted by the Securities and Exchange Commission under the Securities Act of 1934. The Issuer's Undertaking shall be substantially in the form set forth in Appendix \_\_ to the Official Statement, with such changes as may be agreed to by the Underwriter. The Issuer is in compliance with each and every undertaking, if any, previously entered into by it pursuant to the Rule. The Underwriter's obligation to purchase the Bonds shall be conditioned upon the Issuer and the

Township delivering the Undertakings, satisfactory to the Underwriter, on or before the date of delivery of the Bonds.

s. The Issuer will send one copy of its audited financial statements annually to the Underwriter upon request as soon as the audited financial statements become available.

t. It is further understood and agreed that the members of the Issuer's Board of Commissioners or Board of Public Works (each, a "Member"), and the officers, elected officials, agents, attorneys, or employees of the Issuer, their respective heirs, personal representatives or successors shall not be generally or personally liable in connection with any matter, cause or thing pertaining to the Bonds or the issuance thereof, this Agreement, or any instruments and documents executed and delivered by the Issuer in connection with issuance of the Bonds. No covenant or agreement contained in this Agreement shall be deemed to be the covenant or agreement of any Member, officer, elected official, attorney, agent or employee of the Issuer in an individual capacity. No recourse shall be had for the payment of the principal of, premium, if any, or interest on, the Bonds, or for any claim based hereon or on any instruments and documents executed and delivered by the Issuer in connection with the Bonds, against any officer, Member, elected official, agent, attorney or employee, past, present or future, of the Issuer or any successor body, or their respective heirs, personal representatives, successors as such, either directly or through the Issuer or any successor body, whether by virtue of any constitutional provision, statute or rule of law, or by the enforcement of any assessment or penalty, or otherwise, all of such liability being hereby released as a condition of and as a consideration for the execution and delivery of this Agreement.

The Issuer acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Agreement is an arm's-length commercial transaction between the Issuer and the Underwriter, (ii) in connection with the purchase and sale of the Bonds and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as a principal and is not acting as an agent, advisor or fiduciary of the Issuer, and (iii) the Issuer has consulted its own legal, financial and other advisors to the extent it has deemed appropriate.

3. **Conditions of Underwriter's Obligations.** The obligations of the Underwriter under this Agreement with respect to the Bonds shall be subject to (a) the compliance with and performance by the Issuer and the Township of their respective obligations and agreements to be complied with and performed under this Agreement and under the Issuer Resolution and the Township Resolution, as defined below, on or prior to the Closing Date, and (b) the truth, accuracy and completeness as of the date of this Agreement of the representations and covenants of the Issuer contained in this Agreement.

The obligations of the Underwriter under this Agreement with respect to the Bonds are also subject to the following further conditions:

a. This Agreement, the Bonds, the Bond Contract, the Escrow Agreement, the Undertakings and the Official Statement shall have been duly authorized and executed; the Issuer Resolution shall have been duly adopted by the Issuer; a Resolution shall have been duly adopted by the Township to authorize the amendment to the Bond Contract dated February 1, 2012, the Township's Undertaking and the issuance of the Bonds by the Issuer (the "Township Resolution"); the Issuer Resolution and the Township Resolution and the Bond Contract shall be

in full force and effect and shall not have been amended, modified or supplemented, except as expressly provided in them; all necessary actions of the Issuer and the Township relating to the foregoing shall be in full force and effect without rescission or modification; and there shall have been taken in connection with the issuance of the Bonds and with the transactions contemplated by this Agreement and by the Bonds all such actions as, in the opinion of Bond Counsel and counsel to the Underwriter, are necessary and appropriate.

b. On or prior to the Closing Date, the Underwriter shall have received:

i. Opinions, dated the Closing Date, of Mika Meyers Beckett & Jones PLC, as Bond Counsel, substantially in the form attached as Appendix \_\_\_ to the Official Statement and as Exhibit B to this Agreement.

ii. Two counterpart originals of a transcript of all proceedings and documents relating to the authorization, issuance and delivery of the Bonds.

iii. The Official Statement, executed on behalf of the Issuer and the Township by an Authorized Representative of the Issuer and the Township.

iv. A letter evidencing approval, effective on the date hereof and on the Closing Date, of the Department of Treasury, State of Michigan, that the Issuer and the Township have obtained approval or “qualification” to the extent provided or required by Act 34, pursuant to which the Bonds may be issued and delivered.

v. Evidence satisfactory to the Underwriter that the Bonds have received a rating no lower than “\_\_\_” from Standard & Poor’s Ratings Service.

vi. A specimen Bond.

vii. Executed copies of the Undertakings.

viii. The Issuer Resolution certified by the Clerk of the Issuer as having been duly adopted.

ix. The Township Resolution certified by the Clerk of the Township as having been duly adopted.

x. The Verification Report of \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, (the “Verification Agent”) verifying, among other things, the arithmetical computations with respect to the adequacy of the cash and investments in the Escrow Fund under the Escrow Agreement to pay debt service on the Prior Bonds to be Refunded when due.

xi. An executed counterpart of the Escrow Agreement.

xii. A certificate or certificates, dated the Closing Date, of the Issuer and the Township acceptable to the Underwriter, in form and substance reasonably satisfactory to the Underwriter to the effect that (a) the Issuer and the Township have duly performed all of their respective obligations under the Issuer Resolution and the Township Resolution, as the case may be, to be performed on or prior to the Closing Date, (b) each of the representations and warranties of the Issuer and the Township contained in this Agreement are true and correct on

and as of the Closing Date as if made at the Closing Date, (c) the Issuer has complied with all of the agreements and satisfied all of the conditions on its part to be performed or satisfied prior to the Closing Date, including the agreements and conditions set forth in this Agreement, the Issuer Resolution, the Bond Contract, the Escrow Agreement, the Issuer's Undertaking and the Bonds, (d) the Township has complied with all of the agreements and satisfied all of the conditions, including the agreements and conditions set forth in this Agreement, the Township Resolution, the Bond Contract and the Township's Undertaking, (e) there has been no material adverse change in the condition of the Issuer or the Township, financial or otherwise, or in their respective affairs, operations or prospective operations from that set forth or contemplated in the Official Statement, and (f) the Preliminary Official Statement, as of its date, did not include any untrue statement of material fact or omit to state any material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading, and the Official Statement, including any amendments or supplements thereto, will not, as of its date, as of the Closing Date or as of the date of any such amendment or supplement, include any untrue statement of a material fact or omit to state any material fact necessary to make the statements made therein, in light of the circumstances under which they are or were made, not misleading.

xiii. a certificate, satisfactory to the underwriter, of an authorized officer of each of the Township, dated as of the Closing Date, to the effect that:

(1) the Township has duly performed all of their obligations to be performed at or prior to the Closing Date;

(2) the Township Board of the Township has adopted the Township Resolution in compliance with State law;

(3) the Township has authorized, by all necessary action, the execution, delivery, receipt and due performance of the Bond Contract, the Township's Undertaking, and any and all such other agreements and documents as may be required to be executed, delivered and received by the Township in order to carry out, give effect to and consummate the transactions contemplated hereby and by the Official Statement;

(4) no litigation is pending, or to the best of such officer's knowledge threatened, to restrain or enjoin the issuance or sale of the Bonds or in any way affecting any authority for or the validity of the Bonds, the Township Resolution, the Bond Contract or the Township's Undertaking or the existence or powers on the Township;

(5) the adoption of the Township Resolution and the execution, delivery, receipt and due performance of the Bond Contract, the Township Undertaking and the compliance by the Township with the provisions thereof will not conflict with or constitute on the part of the Township a breach of or a default under any agreement, indenture, mortgage, lease or other instrument to which the Township is subject or by which the Township is or may be bound and will not conflict with or be in violation of any existing law, court or administrative regulation, rule, decree or order; and

(6) there is no election or referendum of or by any person, organization or public body pending, proposed or concluded (nor, to the best of the knowledge of such officer, is there any basis therefor), and there are no provisions of State law which would

allow, as of the date hereof or any date subsequent hereto, such election or referendum, the results of which could in any way adversely affect the transactions contemplated by the Township Resolution, the Bond Contract and the Township Undertaking.

xiv. Such additional certificates as the Underwriter may reasonably request to evidence performance of or compliance with the provisions hereof and the transactions contemplated hereby and by the Official Statement, all certificates to be satisfactory in form and substance to the Underwriter.

If any of the conditions specified in this Section shall not have been fulfilled when and as required by this Agreement, or if any of the opinions, instruments, documents, proceedings or certificates mentioned above or elsewhere in this Agreement shall not be in all material respects reasonably satisfactory in form and substance to the Underwriter and its counsel, this Agreement and all obligations of the Underwriter under it may be canceled by the Underwriter at, or at any time prior to, the Closing Date. Notice of such cancellation shall be given to the Issuer in writing, or by telex confirmed in writing.

4. **Conditions of the Issuer's Obligations.** The Issuer's obligations to sell and deliver the Bonds shall be subject to the following conditions on or before the Closing Date:

a. The Issuer shall have received the opinions described in Section 3(b)(i) above;

b. The Underwriter shall have tendered the purchase price set forth in Section 1 above; and

c. The Issuer shall have received additional certificates as the Issuer may reasonably request of the Underwriter, including a certificate as to the "original issue price" of the Bonds.

5. **Termination.** This Agreement may be terminated by the Underwriter and the Issuer shall not be obligated to sell and deliver, and the Underwriter shall not be obligated to purchase and pay for, the Bonds on the Closing Date if the Underwriter shall deliver to the Issuer a certificate to the effect that in its reasonable judgment any of the following events has occurred after the date of this Agreement and on or prior to the Closing Date:

a. The marketability of the Bonds or the contemplated offering price of the Bonds, in the reasonable opinion of the Underwriter, has been materially adversely affected by an amendment to the Constitution of either the United States of America or the State of Michigan, or by any Federal or Michigan legislation, proposed, pending or effective, or by any decision of any Federal or Michigan court or by any announcement, order, ruling or regulation (final, temporary or proposed) of the Treasury Department of the United States of America, the Internal Revenue Service or other Federal or Michigan authority or regulatory body, affecting the status of the Issuer, its property, income or securities (including the Bonds), or any tax exemption with respect to the Issuer's securities (including the Bonds), or the interest thereon granted or authorized by the Internal Revenue Code of 1986, as amended.

b. A stop order, ruling, regulation or official statement by, or on behalf of, any governmental agency having jurisdiction shall have been issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance,

offering or sale of the Bonds as contemplated by this Agreement and by the Official Statement, is in violation or would be in violation of any provisions of Federal or Michigan securities laws.

c. Legislation shall have been enacted by the Congress of the United States of America, or a decision by a court of the United States of America shall have been rendered, to the effect that obligations of the general character of the Bonds are not exempt from registration or qualification under, or other similar requirements of, the Federal securities laws.

d. An order, ruling, regulation, official statement or decision by any governmental agency or court having jurisdiction shall have been issued or made which calls into question the legality, validity or enforceability of the Bonds.

e. Additional material restrictions not in force as of the date of this Agreement shall have been imposed upon the trading in securities generally by any governmental authority or by any national securities exchange.

f. Any of the following events shall have occurred: (i) the engagement by the United States of America in hostilities which have resulted in a declaration of war or national emergency, or the occurrence of any other outbreak of hostilities or national or international calamity or crisis, financial or otherwise, the effect of such outbreak, calamity or crisis on the financial markets of the United States of America being such as, in the reasonable opinion of the Underwriter, would adversely affect the ability of the Underwriter to market the Bonds at offering prices that do not differ significantly from the intended offering prices (it being agreed by the Underwriter that there is no outbreak, calamity or crisis of such a character as of the date hereof); (ii) a general suspension of trading on the New York Stock Exchange or the American Stock Exchange or other national securities exchange; (iii) the establishment of limited or minimum prices on such Exchanges; (iv) the declaration of a banking moratorium either by federal, Michigan or Ohio authorities; (v) the New York Stock Exchange or other national securities exchange, or any governmental authority, shall impose, as to the Bonds or similar obligations, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriter; or (vi) an event which, in the reasonable opinion of the Underwriter, requires an amendment or supplement to the Official Statement and, in the reasonable opinion of the Underwriter, adversely affects the marketability of the Bonds or the contemplated offering price of the Bonds.

g. Any event shall have occurred, or information become known, which in the Underwriter's sole, reasonable opinion, makes untrue in any material respect any statement or information contained in the Official Statement as originally circulated, or has the effect that the Official Statement as originally circulated contains an untrue statement of a material fact or omits to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

h. Any rating or ratings with respect to the Bonds shall have been revoked or downgraded.

## **6. Costs and Expenses.**

a. Except as set forth in this Agreement, the Underwriter shall be under no obligation to pay, and the Issuer shall pay, all expenses incident to the performance of the

Issuer's obligations under this Agreement, including but not limited to: (i) fees and disbursements of Bond Counsel, the Registered Financial Advisor, the Paying Agent, the Escrow Agent, and the Verification Agent, in connection with the issuance of the Bonds; (ii) the costs of printing and shipping the Bonds, the Preliminary Official Statement and the Official Statement; (iii) the cost of obtaining a rating on the Bonds; (iv) fees of the State of Michigan; (v) the Municipal Advisory Council of Michigan fees; and (vi) any publication costs.

b. The Underwriter shall pay: (i) all advertising expenses in connection with the public offering of the Bonds, (ii) the expense of legal counsel to the Underwriter, if any, and (iii) all other expenses incurred by it in connection with their public offering and distribution of the Bonds.

7. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Michigan, including, without limitation, those laws applicable to contracts made and to be performed in that State.

8. **Survival of Representations and Covenants.** All representations and covenants of the Issuer and agreements of the Underwriter set forth in this Agreement shall remain in full force and effect regardless of any investigation, or statement as to the results of the same, made by or on behalf of any purchaser of the Bonds or any person controlling any such purchaser, and shall survive delivery of and payment for the Bonds.

9. **Execution in Counterparts.** This Agreement may be executed and accepted in any number of counterparts, all of which taken together shall constitute one and the same instrument, and any of the parties to this Agreement may execute or accept this Agreement by signing any such counterpart.

10. **Notices and Other Actions.** All notices, requests, demands and formal actions hereunder shall be in writing mailed, telegraphed or delivered to the following addresses:

**The Issuer:**

County of Jackson  
120 West Michigan Avenue  
Jackson, MI 49201  
Attention: Drain Commissioner

County of Jackson  
120 West Michigan Avenue  
Jackson, MI 49201  
Attention: County Treasurer

**The Underwriter:**

Hutchinson, Shockey, Erley & Co.  
222 W. Adams, Suite 1700  
Chicago, Illinois 60606  
Attention: Ms. Jessica Cannizzo

**Bond Purchase Agreement**  
***Signature Page***

With a copy to:

Hutchinson, Shockey, Erley & Co.  
200 Maple Park Blvd., Suite 204  
St. Clair Shores, MI 48081  
Attention: Mr. Michael Gormely

11. **Parties in Interest.** This Agreement is made solely for the benefit of the Underwriter, persons controlling the Underwriter, the Issuer, and their respective successors and assigns, and no other person, partnership, association or corporation shall acquire or have any right under or by virtue of this Agreement. The terms “successors” and “assigns” shall not include any purchaser of Bonds from or through the Underwriter merely because of such purchase.

If the foregoing is in accordance with your understanding of the agreement by and between the Issuer and the Underwriter, kindly sign, and return to the undersigned, one of the enclosed copies, whereupon it will constitute a binding agreement between the Issuer and the Underwriter in accordance with its terms.

Very truly yours,

**HUTCHINSON, SHOCKEY, ERLEY & CO.**

By: \_\_\_\_\_

Michael T. Gormely

Its: Senior Vice President

Accepted as of the date  
first above written:

**COUNTY OF JACKSON, MICHIGAN**

By: \_\_\_\_\_

Michael Overton

Its: County Administrator

By: \_\_\_\_\_

Geoffrey W. Snyder

Its: Chairman, Jackson County Board of Public Works

## EXHIBIT A

**Principal Amount:** \$ \_\_\_\_\_

**Date of Issue:** \_\_\_\_\_, 2012

**Purchase Price:** \$ \_\_\_\_\_ (being the par value, plus an original issue premium of \$ \_\_\_\_\_ and less an Underwriter's Discount of \$ \_\_\_\_\_).

**Interest Payment Dates:** \_\_\_\_\_ 1, 2012, and semi-annually thereafter

**Maturity Schedule, Interest Rate(s), Yield(s) and Price(s):**

_____ 1	Amount	Interest Rate	Yield	Price
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**Optional Redemption Provisions:**

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**Other:**

## **EXHIBIT B**

### **FORM OF BOND COUNSEL'S SUPPLEMENTAL OPINION**

**EXHIBIT F**

**FORM OF CONTINUING DISCLOSURE AGREEMENT (ISSUER)**

## **CONTINUING DISCLOSURE AGREEMENT (ISSUER)**

\$ \_\_\_\_\_  
**COUNTY OF JACKSON**  
**STATE OF MICHIGAN**  
**JACKSON COUNTY WASTEWATER DISPOSAL FACILITY REFUNDING BONDS**  
**(LAKE COLUMBIA AREA SECTION) GENERAL OBLIGATION LIMITED TAX,**  
**SERIES 2012**

This Continuing Disclosure Agreement (the “Agreement”) is executed and delivered by the County of Jackson, Michigan (the “Issuer”), pursuant to a resolution adopted \_\_\_\_\_, 2012, by the Issuer’s County Board of Commissioners in connection with the issuance by the Issuer of its \$\_\_\_\_\_ Jackson County Wastewater Disposal Facility Refunding Bonds (Lake Columbia Area Section) General Obligation Limited Tax, Series 2012, dated as of \_\_\_\_\_, 2012 (the “Bonds”). The Issuer covenants and agrees as follows:

### **SECTION 1. PURPOSE OF THE DISCLOSURE AGREEMENT.**

(a) This Agreement is being executed and delivered by the Issuer with respect to the Bonds for the benefit of the Bondholders and in order to assist the Participating Underwriters in complying with the Rule.

(b) In consideration of the purchase and acceptance of any and all of the Bonds by those who shall hold the same or shall own beneficial ownership interests therein from time to time, this Agreement shall be deemed to be and shall constitute a contract between the Issuer and the Bondholders from time to time, and the covenants and agreements herein set forth to be performed on behalf of the Issuer shall be for the benefit of the Bondholders of any and all of the Bonds.

(c) The Issuer acknowledges that this Agreement does not address the scope of any application of Rule 10b-5 promulgated by the SEC pursuant to the 1934 Act to the Annual Financial Information or notices of the Listed Events provided or required to be provided by the Issuer pursuant to this Agreement.

(d) As of the date of delivery of the Bonds to the initial purchaser thereof, the Issuer is an obligated person (within the meaning of the Rule) with respect to more than \$10,000,000 in aggregate amount of outstanding municipal securities, including the Bonds and excluding those securities permitted to be exempted pursuant to Section (d)(2)(i) of the Rule.

**SECTION 2. DEFINITIONS.** In addition to the capitalized terms defined elsewhere in this Agreement, the following capitalized terms shall have the following meanings in this Agreement:

“Annual Financial Information” shall mean any Annual Financial Information provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Agreement.

“Bond Counsel” shall mean nationally recognized legal counsel in municipal securities law.

“Bond Resolution” shall mean collectively the resolutions duly adopted by the governing board of the Issuer authorizing the issuance, sale and delivery of the Bonds.

“Bondholder” means the registered owner of a Bond or any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including any person holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bond for federal income tax purposes.

“Dissemination Agent” shall mean the Issuer, or any successor Dissemination Agent designated as such in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation, and such agent’s successors and assigns.

“EMMA” shall mean the Electronic Municipal Market Access system maintained by the MSRB for purposes of the Rule.

“GAAP” shall mean generally accepted accounting principles, as such principles are prescribed, in part, by the Financial Accounting Standards Board and modified by the Government Accounting Standards Board and Act 2 of the Public Acts of Michigan of 1968, as amended, in effect from time to time.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board.

“1934 Act” shall mean the Securities Exchange Act of 1934, as amended.

“Official Statement” shall mean the final Official Statement for the Bonds dated \_\_\_\_\_, 2012.

“Participating Underwriter” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

“Rule” shall mean Rule 15c2-12 promulgated by the SEC pursuant to the 1934 Act, as the same may be amended from time to time, together with all interpretive guidances or other official interpretations or explanations thereof that are promulgated by the SEC.

“SEC” shall mean the Securities and Exchange Commission.

“State” shall mean the State of Michigan.

### **SECTION 3. PROVISION OF ANNUAL FINANCIAL INFORMATION.**

(a) Each year, the Issuer shall provide, or shall cause the Dissemination Agent to provide, not later than six months after the last day of the Issuer’s preceding fiscal year, commencing with the Issuer’s Annual Financial Information for the Issuer’s fiscal year ending December 31, 2011, after such materials are available, to the MSRB, Annual Financial Information for the preceding fiscal year which is consistent with the requirements of Section 4(a) of this Agreement, and in the event of an amendment or waiver, the requirements of Section 8 of this Agreement. Not later than fifteen (15) business days prior to said date, the Issuer shall provide the Annual Financial Information to the Dissemination Agent (if other than the Issuer).

In each case, the Annual Financial Information may be submitted as a single document or as separate documents comprising a package, and may include by specific reference other information as provided in Section 4 of this Agreement.

(b) If the Issuer is unable to provide to the MSRB Annual Financial Information by the dates required in subsection (a), the Issuer shall send a notice in a timely manner to the MSRB in accordance with Section 14 of this Agreement.

(c) As of the date of this Agreement, the fiscal year of the Issuer commences on January 1 and ends on December 31. If the fiscal year of the Issuer changes after the date of this Agreement, the Issuer shall send a notice of such change to the MSRB in accordance with Section 14 of this Agreement. If such change will result in the Issuer's fiscal year ending on a date later than the ending date prior to such change, the Issuer shall provide notice of such change to the MSRB on or prior to the deadline for filing the Annual Financial Information in effect when the Issuer operated under its prior fiscal year. Such notice may be provided along with the Annual Financial Information, provided that it is filed at or prior to the deadline described above.

(d) The Dissemination Agent shall:

(1) determine each year prior to the dates for providing the Annual Financial Information the address of the MSRB; and

(2) if the Dissemination Agent is other than the Issuer, file a report with the Issuer certifying that the Annual Financial Information has been provided pursuant to this Agreement, stating the date it was provided to the MSRB and other persons, if any, to which it was provided.

(e) In connection with providing the Annual Financial Information, the Dissemination Agent (if other than the Issuer) is not obligated or responsible under this Agreement to determine the sufficiency of the content of the Annual Financial Information for purposes of the Rule or any other state or federal securities law, rule, regulation or administrative order.

#### **SECTION 4. CONTENT OF ANNUAL FINANCIAL INFORMATION.**

(a) The Issuer's Annual Financial Information shall include, at a minimum, that financial information and operating data which is customarily prepared by the Issuer and is publicly available, and shall contain or include by reference the following:

(1) Audited financial statements of the Issuer for its most recently completed fiscal year, prepared in accordance with GAAP with such changes as may be required from time to time in accordance with state law; provided, however, that if the audited financial statements of the Issuer are not available by the respective deadlines for filing the Annual Financial Information, they shall be provided when and if available, and unaudited financial statements in a format similar to the audited financial statements most recently prepared for the Issuer shall be included in the Annual Financial Information.

(2) The most recent financial information and operating data relating to the Issuer contained in the Official Statement under the following captions: "History of Property

Valuations,” “Analysis of Taxable Value,” “Major Taxpayers,” “Tax Rates (Per \$1,000 of Taxable Value),” “Tax Levies and Collections,” “Industrial Facilities Tax,” “General Fund – Fund Balance,” “Debt Statement,” and “Statement of Legal Debt Margin.”

Any or all of the items listed above may be included by specific reference to other documents available to the public through EMMA or filed with the SEC.

## **SECTION 5. REPORTING OF SIGNIFICANT EVENTS.**

(a) The Issuer covenants to provide, or cause to be provided, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner and not in excess of ten (10) business days after the occurrence of the event in accordance with the Rule:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (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, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
- (7) modifications to rights of Bondholders, if material;
- (8) bond calls, if material;
- (9) defeasances;
- (10) release, substitution, or sale of property securing repayment of the securities, if material;
- (11) rating changes;
- (12) tender offers;
- (13) bankruptcy, insolvency, receivership or similar event of the Issuer;
- (14) the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, 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; and
- (15) appointment of a successor or additional trustee or the change of name of a trustee, if material.

(b) Whenever the Issuer obtains knowledge of the occurrence of a Listed Event described in Section 5(a)(2), (7), (8), (10), (14) or (15), the Issuer shall as soon as possible determine if such event would be material under applicable federal securities laws.

(c) If the Issuer determines in the exercise of its best judgment in good faith that the occurrence of a Listed Event would be material under applicable federal securities laws, the Issuer shall promptly cause a notice of the occurrence of a Listed Event, determined to be material in accordance with the Rule, to be filed with the MSRB. In connection with providing a notice of the occurrence of a Listed Event described in Section 5(a)(9) above, the Issuer shall

include in the notice explicit disclosure as to whether the Bonds have been escrowed to maturity or escrowed to call, as well as appropriate disclosure of the timing of maturity or call.

(d) The Issuer acknowledges that the “rating changes” referred to above in Section 5(a)(11) of this Agreement may include, without limitation, any change in any rating on the Bonds or other indebtedness for which the Issuer is liable, or on any indebtedness for which the State is liable.

(e) The Issuer acknowledges that it is not required to provide a notice of a Listed Event with respect to credit enhancement when the credit enhancement is added after the primary offering of the Bonds, the Issuer neither applied for nor participated in obtaining such credit enhancement, and such credit enhancement is not described in the Official Statement.

#### **SECTION 6. TERMINATION OF REPORTING OBLIGATION.**

(a) The Issuer’s obligations under this Agreement shall terminate upon the legal defeasance of the Bond Resolution or by the prior redemption or payment in full of all of the Bonds.

(b) This Agreement, or any provision hereof, shall be null and void in the event that the Issuer (i) receives an opinion of Bond Counsel, addressed to the Issuer, to the effect that those portions of the Rule, which require such provisions of this Agreement, do not or no longer apply to the Bonds, whether because such portions of the Rule are invalid, have been repealed, amended or modified, or are otherwise deemed to be inapplicable to the Bonds, as shall be specified in such opinion, and (ii) delivers notice to such effect with the MSRB in accordance with Section 14 of this Agreement.

**SECTION 7. DISSEMINATION AGENT.** The Issuer, from time to time, may appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

**SECTION 8. AMENDMENT.** Notwithstanding any other provision of this Agreement, this Agreement may be amended, and any provision of this Agreement may be waived to the effect that:

(i) If the amendment relates to the provisions of Section 3(a), 3(b), 3(c), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, a change in law or a change in the identity, nature or status of the Issuer or the types of business in which the Issuer is engaged;

(ii) this Agreement as so amended or taking into account such waiver, 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, in the opinion of Bond Counsel; and

(iii) such amendment or waiver does not materially impair the interests of the Bondholders, in the opinion of Bond Counsel.

In the event of any amendment to, or waiver of a provision of, this Agreement, the Issuer shall describe such amendment or waiver in the next Annual Financial Information, and shall include a narrative explanation of the reason for the amendment or waiver. In particular, if the amendment or waiver results in a change to the annual financial information required to be included in the Annual Financial Information pursuant to Section 4 of this Agreement, the first Annual Financial Information that contains the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of such change in the type of operating data or financial information being provided. In addition, if the annual financial information required to be provided in the Annual Financial Information can no longer be generated because the operations to which it related have been materially changed or discontinued, a statement to that effect shall be included in the first Annual Financial Information that does not include such information. If the amendment or waiver involves a change in the accounting principles to be followed in preparing financial statements as set forth in Section 4, the Annual Financial Information for the year in which the change is made shall present a comparison between the financial statements or information prepared based on the new accounting principles and those prepared based on the former accounting principles. The comparison shall include a qualitative discussion of such differences and the impact of the changes on the presentation of the financial information. To the extent reasonably feasible, the comparison shall also be quantitative. A notice of the change in the accounting principles shall be sent by the Issuer to the MSRB. All explanations, statements, notices and other filings to be made under this Section 8 shall be made in accordance with Section 14 of this Agreement.

**SECTION 9. ADDITIONAL INFORMATION.** Nothing in this Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information or notice of occurrence of a Listed Event, in addition to that which is required by this Agreement. If the Issuer chooses to include any information in any Annual Financial Information or notice of occurrence of a Listed Event in addition to that which is specifically required by this Agreement, the Issuer shall have no obligation under this Agreement to update such information or include it in any future Annual Financial Information or notice of occurrence of a Listed Event.

**SECTION 10. DEFAULT.** In the event of a failure of the Issuer or the Dissemination Agent (if other than the Issuer) to comply with any provision of this Agreement, any Bondholder may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Agreement, but no person or entity shall be entitled to recover monetary damages under any circumstances. A default under this Agreement shall not be deemed an event of default under the Bond Resolution or the Bonds, and the sole remedy under this Agreement in the event of any failure of the Issuer to comply with the Agreement shall be an action to compel performance.

**SECTION 11. DUTIES OF DISSEMINATION AGENT.** The Dissemination Agent shall have only such duties as are specifically set forth in this Agreement.

**SECTION 12. BENEFICIARIES.** This Agreement shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriters, and the Bondholders and shall create no rights in any other person or entity.

**SECTION 13. ADDITIONAL DISCLOSURE OBLIGATIONS.** The Issuer acknowledges and understands that other state and federal laws, including, without limitation, the Securities Act of 1933, as amended, and Rule 10b-5 promulgated by the SEC pursuant to the 1934 Act, may apply to the Issuer, and that under some circumstances compliance with this Agreement, without additional disclosures or other action, may not fully discharge all duties and obligations of the Issuer under such laws.

**SECTION 14. COMPLIANCE WITH MSRB FILING REQUIREMENTS.** All filings required to be made to the MSRB shall be made only in an electronic format prescribed by the MSRB and all documents provided to the MSRB as part of any such filing shall be accompanied by identifying information as prescribed by the MSRB. Until otherwise designated by the MSRB or the SEC, filings with the MSRB are to be made through the EMMA website of the MSRB, currently located at <http://emma.msrb.org>.

**SECTION 15. OBLIGATED PERSONS.** The Issuer and the Township of Columbia (the "Township") are the only obligated persons (with the meaning of the Rule) with respect to the Bonds. The Issuer shall cause the Township to execute and deliver a Continuing Disclosure Agreement, bearing similar terms and conditions to this Agreement, in conjunction with the issuance of the Bonds. The Issuer shall provide, in a timely manner, notice to the MSRB, in accordance with Section 14 of this Agreement, of a failure of the Township to provide the Township's Annual Financial Information on or before the date specified in the Township's Continuing Disclosure Agreement.

**SECTION 16. GOVERNING LAW.** This Agreement shall be construed and interpreted in accordance with the laws of the State, and any suits and actions arising out of this Agreement shall be instituted in a court of competent jurisdiction in the State. Notwithstanding the foregoing, to the extent this Agreement addresses matters of federal securities laws, including the Rule, this Agreement shall be construed and interpreted in accordance with such federal securities laws and official interpretations thereof.

COUNTY OF JACKSON

By: \_\_\_\_\_

Its: \_\_\_\_\_

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



# Jackson County

## Office of County Drain Commissioner

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**TO:** County Affairs Committee  
Board of County Commissioners

**FROM:** Geoffrey Snyder  
Jackson County Drain Commissioner/Chairman of Jackson County Board of Public Works

**SUBJECT** Refunding of Series 2003 County Bonds for Vineyard Lake Area Sewer System

**DATE:** March 26, 2012

**Motion Requested:** Resolution to Authorize Issuance of Wastewater Disposal Facility Refunding Bonds (Vineyard Lake Area Section), General Obligation Limited Tax, Series 2012

### I. Background

- A. In 2003 the County issued bonds in the amount of \$6,100,000 to fund the cost of a public sanitary sewer system to serve the Vineyard Lake area in Columbia Township, Norvell Township and Cambridge Township (Lenawee County).
- B. These bonds bear interest at rates ranging from 3.50% to 4.50% and mature annually on April 1 of each year in the years 2012 through 2023.

### II. Current Situation

- A. Interest rates in the municipal bond market have reached very low levels making it feasible to refinance that portion of the existing bond issue which matures in the years 2014 through 2023 by issuing a new series of refunding bonds, thereby achieving estimated net present value savings in the overall cost of debt service in the range of \$266,000 (assuming market conditions as of January 31, 2012).
- B. Columbia Township, Norvell Township and Cambridge Township, by resolutions of their respective Township Boards, have requested that the County refund the Lake Columbia Bonds. Copies of these resolutions are on file at the office of the County Drain Commissioner.
- C. The Townships have collected prepaid special assessments in excess of \$700,000, which will be used to reduce the principal amount of the refunding bonds.

### III. Analysis

- A. **Strategic.** Authorization of the refunding bonds at this time will enable the County to take advantage of current low interest rates. The intent is to sell the new bonds on a negotiated basis using Hutchinson, Shockey, Erley & Co. as underwriter, Bendzinski &

Co. as financial advisor, and Mika Meyers Beckett & Jones as bond counsel to the County.

- B. **Financial.** A refunding analysis prepared by Hutchinson, Shockey, Erley & Co. projects net present value debt service savings in the range of \$266,000 after taking into account the use of funds on hand and the payment of all expenses of issuing the new refunding bonds. The Townships of Columbia, Norvell and Cambridge, which are together responsible to the County for repayment of the bonds, will benefit from these savings. Property owners in the three Townships in the Vineyard Lake area will also benefit from these savings, by a reduction in the interest rate payable on outstanding special assessments. In addition, the County of Jackson will benefit by reducing its outstanding bonded indebtedness for the Vineyard Lake Sewer System.

The repayment of the Vineyard Lake Bonds, both outstanding Series 2003 Bonds and the proposed refunding bonds, are fully secured by special assessments levied on benefited properties and debt service fees.

- C. **Legal.** The proposed Resolution authorizes the issuance of the refunding bonds and directs the Chairman of the Board of Public Works and the County Administrator to make final decisions with regard to the terms of the refunding bonds subject to parameters specified in the Resolution. The proposed Resolution also serves to approve the form of a second amendment to the underlying bond contract, an escrow deposit agreement, a bond purchase agreement and a continuing disclosure agreement, which are all necessary to implement the refunding.
- D. **Timing.** It is the goal to sell, issue and deliver the refunding bonds in the near future during favorable municipal bond market conditions to enable the Series 2003 bonds to be redeemed (i.e. paid off) in full on April 1, 2013, the first date on which the Series 2003 Bonds may be redeemed.

**IV. Alternatives**

Take no action and continue to pay current interest rates on the Series 2003 Bonds.

**V. Recommendation**

The Jackson County Board of Public Works at its meeting held on Monday, March 26, 2012, recommended adoption of the Resolution.

**Attachments:**

Resolution to Authorize Issuance of Wastewater Disposal Facility Refunding Bonds (Vineyard Lake Area Section), General Obligation Limited Tax, Series 2012

**RESOLUTION NO. \_\_\_\_\_**

**COUNTY OF JACKSON**

**STATE OF MICHIGAN**

**RESOLUTION TO AUTHORIZE ISSUANCE OF  
WASTEWATER DISPOSAL FACILITY REFUNDING BONDS  
(VINEYARD LAKE AREA SECTION) GENERAL OBLIGATION  
LIMITED TAX, SERIES 2012**

Minutes of a regular meeting of the Board of Commissioners of the County of Jackson, Michigan, held in the County Tower Building in Jackson, Michigan on the 17th day of April, 2012, at 7:00 p.m. Local Time.

PRESENT: Members: \_\_\_\_\_  
\_\_\_\_\_

ABSENT: Members: \_\_\_\_\_

The following preamble and resolution were offered by \_\_\_\_\_ and supported by \_\_\_\_\_:

WHEREAS, the County of Jackson acting by and through its Board of Public Works (the “County”), the Township of Columbia located in Jackson County, the Township of Norvell located in Jackson County, and the Township of Cambridge located in Lenawee County (together, the “Townships”) are parties to that certain Jackson County Wastewater Disposal Facility (Vineyard Lake Area Section) Bond Contract dated as of April 1, 2003, as amended by that certain First Amendment to Jackson County Wastewater Facility (Vineyard Lake Area Section) Bond Contract dated as of September 2, 2003 (together, the “Bond Contract”), relative to the acquisition, construction and financing by the County, and the operation, maintenance and management by the Townships, of the Jackson County Wastewater Disposal Facility (Vineyard Lake Area Section) (the “Project”); and

WHEREAS, pursuant to the Bond Contract, to defray the cost of the Project the County issued its Jackson County Wastewater Disposal Facility (Vineyard Lake Area Section) Bonds (General Obligation Limited Tax), Series 2003, dated as of November 1, 2003, in the original principal amount of \$6,100,000 (the “Series 2003 Bonds”) in accordance with a bond authorizing resolution adopted by the Jackson County Board of Commissioners on September 16, 2003 (the “Series 2003 Bond Resolution”) and Act 185 of the Public Acts of Michigan of 1957, as amended (“Act 185”); and

WHEREAS, the Townships are obligated under the Bond Contract to make payments to the County in accordance with the Bond Contract, at the times and in the amounts sufficient to pay the principal of and interest on the Series 2003 Bonds (the “Prior Bonds”) when due and to pay such fees and other expenses as may be incurred on account of said bonds, and to the making of such payments each of the Townships has pledged its full faith and credit; and

WHEREAS, the Prior Bonds are currently outstanding in the aggregate principal amount of \$4,200,000, mature, or are subject to mandatory redemption, annually on April 1 in the years 2012 through 2023, inclusive and bear interest at rates ranging from 3.500% to 4.500%; and

WHEREAS, the County is authorized to refund the Prior Bonds, in whole or in part, prior to maturity, subject to the requirements of the Internal Revenue Code of 1986, as amended (the “Code”), Act 185 and Act 34 of the Public Acts of Michigan of 2001 (“Act 34”); and

WHEREAS, by resolution duly adopted, the Township Board of each of the Townships has determined that it is in the best interest of that Township to have the County refund, in whole or in part, the Prior Bonds to achieve savings in the cost of debt service when compared to the cost of debt service on the Prior Bonds; and

WHEREAS, the County intends to use the proceeds of the Refunding Bonds authorized by this resolution and available funds on hand provided by the Townships in accordance with the Bond Contract to enable the County to call for optional redemption in full all of the Bonds to be Refunded (as defined below) on the next available optional redemption date (the “Redemption Date”) for the Prior Bonds; and

WHEREAS, a proposed Second Amendment to Jackson County Wastewater Disposal Facility (Vineyard Lake Area Section) Bond Contract (the “Second Amendment”), which supports the refunding of the Prior Bonds in part or in whole, has been submitted to the County Board of Commissioners in the form attached hereto as Exhibit C; and

WHEREAS, the County Board of Commissioners is adopting this resolution to authorize the refunding of the Prior Bonds, in whole or in part.

NOW, THEREFORE, BE IT HEREBY RESOLVED AS FOLLOWS:

1. **Refunding of Bonds to be Refunded; Period of Usefulness.** For the purpose of reducing the net present value of debt service payments on the Bonds to be Refunded, it is necessary for the County to issue bonds pursuant to the provisions of this resolution, Act 185 and Act 34, and to apply the proceeds thereof, together with available funds on hand of the Townships, to pay bond issuance expenses and enable the County to redeem in full all of the Bonds to be Refunded on the Redemption Date. Based in part upon the determination of the County set forth in Paragraph 1 of the Series 2003 Bond Resolution that the estimated period of usefulness of the System was then not less than twenty (20) years, the County hereby determines that, as of the date of this resolution, the remaining period of usefulness of the Project funded by the Prior Bonds is estimated to be not less than twelve (12) years.

2.     **Issuance of Bonds; Plan of Refunding.** The County shall borrow a sum not to exceed Four Million Dollars (\$4,000,000), and issue its bonds designated Wastewater Disposal Facility Refunding Bonds (Vineyard Lake Area Section) General Obligation Limited Tax, Series 2012 (the “Bonds”) therefore, pursuant to Act 185 and Act 34, for the purpose of defraying all or a portion of the cost of refunding the Bonds to be Refunded, including payment of the costs of issuance of the Bonds. The remaining cost of refunding the Bonds to be Refunded, if any, shall be paid from any funds then on deposit in the Debt Service Fund established under the Series 2003 Bond Resolution and pledged for payment of principal of, premium, if any, and interest on the Bonds to be Refunded and any other funds on hand provided by the Townships and legally available for that purpose.

3.     **Bond Specifications.** The Chairperson of the Board of Public Works and the County Administrator are hereby authorized and directed in accordance with Section 315(1)(d) of Act 34 to approve which of the Prior Bonds shall be refunded with proceeds of the Bonds (the “Bonds to be Refunded”), the Redemption Date and the final terms of the Bonds in the manner provided in this Resolution. The Bonds shall be secured in the manner provided by Paragraph 9 below, and shall be registered both as to principal and interest in substantially the form and tenor set forth in Exhibit A attached hereto. The Bonds shall be issued in a principal amount and at par or a discount which shall not exceed one percent (1.0%) of the face amount of the Bonds or a premium which shall not exceed three percent (3.0%) of the face amount of the Bonds and shall be dated, all as the Chairperson of the Board of Public Works and the County Administrator shall determine. The Bonds shall mature serially and/or in one or more term maturities due on or before April 1, 2023, on the dates and in the amounts as the Chairperson of the Board of Public Works and the County Administrator shall determine. The Bonds shall bear interest at a fixed

rate or rates payable semi-annually on such dates as shall be determined by the Chairperson of the Board of Public Works and the County Administrator, and shall be subject to optional or mandatory redemption, prior to maturity, in whole or in part, in such amounts and at such times with or without premium, which shall not exceed 3.0% of the principal amount subject to redemption, or at no time prior to maturity, as determined by the Chairperson of the Board of Public Works and the County Administrator. The Bonds shall be issued in such minimum denominations as determined by the Chairperson of the Board of Public Works and the County Administrator. The determinations by the Chairperson of the Board of Public Works and the County Administrator in accordance with this Resolution shall be made in writing in substantially the form attached to this Resolution as Exhibit B.

Notwithstanding the foregoing, the authority of the Chairperson of the Board of Public Works and the County Administrator is subject to the following limitations:

- (a) The principal amount of the Bonds shall not exceed \$4,000,000;
- (b) The net present value of the principal and interest to be paid on the Bonds, including the cost of issuance of the Bonds and taking into account the use of funds on hand, shall be less than the net present value of the principal and interest payable on the Bonds to be Refunded (assuming that the Bonds to be Refunded are not refunded);
- (c) The final maturity of the Bonds shall not be later than the final maturity date of the Bonds to be Refunded;
- (d) The Chairperson of the Board of Public Works and the County Administrator have received the written recommendation of Bendzinski & Co. Municipal

Finance Advisors, as financial consultant to the County, with respect to the terms of the Bonds to be determined in accordance with this Paragraph 3.

The Bonds may be issued in book-entry only form as one bond per maturity, fully registered in the name of Cede & Co., as bondholder and nominee for The Depository Trust Company (“DTC”), New York, New York. If this option is selected, DTC will act as securities depository for the Bonds, purchase of the Bonds will be made in book-entry only form in authorized denominations, and purchasers will not receive certificates representing their interest in Bonds purchased. If the Bonds are issued in book-entry only form, provisions in this Resolution to the contrary shall be of no force or effect unless and until the book-entry only system is suspended. The Chairperson of the Board of Public Works and the County Administrator are authorized to determine whether the Bonds shall be issued in book-entry only form, to make such changes in the form of the Bonds as shall be necessary or convenient to enable the Bonds to be issued in book-entry only form, and to execute such documents as may be required to enable the Bonds to be so issued.

In the alternative, a single bond may be used incorporating all maturities.

4. **Payment of Principal and Interest.** The Bonds and the interest thereon shall be paid in lawful money of the United States of America by the Bond Registrar, as defined in paragraph 7, below. Interest shall be paid when due by check or draft drawn on the Bond Registrar and mailed by first class mail or other acceptable method to the registered owners of record as of each March 15 with respect to payments due and payable on the immediately succeeding April 1, and as of each September 15 with respect to payments due and payable on the immediately succeeding October 1, or such other record date as the Chairperson of the Board of Public Works and the County Administrator shall determine. Principal shall be payable at the

principal office of the Bond Registrar upon presentation and surrender of the corresponding bond certificate.

5. **Redemption of Bonds Prior to Maturity.** The Bonds shall be subject to optional or mandatory redemption, prior to maturity, in whole or in part, in such amounts and at such times, with or without premium, or at no time prior to maturity, as determined by the Chairperson of the Board of Public Works and the County Administrator.

In the event of redemption, notice of the call of any Bonds for redemption shall be given by first class mail by the Bond Registrar, at least thirty (30) days prior to the date fixed for redemption, to the registered owners of record at the registered addresses shown on the registration books kept by the Bond Registrar. Bonds shall be called for redemption in multiples of \$5,000 and Bonds of denominations of greater than \$5,000 shall be treated as representing the number of Bonds obtained by dividing the denomination of the Bond by \$5,000 and such Bonds may be redeemed in part. Except in the case when a single bond has been issued which incorporates all maturities, the notice of redemption for Bonds redeemed in part shall state that upon surrender of the Bond to be redeemed a new Bond or Bonds in aggregate principal amount equal to the unredeemed portion of the Bond surrendered shall be issued to the registered owner thereof. No further interest payment on the Bonds or portions of the Bonds called for redemption shall accrue after the date fixed for redemption, whether or not the Bond is presented for redemption, provided funds are on hand with the Bond Registrar to redeem the same.

6. **Registration of Bonds.** The Bonds shall be registered both as to principal and interest in substantially the form and tenor as set forth in Exhibit A attached hereto. Any individual Bond shall be transferable on the bond register maintained with respect to the Bonds upon the surrender of the individual Bond together with an assignment executed by the registered

owner or his or her duly authorized attorney in form satisfactory to the Bond Registrar. Upon receipt of a properly assigned Bond, the Bond Registrar shall authenticate and deliver a new Bond or Bonds in equal aggregate principal amount and like interest rate and maturity to the designated transferee or transferees. Any individual Bond may likewise be exchanged for one or more other Bonds with the same interest rate and maturity in authorized denominations aggregating the same principal amount as the Bond being exchanged. Such exchange shall be affected by surrender of the individual Bond to be exchanged to the Bond Registrar with written instructions signed by the registered owner of the individual Bond or his or her attorney in form satisfactory to the Bond Registrar. Upon receipt of an individual Bond with proper written instructions, the Bond Registrar shall authenticate and deliver a new Bond or Bonds to the registered owner of the Bond or his or her properly designated transferee or transferees or attorney. A transfer, exchange and registration of Bonds shall be without expense or service charge to the registered holder except for any tax or other governmental charge required to be paid with respect to such transfer, exchange or registration. The Bond Registrar shall not be required to transfer or exchange Bonds or parts of Bonds which have been selected for redemption.

7. **Duties of Bond Registrar.** U.S. Bank National Association, Detroit, Michigan, shall act on behalf of the County as paying agent, registrar and transfer agent (the “Bond Registrar”) with respect to the Bonds. The Bond Registrar shall, upon receipt of sufficient funds from the County, make timely payments of principal and interest on the Bonds, authenticate the Bonds upon their initial issuance and subsequent transfer to successive holders, act as registrar of the Bonds including the preparation and maintenance of a current register of registered owners of the Bonds, coordinate the transfer of individual Bonds between successive holders, including

printing and transferring new certificates, and all other duties set forth in this Resolution or otherwise normally performed by paying, registration and transfer agents. All reasonable fees and expenses of the Bond Registrar shall be paid by the County. The County reserves the right to designate through the County Treasurer an alternate financial institution to act as Bond Registrar for the Bonds and in such event the County shall mail notice to all registered owners of the Bonds not less than 60 days prior to the effective date of said change in Bond Registrar.

8.     **Replacement of Bonds.** Upon receipt by the Bond Registrar of proof of ownership of an unmatured Bond, of satisfactory evidence that the Bond has been lost, apparently destroyed or wrongfully taken and of security or indemnity which complies with applicable law and is satisfactory to the Bond Registrar, the Bond Registrar may deliver a new executed Bond to replace the Bond lost, apparently destroyed or wrongfully taken in compliance with applicable law. In the event an outstanding matured Bond is lost, apparently destroyed or wrongfully taken, the Bond Registrar may pay the Bond without presentation upon the receipt of the same documentation required for the delivery of a replacement Bond. The Bond Registrar for each new Bond delivered or paid without presentation as provided above, shall require the payment by the bondholder of expenses, including counsel fees, which may be incurred by the Bond Registrar and the County in connection therewith. Any Bond delivered pursuant to the provisions of this Paragraph 8 in lieu of any Bond lost, apparently destroyed or wrongfully taken shall be of the same form and tenor and be secured in the same manner as the Bond in substitution for which such Bond was delivered.

9.     **Security for Repayment of Bonds.** The Bonds shall be issued in anticipation of payments to be made by the Townships pursuant to the Bond Contract, as amended by the Second Amendment. The Bonds shall be secured primarily by the full faith and credit pledge

made by each of the Townships in the Bond Contract, as amended by the Second Amendment, pursuant to the authorization contained in Act 185. As additional and secondary security the full faith and credit of the County are hereby pledged for the prompt payment of the principal of and interest on the Bonds as the same shall become due. The County covenants and agrees with the successive holders of the Bonds that so long as any of the Bonds remain outstanding and unpaid as to either principal or interest, the County will punctually perform all of the obligations and duties imposed on the County or undertaken by the County, pursuant to this bond resolution or the Bond Contract, as amended by the Second Amendment, and the County shall collect, segregate and apply the payments to be made by the Townships, pursuant to the Bond Contract, as amended by the Second Amendment, in the manner required by this bond resolution and the Bond Contract, as amended by the Second Amendment. If the Townships shall fail to make payments to the County in amounts sufficient to pay the principal of and interest on the Bonds as the same shall become due, then an amount sufficient to pay the deficiency shall be advanced from the general fund of the County. The County's ability to levy ad valorem taxes to make such advances shall be subject to constitutional and statutory limitations on the taxing power of the County.

10.     **Debt Service Fund.** There shall be established and maintained on the books of the County a fund to be designated "2012 WASTEWATER DISPOSAL FACILITY REFUNDING BONDS (VINEYARD LAKE AREA SECTION) DEBT SERVICE FUND" (the "Debt Service Fund"). Into said fund there shall be placed the accrued interest, if any, received at the time of delivery of the Bonds. All payments received from the Townships, pursuant to the Bond Contract, as amended by the Second Amendment, for payment of the principal of, premium, if any, and interest on the Bonds are hereby pledged for the payment of the principal

of, premium, if any, and interest on the Bonds and shall be deposited into the Debt Service Fund. As part of the Debt Service Fund, there shall be established and maintained such subaccounts as are deemed necessary and appropriate for the proper administration of the Debt Service Fund and compliance with the requirements of Section 148 of the Code, and the Treasury regulations promulgated thereunder. The principal of, premium, if any, and interest on the Bonds when due shall be paid directly out of the Debt Service Fund or its subaccounts.

11. **Refunding Fund.** There shall be established and maintained on the books of the County a separate account designated “2012 WASTEWATER DISPOSAL FACILITY REFUNDING BONDS (VINEYARD LAKE AREA SECTION) REFUNDING FUND” (the “Refunding Fund”). After deducting a sum equal to the amount of any accrued interest from the date of the Bonds to the date of delivery thereof, which sum shall be deposited in the Debt Service Fund in accordance with Paragraph 10 above, the balance of the proceeds of the Bonds shall be deposited into the Refunding Fund as follows: An amount equal to the cost of issuance of the Bonds shall be deposited into a subaccount of the Refunding Fund hereby designated as the “COST OF ISSUANCE ACCOUNT,” to be used solely to pay costs of issuance of the Bonds, and the remaining proceeds of the Bonds, together with any funds then on deposit in the Debt Service Fund established under the Series 2003 Bond Resolution and pledged for payment of principal of, premium, if any, and interest on the Bonds to be Refunded and any other funds provided by the Townships, shall be deposited into a subaccount of the Refunding Fund hereby designated as the “REFUNDING ACCOUNT,” to be invested in the manner provided by law and used to pay the principal of, premium, if any, and interest on the Bonds to be Refunded on the Redemption Date for the Bonds to be Refunded. The monies on deposit in the Refunding Fund, including the subaccounts thereof, shall be held in a special trust account and subaccounts

of the same names maintained at U.S. Bank National Association, Detroit, Michigan, or such other qualified bank or trust company designated by the County Treasurer (the “Escrow Trustee”), invested in the manner required by law and shall be used solely for the purposes specified above for each such subaccount. Any unexpended balance, including interest earnings, shall be used for such purposes as required by law, including without limitation, transfer to the Debt Service Fund. The County Treasurer is hereby authorized to execute and deliver on behalf of the County an Escrow Deposit Agreement with the Escrow Trustee for the purpose of executing the provisions of this Paragraph 11. The Escrow Deposit Agreement shall be substantially in form attached hereto as Exhibit D with such additions and deletions as shall be determined by the County Treasurer and bond counsel to be in the best interest of the County. After the disposition of such funds pursuant to the provisions of this paragraph, the Refunding Fund shall be closed.

12. **Duties of County Treasurer.** The County Treasurer shall keep full and complete records of all deposits to and withdrawals from the Debt Service Fund and the Refunding Fund and of all investments of monies in such accounts and other transactions relating thereto. The County Treasurer is authorized to invest the monies in said accounts in any one or more lawful investments authorized by law for counties and consistent with the County investment policy.

13. **Revised Municipal Finance Act.** The County Administrator is hereby authorized and directed to file a municipal finance qualifying statement with the Michigan Department of Treasury with a goal of achieving qualified status for the County under section 303(3) of Act 34, and, in the event the County is determined to have qualified status, the County shall comply with all applicable requirements of Act 34, including the filing of a security report and the payment of the filing fee required by section 319 of Act 34. In the alternative, a prior approval application

may be prepared and filed for the Bonds and the related filing fee shall be paid in accordance with Act 34 and the County Administrator or the Chairperson of the Board of Public Works is authorized and directed to execute said application on behalf of the County.

14. **Tax Covenant; Not Qualified Tax Exempt Obligations.** The County covenants to comply with all requirements of the Code necessary to assure that the interest on the Bonds will be and will remain excludable from gross income for purposes of federal income taxation (as opposed to alternative minimum or other indirect taxation). The County does not designate the Bonds as “qualified tax exempt obligations” for purposes of deduction of interest expense by financial institutions under the provisions of Section 265(b)(3) of the Code, it being reasonably anticipated that the aggregate amount of tax exempt obligations which will be issued during 2012 by the County and all subordinate entities to the County shall exceed \$10,000,000. The County Treasurer, the Chairperson of the Board of Public Works and other appropriate County officials, acting for and on behalf of the County, are authorized and directed to do all things and to require the Townships to do all things necessary to assure that the interest on the Bonds will be and will remain excludable from gross income for federal income tax purposes and that the Bonds and the Bond Contract, as amended by the Second Amendment, will be and remain binding and valid obligations of the Townships and the County.

15. **Bond Purchase Agreement; Negotiated Sale of Bonds.** The Board of Commissioners finds it to be in the best interest of the County and the Townships, and their respective residents, taxpayers and electors, to sell the Bonds at a negotiated sale, rather than a competitive sale, in order to obtain the maximum flexibility in sizing the Bonds, based upon the structure of the refunding escrow, and in pricing and structuring the Bonds to take advantage of day to day fluctuations in the municipal bond market. The Chairperson of the County Board of

Public Works and the County Administrator are hereby authorized to execute and deliver on behalf of the County a Bond Purchase Agreement substantially in the form attached hereto as Exhibit E (the “Bond Purchase Agreement”), which embodies the terms of the Bonds approved by the Chairperson of the County Board of Public Works and the County Administrator in accordance with this Resolution, with such additions to and deletions from the Bond Purchase Agreement as the Chairperson of the County Board of Public Works and the County Administrator determine to be in the best interest of the County, and the Chairperson of the County Board of Public Works and the County Administrator are hereby authorized to sell the Bonds at a negotiated sale to Hutchinson, Shockey, Erley & Co., or an affiliate thereof (the “Underwriter”), pursuant to the Bond Purchase Agreement and in accordance with applicable state law, and to do all other things necessary to effectuate the sale, issuance, delivery, transfer and exchange of the Bonds in accordance with the provisions of this Resolution and the Bond Purchase Agreement.

16. **Official Statement.** The County Treasurer and other County officials are authorized to cause the preparation of a near final official statement and a final official statement for the Bonds for the purpose of enabling compliance with SEC Rule 15c2-12 (the “Rule”), and the County Treasurer is authorized to execute and deliver the final official statement on behalf of the County, and to do all other things necessary to enable compliance with the Rule. The use of the official statement by the Underwriter in the public offering and sale of the Bonds is hereby authorized. After the award of the Bonds, the County will provide on a timely basis 100 copies of the final official statement at its expense (and such additional copies of the final official statement as reasonably requested by, and at the expense of, the Underwriter of the Bonds) to

enable the Underwriter to comply with paragraph (b)(4) of the Rule and the rules of the Municipal Securities Rulemaking Board.

17. **Continuing Disclosure.** The County hereby covenants and agrees, for the benefit of the holders of the Bonds, to cause the execution of a Continuing Disclosure Agreement in substantially the form attached hereto as Exhibit F, as the written undertaking of the County (the “Undertaking”) required by the Rule and 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. This Undertaking shall be enforceable by the holders of the Bonds in the manner set forth therein and any failure by the County to comply with the provisions of the Undertaking shall not be an event of default with respect to the Bonds. The Undertaking is hereby approved in the form attached and the County Treasurer is hereby authorized and directed to execute the Undertaking and deliver the same for and on behalf of the County in conjunction with the delivery of the Bonds in the form approved by this Resolution, together with such additions and deletions as said officer deems to be appropriate and in the best interest of the County (in such number of counterparts as may be desirable).

18. **Financial Consultant.** Bendzinski & Co. Municipal Finance Advisors of Detroit, Michigan, is hereby retained by the County as financial consultant (the “Financial Consultant”) in connection with the issuance and sale of the Bonds. In that capacity, the Financial Consultant shall negotiate the terms of the sale of the Bonds to the Underwriter, shall make a written recommendation of the terms of the Bonds to the Chairperson of the Board of Public Works and the County Administrator, shall assist in the preparation of an official statement, shall prepare and file on behalf of the County all necessary applications for bond ratings and municipal bond insurance and shall assist in other related matters as directed by the County.

19.     **Execution and Delivery of Bonds.** The Bonds shall be executed in the name of the County by the manual or facsimile signatures of the Chairperson of the Board of Commissioners and the County Clerk and authenticated by the manual signature of an authorized representative or signer for the Bond Registrar, and the seal of the County (or a facsimile thereof) shall be impressed or imprinted on the Bonds. After the Bonds have been executed and authenticated for delivery, they shall be delivered by or on behalf of the County Treasurer to the Purchaser upon receipt of the purchase price. Additional Bonds bearing the manual or facsimile signatures of the Chairperson of the Board of Commissioners and the County Clerk and upon which the seal of the County (or a facsimile thereof) is impressed or imprinted may be delivered to the Bond Registrar for authentication and delivery in connection with the exchange or transfer of Bonds. The Bond Registrar shall indicate on each Bond the date of its authentication. The proceeds of the Bonds shall be deposited into the Debt Service Fund and the Refunding Fund, as provided in Paragraphs 10 and 11 above. The officers, agents and employees of the County and the Board of Public Works are authorized and directed to execute and deliver such certificates, affidavits or other documents or instruments, including without limitation all necessary applications for municipal bond ratings and municipal bond insurance and retain a verification agent, as may be required by the Purchaser, or bond counsel, or convenient to effectuate the sale, execution and delivery of the Bonds. The County shall furnish the Bonds ready for execution without expense to the Purchaser. The County shall also furnish without expense to the Purchaser at the time of delivery of the Bonds, the approving opinion of Mika Meyers Beckett & Jones PLC, Attorneys, Grand Rapids, Michigan, as bond counsel, approving the legality of the Bonds. The Bonds will be delivered at the expense of the County in such city as agreed upon with the Purchaser. The County Treasurer shall, within thirty (30) days after delivery of the

Bonds furnish to the Townships a complete schedule of maturities of principal of and interest thereon.

20. **Defeasance.** In the event cash or direct obligations of the United States or obligations the principal of and interest on which are guaranteed by the United States, or a combination thereof, the principal of and interest on which, without reinvestment, come due at times and in amounts sufficient to pay, at maturity or such earlier date as the Bonds are subject to redemption in full, the principal of, premium, if any, and interest on the Bonds, shall have been 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 herein.

21. **Second Amendment.** The Second Amendment is hereby approved in the form attached as Exhibit C and the Chairperson and Secretary of the Board of Public Works are hereby authorized and directed to execute and deliver, on behalf of the County, the Second Amendment in the form approved by this Resolution together with such additions and deletions as the Chairperson and Secretary of the Board of Public Works deem to be appropriate and in the best interest of the County (in such number of counterparts as may be desirable).

22. **Notice of Redemption of Bonds to be Refunded.** Following the execution and delivery of the Bonds in accordance with the Bond Purchase Agreement, the County Treasurer is hereby directed to give irrevocable instructions to the bond registrar for the Bonds to be Refunded to have such bond registrar call the Bonds To Be Refunded for redemption on the Redemption Date by signing and delivering a notice of redemption to that effect by first-class mail, postage prepaid, to the registered owners of the Bonds To Be Refunded at the registered

address as shown on the registration books kept by such bond registrar, it being understood that the necessary directions for redemption of the Bonds to be Refunded may be embodied in the Escrow Deposit Agreement authorized by Paragraph 11 of this Resolution.

23. **Authorized Officers.** In the absence or disability of the Chairman of the Board of Public Works, the Vice Chairman of the Board of Public Works shall act in his stead for all purposes of this Resolution. In the absence or disability of the Secretary of the Board of Public Works, the Deputy Secretary, if any, of the Board of Public Works shall act in his stead for all purposes of this Resolution. In the absence or disability of the County Administrator, the Deputy County Administrator shall act in his stead for all purposes of this Resolution. In the absence or disability of the County Treasurer, the Chief Deputy Treasurer shall act in her stead. In the absence or disability of the Chairman of the County Board of Commissioners, the Vice Chairman of the County Board of Commissioners shall act in his stead. In the event of the absence or disability of the County Clerk, the Chief Deputy Clerk shall act in her stead.

24. **Prior Resolutions.** All resolutions and parts of resolutions in conflict herewith shall be and the same are hereby rescinded.

YEAS: Commissioners: \_\_\_\_\_  
\_\_\_\_\_

NAYS: Commissioners: \_\_\_\_\_  
\_\_\_\_\_

ABSTAIN: Commissioners: \_\_\_\_\_

RESOLUTION DECLARED ADOPTED.

\_\_\_\_\_  
Amanda L. Riska, County Clerk

STATE OF MICHIGAN       )  
  ) SS.  
COUNTY OF JACKSON       )

I, Amanda L. Riska, the duly qualified and acting Clerk of the County of Jackson, Michigan, do hereby certify that the foregoing is a true and complete copy of a Resolution adopted by the County Board of Commissioners at a regular meeting thereof held on the 17th day of April, 2012, the original of which is on file in my office. Public notice of said meeting was given pursuant to and in compliance with Act No. 267, Public Acts of Michigan, 1976, as amended, including in the case of a special or rescheduled meeting, notice by publication or posting at least eighteen (18) hours prior to the time set for the meeting.

IN WITNESS WHEREOF, I have affixed my official signature this \_\_\_\_ day of \_\_\_\_\_, 2012.

\_\_\_\_\_  
Amanda L. Riska, County Clerk

**EXHIBIT A**

REGISTERED

UNITED STATES OF AMERICA

REGISTERED

STATE OF MICHIGAN

COUNTY OF JACKSON

WASTEWATER DISPOSAL FACILITY REFUNDING BONDS  
(VINEYARD LAKE AREA SECTION)  
GENERAL OBLIGATION LIMITED TAX, SERIES 2012

No.

Rate

Maturity

Date of Original Issue

CUSIP

\_\_\_\_\_, 201\_

Registered Owner:

Principal Amount:

KNOW ALL MEN BY THESE PRESENTS, that the County of Jackson, State of Michigan (the "County"), acknowledges itself indebted and for value received hereby promises to pay on the date specified above to the owner specified above or its registered assigns shown as the owner of record of this bond on the books of \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, Michigan, as bond registrar (the "Bond Registrar") on the applicable date of record, the principal sum specified above in lawful money of the United States of America, upon presentation and surrender of this bond at the principal office of the Bond Registrar, together with interest thereon at the rate per annum specified above payable on \_\_\_\_\_ 1, 201\_, and semi-annually thereafter on the first day of \_\_\_\_\_ and \_\_\_\_\_ of each year from the \_\_\_\_\_ 1 or \_\_\_\_\_ 1 next preceding the Date of Authentication hereof, unless such Date of Authentication is a date to which interest has been paid or duly provided for, in which case from the Date of Authentication hereof, unless interest on this bond has not been paid in full or duly provided for, in which case from the date to which interest has been paid in full, or if no interest has been paid on this bond, from the Date of Original Issue specified above, until payment of the principal hereof has been made or duly provided for. Payment of interest shall be paid to the registered owner hereof by the Bond Registrar by first class mail. The date of record shall be each \_\_\_\_\_ 15 and \_\_\_\_\_ 15 with respect to the payments due on each \_\_\_\_\_ 1 and \_\_\_\_\_ 1, respectively. Principal and interest are payable in lawful money of the United States of America.

This bond is one of a series of bonds of like date and tenor except as to date of maturity and rate of interest aggregating the principal sum of \$\_\_\_\_\_ (the "Bonds") issued by the County under and pursuant to and in full conformity with the Constitution and statutes of

Michigan (especially Act 185 of the Public Acts of 1957, as amended, and Act 34 of the Public Acts of Michigan of 2001, as amended) and a bond authorizing resolution adopted by the Board of Commissioners of the County (the "Bond Authorizing Resolution") for the purpose of refunding [all][that portion] of the County's outstanding Jackson County Wastewater Disposal Facility (Vineyard Lake Area Section) Bonds (General Obligation Limited Tax), Series 2003, dated November 1, 2003, maturing in the years \_\_\_\_ through 2023. The bonds of this series are issued in anticipation of payments to be made by the Townships of Columbia and Norvell located in Jackson County and the Township of Cambridge located in Lenawee County pursuant to a contract, dated April 1, 2003, and amended September 2, 2003 and February 1, 2012, between the Townships and the County. The full faith and credit of the Townships has been pledged to the prompt payment of the foregoing amount and the interest thereon as the same become due. As additional security, the full faith and credit of the County are hereby pledged for the prompt payment of the principal of and interest on the bonds of this series. Taxes levied by the Townships and the County to pay the principal of and interest on the bonds of this series are subject to constitutional and statutory tax limitations.

[The Bonds maturing in the years \_\_\_\_ through \_\_\_\_ shall not be subject to redemption prior to maturity.]

#### **[MANDATORY REDEMPTION]**

[The Bonds maturing \_\_\_\_\_ 1, 20\_\_\_\_, and \_\_\_\_\_ 1, 20\_\_\_\_ (the "Term Bonds") are subject to mandatory redemption, in part, by lot, on the redemption dates and in the principal amounts set forth below and at a redemption price equal to the principal amount thereof, without premium, together with interest thereon to the date fixed for redemption. When a Term Bond is purchased by the County and delivered to the Bond Registrar for cancellation or is redeemed in a manner other than by mandatory redemption, the principal amount of the Term Bond, to be so redeemed shall be reduced by the principal amount of the Term Bond so redeemed or purchased in the order determined by the County.

Redemption Date	Principal Amount
_____ 1, 20____	\$ _____
_____ 1, 20____	\$ _____ (Term Bond Maturity)
_____ 1, 20____	\$ _____
_____ 1, 20____	\$ _____ (Term Bond Maturity)]

#### **[OPTIONAL REDEMPTION]**

[Bonds maturing in the years \_\_\_\_ to \_\_\_\_, both inclusive, shall be subject to redemption prior to maturity, at the option of the County, in whole or in part in increments of \$5,000 in such order of maturity as the County may determine and within any maturity by lot on any interest payment date on or after \_\_\_\_\_ 1, \_\_\_\_, at par and accrued interest to the date fixed for redemption plus a premium expressed as a percentage of par value as follows:

\_\_\_\_% of the principal amount of each Bond or portion thereof called for redemption on or after \_\_\_\_\_ 1, \_\_\_\_, but prior to \_\_\_\_\_ 1, \_\_\_\_; and

\_\_\_% of the principal amount of each Bond or portion thereof called for redemption on or after \_\_\_\_\_ 1, \_\_\_\_, but prior to \_\_\_\_\_.

No premium shall be paid on Bonds or portions thereof called for redemption on or after \_\_\_\_\_ 1, \_\_\_\_.]

In the event a Bond maturing in any one year is redeemed in part, the unredeemed remaining principal portion of the Bond shall in no event be less than the minimum authorized denomination of \$\_\_\_\_\_.

[Notice of redemption of any Bond shall be given at least thirty (30) days prior to the date fixed for redemption by mail to the registered owner or owners at the registered addresses shown on the registration books kept by the Bond Registrar. Bonds shall be called for redemption in multiples of \$5,000 and Bonds of denominations of greater than \$5,000 shall be treated as representing the number of Bonds obtained by dividing the denomination of the Bond by \$5,000 and such Bonds may be redeemed in part. The notice of redemption for bonds redeemed in part shall state that upon surrender of the bond to be redeemed a new Bond or Bonds in aggregate principal amount equal to the unredeemed portion of the bond surrendered shall be issued to the registered owner thereof. No further interest payment on the Bonds or portions of the Bonds called for redemption shall accrue after the date fixed for redemption, whether or not the Bond is presented for redemption, provided funds are on hand with the Bond Registrar to redeem the same.]

This bond is transferable, as provided in the Bond Authorizing Resolution, on the bond registration books of the Bond Registrar upon surrender of this bond together with an assignment executed by the registered owner or his or her duly authorized attorney in form satisfactory to the Bond Registrar. Upon such transfer, one or more fully registered bonds with minimum authorized denominations up to the amount of a single maturity in the same aggregate principal amount and the same maturity and interest rate, will be issued to the designated transferee or transferees. The Bond Registrar shall not be required to transfer or exchange bonds or portions of bonds which have been selected for redemption.

It is hereby certified and recited that all acts, conditions and things required by law precedent to and in the issuance of the Bonds have been done, exist and have happened in due time and form as required by law, and that the total indebtedness of the County, including the series of bonds of which this bond is one, does not exceed any constitutional or statutory limitations.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Authorizing Resolution until the Certification of Registration and Authentication hereon shall have been manually signed by the Bond Registrar.

IN WITNESS WHEREOF, the County of Jackson, Michigan, by its Board of Commissioners, has caused this bond to be executed in its name by facsimile signatures of the

Chairperson of the Board of Commissioners and the County Clerk and its County seal (or a facsimile thereof) to be impressed or imprinted hereon.

COUNTY OF JACKSON

(SEAL)

By: \_\_\_\_\_  
Amanda L. Riska, County Clerk

By: \_\_\_\_\_  
\_\_\_\_\_, Chairperson  
Board of Commissioners

## CERTIFICATION OF REGISTRATION AND AUTHENTICATION

This Bond is one of the Bonds described in the within mentioned Bond Authorizing Resolution and has been registered in the name of the payee designated on the face hereof in the Register maintained for the Issuer thereof.

U.S. BANK NATIONAL ASSOCIATION  
As Bond Registrar

Date of  
Authentication: \_\_\_\_\_

By \_\_\_\_\_

Its Authorized Representative

## ASSIGNMENT

For value received, the undersigned sells, assigns and transfers unto \_\_\_\_\_

\_\_\_\_\_ the within Bond and all rights thereunder and hereby irrevocably constitutes and appoints \_\_\_\_\_ attorney to transfer the within Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed: \_\_\_\_\_

\_\_\_\_\_  
Signature(s) must be guaranteed by an eligible guarantor institution participating in a Securities Transfer Association recognized signature guarantee program.

\_\_\_\_\_  
NOTICE: The signature(s) to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

The Bond Registrar will not affect transfer of this Bond unless the information concerning the transferee requested below is provided.

Name and Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
(Include information for all joint owners if this Bond is held by joint account)

PLEASE INSERT SOCIAL SECURITY NUMBER OR  
OTHER IDENTIFYING NUMBER OF TRANSFEREE

\_\_\_\_\_  
(Insert number for first-named transferee if held by joint account)

## EXHIBIT B

### ORDER APPROVING SALE AND TERMS OF BONDS

We, the undersigned Chairperson of the County Board of Public Works and the County Administrator of the County of Jackson hereby approve the following terms of the Jackson County Wastewater Disposal Facility Refunding Bonds (Vineyard Lake Area Section) General Obligation Limited Tax, Series 2012 (the "Bonds") pursuant to authorization set forth in the Resolution to Authorize Issuance of Wastewater Disposal Facility Refunding Bonds (Vineyard Lake Area Section) General Obligation Limited Tax, Series 2012, adopted by the Jackson County Board of Commissioners on \_\_\_\_\_, 2012:

1. The Bonds shall be dated as of \_\_\_\_\_.
2. The principal amount of the Bonds shall be \$\_\_\_\_\_;
3. The Bonds shall mature as follows:

Maturity (_____) 1)	Principal <u>Amount</u>	Rate of <u>Interest</u>
------------------------	----------------------------	----------------------------
4. Interest shall be paid semi-annually on the Bonds on \_\_\_\_\_ 1 and \_\_\_\_\_ 1 of each year commencing \_\_\_\_\_ 1, \_\_\_\_\_.
5. The Bonds shall [not] be subject to [\_\_\_\_\_] redemption prior to maturity on the following terms: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_.
6. The Bonds shall be issued in minimum denominations of \$\_\_\_\_\_ or any \$\_\_\_\_\_ increment in excess of \$\_\_\_\_\_ up to the aggregate principal amount of a single maturity.
7. The Bonds shall be sold to \_\_\_\_\_.
8. The Bonds [shall] [shall not] be issued in book-entry only form.
9. The Bond Registrar shall be \_\_\_\_\_, \_\_\_\_\_, Michigan.
10. The Escrow Agent shall be \_\_\_\_\_, \_\_\_\_\_, Michigan.

11. The 2012 Wastewater Disposal Facility Refunding Bonds (Vineyard Lake Area Section) Bond) Refunding Fund shall be funded in the following manner:

Proceeds of the Refunding Bonds	\$
Funds on Hand in the Debt Service Fund for the Bonds to be Refunded	\$
Funds on Hand Provided by Townships of Columbia, Norvell and Cambridge	\$
Other	\$ _____
Total	\$

- [12. Additional terms applicable to the Bonds, if any.]

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

\_\_\_\_\_  
Geoffrey W. Snyder  
Chairperson  
Jackson County Board of Public Works

\_\_\_\_\_  
Mike Overton  
County Administrator  
County of Jackson

**EXHIBIT C**

**SECOND AMENDMENT TO  
JACKSON COUNTY WASTEWATER DISPOSAL FACILITY  
(VINEYARD LAKE AREA SECTION) BOND CONTRACT**

**SECOND AMENDMENT TO  
JACKSON COUNTY WASTEWATER DISPOSAL FACILITY  
(VINEYARD LAKE AREA SECTION) BOND CONTRACT**

THIS SECOND AMENDMENT is made and entered into as of this 1st day of February, 2012 (the “Second Amendment”), by and between the County of Jackson, Michigan (the “County”) acting by and through its Board of Public Works (the “Board”), the governing body of its Department of Public Works pursuant to Act 185 of the Public Acts of Michigan of 1957, as amended (“Act 185”), the Township of Columbia, a general law township located in the County (“Columbia”), the Township of Norvell, a general law township located in the County (“Norvell”), and the Township of Cambridge, a general law township located in Lenawee County (“Cambridge”) (collectively Columbia, Norvell and Cambridge are referred to as the “Townships”).

**WITNESSETH:**

WHEREAS, the County and the Townships are parties to the Jackson County Wastewater Disposal Facility (Vineyard Lake Area Section) Bond Contract, dated as of April 1, 2003, as amended by that certain First Amendment to Jackson County Wastewater Facility (Vineyard Lake Area Section) Bond Contract dated as of September 2, 2003 (together, the “Original Bond Contract”), pursuant to which the County issued its Jackson County Wastewater Disposal Facility (Vineyard Lake Area Section) Bonds (General Obligation Limited Tax), Series 2003, dated as of November 1, 2003, in the original principal amount of \$6,100,000 (the “Series 2003 Bonds”) in accordance with a bond authorizing resolution adopted by the Jackson County Board of Commissioners on September 16, 2003 (the “Series 2003 Bond Resolution”) and Act 185; and

WHEREAS, the Series 2003 Bonds are currently outstanding in the aggregate principal amount of \$4,200,000, mature, or are subject to mandatory redemption, annually on April 1 of the years 2012 through 2023, inclusive, bear interest at coupon rates which range from 3.50% per

annum to 4.50% per annum and are subject to optional redemption on any interest payment date on or after April 1, 2013; and

WHEREAS, the County is authorized to refund the Series 2003 Bonds, in whole or in part, prior to maturity, subject to the requirements of the Internal Revenue Code of 1986, as amended, Act 185 and Act 34 of the Public Acts of Michigan of 2001, as amended; and

WHEREAS, the Townships have determined that it is in the best interest of the Townships to have the Series 2003 Bonds refunded in full or in part to achieve savings in the cost of debt service as a result of current prevailing low interest rates in the municipal bond market; and

WHEREAS, Act 34 authorizes the County to refund all or any portion of the Series 2003 Bonds by the issuance of refunding bonds by resolution of the County Board of Commissioners and without a vote of County electors, which refunding bonds may be issued in a principal amount greater than the principal amount of the bonds to be refunded as may be necessary to effect the refunding pursuant to a plan of refunding, including the payment of the redemption premium and other expenses necessary to be paid in connection with the bonds to be refunded and the cost of issuance of the refunding bonds; and

WHEREAS, the County and the Townships are entering into this Second Amendment under the authorization of Act 185 and Act 34 (a) to confirm the authority of the County to issue refunding bonds secured by the Original Bond Contract, as amended by this Second Amendment (b) to enable the Townships to ratify and confirm their respective continuing obligations to pay debt service due on the Series 2003 Bonds, to the extent any portion of the Series 2003 Bonds are not refunded; (c) to enable the Townships to confirm that the obligation of the Townships to pay to the County in accordance with the Original Bond Contract, as amended by this Second Amendment, the principal of, premium, if any, and interest on refunding bonds sold by the County to refund any portion of the Series 2003 Bonds is secured by the Original Bond Contract,

as amended by this Second Amendment; and (d) to enable the County and the Townships to determine that this Second Amendment and a refunding of the Series 2003 Bonds, in whole or in part, in the manner contemplated by this Second Amendment does not in any manner affect the security of the Series 2003 Bonds, if any, which are not refunded.

IT IS THEREFORE AGREED BY AND BETWEEN THE PARTIES HERETO, for and in consideration of the agreement and covenants of each other and moneys to be paid one to the other, as follows:

1. **Amendment of Original Bond Contract.** The Original Bond Contract is hereby amended by the addition of new Section 12A, which shall read as follows:

“12.A. **REFUNDING BONDS.** The Bonds, any additional bonds authorized and issued pursuant to Section 12, and any refunding bonds authorized and issued pursuant to this Section 12A (together, the “Prior Bonds”) may be refunded, in whole or in part, by the issuance of refunding bonds by the County in accordance with Act 185, Act 34 of the Public Acts of Michigan of 2001, as amended (“Act 34”), the Internal Revenue Code of 1986, as amended, and other applicable state and federal law, provided that:

(1) The refunding results in a net present value savings when the debt service on the bonds to be refunded is compared with the debt service on the refunding bonds, including the cost of issuance of the refunding bonds, and taking into account the use of funds on hand; and

(2) Each of the Townships consent by resolution of its respective Township Board to the terms of the refunding, which consent may be based upon the refunding achieving net present value interest savings.

In the event the County issues refunding bonds hereunder, the Townships hereby agree to revise by increase or decrease, as the case may be, the payments required to be made under this Contract by the Townships in an amount sufficient to meet the principal and interest payments on the refunding bonds and, in the event of a partial refunding, any portion of the Prior Bonds which will remain outstanding. It is expressly agreed that the Townships shall be committed to retire all refunding bonds issued hereunder.

In the event the Prior Bonds are refunded in part such that a portion of the Prior Bonds remain outstanding, the payments required to be made under this Contract with respect to the outstanding Prior Bonds and the refunding bonds shall be made to the County on an equal standing basis.

In the event any refunding bonds are issued by the County in accordance with this Section 12A, the references to Bonds herein shall be deemed to include such refunding bonds for all purposes of Section 10 (with respect to payment of the costs of the Project, debt service and bond service charges in the Percentage Shares set forth therein, payment procedures, the Common Fund and the pledge by the County of debt service payments made by the Townships for the payment of bonds), Section 11 (with respect to each Township's pledge of full faith and credit and the sources of revenue available to the Townships to make payments required by the Contract), Section 15 (with respect to the obligation of the Townships to levy rates and charges or provide other revenues sufficient to enable the Townships to pay the expenses of operation, maintenance and administration of the System and/or debt service on any bonds when due), Section 19 (with regard to the rights and remedies available to the County in the event of a default by all or any one of the Townships), Section 21 (with regard to the tax covenant by the County and the Townships), Section 22 (with respect to the rights of bondholders), Section 23 (with regard to indemnification), and Section 24(A) (with regard to the term of this Contract and the termination hereof upon payment in full of all bonds issued in accordance with this Contract), it being the express intent of the County and the Townships that the refunding bonds, if any, authorized and issued in accordance with this Section 12A be secured by this Contract, the full faith and credit pledge by each of the Townships and the payments made by the Townships in accordance with this Contract in the same manner as the Bonds and any additional bonds authorized and issued pursuant to Section 12 and that the holders of the refunding bonds, if any, authorized and issued in accordance with this Section 12A shall be entitled to the same rights under this Contract as the holders of the Bonds and any additional bonds authorized and issued pursuant to Section 12, on an equal standing basis."

2.     **REFUNDING BONDS.** The Townships have requested the County, and the County has agreed, to issue refunding bonds (the "Refunding Bonds") in accordance with Section 12A of the Original Bond Contract, as amended by this Second Amendment, to refund the County's Series 2003 Bonds in whole or in part (the "Bonds to be Refunded") to take advantage of low prevailing interest rates and achieve net present value savings in debt service. With respect to the Series 2003 Bonds, the Bonds to be Refunded, and the Refunding Bonds, the County and the Townships hereby covenant as follows:

a.     The Series 2003 Bonds are the only Prior Bonds issued by the County pursuant to the Original Bond Contract, as amended by this Second Amendment, and outstanding as of the date of this Second Amendment.

b. The adoption and execution of this Second Amendment shall not affect the security of the Series 2003 Bonds or the prompt and timely payment of the principal and interest on the Series 2003 Bonds for the following reasons:

(1) The Bonds to be Refunded will be redeemed in full from the proceeds of the Refunding Bonds and available funds on hand, if any, in accordance with the terms of the Series 2003 Bond Resolution on the next available redemption date which follows the date of delivery of the Refunding Bonds.

(2) The Refunding Bonds shall not be issued by the County unless there is a net present value savings in the payment of debt service when the debt service on the Bonds to be Refunded is compared to the aggregate debt service payable on the Refunding Bonds, including the cost of issuance of the Refunding Bonds and taking into account the use of funds on hand, thereby reducing the total debt service payments payable by the Townships to the County pursuant to the Original Bond Contract, as amended by this Second Amendment with respect to the Refunding Bonds, when compared to the total debt service payments on the Bonds to be Refunded, assuming the Bonds to be Refunded are not refunded.

(3) The Series 2003 Bonds, to the extent not refunded by the Refunding Bonds, shall continue to be secured in the same manner and to the same extent as the Series 2003 Bonds are secured by the terms of the Series 2003 Bond Resolution and the Original Bond Contract.

c. Prior to the issuance of the Refunding Bonds, the Series 2003 Bonds will continue to be secured in the same manner and to the same extent as provided by the terms of the Series 2003 Bond Resolution and the Original Bond Contract.

d. After the issuance of the Refunding Bonds, the Bonds to be Refunded shall be fully secured by the proceeds of the Refunding Bonds and available funds on hand, if

any, which shall be held in escrow and restricted solely for the purpose of redeeming in full the Bonds to be Refunded on the first available date for redemption and payment of the costs of issuance of the Refunding Bonds.

e. The Refunding Bonds shall be secured in the same manner and to the same extent as the Bonds to be Refunded on an equal standing basis with the Series 2003 Bonds, to the extent not funded by the Refunding Bonds, in accordance with the terms of the bond authorizing resolution adopted, or to be adopted, by the County Board of Commissioners to authorize the issuance of the Refunding Bonds, the Series 2003 Bond Resolution and the Original Bond Contract, as amended by this Second Amendment.

IN WITNESS WHEREOF, the Township of Columbia, Jackson, County, Michigan, by its Township Board; the Township of Norvell, Jackson County, Michigan, by its Township Board; the Township of Cambridge, Lenawee County, Michigan, by its Township Board; and the County of Jackson, by its Board of Public Works have each caused its name to be signed to this instrument by their duly authorized officers as of the day and year first above written.

This Contract has been executed in counterparts.

COUNTY OF JACKSON  
BY ITS BOARD OF PUBLIC WORKS

By: \_\_\_\_\_  
Geoffrey W. Snyder, Chairperson  
Jackson County Board of Public Works

By: \_\_\_\_\_  
Kenneth L. Elenbaas, Secretary  
Jackson County Board of Public Works

TOWNSHIP OF COLUMBIA

By: \_\_\_\_\_  
Robert Elrod, Supervisor

By: \_\_\_\_\_  
Barry Marsh, Clerk

TOWNSHIP OF NORVELL

By: \_\_\_\_\_  
Adam Ulbin, Supervisor

By: \_\_\_\_\_  
Anne Hagadorn, Clerk

TOWNSHIP OF CAMBRIDGE

By: \_\_\_\_\_  
Harvey Hawkins, Supervisor

By: \_\_\_\_\_  
Rick Richardson, Clerk

**EXHIBIT D**

**FORM OF ESCROW DEPOSIT AGREEMENT**

## ESCROW DEPOSIT AGREEMENT

THIS ESCROW DEPOSIT AGREEMENT, is dated as of \_\_\_\_\_, 20\_\_, by and among the COUNTY OF JACKSON, a Michigan county corporation (the “County”) and U.S. BANK NATIONAL ASSOCIATION, a national banking association, as escrow trustee (the “Escrow Trustee”).

WHEREAS, the County has issued and delivered its \$\_\_\_\_\_ Wastewater Disposal Facility Refunding Bonds (Vineyard Lake Area Section) General Obligation Limited Tax, Series 2012, dated as of \_\_\_\_\_, 20\_\_ (the “Refunding Bonds”) pursuant to a bond authorizing resolution adopted by the County’s Board of Commissioners on \_\_\_\_\_, 2012 and the \_\_\_\_\_ executed by the County \_\_\_\_\_ (together, the “Refunding Bond Resolution”) for the purpose of [advance] refunding a portion of the County’s \$6,100,000 original aggregate principal amount of Jackson County Wastewater Disposal Facility (Vineyard Lake Area Section) Bonds (General Obligation Limited Tax), Series 2003, dated November 1, 2003 (the “Prior Bonds”); and

WHEREAS, the Prior Bonds were issued under and pursuant to a resolution adopted by the County Board of Commissioners on September 16, 2003 (the “Prior Bond Resolution”); and

WHEREAS, the County has determined to provide for the defeasance of the outstanding Prior Bonds maturing on April 1 in each of the years \_\_\_\_ through 2023, inclusive (the “Bonds to be Defeased”), which will be outstanding in the aggregate principal sum of \$\_\_\_\_\_ at the time of the deposit in escrow; and, and the County has provided sufficient funds to the County for that purpose; and

WHEREAS, U.S. Bank National Association, a national banking association, is the bond registrar and paying agent (the “Paying Agent”) with respect to the Bonds to be Defeased; and

WHEREAS, the parties have determined to provide for payment of the Bonds to be Defeased in accordance with Paragraph 20 of the Prior Bond Resolution by depositing with the Escrow Trustee, sufficient cash and noncallable direct obligations of the United States of America, the principal of and interest on which, when due and payable, will provide sufficient money to pay the principal of, premium, if any, and interest on the Bonds to be Defeased in accordance with the schedule set forth in Exhibit B attached hereto;

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

**Section 1. Receipt of Bond Resolution.** Receipt of a true and correct copy of the Prior Bond Resolution and the Refunding Bond Resolution is acknowledged by the Escrow Trustee.

**Section 2. Creation of Escrow Deposit Fund.** There is created and established with the Escrow Trustee a special and irrevocable escrow fund designated the “2012 Wastewater Disposal Facility Refunding Bonds (Vineyard Lake Area Section) Refunding Fund” (the “Escrow Deposit Fund”), to be held in trust by the Escrow Trustee on behalf of the County, separate and apart from other funds of the Escrow Trustee and the County, if any. The Escrow Trustee shall create within the Escrow Deposit Fund an account designated the “Refunding Account” and an account designated the “Cost of Issuance Account.”

**Section 3. Funding of the Escrow Deposit Fund; Purchase of Government Obligations.** Concurrently with the execution and delivery of this Agreement, the County shall transfer or cause to be transferred to the Escrow Trustee (a) for deposit in the Refunding Account of the Escrow Deposit Fund the sum of \$\_\_\_\_\_ from proceeds of the Refunding Bonds and from \_\_\_\_\_, and (b) for deposit in the Cost of Issuance Account of the Refunding Fund the sum of \$\_\_\_\_\_ from proceeds of the Refunding Bonds and from \_\_\_\_\_. The Escrow Trustee shall use such funds in the Refunding Account of the Escrow Deposit Fund to purchase on behalf of the County the noncallable direct obligations of the United States of America listed in Exhibit A attached hereto. The noncallable direct obligations of the United States of America deposited into the Refunding Account of the Escrow Deposit Fund shall hereafter be referred to as the "Escrowed Securities." The funds in the Cost of Issuance Account of the Escrow Deposit Fund shall remain uninvested until used in accordance with this agreement.

**Section 4. Acceptance of Escrow; Application of Escrow Deposit Fund; Irrevocable Call for Redemption.** The Escrow Trustee accepts the money and investments deposited pursuant to this Escrow Deposit Agreement. The deposit of the money and investments in the Escrow Deposit Fund shall constitute an irrevocable deposit of the money and investments and the interest earned thereon for the benefit of the holders of the Bonds to be Defeased and such money and investments, together with any interest earned thereon, shall be held in trust and shall be applied solely to (a) from monies in the Refunding Account of the Escrow Deposit Fund, the payment of the principal of, premium, if any, and interest on, the Bonds to be Defeased in accordance with the schedule set forth in Exhibit B attached hereto, and (b) from monies in the Cost of Issuance Account of the Escrow Deposit Fund, the payment of the costs of issuance of the Refunding Bonds as approved by the County. The County irrevocably exercises its option under Paragraph 5 of the Prior Bond Resolution to direct the Paying Agent to call the Bonds to be Defeased maturing on and after \_\_\_\_\_ 1, 20\_\_, for redemption on \_\_\_\_\_ 1, 20\_\_ (the "Redemption Date").

**Section 5. Investment Powers; Substitution of Investments; Reinvestment; Section 148 Matters; Deficits and Surpluses.**

a. The Escrow Trustee shall apply the cash and the Escrowed Securities deposited in the Escrow Deposit Fund and the investments purchased therefrom, if any, together with any interest earned thereon, in accordance with the provisions of this Escrow Deposit Agreement. Except as otherwise expressly provided in this Escrow Deposit Agreement, the Escrow Trustee shall have no power or duty to invest any money in the Escrow Deposit Fund or to make substitutions of the investments held in the Escrow Deposit Fund or to sell, transfer or otherwise dispose of the investments acquired pursuant to this Escrow Deposit Agreement.

b. At the written direction of the County, and upon compliance with the conditions hereinafter stated, the Escrow Trustee shall have the power to sell, transfer, otherwise dispose of or request the redemption of the investments of the Escrow Deposit Fund and to substitute therefor other noncallable direct obligations of the United States of America (other than unit investment trusts and mutual funds) (the "Substituted Investments"). The Escrow Trustee shall purchase such Substituted Investments with the proceeds derived from the sale, transfer, disposition or redemption of money or investments in the Escrow Deposit Fund. The substitution of investments described above may be effected only if: (i) the Escrow Trustee shall have received a written opinion of a firm of independent certified public accountants that, upon

completion of such substitution, the money and Substituted Investments, including the interest to be earned thereon (but not including the reinvestment of interest, if any), together with the money and other Substituted Investments previously deposited into the Escrow Deposit Fund pursuant to this Section and the Escrowed Securities held by the Escrow Trustee in the Escrow Deposit Fund, including the interest thereon, will be no less than an amount sufficient, without reinvestment, to pay the principal of, premium, if any, and interest on the Bonds to be Defeased in accordance with the schedule set forth in Exhibit B attached hereto; and (ii) the County shall have furnished the Escrow Trustee with a written opinion of legal counsel acceptable to the County to the effect that the substitution is then permitted by law and permitted by this Escrow Deposit Agreement and will not cause any of the Prior Bonds or Refunding Bonds to become an “arbitrage bond” as defined in Section 148(a) of the Internal Revenue Code of 1986, as amended (the “Code”), and will not otherwise adversely affect the exclusion of the interest on any of the Prior Bonds or the Refunding Bonds from gross income for purposes of federal income taxation.

c. At the written direction of the County, the Escrow Trustee shall have the power to reinvest proceeds of the Escrowed Securities held by the Escrow Trustee only if: (i) such reinvestment is as contemplated by the written opinion of a firm of independent certified public accountants, delivered on the date of execution and delivery of this Agreement, as to the sufficiency of the cash balance and Escrowed Securities deposited to the Escrow Deposit Fund to pay the principal of, premium, if any, and interest on, the Bonds to be Defeased, or (ii) the Escrow Trustee shall have received (A) a written opinion of a firm of independent certified public accountants that, upon completion of such reinvestment, the amount on deposit in the Escrow Deposit Fund, including the interest thereon, will be sufficient to pay the principal of, premium and interest on, the Bonds to be Defeased in accordance with the schedule set forth in Exhibit B attached hereto and (B) a written opinion of legal counsel, acceptable to the County, that such reinvestment will not cause the Prior Bonds or Refunding Bonds to become “arbitrage bonds” as defined in Section 148(a) of the Code and will not otherwise adversely affect the exclusion of the interest on the Prior Bonds or Refunding Bonds from gross income for purposes of federal income taxation.

d. If the Escrow Trustee receives (i) a written opinion of a firm of independent certified public accountants, acceptable to the County, that the money and investments in the Refunding Account of the Escrow Deposit Fund, including the gains realized and interest earnings thereon without further reinvestment, will be in excess of the amount necessary to pay the principal of, premium and interest on, the Bonds to be Defeased in accordance with the schedule set forth in Exhibit B attached hereto, and (ii) a written opinion of legal counsel, acceptable to the County, that the transfer described in this sentence will not cause the Prior Bonds or Refunding Bonds to become “arbitrage bonds” as defined in Section 148(a) of the Code and will not otherwise adversely affect the exclusion of the interest on the Prior Bonds or Refunding Bonds from gross income for purposes of federal income taxation, the Escrow Trustee shall transfer the amount of such excess in the Refunding Account of the Escrow Deposit Fund to the County. If the Escrow Trustee receives an opinion of a firm of independent certified public accountants that the money and investments in the Refunding Account of the Escrow Deposit Fund, including the earnings thereon (but not including the reinvestment of interest, if any), will be insufficient for any reason to pay all of the Bonds to be Defeased in accordance with the schedule set forth in Exhibit B attached hereto, the County shall pay or cause to be paid to the Escrow Trustee for deposit to the Refunding Account of the Escrow Deposit Fund such sum of money as, in the opinion of such independent certified public accountants, is necessary to remove the insufficiency.

e. In the event the County is unable to cause to be delivered on the date of execution and delivery of this Agreement all or any part of the Escrowed Securities, then the County may substitute for the Escrowed Securities different noncallable direct obligations of the United States of America (other than unit investment trusts and mutual funds) (the "Replacement Securities") for delivery for purchase by the Escrow Trustee on the date of execution and delivery of this Agreement upon receipt of a written opinion of legal counsel acceptable to the County to the effect that the Replacement Securities will not cause the Prior Bonds or Refunding Bonds to be "arbitrage bonds" as defined in Section 148(a) of the Code and will not otherwise adversely affect the exclusion of the interest on any of the Prior Bonds or Refunding Bonds from gross income for purposes of federal income taxation. The Replacement Securities must be demonstrated by a report of a firm of independent certified public accountants to produce principal and interest, on \_\_\_\_\_ 1, 20\_\_, in an amount at least equal to the cash flow (principal and interest) of the Escrowed Securities on such date. The proceeds of the Replacement Securities shall be held in cash, uninvested, and used to make the payments that would have been made from the proceeds of the Escrowed Securities. At any time prior to the maturity of the Escrowed Securities, the County may, upon the direction of the seller of the Replacement Securities to the County, replace the Replacement Securities with the Escrowed Securities, and, upon the delivery of the Escrowed Securities, the Replacement Securities shall be released by the Escrow Trustee and delivered, together with all cash flow previously produced by the Replacement Securities held by the Escrow Trustee and not required to pay the principal of, premium, if any, and interest on the Bonds to be Defeased (as shall be demonstrated by a verification report of a firm of independent certified public accountants), to the seller of the Replacement Securities.

f. The County covenants that it will take no action that would cause any part of the money or investments at any time in the Escrow Deposit Fund to be used directly or indirectly to acquire any investment property, the acquisition of which would cause any of the Prior Bonds or Refunding Bonds to be an "arbitrage bond" as defined in Section 148(a) of the Code or that would otherwise adversely affect the exclusion of the interest on any of the Prior Bonds or Refunding Bonds from gross income for purposes of federal income taxation.

**Section 6. Payment of Bonds to be Defeased.** The Bonds to be Defeased shall be paid pursuant to the applicable provisions of the Prior Bond Resolution pertaining to the payment of the principal of, premium, if any, and interest on the Bonds to be Defeased in accordance with the schedule set forth in Exhibit B attached hereto. The Escrow Trustee shall receive the matured principal of and the interest on the Escrowed Securities as the same are payable. On or before each interest or principal payment date on the Bonds to be Defeased, the Escrow Trustee shall withdraw from the Escrow Deposit Fund sufficient money to pay the principal of, premium, if any, and interest on the Bonds to be Defeased on such dates. If any Bonds to be Defeased are not presented for payment, the Escrow Trustee shall retain funds for that purpose in accordance with the provisions therefor contained in the Prior Bond Resolution. If for any reason there is a deficiency in the amount of money available for payment of the principal of, premium, if any, and interest on the Bonds to be Defeased, the County shall immediately, upon notice of the deficiency from the Escrow Trustee, pay or cause to be paid the amount of the deficiency to the Escrow Trustee for deposit in the Escrow Deposit Fund.

**Section 7. Lien of Holders of Bonds to be Defeased on Escrow Deposit Fund.** The escrow created hereby shall be irrevocable and the holders of the Bonds to be Defeased shall have an express lien on all money and investments, including the interest earned thereon, in the

Refunding Account of the Escrow Deposit Fund until paid out, used and applied in accordance with this Escrow Deposit Agreement.

**Section 8. Duties of the Escrow Trustee in Connection With the Defeasance of Bonds to be Defeased.** The County directs the Escrow Trustee, within 30 days after the deposit of the Escrowed Securities or the Replacement Securities into the Escrow Deposit Fund, to cause a notice signed by it, to be mailed, by first-class mail, postage prepaid, to the registered owners of every Bond to be Defeased at the registered address as shown on the registration books of the County at the close of business on the day on which the Escrowed Securities or the Replacement Securities shall have been deposited with the Escrow Trustee. The notice shall be substantially in the form set forth in Exhibit C attached hereto.

**Section 9. Fees and Expenses.** The County agrees to pay to the Escrow Trustee, a one-time fee for performing the services hereunder in the amount of \_\_\_\_\_ Dollars (\$\_\_\_\_\_). In the event that the Escrow Trustee is requested to perform any extraordinary services hereunder (such extraordinary services include all services required in connection with the delivery of Replacement Securities pursuant to Section 5(e) hereof), the County agrees to pay or cause to be paid reasonable fees to the Escrow Trustee for such extraordinary services, and the Escrow Trustee agrees to look only to the County for the payment of such fees and reimbursement of such expenses. Except as contemplated by Section 11, the Escrow Trustee agrees that in no event shall it ever assert any claim or lien against the Escrow Deposit Fund for any fees for its services, whether regular or extraordinary, in any capacity, or for reimbursement for any of its expenses.

**Section 10. Successor to the Escrow Trustee.** If at any time the Escrow Trustee or its legal successor or successors becomes unable, through operation of law or otherwise (but not including withdrawal solely at the request of the Escrow Trustee which shall not be permitted hereunder), to act as Escrow Trustee hereunder, or if its property and affairs shall be taken under the control of any state or federal court or administrative body because of insolvency or bankruptcy or for any other reason, the County may appoint another bank or trust company to act on its behalf.

Any successor to the Escrow Trustee shall execute, acknowledge and deliver to the County an instrument accepting such appointment hereunder and the Escrow Trustee shall execute and deliver an instrument transferring to such successor, subject to the terms of this Escrow Deposit Agreement, including, without limitation, the right of the Escrow Trustee to demand payment from the County for any unpaid fees and expenses incurred in connection with the provision of extraordinary services of the Escrow Trustee pursuant to Section 9 hereof, and all the rights, powers and trusts of the Escrow Trustee hereunder, including, without limitation, the money and investments in the Escrow Deposit Fund held by the Escrow Trustee. Upon the request of any such successor to the Escrow Trustee, the County shall cause to be executed any and all instruments in writing for more fully and certainly vesting in and confirming to such successor to the Escrow Trustee all such rights, powers and duties.

**Section 11. Application of Escrow Deposit Fund After Payment of Bonds to be Defeased.** After payment in full of the principal of, premium, if any, and interest on the Bonds to be Defeased (such principal, premium and interest being deemed paid on the Redemption Date if the Escrow Trustee then holds sufficient funds available therefor) from monies in the Refunding Account of the Escrow Deposit Fund, the payment of costs of issuance approved by

the County from the Cost of Issuance Account of the Escrow Deposit Fund, and the payment of all of the fees and expenses of the Escrow Trustee relating to the Bonds to be Defeased, all remaining money and investments, together with any interest thereon, in the Escrow Deposit Fund shall be transferred by the Escrow Trustee to the County for immediate deposit in the 2012 Wastewater Disposal Facility Refunding Bonds (Vineyard Lake Area Section) Bond) Debt Service Fund established and maintained under the Refunding Bond Resolution.

**Section 12. Records.** The Escrow Trustee shall keep books of record and account in which complete and correct entries shall be made of all transactions relating to the receipts, disbursements, allocations and application of the Escrowed Securities deposited in the Escrow Deposit Fund and all proceeds thereof, and such books shall be available for inspection at reasonable hours and under reasonable conditions by the County and the holders of the Bonds to be Defeased.

**Section 13. Reports.** For the period beginning on the date hereof and ending on \_\_\_\_\_, 20\_\_, and for each six-month period thereafter while this Escrow Deposit Agreement remains in effect, the Escrow Trustee shall prepare and send to the County, by first-class mail within 30 days following the end of such period a written report summarizing all transactions relating to the Escrow Deposit Fund during such period, including, without limitation, credits to the Escrow Deposit Fund as a result of interest payments on or maturities of the Escrowed Securities and transfers from the Escrow Deposit Fund for payments on the Bonds to be Defeased or otherwise, together with a detailed statement of all Escrowed Securities, and the cash balance on deposit in the Escrow Deposit Fund as of the end of such period.

**Section 14. Notice.** Other than as provided in Section 13 of this Escrow Deposit Agreement, any notice, authorization, request or demand required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given when mailed by registered or certified mail, postage prepaid, addressed as follows:

If to the Escrow Trustee:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

If to the County:

County of Jackson  
Attention: Treasurer and Jackson County Drain Commissioner  
120 West Michigan Avenue  
Jackson, MI 49201

The United States Post Office registered or certified mail receipt showing delivery of the aforesaid shall be conclusive evidence of the date and fact of delivery. Any party hereto may change the address to which notices are to be delivered by giving to the other parties not less than 10 days' prior notice thereof.

**Section 15. Termination of Escrow Deposit Agreement.** This Escrow Deposit Agreement shall terminate when the principal of, premium, if any, and interest on the Bonds to be Defeased have been fully paid and discharged in accordance with the Prior Bond Resolution and any remaining money and investments together with any interest thereon in the Escrow

Deposit Fund have been transferred by the Escrow Trustee to the County pursuant to Section 11 hereof.

**Section 16. Amendment.** This Escrow Deposit Agreement is made for the benefit of the County and the holders from time to time of the Bonds to be Defeased, and it shall not be repealed, revoked, altered or amended without the written consent of (i) all of the holders of the outstanding Bonds to be Defeased, and (ii) the parties hereto; provided, however, that the parties hereto may, without the consent of, or notice to, such holders, enter into such agreements supplemental to this Escrow Deposit Agreement as shall not adversely affect the rights of such holders and as shall not be inconsistent with the terms and provisions of this Escrow Deposit Agreement, for any one or more of the following purposes:

- a. to cure any ambiguity or formal defect or omission in this Escrow Deposit Agreement;
- b. to grant to, or confer upon, the Escrow Trustee, for the benefit of the holders of the Bonds to be Defeased, any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such holders or the Escrow Trustee;
- c. to subject to this Escrow Deposit Agreement additional funds, securities or properties; and
- d. to conform this Escrow Deposit Agreement to the provisions of any law or regulation governing the tax-exempt status of the Prior Bonds or Refunding Bonds in order to maintain the exclusion of the interest on the Prior Bonds or Refunding Bonds from gross income for federal income tax purposes.

The Escrow Trustee shall be entitled to rely exclusively upon an unqualified opinion of legal counsel with respect to compliance with this Section, including the extent, if any, to which (i) any change, modification or addition affects the rights of the holders of the Bonds to be Defeased, or (ii) any instrument executed hereunder complies with the conditions and provisions of this Section.

**Section 17. Reliance on Certain Documents.** The Escrow Trustee shall incur no liability in acting or proceeding, or in not acting or proceeding, in good faith, reasonably and in accordance with the terms of this Escrow Deposit Agreement, upon any resolution, order, notice, request, consent, waiver, certificate, statement, affidavit, requisition, bond or other paper or document which the Escrow Trustee shall in good faith reasonably believe to be genuine and to have been adopted or signed by the proper board or person or to have been prepared and furnished pursuant to any of the provisions of this Escrow Deposit Agreement, or upon the written opinion of any attorney, investment banker or accountant believed by the Escrow Trustee to be qualified in relation to the subject matter of such opinion. The Escrow Trustee shall be under no duty to make any investigation or any inquiry as to any statements contained or matters referred to in any such instrument.

**Section 18. Limitation on Liability of the Escrow Trustee.** The liability of the Escrow Trustee for the payment of the principal of and interest on the Bonds to be Defeased shall be limited to the proceeds of the Escrowed Securities and the cash balances from time to time on deposit in the Escrow Deposit Fund. The Escrow Trustee shall not have any liability whatsoever

for the insufficiency of funds from time to time in the Escrow Deposit Fund except for the obligation to notify the County promptly of any such occurrence.

The Escrow Trustee shall not be liable or responsible for any loss resulting from any investment made in the Escrowed Securities or other investments directed by the County as permitted hereby or for any other deficiency in the funds required hereunder not resulting from the negligence or violation of the terms thereof by the Escrow Trustee.

The Escrow Trustee shall not be liable or responsible hereunder for any act done or step taken or omitted by it or any mistake of fact or law or for anything which it may do or refrain from doing, except for its negligence or its default in the performance of any obligation imposed upon it hereunder.

The Escrow Trustee shall never be required to use or advance its own funds or otherwise incur personal financial liability in the performance of any of its duties or the exercise of any of its rights and powers hereunder.

**Section 19. Severability.** If any one or more of the covenants or agreements provided in this Escrow Deposit Agreement on the part of the parties to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable, from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Escrow Deposit Agreement.

**Section 20. Counterparts; Headings.** This Escrow Deposit Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as an original and shall constitute and be but one and the same instrument. The paragraph headings used herein are for convenience of reference only.

IN WITNESS WHEREOF, the parties hereto have each caused this Escrow Deposit Agreement to be executed by their duly authorized officers and to be delivered all as of the date first above written.

COUNTY OF JACKSON

By:\_\_\_\_\_

Its:\_\_\_\_\_

\_\_\_\_\_, as Escrow Trustee

By:\_\_\_\_\_

Its:\_\_\_\_\_

**EXHIBIT A  
TO ESCROW DEPOSIT AGREEMENT**

**ESCROWED SECURITIES**

U.S. Treasury Type	Par Amount	Maturity Date	Coupon Rate
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**EXHIBIT B  
TO ESCROW DEPOSIT AGREEMENT**

**ESCROW FUND REQUIREMENTS FOR  
BONDS TO BE DEFEASED**

**COUNTY OF JACKSON**

**JACKSON COUNTY WASTEWATER DISPOSAL FACILITY  
(VINEYARD LAKE AREA SECTION) BONDS  
(GENERAL OBLIGATION LIMITED TAX),  
SERIES 2003, DATED NOVEMBER 1, 2003**

<b>DATE</b>	<b>PRINCIPAL TO BE REDEEMED</b>	<b>PREMIUM</b>	<b>INTEREST</b>	<b>TOTAL</b>
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**EXHIBIT C**  
**TO ESCROW DEPOSIT AGREEMENT**

[Form of Notice of Defeasance]

NOTICE OF DEFEASANCE

COUNTY OF JACKSON

JACKSON COUNTY WASTEWATER DISPOSAL FACILITY  
(VINEYARD LAKE AREA SECTION) BONDS  
(GENERAL OBLIGATION LIMITED TAX),  
SERIES 2003, DATED NOVEMBER 1, 2003

NOTICE IS GIVEN that the County of Jackson, Michigan (the "County"), and \_\_\_\_\_, as escrow trustee (the "Escrow Trustee"), have entered into an Escrow Deposit Agreement, dated as of \_\_\_\_\_, 20\_\_ (the "Escrow Deposit Agreement"), to provide for the defeasance [in part] of the Jackson County Wastewater Disposal Facility (Vineyard Lake Area Section) Bonds (General Obligation Limited Tax), Series 2003, Dated November 1, 2003, (the "Bonds to be Defeased") as follows:

The Bonds to be Defeased will be called for redemption on \_\_\_\_\_ 1, 20\_\_, at a redemption price equal to the par value of each such Bond to be Defeased, [plus a][without] premium [of \_\_\_\_ of one percent].

A sum of money provided by the County pursuant to the Escrow Deposit Agreement has been used to establish an escrow fund (the "Escrow Deposit Fund") of cash and the noncallable direct obligations of the United States of America described below:

U.S. Treasury Type	Par Amount	Maturity Date	Coupon Rate
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The Bond Resolution pursuant to which the Bonds to be Defeased were issued (the "Bond Resolution") has been released in accordance with Paragraph 20 thereof, except that applicable provisions of the Bond Resolution pertaining to the payment of the principal of and interest on the Bonds to be Defeased shall continue in force until the Bonds to be Defeased have been fully paid. \_\_\_\_\_, is the bond registrar and paying agent for the Bonds to be Defeased.

The Escrow Deposit Fund will be held by the Escrow Trustee, and will be used to provide for the payment of (i) the interest on the Bonds to be Defeased on \_\_\_\_\_, 20\_\_, and (ii) the redemption price of all Bonds to be Defeased maturing on and after \_\_\_\_\_ 1, 20\_\_, which will have been called for optional redemption on \_\_\_\_\_ 1, 20\_\_. The Escrow Deposit Fund will be held by the Escrow Trustee pursuant to the Escrow Deposit Agreement.

All interest on the Bonds to be Defeased will cease accruing on \_\_\_\_\_ 1, 20\_\_\_\_,  
whether or not the Bonds to be Defeased are presented for payment.

THIS IS NOT A NOTICE OF REDEMPTION.

Dated: \_\_\_\_\_, 20\_\_\_\_

\_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT E**  
**FORM OF BOND PURCHASE AGREEMENT**

**BOND PURCHASE AGREEMENT**  
\$ \_\_\_\_\_  
**COUNTY OF JACKSON, STATE OF MICHIGAN**  
**WASTEWATER DISPOSAL FACILITY REFUNDING BONDS (VINEYARD LAKE**  
**AREA SECTION) GENERAL OBLIGATION LIMITED TAX, SERIES 2012**

\_\_\_\_\_, 2012

**County of Jackson,**  
**State of Michigan**

Ladies and Gentlemen:

The undersigned, Hutchinson, Shockey, Erley & Co. (the "Underwriter"), offers to enter into this Bond Purchase Agreement (the "Agreement") relating to the captioned Wastewater Disposal Facility Refunding Bonds (Vineyard Lake Area Section) General Obligation Limited Tax, Series 2012 (the "Bonds") of the County of Jackson (the "Issuer"). This offer is made subject to the acceptance of this Agreement on or before 11:00 p.m., prevailing Eastern time, on the date of this Agreement, and if not so accepted, this offer will be subject to withdrawal by the Underwriter upon notice delivered to the Issuer at any time prior to acceptance by the Issuer. The Bonds are being issued pursuant to the provisions of (a) Act 34, Public Acts of Michigan, 2001, as amended ("Act 34"), (b) Act 185, Public Acts of Michigan, 1957, as amended ("Act 185"), (c) the Order Approving Sale executed and delivered the date hereof by an authorized officer of the Issuer (the "Sales Order"), and (d) that certain Jackson County Wastewater Disposal Facility (Vineyard Lake Area Section) Bond Contract dated April 1, 2003 and amended on September 2, 2003 and February 1, 2012 (the "Bond Contract") by and between, the Issuer, by and through its Board of Public Works, the Township of Columbia (the "Township of Columbia"), the Township of Norvell (the "Township of Norvell"), and the Township of Cambridge (the "Township of Cambridge") (the Township of Columbia, the Township of Norvell and the Township of Cambridge, together referred to as the "Townships"). The Issuer adopted a Bond Authorizing Resolution (the "Issuer Resolution"), for the purpose of refunding a portion of the outstanding Jackson County Wastewater Disposal Facility (Vineyard Lake Area Section) Bonds (General Obligation Limited Tax), Series 2003, dated November 1, 2003 (the "Prior Bonds"), maturing in the years \_\_\_\_\_ through 2023, inclusive, (the "Prior Bonds to be Refunded") and to pay costs of issuance incurred with respect to the Bonds. The Prior Bonds maturing April 1, 20\_\_ in the amount of \$\_\_\_\_\_ will be paid by the Issuer as scheduled.

After payment or provision for payment of all or a portion of the costs of issuance of the Bonds, the remaining proceeds of the Bonds, together with available funds of the Issuer and/or the Townships, will be invested in direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, or other obligations the principal of and interest on which are fully secured by the foregoing (the "Government Obligations"), such that the principal of and interest on such obligations will be sufficient to pay the principal of and interest on the Prior Bonds to be Refunded to their call date. The Government Obligations will be held in an escrow account by U.S. Bank National Association, Detroit, Michigan, as escrow agent (the "Escrow Agent"), pursuant to an Escrow Agreement between the Issuer and the Escrow Agent (the "Escrow Agreement") until the call date of \_\_\_\_\_ 1, 20\_\_.

The Bonds shall be dated, shall be in the principal amount, shall have the maturities, bear interest at the rates per annum, be sold with original issue discounts or premiums, if any, on the terms and in the manner set forth in Exhibit A attached to this Agreement.

A Preliminary Official Statement, dated \_\_\_\_\_, 2012 (the "Preliminary Official Statement"), describing the Issuer, the Townships, the Bonds and the security for the Bonds has been prepared for use in connection with the public offer, sale and distribution of the Bonds. There has also been prepared a final Official Statement dated \_\_\_\_\_, 2012 (the "Official Statement"), setting forth definitive information relating to the terms of offering of the Bonds. Any and all appendices, exhibits, reports and summaries included in the Preliminary Official Statement or the Official Statement or attached to them shall be for all purposes of this Agreement deemed to be a part of the Preliminary Official Statement and the Official Statement, as applicable. The Issuer deems the information contained in the Preliminary Official Statement to be final as of its date for the purpose of enabling the Underwriter to comply with the requirements of Rule 15c2-12(b)(1) of the Securities and Exchange Commission, except for the omission of such information as is permitted by Rule 15c2-12(b)(1). The Issuer deems the Official Statement to be final as of its date. The Issuer confirms the authority of the Underwriter to use, and consents to the use of, the Preliminary Official Statement and the Official Statement and any amendments or supplements to them in connection with the offer, sale and distribution of the Bonds. The Issuer agrees to provide or cause to be provided to the Underwriter within seven business days after the date of this Agreement sufficient copies of the Official Statement to enable the Underwriter to comply with the requirements of Rule 15c2-12(b)(4) of the Securities and Exchange Commission and with any applicable requirements of the Municipal Securities Rulemaking Board (the "MSRB").

Mika Meyers Beckett & Jones PLC, Grand Rapids, Michigan ("Bond Counsel") has prepared Continuing Disclosure Undertakings for execution by the Issuer and Townships to be dated on or before the Closing Date (the "Issuer's Undertaking" and the "Townships' Undertakings", together the "Undertakings"), where the Issuer and Townships agree 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) not later than the last day of the sixth month after the close of the Issuer's fiscal year or each Township's fiscal year, as the case may be, certain annual financial information and operating data pertaining to the Issuer and Townships, including audited financial statements of the Issuer and Townships for the most recently ended fiscal year, generally consistent with the information contained or cross-referenced in the Official Statement, and (ii) timely notice of the occurrence of certain material events with respect to the Bonds.

1. **Purchase, Sale and Closing.** Upon the basis of the representations and covenants contained in this Agreement, but subject to the conditions set forth below, the Issuer agrees to sell to the Underwriter, and the Underwriter agrees to purchase from the Issuer, all (but not less than all) of the Bonds at the price set forth in Exhibit A. Payment for the Bonds shall be made to the order of the Issuer in immediately available funds. The closing for the payment for the Bonds shall take place at the offices of Mika Meyers Beckett & Jones PLC, 900 Monroe Avenue, N.W., Grand Rapids, Michigan at 10:00 a.m., prevailing Eastern time, on \_\_\_\_\_, \_\_\_\_\_, 2012, or at such other date, place, or time as may be designated by the Underwriter, with the approval of the Issuer (the "Closing Date"). The Bonds shall bear proper CUSIP numbers (provided, however, that neither the failure to print such numbers on any of the Bonds nor any error with respect to such numbers shall constitute cause for a failure or refusal by

the Underwriter to accept the delivery of or pay for the Bonds in accordance with the terms of this Agreement), and shall be delivered on the Closing Date in registered form without coupons, in such denominations of \$5,000 or any integral multiples of \$5,000, and registered in the name of Cede & Co., as nominee of DTC. The Bonds will be made available to the Underwriter or its designee for inspection at least 24 hours before the Closing Date.

The Issuer has appointed U.S. Bank National Association, Detroit, Michigan or its successor, as paying agent (in this capacity, the “Paying Agent”).

**2. Issuer’s Representations and Covenants.** The Issuer represents and covenants as follows:

a. The Issuer is duly organized and validly existing under the laws of the State of Michigan, and has full right, power and authority (i) to adopt the Issuer Resolution, (ii) to execute, deliver and perform its obligations under this Agreement, the Issuer Resolution, the Bond Contract, the Escrow Agreement, the Issuer’s Undertaking in substantially the form set forth in the Official Statement and the Bonds, (iii) to issue, sell, execute and deliver the Bonds to the Underwriter as provided in this Agreement, (iv) to pledge the contract payments paid to the Issuer by the Townships in accordance with the Bond Contract (the “Contract Payments”) and its limited tax full faith and credit to the payment of the Bonds, and (v) to carry out and consummate all actions required to be taken by it in connection with the transactions contemplated by such documents and the Official Statement.

b. The Issuer has duly authorized (i) the execution and delivery of, and the due performance of its obligations under this Agreement, the Issuer Resolution, the Bond Contract, the Escrow Agreement, the Issuer’s Undertaking and the Bonds and (ii) the taking of any and all actions as may be required on the part of the Issuer to carry out, give effect to and consummate the transactions contemplated by such documents.

c. The Issuer Resolution has been duly adopted by the Issuer and has not been amended, modified, supplemented or repealed, except as expressly provided in the Issuer Resolution, and the Issuer Resolution is in full force and effect. This Agreement and the Bond Contract have been duly authorized, executed and delivered by the Issuer. This Agreement, the Bond Contract, the Escrow Agreement, the Issuer’s Undertaking and the Bonds will be when duly executed and delivered by the Issuer, the legal, valid and binding obligations of the Issuer, enforceable in accordance with their respective terms, except that the binding effect and enforceability of them are subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar laws in effect from time to time affecting the rights of creditors generally and except to the extent that the enforceability of them may be limited by application of general principles of equity including those relating to equitable subordination. At or prior to the Closing Date, the Bonds shall be duly executed and delivered by the Issuer.

d. Upon the advice of Bond Counsel and to the best of the Issuer’s knowledge, (i) the adoption of the Issuer Resolution, the authorization, execution and delivery by the Issuer of this Agreement, the Bond Contract, the Escrow Agreement, the Issuer’s Undertaking and the Bonds and compliance with the provisions of each of such instruments and the pledge by the Issuer of the Contract Payments to the payment of the Bonds, will not, and the Bond Contract does not, conflict with or result in a violation of the Constitution of the State of Michigan or the laws of the State of Michigan (including any debt limitations or other

restrictions or conditions on the debt-issuing power of the Issuer) and (ii) the adoption of the Issuer Resolution, the authorization, execution and delivery by the Issuer of this Agreement, the Escrow Agreement, the Bond Contract, the Issuer's Undertaking and the Bonds, and compliance with the provisions of each of such instruments will not conflict with or constitute a breach of, or default under, any indenture, commitment, agreement or other instrument to which the Issuer is a party or by which it is bound or under any constitutional or statutory provisions, or rule, regulation, resolution, judgment, order or decree to which the Issuer is subject. The Issuer has not received any written notice, not subsequently withdrawn, given in accordance with the remedy provisions of any bond resolution or ordinance, trust indenture or agreement or state law pertaining to bonds or notes of the Issuer, of any default or event of default which has not been cured, remedied or waived.

e. There is no action, suit, proceeding, inquiry or investigation at law or in equity, or before or by any judicial or administrative court, public board or body, pending or, to the best of the Issuer's knowledge, threatened against the Issuer (nor, to the best of the Issuer's knowledge, is there any basis therefor), in any way (i) affecting the existence of the Issuer or the title of any official of the Issuer to such person's office, (ii) seeking to restrain or enjoin the issuance, sale or delivery of the Bonds, the pledge by the Issuer of the Contract Payments or its limited tax full faith and credit to pay the principal of, premium, if any, and interest on the Bonds, (iii) contesting or affecting the validity or enforceability of this Agreement, the Issuer Resolution, the Bond Contract, the Escrow Agreement, the Issuer's Undertaking or the Bonds, (iv) contesting the completeness or accuracy of the Official Statement or the powers or authority of the Issuer to engage in the transactions contemplated by this Agreement, the Issuer Resolution, the Bond Contract, the Escrow Agreement, the Issuer Undertaking or the Bonds or (v) questioning the exemption of interest on the Bonds from taxation as described under "TAX MATTERS" in the Official Statement.

f. Upon the advice of Bond Counsel and to the best of the Issuer's knowledge, there is no election or referendum of or by any person, organization or public body pending, proposed or concluded (nor, to the best of the Issuer's knowledge, is there any basis for the same) and there are no provisions of law of the State of Michigan which would allow, as of the date of this Agreement or any date subsequent, any election or referendum, the results of which could in any way adversely affect the transactions contemplated by this Agreement, the Issuer Resolution, the Township Resolutions (as defined below), the Bond Contract, the Escrow Agreement, the Issuer's Undertaking, or the Bonds, the validity or enforceability of such instruments, the pledge by the Issuer of the Contract Payments to pay debt service on the Bonds or the exemption of interest on the Bonds from taxation as described under "TAX MATTERS" in the Official Statement, or invalidate, limit or condition the obligations of the Issuer under any such document.

g. Upon the advice of Bond Counsel and to the best of the Issuer's knowledge, except as may be required under the securities laws of any state, there is no consent, approval, authorization or other order of, or any filing with, registration with, or certification by, any governmental or regulatory authority having jurisdiction over the Issuer or required for the issuance of the Bonds other than such as has already been provided or obtained (including the approval of or granting of qualified status by the Department of the Treasury, State of Michigan).

h. Any certificate or other instrument signed by the Chairman of the Board of Commissioners, the Treasurer of the Issuer, the Clerk of the Issuer, the Chairman of the County

Board of Public Works, the Secretary of the County Board of Public Works or by a duly authorized and acting deputy of any of such officials on his or her behalf (each such person an “Authorized Representative” of the Issuer), and delivered to the Underwriter shall be deemed a representation by the Issuer to the Underwriter as to the truth of the statements made in such certificate or instrument.

i. On or prior to the Closing Date, the Issuer shall have taken all actions necessary to be taken by it for: (i) the issuance, sale, execution and delivery of the Bonds upon the terms set forth in this Agreement and in the Issuer Resolution, and (ii) the execution and delivery by the Issuer of this Agreement, and all such other instruments and the taking of all actions on the part of the Issuer as may be necessary or appropriate for the effectuation and consummation of the transactions on the part of the Issuer contemplated by them. Between the date of this Agreement and the Closing Date, the Issuer will take no action which will cause any representation contained in this Agreement to be untrue as of the Closing Date.

j. The Issuer will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may deem necessary in order to qualify the Bonds for offer and sale under the “blue sky” or securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate; provided, however, that the Issuer will not be required to consent to service of process in any state or jurisdiction outside the State of Michigan.

k. The Issuer will not take or omit to take any action, which action or omission will in any way adversely affect the exemption from taxation of the interest on the Bonds as described under “TAX MATTERS” in the Official Statement or result in the proceeds from the sale of the Bonds being applied in a manner other than as provided in the Issuer Resolution.

l. No default by the Issuer or, to the knowledge of the Issuer, the Townships, has occurred in the payment of the principal of or premium, if any, or interest on any bond, note or other evidence of indebtedness issued by it. No bankruptcy, insolvency or other similar proceedings pertaining to the Issuer are pending or, to the best of the knowledge of the Issuer, contemplated.

m. The Preliminary Official Statement (other than the information relating to the Book-Entry-Only System provided by DTC and the information under the sections captioned “UNDERWRITING,” provided by the Underwriter, “Registered Municipal Advisor’s Obligation,” “Bond Counsel’s Responsibility” and “\_\_\_\_\_” as to which no representation is made), as of its date, did not include any untrue statement of a material fact or omit to state any material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading, and the Official Statement, including any amendments or supplements thereto (other than the information relating to the Book-Entry-Only System provided by DTC, the information under the section captioned “UNDERWRITING,” provided by the Underwriter, “Registered Municipal Advisor’s Obligation,” “Bond Counsel’s Responsibility” and “\_\_\_\_\_” as to which no representation is made), will not, as of the date thereof, as of the Closing Date or as of the date of any such amendment or supplement, include any untrue statement of a material fact or omit to state any material fact necessary to make the statements made therein, in light of the circumstances under which they are or were made, not misleading.

n. The Issuer will not amend or supplement the Official Statement without the consent of the Underwriter. The parties to this Agreement will advise each other promptly of the institution of any proceedings by any governmental agency or any other material occurrence affecting the use of the Official Statement in connection with the offer and sale of the Bonds.

o. The Issuer will provide the Underwriter with information pertaining to the Issuer concerning developments that affect the accuracy and completeness of key representations contained in the Official Statement until the earlier of (i) 90 days from the end of the underwriting period, as defined below, or (ii) the time when the Official Statement is available to any person from the MSRB's Electronic Municipal Market Access System (the "EMMA"), but in no case less than 25 days following the end of the underwriting period, as defined below. The Issuer further agrees that it will cooperate with the Underwriter in amending the Official Statement if any of such information, in the reasonable judgment of the Underwriter, requires that the Official Statement be amended in fulfillment of the Underwriter's responsibilities pursuant to Rule 15c2-12 of the Securities and Exchange Commission. The "end of the underwriting period" as referred to above shall be the later of the delivery of the Bonds by the Issuer to the Underwriter or 45 days after the Underwriter no longer retains an unsold balance of the Bonds for sale to the public, unless the Underwriter notifies the Issuer in writing prior to such date that there exists an unsold balance of the Bonds, in which case the end of the underwriting period shall be deemed to be extended for 30 days from the date of such notice, subject to extension for additional periods of 30 days each upon receipt of prior written notice from the Underwriter that there exists an unsold balance of the Bonds. The Underwriter agrees to file the Official Statement with the EMMA on or before the Closing Date as provided in Rule G-32 of the MSRB.

p. Except as set forth in the Preliminary Official Statement and the Official Statement, subsequent to the respective dates as of which information is given in the Preliminary Official Statement (except as to dates or information contained in the Preliminary Official Statement that have been changed in the Official Statement) and the Official Statement, the Issuer has not incurred any liabilities, direct or contingent, or entered into any transactions, not in the ordinary course of business, that are material to its business and affairs and there has not been any material adverse change in the condition, results of operation or general affairs of the Issuer (financial or otherwise).

q. The audited financial statements of the Issuer included in the Official Statement present the financial position of the Issuer at \_\_\_\_\_, 201\_, and the results of its operations and the changes in its financial position for the year then ended. For the period from the dates of the presented financial information to the date of this Agreement, there has been no material adverse change in the financial condition of the Issuer except as described in the Official Statement. The inclusion of the audited financial statements in the Official Statement as presented does not violate any agreement with the Issuer's auditors as to the use of such statements.

r. The Issuer covenants and agrees to enter into the Issuer's Undertaking to provide ongoing disclosure about the Issuer, for the benefit of the bondholders on or before the date of delivery of the Bonds as required under Rule 15c2-12(b)(5) (the "Rule") adopted by the Securities and Exchange Commission under the Securities Act of 1934. The Issuer's Undertaking shall be substantially in the form set forth in Appendix \_\_ to the Official Statement, with such changes as may be agreed to by the Underwriter. The Issuer is in compliance with

each and every undertaking, if any, previously entered into by it pursuant to the Rule. The Underwriter's obligation to purchase the Bonds shall be conditioned upon the Issuer and the Townships delivering the Undertakings, satisfactory to the Underwriter, on or before the date of delivery of the Bonds.

s. The Issuer will send one copy of its audited financial statements annually to the Underwriter upon request as soon as the audited financial statements become available.

t. It is further understood and agreed that the members of the Issuer's Board of Commissioners or Board of Public Works (each, a "Member"), and the officers, elected officials, agents, attorneys, or employees of the Issuer, their respective heirs, personal representatives or successors shall not be generally or personally liable in connection with any matter, cause or thing pertaining to the Bonds or the issuance thereof, this Agreement, or any instruments and documents executed and delivered by the Issuer in connection with issuance of the Bonds. No covenant or agreement contained in this Agreement shall be deemed to be the covenant or agreement of any Member, officer, elected official, attorney, agent or employee of the Issuer in an individual capacity. No recourse shall be had for the payment of the principal of, premium, if any, or interest on, the Bonds, or for any claim based hereon or on any instruments and documents executed and delivered by the Issuer in connection with the Bonds, against any officer, Member, elected official, agent, attorney or employee, past, present or future, of the Issuer or any successor body, or their respective heirs, personal representatives, successors as such, either directly or through the Issuer or any successor body, whether by virtue of any constitutional provision, statute or rule of law, or by the enforcement of any assessment or penalty, or otherwise, all of such liability being hereby released as a condition of and as a consideration for the execution and delivery of this Agreement.

The Issuer acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Agreement is an arm's-length commercial transaction between the Issuer and the Underwriter, (ii) in connection with the purchase and sale of the Bonds and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as a principal and is not acting as an agent, advisor or fiduciary of the Issuer, and (iii) the Issuer has consulted its own legal, financial and other advisors to the extent it has deemed appropriate.

3. **Conditions of Underwriter's Obligations.** The obligations of the Underwriter under this Agreement with respect to the Bonds shall be subject to (a) the compliance with and performance by the Issuer and the Townships of their respective obligations and agreements to be complied with and performed under this Agreement and under the Issuer Resolution and the Township Resolutions, as defined below, on or prior to the Closing Date, and (b) the truth, accuracy and completeness as of the date of this Agreement of the representations and covenants of the Issuer contained in this Agreement.

The obligations of the Underwriter under this Agreement with respect to the Bonds are also subject to the following further conditions:

a. This Agreement, the Bonds, the Bond Contract, the Escrow Agreement, the Undertakings and the Official Statement shall have been duly authorized and executed; the Issuer Resolution shall have been duly adopted by the Issuer; separate Resolutions shall have been duly adopted by each of the Townships to authorize the amendment to the Bond Contract

dated February 1, 2012, the Township's Undertaking and the issuance of the Bonds by the Issuer (the "Township Resolutions"); the Issuer Resolution and the Township Resolutions and the Bond Contract shall be in full force and effect and shall not have been amended, modified or supplemented, except as expressly provided in them; all necessary actions of the Issuer and the Townships relating to the foregoing shall be in full force and effect without rescission or modification; and there shall have been taken in connection with the issuance of the Bonds and with the transactions contemplated by this Agreement and by the Bonds all such actions as, in the opinion of Bond Counsel and counsel to the Underwriter, are necessary and appropriate.

b. On or prior to the Closing Date, the Underwriter shall have received:

i. Opinions, dated the Closing Date, of Mika Meyers Beckett & Jones PLC, as Bond Counsel, substantially in the form attached as Appendix \_\_\_ to the Official Statement and as Exhibit B to this Agreement.

ii. Two counterpart originals of a transcript of all proceedings and documents relating to the authorization, issuance and delivery of the Bonds.

iii. The Official Statement, executed on behalf of the Issuer and the Townships by an Authorized Representative of the Issuer and the Townships.

iv. A letter evidencing approval, effective on the date hereof and on the Closing Date, of the Department of Treasury, State of Michigan, that the Issuer and the Township of \_\_\_\_\_ have obtained approval or "qualification" to the extent provided or required by Act 34, pursuant to which the Bonds may be issued and delivered.

v. Evidence satisfactory to the Underwriter that the Bonds have received a rating no lower than "\_\_\_\_" from Standard & Poor's Ratings Service.

vi. A specimen Bond.

vii. Executed copies of the Undertakings.

viii. The Issuer Resolution certified by the Clerk of the Issuer as having been duly adopted.

ix. The Townships' Resolutions certified by the respective Clerks of the Townships as having been duly adopted.

x. The Verification Report of \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, (the "Verification Agent") verifying, among other things, the arithmetical computations with respect to the adequacy of the cash and investments in the Escrow Fund under the Escrow Agreement to pay debt service on the Prior Bonds to be Refunded when due.

xi. An executed counterpart of the Escrow Agreement.

xii. A certificate or certificates, dated the Closing Date, of the Issuer and the Townships acceptable to the Underwriter, in form and substance reasonably satisfactory to the Underwriter to the effect that (a) the Issuer and the Townships have duly performed all of their respective obligations under the Issuer Resolution and the Township Resolutions, as the

case may be, to be performed on or prior to the Closing Date, (b) each of the representations and warranties of the Issuer and the Townships contained in this Agreement are true and correct on and as of the Closing Date as if made at the Closing Date, (c) the Issuer has complied with all of the agreements and satisfied all of the conditions on its part to be performed or satisfied prior to the Closing Date, including the agreements and conditions set forth in this Agreement, the Issuer Resolution, the Bond Contract, the Escrow Agreement, the Issuer's Undertaking and the Bonds, (d) the Townships have complied with all of the agreements and satisfied all of the conditions, including the agreements and conditions set forth in this Agreement, the Townships' Resolutions, the Bond Contract and the Townships' Undertakings, (e) there has been no material adverse change in the condition of the Issuer or the Townships, financial or otherwise, or in their respective affairs, operations or prospective operations from that set forth or contemplated in the Official Statement, and (f) the Preliminary Official Statement, as of its date, did not include any untrue statement of material fact or omit to state any material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading, and the Official Statement, including any amendments or supplements thereto, will not, as of its date, as of the Closing Date or as of the date of any such amendment or supplement, include any untrue statement of a material fact or omit to state any material fact necessary to make the statements made therein, in light of the circumstances under which they are or were made, not misleading.

xiii. a certificate, satisfactory to the underwriter, of an authorized officer of each of the Townships, dated as of the Closing Date, to the effect that:

(1) the Townships have duly performed all of their obligations to be performed at or prior to the Closing Date;

(2) the Township Boards of the Townships have adopted the Townships' Resolutions in compliance with State law;

(3) the Townships have authorized, by all necessary action, the execution, delivery, receipt and due performance of the Bond Contract, the Townships' Undertaking, and any and all such other agreements and documents as may be required to be executed, delivered and received by the Townships in order to carry out, give effect to and consummate the transactions contemplated hereby and by the Official Statement;

(4) no litigation is pending, or to the best of such officer's knowledge threatened, to restrain or enjoin the issuance or sale of the Bonds or in any way affecting any authority for or the validity of the Bonds, the Townships' Resolutions, the Bond Contract or the Townships' Undertaking or the existence or powers on the Township;

(5) the adoption of the Townships' Resolutions and the execution, delivery, receipt and due performance of the Bond Contract, the Townships Undertakings and the compliance by the Townships with the provisions thereof will not conflict with our constitute on the part of the Townships a breach of or a default under any agreement, indenture, mortgage, lease or other instrument to which the Townships are subject or by which the Townships are or may be bound and will not conflict with or be in violation of any existing law, court or administrative regulation, rule, decree or order; and

(6) there is no election or referendum of or by any person, organization or public body pending, proposed or concluded (nor, to the best of the knowledge of such officer, is there any basis therefor), and there are no provisions of State law which would allow, as of the date hereof or any date subsequent hereto, such election or referendum, the results of which could in any way adversely affect the transactions contemplated by the Townships' Resolutions, the Bond Contract and the Townships Undertakings.

xiv. Such additional certificates as the Underwriter may reasonably request to evidence performance of or compliance with the provisions hereof and the transactions contemplated hereby and by the Official Statement, all certificates to be satisfactory in form and substance to the Underwriter.

If any of the conditions specified in this Section shall not have been fulfilled when and as required by this Agreement, or if any of the opinions, instruments, documents, proceedings or certificates mentioned above or elsewhere in this Agreement shall not be in all material respects reasonably satisfactory in form and substance to the Underwriter and its counsel, this Agreement and all obligations of the Underwriter under it may be canceled by the Underwriter at, or at any time prior to, the Closing Date. Notice of such cancellation shall be given to the Issuer in writing, or by telex confirmed in writing.

4. **Conditions of the Issuer's Obligations.** The Issuer's obligations to sell and deliver the Bonds shall be subject to the following conditions on or before the Closing Date:

a. The Issuer shall have received the opinions described in Section 3(b)(i) above;

b. The Underwriter shall have tendered the purchase price set forth in Section 1 above; and

c. The Issuer shall have received additional certificates as the Issuer may reasonably request of the Underwriter, including a certificate as to the "original issue price" of the Bonds.

5. **Termination.** This Agreement may be terminated by the Underwriter and the Issuer shall not be obligated to sell and deliver, and the Underwriter shall not be obligated to purchase and pay for, the Bonds on the Closing Date if the Underwriter shall deliver to the Issuer a certificate to the effect that in its reasonable judgment any of the following events has occurred after the date of this Agreement and on or prior to the Closing Date:

a. The marketability of the Bonds or the contemplated offering price of the Bonds, in the reasonable opinion of the Underwriter, has been materially adversely affected by an amendment to the Constitution of either the United States of America or the State of Michigan, or by any Federal or Michigan legislation, proposed, pending or effective, or by any decision of any Federal or Michigan court or by any announcement, order, ruling or regulation (final, temporary or proposed) of the Treasury Department of the United States of America, the Internal Revenue Service or other Federal or Michigan authority or regulatory body, affecting the status of the Issuer, its property, income or securities (including the Bonds), or any tax exemption with respect to the Issuer's securities (including the Bonds), or the interest thereon granted or authorized by the Internal Revenue Code of 1986, as amended.

b. A stop order, ruling, regulation or official statement by, or on behalf of, any governmental agency having jurisdiction shall have been issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds as contemplated by this Agreement and by the Official Statement, is in violation or would be in violation of any provisions of Federal or Michigan securities laws.

c. Legislation shall have been enacted by the Congress of the United States of America, or a decision by a court of the United States of America shall have been rendered, to the effect that obligations of the general character of the Bonds are not exempt from registration or qualification under, or other similar requirements of, the Federal securities laws.

d. An order, ruling, regulation, official statement or decision by any governmental agency or court having jurisdiction shall have been issued or made which calls into question the legality, validity or enforceability of the Bonds.

e. Additional material restrictions not in force as of the date of this Agreement shall have been imposed upon the trading in securities generally by any governmental authority or by any national securities exchange.

f. Any of the following events shall have occurred: (i) the engagement by the United States of America in hostilities which have resulted in a declaration of war or national emergency, or the occurrence of any other outbreak of hostilities or national or international calamity or crisis, financial or otherwise, the effect of such outbreak, calamity or crisis on the financial markets of the United States of America being such as, in the reasonable opinion of the Underwriter, would adversely affect the ability of the Underwriter to market the Bonds at offering prices that do not differ significantly from the intended offering prices (it being agreed by the Underwriter that there is no outbreak, calamity or crisis of such a character as of the date hereof); (ii) a general suspension of trading on the New York Stock Exchange or the American Stock Exchange or other national securities exchange; (iii) the establishment of limited or minimum prices on such Exchanges; (iv) the declaration of a banking moratorium either by federal, Michigan or Ohio authorities; (v) the New York Stock Exchange or other national securities exchange, or any governmental authority, shall impose, as to the Bonds or similar obligations, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriter; or (vi) an event which, in the reasonable opinion of the Underwriter, requires an amendment or supplement to the Official Statement and, in the reasonable opinion of the Underwriter, adversely affects the marketability of the Bonds or the contemplated offering price of the Bonds.

g. Any event shall have occurred, or information become known, which in the Underwriter's sole, reasonable opinion, makes untrue in any material respect any statement or information contained in the Official Statement as originally circulated, or has the effect that the Official Statement as originally circulated contains an untrue statement of a material fact or omits to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

h. Any rating or ratings with respect to the Bonds shall have been revoked or downgraded.

**6. Costs and Expenses.**

a. Except as set forth in this Agreement, the Underwriter shall be under no obligation to pay, and the Issuer shall pay, all expenses incident to the performance of the Issuer's obligations under this Agreement, including but not limited to: (i) fees and disbursements of Bond Counsel, the Registered Financial Advisor, the Paying Agent, the Escrow Agent, and the Verification Agent, in connection with the issuance of the Bonds; (ii) the costs of printing and shipping the Bonds, the Preliminary Official Statement and the Official Statement; (iii) the cost of obtaining a rating on the Bonds; (iv) fees of the State of Michigan; (v) the Municipal Advisory Council of Michigan fees; and (vi) any publication costs.

b. The Underwriter shall pay: (i) all advertising expenses in connection with the public offering of the Bonds, (ii) the expense of legal counsel to the Underwriter, if any, and (iii) all other expenses incurred by it in connection with their public offering and distribution of the Bonds.

**7. Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Michigan, including, without limitation, those laws applicable to contracts made and to be performed in that State.

**8. Survival of Representations and Covenants.** All representations and covenants of the Issuer and agreements of the Underwriter set forth in this Agreement shall remain in full force and effect regardless of any investigation, or statement as to the results of the same, made by or on behalf of any purchaser of the Bonds or any person controlling any such purchaser, and shall survive delivery of and payment for the Bonds.

**9. Execution in Counterparts.** This Agreement may be executed and accepted in any number of counterparts, all of which taken together shall constitute one and the same instrument, and any of the parties to this Agreement may execute or accept this Agreement by signing any such counterpart.

**10. Notices and Other Actions.** All notices, requests, demands and formal actions hereunder shall be in writing mailed, telegraphed or delivered to the following addresses:

**The Issuer:**

County of Jackson  
120 West Michigan Avenue  
Jackson, MI 49201  
Attention: Drain Commissioner

County of Jackson  
120 West Michigan Avenue  
Jackson, MI 49201  
Attention: County Treasurer

**The Underwriter:**

Hutchinson, Shockey, Erley & Co.  
222 W. Adams, Suite 1700  
Chicago, Illinois 60606  
Attention: Ms. Jessica Cannizzo

**Bond Purchase Agreement**

***Signature Page***

With a copy to:

Hutchinson, Shockey, Erley & Co.  
200 Maple Park Blvd., Suite 204  
St. Clair Shores, MI 48081  
Attention: Mr. Michael Gormely

11. **Parties in Interest.** This Agreement is made solely for the benefit of the Underwriter, persons controlling the Underwriter, the Issuer, and their respective successors and assigns, and no other person, partnership, association or corporation shall acquire or have any right under or by virtue of this Agreement. The terms “successors” and “assigns” shall not include any purchaser of Bonds from or through the Underwriter merely because of such purchase.

If the foregoing is in accordance with your understanding of the agreement by and between the Issuer and the Underwriter, kindly sign, and return to the undersigned, one of the enclosed copies, whereupon it will constitute a binding agreement between the Issuer and the Underwriter in accordance with its terms.

Very truly yours,

**HUTCHINSON, SHOCKEY, ERLEY & CO.**

By: \_\_\_\_\_  
Michael T. Gormely  
Its: Senior Vice President

Accepted as of the date  
first above written:

**COUNTY OF JACKSON, MICHIGAN**

By: \_\_\_\_\_  
Michael Overton  
Its: County Administrator

By: \_\_\_\_\_  
Geoffrey W. Snyder  
Its: Chairman, Jackson County Board of Public Works

## EXHIBIT A

**Principal Amount:** \$ \_\_\_\_\_

**Date of Issue:** \_\_\_\_\_, 2012

**Purchase Price:** \$ \_\_\_\_\_ (being the par value, plus an original issue premium of \$ \_\_\_\_\_ and less an Underwriter's Discount of \$ \_\_\_\_\_).

**Interest Payment Dates:** \_\_\_\_\_ 1, 2012, and semi-annually thereafter

**Maturity Schedule, Interest Rate(s), Yield(s) and Price(s):**

_____ 1	Amount	Interest Rate	Yield	Price
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**Optional Redemption Provisions:**

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**Other:**

## **EXHIBIT B**

### **FORM OF BOND COUNSEL'S SUPPLEMENTAL OPINION**

**EXHIBIT F**

**FORM OF CONTINUING DISCLOSURE AGREEMENT (ISSUER)**

## **CONTINUING DISCLOSURE AGREEMENT (ISSUER)**

\$ \_\_\_\_\_  
**COUNTY OF JACKSON**  
**STATE OF MICHIGAN**  
**JACKSON COUNTY WASTEWATER DISPOSAL FACILITY REFUNDING BONDS**  
**(VINEYARD LAKE AREA SECTION) GENERAL OBLIGATION LIMITED TAX,**  
**SERIES 2012**

This Continuing Disclosure Agreement (the “Agreement”) is executed and delivered by the County of Jackson, Michigan (the “Issuer”), pursuant to a resolution adopted \_\_\_\_\_, 2012, by the Issuer’s County Board of Commissioners in connection with the issuance by the Issuer of its \$\_\_\_\_\_ Jackson County Wastewater Disposal Facility Refunding Bonds (Vineyard Lake Area Section) General Obligation Limited Tax, Series 2012, dated as of \_\_\_\_\_, 2012 (the “Bonds”). The Issuer covenants and agrees as follows:

### **SECTION 1. PURPOSE OF THE DISCLOSURE AGREEMENT.**

(a) This Agreement is being executed and delivered by the Issuer with respect to the Bonds for the benefit of the Bondholders and in order to assist the Participating Underwriters in complying with the Rule.

(b) In consideration of the purchase and acceptance of any and all of the Bonds by those who shall hold the same or shall own beneficial ownership interests therein from time to time, this Agreement shall be deemed to be and shall constitute a contract between the Issuer and the Bondholders from time to time, and the covenants and agreements herein set forth to be performed on behalf of the Issuer shall be for the benefit of the Bondholders of any and all of the Bonds.

(c) The Issuer acknowledges that this Agreement does not address the scope of any application of Rule 10b-5 promulgated by the SEC pursuant to the 1934 Act to the Annual Financial Information or notices of the Listed Events provided or required to be provided by the Issuer pursuant to this Agreement.

(d) As of the date of delivery of the Bonds to the initial purchaser thereof, the Issuer is an obligated person (within the meaning of the Rule) with respect to more than \$10,000,000 in aggregate amount of outstanding municipal securities, including the Bonds and excluding those securities permitted to be exempted pursuant to Section (d)(2)(i) of the Rule.

**SECTION 2. DEFINITIONS.** In addition to the capitalized terms defined elsewhere in this Agreement, the following capitalized terms shall have the following meanings in this Agreement:

“Annual Financial Information” shall mean any Annual Financial Information provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Agreement.

“Bond Counsel” shall mean nationally recognized legal counsel in municipal securities law.

“Bond Resolution” shall mean collectively the resolutions duly adopted by the governing board of the Issuer authorizing the issuance, sale and delivery of the Bonds.

“Bondholder” means the registered owner of a Bond or any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including any person holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bond for federal income tax purposes.

“Dissemination Agent” shall mean the Issuer, or any successor Dissemination Agent designated as such in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation, and such agent’s successors and assigns.

“EMMA” shall mean the Electronic Municipal Market Access system maintained by the MSRB for purposes of the Rule.

“GAAP” shall mean generally accepted accounting principles, as such principles are prescribed, in part, by the Financial Accounting Standards Board and modified by the Government Accounting Standards Board and Act 2 of the Public Acts of Michigan of 1968, as amended, in effect from time to time.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board.

“1934 Act” shall mean the Securities Exchange Act of 1934, as amended.

“Official Statement” shall mean the final Official Statement for the Bonds dated \_\_\_\_\_, 2012.

“Participating Underwriter” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

“Rule” shall mean Rule 15c2-12 promulgated by the SEC pursuant to the 1934 Act, as the same may be amended from time to time, together with all interpretive guidances or other official interpretations or explanations thereof that are promulgated by the SEC.

“SEC” shall mean the Securities and Exchange Commission.

“State” shall mean the State of Michigan.

### **SECTION 3. PROVISION OF ANNUAL FINANCIAL INFORMATION.**

(a) Each year, the Issuer shall provide, or shall cause the Dissemination Agent to provide, not later than six months after the last day of the Issuer’s preceding fiscal year, commencing with the Issuer’s Annual Financial Information for the Issuer’s fiscal year ending December 31, 2011, after such materials are available, to the MSRB, Annual Financial Information for the preceding fiscal year which is consistent with the requirements of Section 4(a) of this Agreement, and in the event of an amendment or waiver, the requirements of Section 8 of this Agreement. Not later than fifteen (15) business days prior to said date, the Issuer shall provide the Annual Financial Information to the Dissemination Agent (if other than the Issuer).

In each case, the Annual Financial Information may be submitted as a single document or as separate documents comprising a package, and may include by specific reference other information as provided in Section 4 of this Agreement.

(b) If the Issuer is unable to provide to the MSRB Annual Financial Information by the dates required in subsection (a), the Issuer shall send a notice in a timely manner to the MSRB in accordance with Section 14 of this Agreement.

(c) As of the date of this Agreement, the fiscal year of the Issuer commences on January 1 and ends on December 31. If the fiscal year of the Issuer changes after the date of this Agreement, the Issuer shall send a notice of such change to the MSRB in accordance with Section 14 of this Agreement. If such change will result in the Issuer's fiscal year ending on a date later than the ending date prior to such change, the Issuer shall provide notice of such change to the MSRB on or prior to the deadline for filing the Annual Financial Information in effect when the Issuer operated under its prior fiscal year. Such notice may be provided along with the Annual Financial Information, provided that it is filed at or prior to the deadline described above.

(d) The Dissemination Agent shall:

(1) determine each year prior to the dates for providing the Annual Financial Information the address of the MSRB; and

(2) if the Dissemination Agent is other than the Issuer, file a report with the Issuer certifying that the Annual Financial Information has been provided pursuant to this Agreement, stating the date it was provided to the MSRB and other persons, if any, to which it was provided.

(e) In connection with providing the Annual Financial Information, the Dissemination Agent (if other than the Issuer) is not obligated or responsible under this Agreement to determine the sufficiency of the content of the Annual Financial Information for purposes of the Rule or any other state or federal securities law, rule, regulation or administrative order.

#### **SECTION 4. CONTENT OF ANNUAL FINANCIAL INFORMATION.**

(a) The Issuer's Annual Financial Information shall include, at a minimum, that financial information and operating data which is customarily prepared by the Issuer and is publicly available, and shall contain or include by reference the following:

(1) Audited financial statements of the Issuer for its most recently completed fiscal year, prepared in accordance with GAAP with such changes as may be required from time to time in accordance with state law; provided, however, that if the audited financial statements of the Issuer are not available by the respective deadlines for filing the Annual Financial Information, they shall be provided when and if available, and unaudited financial statements in a format similar to the audited financial statements most recently prepared for the Issuer shall be included in the Annual Financial Information.

(2) The most recent financial information and operating data relating to the Issuer contained in the Official Statement under the following captions: "History of Property

Valuations,” “Analysis of Taxable Value,” “Major Taxpayers,” “Tax Rates (Per \$1,000 of Taxable Value),” “Tax Levies and Collections,” “Industrial Facilities Tax,” “General Fund – Fund Balance,” “Debt Statement,” and “Statement of Legal Debt Margin.”

Any or all of the items listed above may be included by specific reference to other documents available to the public through EMMA or filed with the SEC.

## **SECTION 5. REPORTING OF SIGNIFICANT EVENTS.**

(a) The Issuer covenants to provide, or cause to be provided, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner and not in excess of ten (10) business days after the occurrence of the event in accordance with the Rule:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (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, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
- (7) modifications to rights of Bondholders, if material;
- (8) bond calls, if material;
- (9) defeasances;
- (10) release, substitution, or sale of property securing repayment of the securities, if material;
- (11) rating changes;
- (12) tender offers;
- (13) bankruptcy, insolvency, receivership or similar event of the Issuer;
- (14) the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, 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; and
- (15) appointment of a successor or additional trustee or the change of name of a trustee, if material.

(b) Whenever the Issuer obtains knowledge of the occurrence of a Listed Event described in Section 5(a)(2), (7), (8), (10), (14) or (15), the Issuer shall as soon as possible determine if such event would be material under applicable federal securities laws.

(c) If the Issuer determines in the exercise of its best judgment in good faith that the occurrence of a Listed Event would be material under applicable federal securities laws, the Issuer shall promptly cause a notice of the occurrence of a Listed Event, determined to be material in accordance with the Rule, to be filed with the MSRB. In connection with providing a notice of the occurrence of a Listed Event described in Section 5(a)(9) above, the Issuer shall

include in the notice explicit disclosure as to whether the Bonds have been escrowed to maturity or escrowed to call, as well as appropriate disclosure of the timing of maturity or call.

(d) The Issuer acknowledges that the “rating changes” referred to above in Section 5(a)(11) of this Agreement may include, without limitation, any change in any rating on the Bonds or other indebtedness for which the Issuer is liable, or on any indebtedness for which the State is liable.

(e) The Issuer acknowledges that it is not required to provide a notice of a Listed Event with respect to credit enhancement when the credit enhancement is added after the primary offering of the Bonds, the Issuer neither applied for nor participated in obtaining such credit enhancement, and such credit enhancement is not described in the Official Statement.

#### **SECTION 6. TERMINATION OF REPORTING OBLIGATION.**

(a) The Issuer’s obligations under this Agreement shall terminate upon the legal defeasance of the Bond Resolution or by the prior redemption or payment in full of all of the Bonds.

(b) This Agreement, or any provision hereof, shall be null and void in the event that the Issuer (i) receives an opinion of Bond Counsel, addressed to the Issuer, to the effect that those portions of the Rule, which require such provisions of this Agreement, do not or no longer apply to the Bonds, whether because such portions of the Rule are invalid, have been repealed, amended or modified, or are otherwise deemed to be inapplicable to the Bonds, as shall be specified in such opinion, and (ii) delivers notice to such effect with the MSRB in accordance with Section 14 of this Agreement.

**SECTION 7. DISSEMINATION AGENT.** The Issuer, from time to time, may appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

**SECTION 8. AMENDMENT.** Notwithstanding any other provision of this Agreement, this Agreement may be amended, and any provision of this Agreement may be waived to the effect that:

(i) If the amendment relates to the provisions of Section 3(a), 3(b), 3(c), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, a change in law or a change in the identity, nature or status of the Issuer or the types of business in which the Issuer is engaged;

(ii) this Agreement as so amended or taking into account such waiver, 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, in the opinion of Bond Counsel; and

(iii) such amendment or waiver does not materially impair the interests of the Bondholders, in the opinion of Bond Counsel.

In the event of any amendment to, or waiver of a provision of, this Agreement, the Issuer shall describe such amendment or waiver in the next Annual Financial Information, and shall include a narrative explanation of the reason for the amendment or waiver. In particular, if the amendment or waiver results in a change to the annual financial information required to be included in the Annual Financial Information pursuant to Section 4 of this Agreement, the first Annual Financial Information that contains the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of such change in the type of operating data or financial information being provided. In addition, if the annual financial information required to be provided in the Annual Financial Information can no longer be generated because the operations to which it related have been materially changed or discontinued, a statement to that effect shall be included in the first Annual Financial Information that does not include such information. If the amendment or waiver involves a change in the accounting principles to be followed in preparing financial statements as set forth in Section 4, the Annual Financial Information for the year in which the change is made shall present a comparison between the financial statements or information prepared based on the new accounting principles and those prepared based on the former accounting principles. The comparison shall include a qualitative discussion of such differences and the impact of the changes on the presentation of the financial information. To the extent reasonably feasible, the comparison shall also be quantitative. A notice of the change in the accounting principles shall be sent by the Issuer to the MSRB. All explanations, statements, notices and other filings to be made under this Section 8 shall be made in accordance with Section 14 of this Agreement.

**SECTION 9. ADDITIONAL INFORMATION.** Nothing in this Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information or notice of occurrence of a Listed Event, in addition to that which is required by this Agreement. If the Issuer chooses to include any information in any Annual Financial Information or notice of occurrence of a Listed Event in addition to that which is specifically required by this Agreement, the Issuer shall have no obligation under this Agreement to update such information or include it in any future Annual Financial Information or notice of occurrence of a Listed Event.

**SECTION 10. DEFAULT.** In the event of a failure of the Issuer or the Dissemination Agent (if other than the Issuer) to comply with any provision of this Agreement, any Bondholder may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Agreement, but no person or entity shall be entitled to recover monetary damages under any circumstances. A default under this Agreement shall not be deemed an event of default under the Bond Resolution or the Bonds, and the sole remedy under this Agreement in the event of any failure of the Issuer to comply with the Agreement shall be an action to compel performance.

**SECTION 11. DUTIES OF DISSEMINATION AGENT.** The Dissemination Agent shall have only such duties as are specifically set forth in this Agreement.

**SECTION 12. BENEFICIARIES.** This Agreement shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriters, and the Bondholders and shall create no rights in any other person or entity.

**SECTION 13. ADDITIONAL DISCLOSURE OBLIGATIONS.** The Issuer acknowledges and understands that other state and federal laws, including, without limitation, the Securities Act of 1933, as amended, and Rule 10b-5 promulgated by the SEC pursuant to the 1934 Act, may apply to the Issuer, and that under some circumstances compliance with this Agreement, without additional disclosures or other action, may not fully discharge all duties and obligations of the Issuer under such laws.

**SECTION 14. COMPLIANCE WITH MSRB FILING REQUIREMENTS.** All filings required to be made to the MSRB shall be made only in an electronic format prescribed by the MSRB and all documents provided to the MSRB as part of any such filing shall be accompanied by identifying information as prescribed by the MSRB. Until otherwise designated by the MSRB or the SEC, filings with the MSRB are to be made through the EMMA website of the MSRB, currently located at <http://emma.msrb.org>.

**SECTION 15. OBLIGATED PERSONS.** The Issuer, the Township of Columbia, Jackson County, Michigan, the Township of Norvell, Jackson County, Michigan, and the Township of Cambridge, Lenawee County, Michigan (together, the "Townships") are the only obligated persons (with the meaning of the Rule) with respect to the Bonds. The Issuer shall cause each of the Townships to execute and deliver a Continuing Disclosure Agreement, bearing similar terms and conditions to this Agreement, in conjunction with the issuance of the Bonds. The Issuer shall provide, in a timely manner, notice to the MSRB, in accordance with Section 14 of this Agreement, of a failure of any of the Townships to provide the Township's Annual Financial Information on or before the date specified in the Township's Continuing Disclosure Agreement.

**SECTION 16. GOVERNING LAW.** This Agreement shall be construed and interpreted in accordance with the laws of the State, and any suits and actions arising out of this Agreement shall be instituted in a court of competent jurisdiction in the State. Notwithstanding the foregoing, to the extent this Agreement addresses matters of federal securities laws, including the Rule, this Agreement shall be construed and interpreted in accordance with such federal securities laws and official interpretations thereof.

COUNTY OF JACKSON

By: \_\_\_\_\_

Its: \_\_\_\_\_

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

# *JACKSON COUNTY PARKS*

## Memorandum

**To:** Michael Overton, County Administrator/Controller  
**From:** Brandon Ransom, Parks Director  
**Date:** March 30, 2012  
**Re:** Proposed Golf Cart Lease – Cascades Golf Course

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### **Motion Requested**

Approval of the proposed 5-year lease agreement and accompanying resolution accepting the terms with Spartan Distributors for 68 E-Z-GO electric golf carts for Cascades Golf Course.

### **I. Background**

- A. Cascades Golf Course currently operates a leased fleet of 72 E-Z-GO golf carts for rental to golfers throughout the golf season. The existing lease agreement went into effect in June, 2008 and is not due to expire until December 2013. The electric carts at Cascades Golf Course see a lot of use each golf season. Some carts will be used for 36 holes on any given day. That amount of use quickly takes a toll on the carts' longevity and, more specifically, the six batteries that operate these carts.

### **B. Current Situation**

- A. Given the current condition of the electric golf carts, a vast majority of the current fleet is in need of one of two solutions; 1. Complete replacement of the fleet's batteries or 2. Rollover of the existing lease into a new lease agreement and a new fleet of carts.
  - 1. Complete replacement of the batteries for the fleet will require the purchase of 432 batteries, a \$42,000 purchase. In addition, the 2008 cart lease came with a 3-year warranty; therefore, the current fleet is now out of warranty. In addition to the battery concern, many of the carts are also beginning to show mechanical issues as well. Any mechanical repairs that are required at this point of the lease will not be covered as a warranty item. That has the potential to be very costly for the golf course.
  - 2. Rolling over the current remaining lease agreement into a new proposed lease with Spartan Distributors will result in a slightly higher monthly payment due to the fact that there are 2 years remaining on the existing agreement. Per the existing agreement, there are costs that the course must assume with an early trade-in.

However, a new fleet will provide a new, reliable fleet that now offers a 4-year warranty.

**C. Analysis**

- A. Strategic – Cascades Golf Course contributes to the recreational opportunities and economic development in the Jackson Community.
- B. Financial – Cart rentals play a large role in the golf operation at Cascades Golf Course. Annual revenues from cart rentals typically generate \$115,000 in FY 2011 while the proposed annual cart lease payment is approximately \$58,000.
- C. Timing – Immediate action is requested as the current fleet is in need of a solution.
- D. Legal Review – County legal counsel has reviewed the proposed lease and indicated no concerns. The county's insurance provider has also indicated no problem in transferring insurance from the old fleet to the new one.

**D. Recommendation**

The Parks Commission and Parks Director recommend approval of the proposed 68 cart fleet with Spartan Distributors.

**Attachments: Proposed Lease Agreement and Resolution**



A Textron Company

*Municipal Lease Proposal  
Jackson County And E-Z-GO*

**Spartan**  
Distributors



E-Z-GO proposes the following lease options:

Quantity	Model	Year	Term	Net Payment Per Car	Net Monthly Payment	Municipal Lease Balloon 12/2016
68	TXT48	2012	54 Months	\$106.69	\$7,254.92	\$900/car

**Included Accessories: Fleet Cars**

Any change to the accessory list must be obtained in writing at least 45 days prior to the production date.

**Sun Top**

Message Holder

Split Windshield (50)

Custom Logo

(2) numbers per car

Ball Washer

Battery Fill System

E-Z-GO LTD 4 yr warranty

Per Warranty Statement

**Termination**

**Spartan Pay-off to Jackson County**

Lease Turn-In

72

2008 TXTPDS

\$2,175/car

\$1,500/car

Total trade value:

NA

Trade amount used to net down the lease payment:

Trade value to be returned as cash:

All Trades must be in Fleet running condition. Cars that are not running, have missing equipment or excessive damage will be adjusted accordingly. All electric cars must have working chargers

**Lease Program Details:**

**Payment Schedule Terms:**

☐ Straight Pay

☒ Seasonal Pay

Payment Months:

May-December 2012-2016

Delivery:

1-Apr-12

First Payment:

May-12

Spartan, at its discretion, reserves the right to offer Jackson County an early fleet roll option after the 2015 season. Jackson County must enter into a new lease or purchase agreement with E-Z-GO and the existing account must be current and credit approved.

Prices quoted are those in effect at the time of quotation and are guaranteed subject to acceptance within 30 days. Applicable state, local taxes and insurance are not included. All pricing and trade values are contingent upon management approval.

Jackson County Parks

Accepted By:

Title:

Date:

Accepted By:

Title:

Date:

Spartan Distributors

*Fritz Middleton*

Manager, Golf Car Division

2/6/2012

**RESOLUTION AND CERTIFICATE OF INCUMBENCY**  
**Lease Number 158956000**

Lessee: County of Jackson

Amount \$275,686.96 (payment x term)

WHEREAS, Lessee, a body politic and corporate duly organized and existing as a political subdivision, municipal corporation or similar public entity of the State or Commonwealth ("the State") is authorized by the laws of the State to purchase, acquire and lease certain equipment and other property for the benefit of the Lessee and its inhabitants and to enter into contracts with respect thereto; and

WHEREAS, pursuant to applicable law, the governing body of the Lessee ("Governing Body") is authorized to acquire, dispose of and encumber real and personal property, including, without limitation, rights and interest in property, leases and easements necessary to the functions or operations of the Lessee.

WHEREAS, the Governing Body hereby finds and determines that the execution of one or more Lease Agreements or lease schedules ("Leases") in the amount not exceeding the amount stated above for the purpose of acquiring the property ("Equipment") to be described in the Leases is appropriate and necessary to the functions and operations of the Lessee.

WHEREAS, PNC Equipment Finance, LLC ("Lessor") shall act as Lessor under said Leases.

NOW, THEREFORE, Be It Ordained by the Governing Body of the Lessee:

Section 1. Either one of the \_\_\_\_\_ OR \_\_\_\_\_ (each an "Authorized Representative") acting on behalf of the Lessee, is hereby authorized to negotiate, enter into, execute, and deliver one or more Leases in substantially the form set forth in the document presently before the Governing Body, which document is available for public inspection at the office of the Lessee. Each Authorized Representative acting on behalf of the Lessee is hereby authorized to negotiate, enter into, execute, and deliver such other documents relating to the Lease as the Authorized Representative deems necessary and appropriate. All other related contracts and agreements necessary and incidental to the Leases are hereby authorized.

Section 2. By a written instrument signed by any Authorized Representative, said Authorized Representative may designate specifically identified officers or employees of the Lessee to execute and deliver agreements and documents relating to the Leases on behalf of the Lessee.

Section 3. The Lessee's obligations under the Leases shall be subject to annual appropriation or renewal by the Governing Body as set forth in each Lease and the Lessee's obligations under the Leases shall not constitute general obligations of the Lessee or indebtedness under the Constitution or laws of the State.

Section 4. This resolution shall take effect immediately upon its adoption and approval.

**SIGNATURES AND TITLES OF AUTHORIZED REPRESENTATIVES : AUTHORIZED LEASE SIGNORS ONLY**

_____	_____	_____
Name	Title	Signature
_____	_____	_____
Name	Title	Signature

ADOPTED AND APPROVED on this \_\_\_\_\_, 20\_\_\_\_.

Section 5. I, the undersigned Secretary/Clerk identified below, does hereby certify that I am the duly elected or appointed and acting Secretary/Clerk of the above Lessee, a political subdivision duly organized and existing under the laws of the State where Lessee is located, that I have the title stated below, and that, as of the date hereof, the individuals named below are the duly elected or appointed officers of the Lessee holding the offices set forth opposite their respective names. The undersigned Secretary/Clerk of the above-named Lessee hereby certifies and attests that the undersigned has access to the official records of the Governing Body of the Lessee, that the foregoing resolutions were duly adopted by said Governing Body of the Lessee at a meeting of said Governing Body and that such resolutions have not been amended or altered and are in full force and effect on the date stated below.

LESSEE: County of Jackson

[SEAL]

\_\_\_\_\_  
Signature of Secretary/Clerk of Lessee

Print Name: \_\_\_\_\_  
Official Title: \_\_\_\_\_  
Date: \_\_\_\_\_



February 27, 2012

Lease Number 158956000

County of Jackson  
Attn: Brandon Ransom  
1992 Warren Avenue  
Jackson, MI 49203

Dear Mr. Ransom;

Enclosed are the necessary documents needed to complete your lease transaction. Please review, sign and return the following:

- Lease Agreement – Please have the Authorized Signor execute the documents and provide their title.  
Opinion of Counsel – Please have your attorney sign and provide the name of the law firm, if applicable.  
Certificate of Acceptance – **At the point of delivery, fill out this form and return the original to us. We will be unable to disburse funds until we receive this signed form.**  
Schedule of Payments – Please sign and provide the title of the signor, if applicable.
- Resolution-Certificate of Incumbency- List your Authorized Representative(s) and their title(s) in the body of the Resolution. Have the Authorized Representatives provide their names, title and signatures(s) on the lines which appear under the Authorized Representative Signature Section near the bottom of the Resolution. Finally, have the Secretary or appropriate Trustee attest to the information of the Authorized Representative(s) by signing and printing his/her name, title and date on the last signature line provided. **The person who validates the signature should not sign the Lease Agreement.** The Resolution must reflect the title(s) of the individual(s) who have authorization to sign the documents.
- Insurance Request Form – Fill in your insurer's information and sign. Please contact your insurer, prior to delivery, to obtain a certificate of insurance. Please enclose the certificate with the signed documentation or have the insurer fax the certificate directly to me.
- Sales Tax Exemption Certificate – Please return a copy with the documents.
- Minutes of Governing Body (approving the purchase & finance of equipment) – Please return a copy with the documents.

Please return the documents to PNC Equipment Finance, LLC, Attn: Taryn Goldschmidt 995 Dalton Avenue, Cincinnati, OH 45203.

**PNC Equipment Finance, LLC, in its sole discretion, reserves the right to adjust the payment factors in the enclosed documentation to reflect any changes in market conditions up to the date of funding.**

Our goal is to ensure that you receive the lowest payment available. Therefore, it is important that the documents are completed and returned to us by March 27, 2012.

If you have any questions please contact Taryn Goldschmidt at 513-455-9559.

Sincerely,

*Tracy Sparks*  
*Documentation Specialist*

# Lease Agreement

Dated as of February 27, 2012  
Lease Number 158956000

Lessor: PNC Equipment Finance, LLC  
995 Dalton Avenue  
Cincinnati, OH 45203

Lessee: LESSEE FULL LEGAL NAME  
County of Jackson  
1992 Warren Avenue  
Jackson, MI 49203

FEDERAL TAX ID  
386004845

Equipment Description **See attached Certificate of Acceptance for Equipment Description**

Rent Lease Term is for \_\_\_\_ (38) Thirty-eight monthly payments due in Arrears in the months of May, June, July, August,  
Payment September, October, November and December of each year. Payments are due on the \_\_\_\_ of each month beginning \_\_\_\_.  
Schedule

Lessee shall pay Rent payments exclusively from legally available funds in U.S. currency to Lessor in the amounts and on the dates set forth herein, without notice or demand.

## TERMS AND CONDITIONS

1. **LEASE.** Subject to the terms of this Lease, Lessee agrees to lease from Lessor the equipment (the "Equipment") described in the attached Certificate of Acceptance when Lessor accepts this Lease. Lessee agrees to be bound by all the terms of this Lease.
2. **DELIVERY AND ACCEPTANCE OF EQUIPMENT.** Acceptance of the Equipment occurs upon delivery. When Lessee receives the Equipment, Lessee agrees to inspect it and to verify by telephone or in writing such information as Lessor may require. Delivery and installation costs are the Lessee's responsibility. If Lessee signed a purchase contract for the Equipment, by signing this Lease Lessee assigns its rights, but none of its obligations under the purchase contract, to Lessor.
3. **RENT.** Lessee agrees to pay Lessor Rent (plus applicable taxes) in the amount and frequency stated above. Rent Payments under this Lease do not include the accrual of an interest portion. If Lessee's Rent payments are due in Advance, the first Rent payment is due on the date Lessee accepts the Equipment under the Lease. Lessor will advise Lessee as to (a) the due date of each Rent payment, and (b) the address to which Lessee must send payments. Rent is due whether or not Lessee receives an invoice from Lessor. Lessee will pay Lessor any required advance rent when Lessee signs this Lease. Lessee authorizes Lessor to change the Rent by not more than 15% due to changes in the Equipment configuration, which may occur prior to Lessor's acceptance of this Lease. Restrictive endorsements on checks Lessee sends to Lessor will not reduce obligations to Lessor. Unless a proper exemption certificate is provided, applicable sales and use taxes will be added to the Rent.  
**NON-APPROPRIATION OF FUNDS.** Lessee intends to remit all Rent and other payments to Lessor for the full Lease Term if funds are legally available. In the event Lessee is not granted an appropriation of funds at any time during the Lease Term for the Equipment subject to this Lease and operating funds are not otherwise available to Lessee to pay the Rent and other payments due and to become due under this Lease, and there is no other legal procedure or available funds by or with which payment can be made to Lessor, and the non-appropriation did not result from an act or omission by Lessee, Lessee shall have the right to return the Equipment in accordance with Section 16 of the Lease and terminate this Lease on the last day of the fiscal period for which appropriations were received without penalty or expense to Lessee, except as the portion of Rent for which funds shall have been appropriated and budgeted. At least thirty (30) days prior to the end of Lessee's fiscal year, Lessee's chief executive officer (or legal counsel) shall certify in writing that (a) funds have not been appropriated for the upcoming fiscal period, (b) such non-appropriation did not result from any act or failure to act by Lessee, and (c) Lessee has exhausted all funds legally available for the payment of Rent.
4. **UNCONDITIONAL OBLIGATION.** LESSEE AGREES THAT IT IS UNCONDITIONALLY OBLIGATED TO PAY ALL RENT AND ANY OTHER AMOUNTS DUE UNDER THIS LEASE IN ALL FISCAL YEARS IN WHICH FUNDS HAVE BEEN APPROPRIATED NO MATTER WHAT HAPPENS, EVEN IF THE EQUIPMENT IS DAMAGED OR DESTROYED, IF IT IS DEFECTIVE OR IF LESSEE HAVE TEMPORARY OR PERMANENT LOSS OF ITS USE. LESSEE IS NOT ENTITLED TO ANY REDUCTION OR SET-OFF AGAINST RENT OR OTHER AMOUNTS DUE UNDER THIS LEASE FOR ANY REASON WHATSOEVER.
5. **DISCLAIMER OF WARRANTIES.** THE EQUIPMENT IS BEING LEASED TO LESSEE IN "AS-IS" CONDITION. LESSEE AGREES THAT LESSOR HAS NOT MANUFACTURED THE EQUIPMENT AND THAT LESSEE HAS SELECTED THE EQUIPMENT BASED UPON LESSEE'S OWN JUDGMENT. LESSEE HAS NOT RELIED ON ANY STATEMENTS LESSOR OR ITS EMPLOYEES HAVE MADE. LESSOR HAS NOT MADE AND DOES NOT MAKE ANY EXPRESS OR IMPLIED REPRESENTATIONS OR WARRANTIES WHATSOEVER, INCLUDING WITHOUT LIMITATION, THE EQUIPMENT'S MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, SUITABILITY, DESIGN, CONDITION, DURABILITY, OPERATION, QUALITY OF MATERIALS OR WORKMANSHIP, OR COMPLIANCE WITH SPECIFICATIONS OR APPLICABLE LAW. Lessee is aware of the name of the Equipment manufacturer and will contact the manufacturer for a description of warranty rights. If the manufacturer has provided Lessor with a warranty, Lessor assigns its rights to such warranty to Lessee and Lessee may enforce all warranty rights directly against the manufacturer of the Equipment. Lessee agrees to settle any dispute regarding performance of the Equipment directly with the manufacturer of the Equipment.
6. **TITLE AND SECURITY INTEREST.** Unless otherwise required by the laws of the state where Lessee is located, Lessor shall have title to the Equipment, except as set forth in section 15.

7. **USE, MAINTENANCE AND REPAIR.** Lessee will not move the Equipment from the Equipment Location without Lessor's advance written consent. Lessee will give Lessor reasonable access to the Equipment Location so that Lessor can check the Equipment's existence, condition and proper maintenance. Lessee will use the Equipment in the manner for which it was intended, as required by all applicable manuals and instructions, and keep it eligible for any manufacturer's certification and/or standard full service maintenance contract. At Lessee's own cost and expense, Lessee will keep the Equipment in good repair, condition and working order, ordinary wear and tear excepted. Lessee will not make any permanent alterations to the Equipment.
8. **TAXES.** Lessee agrees to pay Lessor, when invoiced, all taxes (including any sales, use and personal property taxes), fines, interest and penalties relating to this Lease and the Equipment (excluding taxes based on Lessor's net income). Lessee agrees to file any required personal property tax returns and, if Lessor asks, Lessee will provide Lessor with proof of payment. Lessor does not have to contest any tax assessments.
9. **INDEMNITY.** Lessor is not responsible for any injuries, damages, penalties, claims or losses, including legal expenses, incurred by Lessee or any other person caused by the transportation, installation, manufacture, selection, purchase, lease, ownership, possession, modification, maintenance, condition, operation, use, return or disposition of the Equipment. To the extent permitted by law, Lessee agrees to reimburse Lessor for and defend Lessor against any claims for such losses, damages, penalties, claims, injuries, or expenses. This indemnity continues even after this Lease has expired, for acts or omissions that occurred during the Lease Term.
10. **IDENTIFICATION.** Lessee authorizes Lessor to insert or correct missing information on this Lease, including Lessee's official name, serial numbers and any other information describing the Equipment. Lessor will send Lessee copies of such changes. Lessee will attach to the Equipment any name plates or stickers Lessor provides Lessee.
11. **LOSS OR DAMAGE.** Lessee is responsible for any loss of the Equipment from any cause at all, whether or not insured, from the time the Equipment is shipped to Lessee until it is returned to Lessor. If any item of Equipment is lost, stolen or damaged, Lessee will promptly notify Lessor of such event. Then, at Lessor's option, Lessee will either (a) repair the Equipment so that it is in good condition and working order, eligible for any manufacturer's certification, or (b) pay Lessor an amount equal to the Net Book Value (as defined in Section 14) of the lost, stolen or damaged Equipment. If Lessee has satisfied Lessee's obligations under this Section 11, Lessor will forward to Lessee any insurance proceeds which Lessor receives for lost, damaged, or destroyed Equipment. If Lessee is in default, Lessor will apply any insurance proceeds Lessor receives to reduce Lessee's obligations under Section 14 of this Lease.
12. **INSURANCE.** Lessee agrees to (a) keep the Equipment fully insured against loss, naming Lessor as loss payee, and (b) obtain a general public liability insurance policy covering both personal injury and property damage in amounts not less than Lessor may tell Lessee, naming Lessor as additional insured, until Lessee has met all Lessee's obligations under this Lease. Lessor is under no duty to tell Lessee if Lessee's insurance coverage is adequate. The policies shall state that Lessor is to be notified of any proposed cancellation at least 30 days prior to the date set for cancellation. Upon Lessor's request, Lessee agree to provide Lessor with certificates or other evidence of insurance acceptable to Lessor. If Lessee does not provide Lessor with evidence of proper insurance within 10 days of Lessor's request or Lessor receives notice of policy cancellation, Lessor may (but Lessor is not obligated to) obtain insurance on Lessor's interest in the Equipment at Lessee's expense. Lessee will pay all insurance premiums and related charges.
13. **DEFAULT.** Lessee will be in default under this Lease if any of the following happens: (a) Lessor does not receive any Rent or other payment due under this Lease within 10 days after its due date, (b) Lessee fails to perform or observe any other promise or obligation in this Lease and does not correct the default within 10 days after Lessor sends Lessee written notice of default, (c) any representation, warranty or statement Lessee has made in this Lease shall prove to have been false or misleading in any material respect, (d) any insurance carrier cancels or threatens to cancel any insurance on the Equipment, (e) the Equipment or any part of it is abused, illegally used, misused, lost, destroyed, or damaged beyond repair, (f) a petition is filed by or against Lessee under any bankruptcy or insolvency laws, or (g) Lessee defaults on any other agreement between it and Lessor (or Lessor's affiliates).
14. **REMEDIES.** Upon the occurrence of a default, Lessor may, in its sole discretion, do any or all of the following: (a) provide written notice to Lessee of default, (b) as liquidated damages for loss of a bargain and not as a penalty, declare due and payable, the present value of (i) any and all amounts which may be then due and payable by Lessee to Lessor under this Lease, plus (ii) all Rent payments remaining through the end of the Lease Term, discounted at the higher of 3% or the lowest rate allowed by law, plus the Fair Market Value of the Equipment (collectively, the "Net Book Value"). Lessor has the right to require Lessee to make the Equipment available to Lessor for repossession during reasonable business hours or Lessor may repossess the Equipment, so long as Lessor does not breach the peace in doing so, or Lessor may use legal process in compliance with applicable law pursuant to court order to have the Equipment repossessed. Lessee will not make any claims against Lessor or the Equipment for trespass, damage or any other reason. If Lessor takes possession of the Equipment Lessor may (a) sell or lease the Equipment at public or private sale or lease, and/or (b) exercise such other rights as may be allowed by applicable law. Although Lessee agrees that Lessor has no obligation to sell the Equipment, if Lessor does sell the Equipment, Lessor will reduce the Net Book Value by the amounts Lessor receives. Lessee will immediately pay Lessor the remaining Net Book Value. Lessee agrees (a) that Lessor only needs to give Lessee 10 days advance notice of any sale and no notice of advertising, (b) to pay all of the costs Lessor incurs to enforce Lessor's rights against Lessee, including attorney's fees, and (c) that Lessor will retain all of Lessor's rights against Lessee even if Lessor does not choose to enforce them at the time of Lessee's default.
15. **LESSEE'S OPTION AT END OF LEASE.** Notwithstanding anything contained in the Lease to the contrary, so long as no default shall have occurred and be continuing, Lessee may, at Lessee's option, purchase the Equipment leased pursuant to this Rental Schedule on an "as is, where is" basis, without representation or warranty, express or implied, at the end of the Initial Term at a price equal to the Fair Market Value thereof, plus applicable taxes. "Fair Market Value" shall be equal to the value which would be obtained in an arms-length transaction between an informed and willing buyer and an informed and willing seller under no compulsion to sell, and in such determination, costs of removal of the Equipment from its location of current use shall not be a deduction from such value. If Lessee and Lessor cannot agree on the Fair Market Value thereof, such value shall be determined by appraisal at the sole expense of Lessee. Appraisal shall be a procedure whereby two recognized independent appraisers, one chosen by Lessee and one by Lessor, shall mutually agree upon the amount in question. If the appraisers are unable to agree upon the amount in question, a third recognized independent appraisers' evaluation shall be binding and conclusive on Lessee and Lessor. This purchase option as applicable shall only be available if Lessee gives Lessor ninety (90) days prior written notice of Lessee's irrevocable intent to exercise such option and Lessor and Lessee shall have agreed to all terms and conditions of such purchase prior to the expiration date of the Initial Term. Until the Equipment is returned as required below, all terms of the Lease shall remain in full force and effect including the obligation to pay Rent.
16. **RETURN OF EQUIPMENT.** If (a) default occurs, (b) a non-appropriation of funds occurs in accordance with Section 3, or (c) Lessee does not purchase the Equipment pursuant to Section 15, Lessee will immediately return the Equipment to any location(s) in the continental United States and aboard any carriers(s) Lessor may designate. The Equipment must be properly packed for shipment in accordance with the manufacturer's recommendations or specifications, freight prepaid and insured, maintained in accordance with Section 7, and in "Average Saleable Condition." "Average Saleable Condition" means that all of the Equipment is immediately available for use by a third party buyer, user or lessee, other than

Lessee named in this Lease, without the need for any repair or refurbishment. All Equipment must be free of markings. Lessee will pay Lessor for any missing or defective parts or accessories. Lessee will continue to pay Rent until the Equipment is received and accepted by Lessor.

17. **LESSEE'S REPRESENTATIONS AND WARRANTIES.** Lessee hereby represents and warrants to Lessor that as of the date of this Lease, and throughout the Lease Term: (a) Lessee is the entity indicated in this Lease; (b) Lessee is a State or a fully constituted political subdivision or agency of the State in which Lessee is located; (c) Lessee is duly organized and existing under the Constitution and laws of the State in which Lessee is located; (d) Lessee is authorized to enter into and carry out Lessee's obligations under this Lease, any documents relative to the acquisition of the Equipment and any other documents required to be delivered in connection with this Lease (collectively, the "Documents"); (e) the Documents have been duly authorized, executed and delivered by Lessee in accordance with all applicable laws, rules, ordinances, and regulations, the Documents are valid, legal, binding agreements, enforceable in accordance with their terms and the person(s) signing the Documents have the authority to do so, are acting with the full authorization of Lessee's governing body, and hold the offices indicated below their signature, each of which is genuine; (f) the Equipment is essential to the immediate performance of a governmental or proprietary function by Lessee within the scope of Lessee's authority and shall be used during the Lease Term only by Lessee and only to perform such function; (g) Lessee intends to use the Equipment for the entire Lease Term and shall take all necessary action to include in Lessee's annual budget any funds required to fulfill Lessee's obligations for each fiscal year during the Lease Term; (h) Lessee has complied fully with all applicable law governing open meetings, public bidding and appropriations required in connection with this Lease and the acquisition of the Equipment; (i) Lessee's obligations to remit Rent under this Lease constitutes a current expense and not a debt under applicable state law and no provision of this Lease constitutes a pledge of Lessee's tax or general revenues, and any provision which is so constructed by a court of competent jurisdiction is void from the inception of this lease; (j) all payments due and to become due during Lessee's current fiscal year are within the fiscal budget of such year, and are included within an unrestricted and unencumbered appropriation currently available for the lease of the Equipment; and (k) all financial information Lessee has provided to Lessor is true and accurate and provides a good representation of Lessee's financial condition.
18. **LESSEE'S PROMISES.** In addition to the other provisions of this Lease, Lessee agrees that during the term of this Lease (a) Lessee will promptly notify Lessor in writing if it moves Lessee's principal office or it changes names or its legal structure, (b) Lessee will provide to Lessor such financial information as may reasonably request from time to time, and (c) Lessee will take any action Lessor reasonably requests to protect Lessor's rights in the Equipment and to meet Lessee's obligations under this Lease.
19. **ASSIGNMENT. LESSEE WILL NOT SELL, TRANSFER, ASSIGN, PLEDGE, SUB-LEASE OR PART WITH POSSESSION OF THE EQUIPMENT OR FILE OR PERMIT A LIEN TO BE FILED AGAINST THE EQUIPMENT.** Lessee will not attach any of the Equipment to any real estate. Upon Lessor's reasonable request and at Lessee's cost, Lessee will obtain from each person having an interest in the real estate where the Equipment is located a waiver of any rights they may have in the Equipment.
20. **ASSIGNMENT BY LESSOR.** This Lease, and the rights of Lessor hereunder and in and to the Equipment, may be assigned and reassigned in whole or in part to one or more assignees by Lessor or its assigns at any time without the necessity of obtaining the consent of Lessee; provided, however, no such assignment or reassignment shall be effective unless and until Lessee shall have been given written notice of assignment disclosing the name and address of the assignee or its agent authorized to receive payments and otherwise service this Lease on its behalf. Upon receipt of notice of assignment, Lessee agrees to record the same in records maintained for such purpose, and further, to make all payments as designated in the assignment, notwithstanding any claim, defense, setoff or counterclaim whatsoever (whether arising from a breach of this Lease or otherwise) that Lessee may from time to time have against Lessor or Lessor's assigns. Lessee agrees to execute all documents, including acknowledgments of assignment, which may reasonably be requested by Lessor or its assigns to protect their interests in the Equipment and in this Lease.
21. **COLLECTION EXPENSES, OVERDUE PAYMENT.** Lessee agrees that Lessor can, but does not have to, take on Lessee's behalf any action which Lessee fails to take as required by this Lease, and Lessor's expenses will be in addition to that of the Rent which Lessee owes Lessor. If Lessor receives any payment from Lessee after the due date, Lessee shall pay Lessor on demand as a late charge five percent (5%) of such overdue amount, limited, however, to the maximum amount allowed by law.
22. **AGREED LEASE RATE FACTOR.** Lessee understands that the Equipment may be purchased for cash (the "Equipment Cost") or it may be leased. By signing this Lease, Lessee acknowledges that it has chosen to lease the Equipment from Lessor for the Lease Term and that Lessee has agreed to pay Rent. Each payment of Rent includes a principal amount based on the Equipment Cost and a lease charge rate. If it is determined that Lessee's payments under this Lease result in an interest payment higher than allowed by applicable law, then any excess interest collected will be applied to the repayment of principal and interest will be charged at the highest rate allowed by law. In no event will Lessor charge or receive or will Lessee pay any amounts in excess of the legal amount.
23. **MISCELLANEOUS.** This Lease contains the entire agreement and supersedes any conflicting provision of any equipment purchase order or any other agreement. **TIME IS OF THE ESSENCE IN THIS LEASE.** If a court finds any provision of Lease to be unenforceable, the remaining terms of this Lease shall remain in effect. **TO THE EXTENT THAT THIS LEASE IS FOUND TO NOT BE A TRUE LEASE, THIS LEASE IS A "FINANCE LEASE" AS DEFINED IN ARTICLE 2A OF THE UNIFORM COMMERCIAL CODE.** Lessee authorizes Lessor (or Lessor's agent) to (a) obtain credit reports; (b) make such other credit inquiries as Lessor may deem necessary, and (c) furnish payment history information to credit reporting agencies. To the extent permitted by law, Lessor may charge Lessee a fee of \$250.00 to cover Lessor's documentation and investigation costs.
24. **NOTICES.** All of Lessee's written notices to Lessor must be sent by certified mail or recognized overnight delivery service, postage prepaid, to Lessor at Lessor's address stated in this Lease, or by facsimile transmission to Lessor's facsimile telephone number, with oral confirmation of receipt. All of Lessor's notices to Lessee may be sent first class mail, postage prepaid, to Lessee's address stated in this Lease. At any time after this Lease is signed, Lessee or Lessor may change an address or facsimile telephone number by giving notice to the other of the change.
25. **WAIVERS. LESSOR AND LESSEE EACH AGREE TO WAIVE, AND TO TAKE ALL REQUIRED STEPS TO WAIVE, ALL RIGHTS TO A JURY TRIAL.** To the extent Lessee is permitted by applicable law, Lessee waives all rights and remedies conferred upon a lessee by Article 2A (Sections 508-522) of the Uniform Commercial Code including but not limited to Lessee's rights to: (a) cancel or repudiate this Lease; (b) reject or revoke acceptance of the Equipment; (c) recover damages from Lessor for any breach of warranty or for any other reason; (d) grant a security interest in any Equipment in Lessee's possession. To the extent Lessee is permitted by applicable law, Lessee waives any rights they now or later may have under any statute or otherwise which requires Lessor to sell or otherwise use any Equipment to reduce Lessor's damages, which requires Lessor to provide Lessee with notice of default, intent to accelerate amounts becoming due or acceleration of amounts becoming due, or which may otherwise limit or modify any of Lessor's rights or remedies. **ANY ACTION LESSEE TAKES AGAINST LESSOR FOR ANY DEFAULT, INCLUDING BREACH OF WARRANTY OR INDEMNITY, MUST BE STARTED WITHIN ONE (1) YEAR AFTER THE EVENT, WHICH CAUSED IT.** Lessor will not be liable for specific performance of this Lease or for any losses, damages, delay or failure to deliver Equipment.

IMPORTANT: READ BEFORE SIGNING. THE TERMS OF THIS LEASE SHOULD BE READ CAREFULLY BECAUSE ONLY THOSE TERMS IN WRITING ARE ENFORCEABLE. TERMS OR ORAL PROMISES WHICH ARE NOT CONTAINED IN THIS WRITTEN AGREEMENT MAY NOT BE LEGALLY ENFORCED. THE TERMS OF THIS LEASE MAY ONLY BE CHANGED BY ANOTHER WRITTEN AGREEMENT BETWEEN LESSEE AND LESSOR. LESSEE AGREES TO COMPLY WITH THE TERMS AND CONDITIONS OF THIS LEASE. LESSEE AGREES THAT THE EQUIPMENT WILL BE USED FOR BUSINESS PURPOSES ONLY AND NOT FOR PERSONAL, FAMILY OR HOUSEHOLD PURPOSES.

LESSEE CERTIFIES THAT ALL THE INFORMATION GIVEN IN THIS LEASE AND LESSEE'S APPLICATION WAS CORRECT AND COMPLETE WHEN THIS LEASE WAS SIGNED. THIS LEASE IS NOT BINDING UPON LESSOR OR EFFECTIVE UNLESS AND UNTIL LESSOR EXECUTES THIS LEASE. THIS LEASE WILL BE GOVERNED BY THE LAWS OF THE STATE OF THE LESSEE.

County of Jackson  
("Lessee")

X

Authorized Signature

Print Name

Title:

Date

1992 Warren Avenue  
Jackson, MI 49203

PNC Equipment Finance, LLC

("Lessor")

X

Authorized Signature

Print Name

Title:

995 Dalton Ave.  
Cincinnati, OH 45203

#### OPINION OF COUNSEL

I have acted as counsel to the above-referenced Lessee (the "Lessee") with respect to this Lease Agreement by and between the Lessee and Lessor (the "Lease"), and in this capacity have reviewed the original or duplicate originals of the Lease and such other documents as I have deemed relevant. Based upon the foregoing, I am of the opinion that: (A) Lessee is a state or a fully constituted political subdivision or agency of a state within the meaning of Section 103 of the Internal Revenue Code of 1986, as amended; (B) the execution, delivery and performance of the Lease by Lessee has been duly authorized by all necessary action on the part of Lessee; (C) the Lease constitutes a legal, valid and binding obligation of Lessee enforceable in accordance with its terms, except as limited by laws of general application affecting the enforcement of creditors' rights, and does not constitute a debt of Lessee which is prohibited by state law; (D) the authorization, approval and execution of the Lease and all other proceedings of Lessee related to the transactions contemplated thereby have been performed in accordance with all open-meeting laws, public bidding laws, and all other applicable state laws. The undersigned certifies that (s)he is an attorney duly authorized to practice law in the State of Michigan.

The foregoing opinions are limited to the laws of such State and federal laws of the United States.

Attorney of Lessee

By: 

Print Name: Brad A. Brelnick P68587

Law firm: Curtis + Curtis, P.C.

**Personal and Real Property - TOTALS**

**JACKSON COUNTY**

Statement of acreage and valuation in the year 2012 made in accordance with Sections 209.1 - 209.8 of the Michigan Compiled Laws.

	Number of Acres Assessed	Total Real Property Valuations (Totals from Pages 2 and 3)		Personal Property Valuations		Total Real Plus Personal Property	
	(Col. 1 ) Acres Hundredths	(Col. 2 ) Assessed Valuations	(Col. 3 ) Equalized Valuations	(Col. 4 ) Assessed Valuations	(Col. 5 ) Equalized Valuations	(Col. 6 ) Assessed Valuations	(Col. 7 ) Equalized Valuations
BLACKMAN	18,919	454,442,643	454,442,643	88,877,484	88,877,484	543,320,127	543,320,127
COLUMBIA	23,110	391,159,886	391,159,886	13,978,430	13,978,430	405,138,316	405,138,316
CONCORD	22,432	88,383,000	88,383,000	4,836,880	4,836,880	93,219,880	93,219,880
GRASS LAKE	30,733	246,851,579	246,851,579	14,387,790	14,387,790	261,239,369	261,239,369
HANOVER	22,900	142,397,900	142,397,900	6,081,900	6,081,900	148,479,800	148,479,800
HENRIETTA	22,737	134,338,511	134,338,511	4,221,050	4,221,050	138,559,561	138,559,561
LEONI	32,800	389,307,912	389,307,912	31,092,097	31,092,097	420,400,009	420,400,009
LIBERTY	22,164	122,482,600	122,482,600	4,138,900	4,138,900	126,621,500	126,621,500
NAPOLEON	19,825	223,992,756	223,992,756	27,285,893	27,285,893	251,278,649	251,278,649
NORVELL	19,450	144,781,060	144,781,060	9,319,282	9,319,282	154,100,342	154,100,342
PARMA	24,325	93,511,121	93,511,121	5,836,441	5,836,441	99,347,562	99,347,562
PULASKI	23,307	70,068,200	70,068,200	2,672,530	2,672,530	72,740,730	72,740,730
RIVES	22,475	128,247,100	128,247,100	9,951,400	9,951,400	138,198,500	138,198,500
SANDSTONE	23,624	127,355,959	127,355,959	20,552,965	20,552,965	147,908,924	147,908,924
SPRING ARBOR	22,128	200,133,660	200,133,660	9,972,612	9,972,612	210,106,272	210,106,272
SPRINGPORT	23,447	69,835,800	69,835,800	5,504,200	5,504,200	75,340,000	75,340,000
SUMMIT	17,629	580,236,400	580,236,400	30,634,700	30,634,700	610,871,100	610,871,100
TOMPKINS	22,731	82,306,089	82,306,089	9,821,000	9,821,000	92,127,089	92,127,089
WATERLOO	25,730	115,067,700	115,067,700	7,132,700	7,132,700	122,200,400	122,200,400
JACKSON	7,035	580,721,700	580,721,700	80,966,400	80,966,400	661,688,100	661,688,100
Totals for County	447,499	4,385,621,576	4,385,621,576	387,264,654	387,264,654	4,772,886,230	4,772,886,230

OFFICE OF THE COUNTY BOARD OF COMMISSIONERS OF JACKSON COUNTY, MICHIGAN

WE HEREBY CERTIFY That the foregoing is a true statement of the number of acres of land in each township and city in the County of Jackson and of the value of the real property and of the personal property in each township and city in said county as assessed in the year 2012, and of the aggregate valuation of the real property and personal property in each township and city in said county as equalized by the Board of Commissioners of said county on the 8th day of April 2012 at a meeting of said board held in pursuant to the provisions of Sections 209.1 - 209.8 MCL. We further certify that said statement does not embrace any property taxed under P.A. 77 of 1951; P.A. 68 of 1963; P.A. 198 of 1974; P.A. of 255 of 1978; P.A. 385 of 1984; P.A. 224 of 1985; P.A. 147 of 1992 or Section 5 of Article IX of the Constitution of the State.  
Dated at Jackson, Michigan this    th day of April, 2012.

\_\_\_\_\_  
Director of County Equalization Department

\_\_\_\_\_  
Chairperson of Board of Commissioners

\_\_\_\_\_  
Clerk of Board of Commissioners

**Equalized Valuations - Real**

**JACKSON COUNTY**

Statement of acreage and valuation in the year 2012 made in accordance with Sections 209.1 - 209.8 of the Michigan Compiled Laws.

	Real Property Equalized by County Board of Commissioners						
	(COL. 1) AGRICULTURE	(COL. 2) COMMERCIAL	(COL. 3) INDUSTRIAL	(COL. 4) RESIDENTIAL	(COL. 5) TIMBER-CUTOVER	(COL. 6) DEVELOPMENTAL	(COL. 7) TOTAL REAL PROPERTY
BLACKMAN	9,575,242	206,634,990	30,553,133	205,739,224	0	1,940,054	454,442,643
COLUMBIA	18,739,550	31,191,605	5,811,450	333,652,131	0	1,765,150	391,159,886
CONCORD	28,701,300	4,646,000	2,042,300	52,993,400	0	0	88,383,000
GRASS LAKE	24,910,900	15,859,744	9,142,300	196,938,635	0	0	246,851,579
HANOVER	21,732,500	2,906,100	981,900	116,777,400	0	0	142,397,900
HENRIETTA	21,380,928	3,924,464	697,636	108,335,483	0	0	134,338,511
LEONI	16,029,941	73,735,899	12,507,641	287,034,431	0	0	389,307,912
LIBERTY	19,995,000	3,702,300	159,900	98,625,400	0	0	122,482,600
NAPOLEON	12,679,087	13,134,712	9,913,946	188,265,011	0	0	223,992,756
NORVELL	17,946,060	3,760,350	112,540	122,962,110	0	0	144,781,060
PARMA	20,581,499	11,498,924	1,389,200	59,597,348	0	444,150	93,511,121
PULASKI	33,547,350	1,354,400	243,900	34,922,550	0	0	70,068,200
RIVES	24,189,600	5,428,700	1,411,400	97,217,400	0	0	128,247,100
SANDSTONE	25,994,054	4,343,726	11,613,742	85,404,437	0	0	127,355,959
SPRING ARBOR	19,882,370	16,777,790	2,330,030	161,143,470	0	0	200,133,660
SPRINGPORT	31,429,400	1,915,700	1,444,500	35,046,200	0	0	69,835,800
SUMMIT	3,063,700	68,068,800	10,641,900	495,627,500	0	2,834,500	580,236,400
TOMPKINS	24,160,324	980,246	1,132,450	56,033,069	0	0	82,306,089
WATERLOO	15,566,450	6,460,850	1,577,700	91,462,700	0	0	115,067,700
		0					
JACKSON	0	180,560,500	112,055,150	288,106,050	0	0	580,721,700
Totals for County	390,105,255	656,885,800	215,762,718	3,115,883,949	0	6,983,854	4,385,621,576

OFFICE OF THE COUNTY BOARD OF COMMISSIONERS OF JACKSON COUNTY, MICHIGAN

WE HEREBY CERTIFY that the foregoing is a true statement of the equalized valuations of real property classifications in each township and city in the County of Jackson in the year 2012, as determined by the Board of Commissioners of said county on the 8 th day of April 2012 at a meeting of said board held in pursuant to the provisions of Sections 209.1 - 209.8, MCL. We further certify that said statement does not embrace any property taxed under P.A. 77 of 1951; P.A. 68 of 1963; P.A. 198 of 1974; P.A. 255 of 1978; P.A. 385 of 1984; P.A. 224 of 1985; P.A. 147 of 1992 or Section 5 of Article IX of the Constitution of the State. Dated at Jackson, Michigan this th day of April, 2012.

Director of County Equalization Department

Chairperson of Board of Commissioners

Clerk of Board of Commissioners

**Assessed Valuations - Real**

**JACKSON COUNTY**

Statement of acreage and valuation in the year 2012 made in accordance with Sections 209.1 - 209.8 of the Michigan Compiled Laws.

Real Property Assessed Valuations Approved by Boards of Review							
(COL. 1)	(COL. 2)	(COL. 3)	(COL. 4)	(COL. 5)	(COL. 6)	(COL. 7)	
AGRICULTURE	COMMERCIAL	INDUSTRIAL	RESIDENTIAL	TIMBER-CUTOVER	DEVELOPMENTAL	TOTAL REAL PROPERTY	
BLACKMAN	9,575,242	206,634,990	30,553,133	205,739,224	0	1,940,054	454,442,643
COLUMBIA	18,739,550	31,191,605	5,811,450	333,652,131	0	1,765,150	391,159,886
CONCORD	28,701,300	4,646,000	2,042,300	52,993,400	0	0	88,383,000
GRASS LAKE	24,910,900	15,859,744	9,142,300	196,938,635	0	0	246,851,579
HANOVER	21,732,500	2,906,100	981,900	116,777,400	0	0	142,397,900
HENRIETTA	21,380,928	3,924,464	697,636	108,335,483	0	0	134,338,511
LEONI	16,029,941	73,735,899	12,507,641	287,034,431	0	0	389,307,912
LIBERTY	19,995,000	3,702,300	159,900	98,625,400	0	0	122,482,600
NAPOLEON	12,679,087	13,134,712	9,913,946	188,265,011	0	0	223,992,756
NORVELL	17,946,060	3,760,350	112,540	122,962,110	0	0	144,781,060
PARMA	20,581,499	11,498,924	1,389,200	59,597,348	0	444,150	93,511,121
PULASKI	33,547,350	1,354,400	243,900	34,922,550	0	0	70,068,200
RIVES	24,189,600	5,428,700	1,411,400	97,217,400	0	0	128,247,100
SANDSTONE	25,994,054	4,343,726	11,613,742	85,404,437	0	0	127,355,959
SPRING ARBOR	19,882,370	16,777,790	2,330,030	161,143,470	0	0	200,133,660
SPRINGPORT	31,429,400	1,915,700	1,444,500	35,046,200	0	0	69,835,800
SUMMIT	3,063,700	68,068,800	10,641,900	495,627,500	0	2,834,500	580,236,400
TOMPKINS	24,160,324	980,246	1,132,450	56,033,069	0	0	82,306,089
WATERLOO	15,566,450	6,460,850	1,577,700	91,462,700	0	0	115,067,700
	0	0					
JACKSON	0	180,560,500	112,055,150	288,106,050	0	0	580,721,700
Totals for County	390,105,255	656,885,800	215,762,718	3,115,883,949	0	6,983,854	4,385,621,576

OFFICE OF THE COUNTY BOARD OF COMMISSIONERS OF JACKSON COUNTY, MICHIGAN

WE HEREBY CERTIFY That the foregoing is a true statement of the assessed valuations of real property classifications in each township and city in the County of Jackson in the year 2012, as determined by the Board of Commissioners of said county on the 8th day of April 2012 at a meeting of said board held in pursuant to the provisions of Sections 209.1 - 209.8, MCL. We further certify that said statement does not embrace any property taxed under P.A. 77 of 1951; P.A. 68 of 1963; P.A. 198 of 1974; P.A. 255 of 1978; P.A. 385 of 1984; P.A. 224 of 1985; P.A. 147 of 1992 or Section 5 of Article IX of the Constitution of the State.  
Dated at Jackson, Michigan this 19th day of April, 2011.

\_\_\_\_\_  
Director of County Equalization Department

\_\_\_\_\_  
Chairperson of Board of Commissioners

\_\_\_\_\_  
Clerk of Board of Commissioners

**COUNTY OF JACKSON**  
**DEPARTMENT OF HUMAN RESOURCES**

120 West Michigan Avenue  
Jackson, Michigan 49201

Telephone (517) 788-4340  
FAX (517) 788-4404

**To:** Personnel & Finance Committee  
Board of Commissioners

**Date:** March 23, 2012

**From:**  Joni Johnson  
Deputy Director – Human Resources

**Re:** Third Amended & Restated Section 125 Cafeteria Plan

**Motion Requested:**

To recommend and approve the resolution for the adoption of the County of Jackson's Third Amended and Restated Section 125 Cafeteria Plan, effective as of the dates contained therein and to authorize County Administrator/Controller Mike Overton to take necessary action to adopt the plan on behalf of the County.

**I. Background**

- a. Effective April 1, 2012, significant changes will be made to the health insurance options available to a majority of County employees.
- b. In addition to moving all benefits-eligible employees to the same health plan program, they will no longer have Individualized Benefit Plan (IBP) dollars to spend on cafeteria plan options.

**II. Current Situation**

- a. As a result of these changes, many of the provisions outlined in the current Section 125 Cafeteria Plan document will be inaccurate.
- b. In addition, due to a change in the maximum deduction allowed for Medical Expense Reimbursement accounts effective 1/1/13 (a requirement of federal Health Care Reform), we are taking this opportunity to incorporate language addressing that change. This will prevent the need for the adoption of a separate amendment in January 2013.

**III. Analysis**

- a. **Strategic:** The new health option emphasizes our commitment to providing health and wellness based options for employees, a focus of the Improved Work Environment Team through the County's Strategic Plan.

- b. **Financial:** Adoption of the Third Amended & Restated Section 125 Cafeteria Plan is required for necessary tax reporting to be done properly and to prevent the imposition of excise taxes and substantial penalties imposed by the Internal Revenue Service (IRS) and/or the Department of Labor.
- c. **Legal:** The Internal Revenue Service requires accurate and up to date written plan documents for all Section 125 Cafeteria Plans. Failure to comply with the technical legal requirements applicable to such arrangements can result in disqualification of the Plan and imposition of penalties as referenced in (b) above.
- d. **Timing:** Plan changes become effective April 1, 2012 and the applicable plan documents must be revised timely.

**IV. Alternatives**

- a. No alternatives are available.

**V. Recommendation**

To pass the motion requested: To approve the resolution for the adoption of the County of Jackson's Third Amended and Restated Section 125 Cafeteria Plan effective as of the dates contained therein and to authorized County Administrator/Controller Mike Overton to take necessary action to adopt the plan on behalf of the County.

## COUNTY OF JACKSON

### RESOLUTIONS TO BE ADOPTED BY THE BOARD OF COMMISSIONERS

---

A Meeting of the Board of Commissioners of the County of Jackson (the "Company") was held on \_\_\_\_\_, 2012. Sufficient members were present to constitute a quorum of the Commissioners. Following a reading of the Plan and an extensive discussion concerning the provisions, the following resolutions were, upon motion duly made, unanimously adopted:

**RESOLVED**, that the County of Jackson's adoption of the County of Jackson Third Amended and Restated Section 125 Cafeteria Plan ("Plan") effective as of the dates contained therein, is affirmed and ratified.

**RESOLVED FURTHER**, that the actions of the County Administrator/Controller, Michael Overton, necessary to adopt the Plan on behalf of the County of Jackson are hereby affirmed and ratified.

I certify that the above is a true and complete record of action taken by the Board of Commissioners of the County of Jackson on the \_\_\_\_ day of \_\_\_\_\_, 2012.

By: \_\_\_\_\_

Its: \_\_\_\_\_

# County of Jackson

## Third Amended and Restated Section 125 Cafeteria Plan



**Prepared by:**  
Fraser Trebilcock Davis & Dunlap, P.C.  
124 West Allegan, Suite 1000  
Lansing, Michigan 48933  
Telephone: (517) 482-5800  
Facsimile: (517) 482-0887

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# **County of Jackson**

## **Third Amended and Restated Section 125 Cafeteria Plan**

### **Preamble**

The County of Jackson established this Plan to provide its Employees a choice between cash and certain statutory nontaxable benefits. This Plan is intended to qualify as a “cafeteria plan” under Internal Revenue Code (the “Code”) section 125 and is to be interpreted in a manner consistent with the requirements of Code section 125. This Plan is designed to permit an eligible Employee to pay, on a pre-tax salary reduction basis, for his or her share of contributions for benefits under the Group Health Plan (here, major medical insurance), the Medical Expense Reimbursement Plan, the Dependent Care Assistance Program, or for other benefits.

Portions of this document are also intended to satisfy the written plan requirements of the regulations under Code section 105(b) (relating to Medical Expense Reimbursement Benefits) and Code section 129(d)(1) (relating to Dependent Care Programs). For purposes of clarity, the details of these separate plans and programs are combined in this document with the cafeteria plan provisions in order to fully describe the benefits under the cafeteria plan. However, it is the intent of the County of Jackson to have three separate written plans or programs consisting of the following:

1. **Cafeteria Plan.** The Cafeteria Plan shall include all of the terms set forth in this document.
2. **Dependent Care Assistance Program.** The Dependent Care Assistance Program under Code section 129 includes the following Articles of this document: Articles 1, 2, 4, 5, 8, 9, 11, 12 and 13. These Articles shall form a separate written program for all purposes of the Code.
3. **Medical Expense Reimbursement Plan.** The Medical Expense Reimbursement Plan under Code section 105(b) includes the following Articles of this document: Articles 1, 2, 4, 6, 7, 8, 9, 10, 11, 12 and 13. These Articles shall form a separate written plan document for all purposes of the Code.

### **Article 1**

#### **Definitions**

When used in this Plan, the following words shall have the following meanings, unless the context clearly indicates otherwise:

1.1 **“Account”** means the Dependent Care Assistance Account described in Article 5 and the Medical Expense Reimbursement Account described in Article 6.

1.2 **“Administrator”** means the Employer or another person or entity designated by the Board of Directors to administer the Plan in accordance with Article 9.

1.3 **“Affiliate”** means an employer that is sufficiently affiliated with the Employer to be able to participate in the same benefit plan or plans pursuant to the Code.

1.4 **“Board of Directors”** means Employer’s governing body, which in this case is the Board of Commissioners.

1.5 **“Claimant”** means any Participant who seeks to file a claim pursuant to the terms of this Plan.

1.6 **“COBRA”** means the Consolidated Omnibus Budget Reconciliation Act of 1985 (P.L. 99-272) Title X, as amended.

1.7 **“Code”** means the Internal Revenue Code of 1986, as amended. References in the Plan to any Code section shall include reference to any comparable or succeeding provisions of any legislation which amends, supplements or replaces the Code section.

1.8 **“Compensation”** means the base compensation of the Participant paid by the Employer during a Plan Year prior to any reductions under the salary reduction agreement. Compensation shall not include overtime, commissions or bonuses.

1.9 **“Dependent”** generally means a Participant’s Spouse and any person who is a dependent of the Participant within the meaning of Code section 152 (however, for health benefits, a Dependent generally means any person who is a dependent as defined as set forth in Code sections 105(b), 106 and the regulations and other authority thereunder). Effective January 1, 2011, the definition of “Dependent” for purposes of Section 1.39 and Article 6 is expanded to include an adult child until the child turns 26 years of age. A “child” for this purpose is defined as a son, daughter, stepson, stepdaughter, or eligible foster child of the Participant as defined in Code section 152(f)(1). The definition of “child” for this purpose shall not include a child of the Participant’s child. For purposes of Sections 1.11 and 1.12 and Article 5, “Dependent” means any individual who is either a dependent of the Participant (who is a qualifying child within the meaning of Code section 152) who is under the age of 13, or a Participant’s spouse or dependent (as defined in Code section 152, determined without regard to subsections (b)(1), (b)(2), and (d)(1)(B)) who is physically or mentally incapable of caring for himself or herself and has the same principal place of abode as the Participant for more than one-half of such taxable year. In circumstances of divorced or legally separated parents (or parents who live apart at all times during the last six months of the calendar year), a child as provided above and in Code section 152(e) and section 21(e)(5) will be the “Dependent” of the parent having custody for the greater portion of the calendar year. It is the intent of this provision to comply with the provisions of ERISA Section 609(c). Notwithstanding the foregoing, the Plan will provide benefits in accordance with the applicable requirements of any QMCSO, even if the child does not meet the definition of “Dependent.”

1.10 **“Dependent Care Assistance Account”** means the account described in Section 5.2.

1.11 **“Dependent Care Expenses”** are expenses that are considered to be employment-related expenses under Code section 21(b)(2), are incurred by a Participant for the care of a Dependent of the Participant or for related household services, are paid or payable to a

Dependent Care Service Provider, and are incurred to enable the Participant to be gainfully employed for any period for which there are one or more Dependents with respect to the Participant. Dependent Care Expenses shall not include expenses incurred for services outside the Participant's household for the care of a Dependent, unless the Dependent is a Dependent as defined in Code section 152(a)(1) and is under the age of 13, or the Dependent regularly spends at least eight hours each day in the Participant's household. Dependent Care Expenses do not include amounts payable to the Participant's spouse, to the parent of the Participant's Dependent child under age 13, to an individual for whom the Participant or his or her spouse may claim an exemption under Code section 151(c), or to the Participant's child under the age of 19 at the end of the year in which Dependent Care Expenses are incurred. Dependent Care Expenses are incurred at the time the services to which the expense relates are rendered, regardless of when the Participant is charged for the services.

1.12 **“Dependent Care Service Provider”** means a person who provides care or other services for the care of a Dependent of the Participant and related household services, but shall not include a dependent care center (as defined in Code section 21(b)(2)(D)), unless the requirements of Code section 21(b)(2)(D) are satisfied and shall not include a related individual described in Code section 129(c), Code section 21 and the regulations thereunder.

1.13 **“Earned Income”** means earned income as defined in Code section 32(c) as modified by Code section 129.

1.14 **“Effective Date”** of this Plan is January 1, 1994. The Plan has been amended several times. The effective date of this amendment and restatement is April 1, 2012.

1.15 **“Electronic Protected Health Information (EPHI)”** means PHI that is transmitted by electronic media or maintained in electronic media, as specifically defined in the Security Rules.

1.16 **“Employee”** means any person employed by Employer, but does not include (a) leased employees, including individuals defined as leased employees in Code section 414(n), contract workers, independent contractors, temporary employees or casual employees for the period such individual is so classified, whether or not any such individual is on the Employer's W-2 payroll or is determined by the IRS or others to be a common-law employee of the Employer; (b) individuals who perform services for Employer but are paid by a temporary or other employment or staffing agency for the period during which such individuals are paid by such agency, whether or not such individual is determined by the IRS or others to be a common-law employee of the Employer; (c) self-employed individuals; (d) partners in a partnership; (e) non-employee directors; and (f) any more-than-2% shareholder in an S corporation. The term “Employee” does include “former Employees” for the limited purpose of allowing continued eligibility for benefits under the Plan where allowed by this Plan.

1.17 **“Employer”** means the County of Jackson and any Affiliate which elects to participate in the Plan and receives the consent of its Board of Directors to do so.

1.18 **“ERISA”** means the Employee Retirement Income Security Act of 1974, as amended.

1.19 **“FMLA”** means the Family and Medical Leave Act of 1993, as amended.

1.20 **“GINA”** means the Genetic Information Nondiscrimination Act of 2008, as amended from time to time.

1.21 **“Group Health Plan”** means the County of Jackson Group Health Plan sponsored by the Employer for Employees.

1.22 **“Highly Compensated Employee”** means any person who is a “highly compensated participant” or “highly compensated individual” as defined in Code section 125(e), a “highly compensated individual” as defined in Code section 105(h), or a “highly compensated employee” as defined in Code section 129(d).

1.23 **“HIPAA”** means the Health Insurance Portability and Accountability Act of 1996, as amended.

1.24 **“Individually Identifiable Health Information”** means the information that is a subset of health information, including demographic information collected from an individual, and: (a) is created or received by a health care provider, health plan, employer or health care clearinghouse; and (b) (1) relates to (i) the past, present or future physical or mental health or condition of an individual; (ii) the provision of health care to an individual; or (iii) the past, present, or future payment for the provision of health care to an individual; and (2) that identifies the individual or with respect to which there is a reasonable basis to believe the information can be used to identify the individual.

1.25 **“Key Employee”** means any person who is a Key Employee, as defined in Code section 416(i)(1), and the Treasury regulations thereunder.

1.26 **“Medical Expense Reimbursement Account”** means the account described in Section 6.2.

1.27 **“MHPAEA”** means the Mental Health Parity and Addiction Equity Act of 2008, as amended from time to time. References in the Plan to any MHPAEA section shall include any comparable or succeeding provisions of any legislation which amends, supplements, or replaces the section.

1.28 **“Named Fiduciary”** means the County of Jackson for the Medical Expense Reimbursement Plan for purposes of ERISA section 402(a).

1.29 **“Participant”** means any individual who has satisfied the eligibility requirements of Article 2 and who is participating in the Plan pursuant to the terms of the Plan or any continuation requirements of state or federal law. Participants include (a) those who elect to reduce their salary to pay for one or more of the Group Health Plan benefits, Medical Expense Reimbursement benefits, or Dependent Care Assistance benefits; and (b) those who elect instead to receive their full salary in cash and to pay for their share of their contributions under the Group Health Plan (if any) with after-tax dollars outside of this Plan and who have not elected any Medical Expense Reimbursement benefits, or Dependent Care Assistance benefits.

1.30 **“Plan”** means the County of Jackson Third Amended and Restated Section 125 Cafeteria Plan set forth in this document and all subsequent amendments. The term “Plan” shall also mean the separate written Dependent Care Assistance Program which consists of several of the Articles of this document as set forth in the Preamble. The term “Plan” shall also mean the separate written Medical Expense Reimbursement Plan, which consists of several of the Articles of this document as set forth in the Preamble.

1.31 **“Plan Year”** means the 12-month period ending on each December 31.

1.32 **“PPACA”** means the Patient Protection and Affordable Care Act of 2010, as amended by the Health Care and Education Reconciliation Act of 2010, and as may be further amended from time to time. References in the Plan to any PPACA section shall include any comparable or succeeding provisions of any legislation which amends, supplements, or replaces the section.

1.33 **“Privacy Rules”** means the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. Part 160 and Part 164, Subparts A and E , as amended from time to time.

1.34 **“Protected Health Information (PHI)”** means Individually Identifiable Health Information, except as provided below in this definition, that is transmitted by electronic media; maintained in electronic media; or transmitted or maintained in any other form or medium. Protected Health Information excludes Individually Identifiable Health Information in education records covered by the Family Educational Rights and Privacy Act, as amended, 20 U.S.C. 1232g; records described at 20 U.S.C. 1232g(a)(4)(B)(iv); and employment records held by a covered entity in its role as employer.

1.35 **“QMCSO”** means a Qualified Medical Child Support Order, as defined in ERISA Section 609(a).

1.36 **“Qualified Beneficiary”** means the Participant’s Spouse and dependent children who are beneficiaries under the Plan on the day prior to the Qualifying Event and who are entitled to COBRA coverage under Article 7.

1.37 **“Qualified Reservist Distributions”** means a taxable distribution of amounts remaining in the Medical Expense Reimbursement Account for certain members of a reserve component as described in Section 6.5.

1.38 **“Qualifying Event”** means those events specified in Section 7.3.

1.39 **“Qualifying Medical Care Expenses”** means expenses incurred during the Coverage Period by a Participant, or by the Spouse or Dependent of the Participant, for medical care as defined in Code section 213(d) and only as allowed to be reimbursed under Code section 125 and the regulations and guidance thereunder, but only to the extent that the Participant or other persons incurring the expense are not reimbursed for the expense through insurance or otherwise. If only a portion of the Medical Care Expense has been reimbursed elsewhere, the Plan may reimburse the remaining portion of the expense if it otherwise meets this definition. Furthermore, a Participant may not be reimbursed for “qualified long-term care services” as

defined in Code section 7702B(c) or any premium payments for health care coverage. With the exception of advance payments for orthodontia, Qualifying Medical Care Expenses are incurred at the time the services to which the expense relates are rendered, regardless of when the Participant is charged for the services. Effective for taxable years beginning on or after January 1, 2011, Qualifying Medical Care Expenses shall include expenses incurred for a medicine or a drug only if such medicine or drug is a prescribed drug (determined without regard to whether such drug is available without a prescription) or is insulin.

1.40 **“Retiree”** means an individual who has retired from the employment of Employer, is no longer an Employee, and is eligible to receive his or her pension benefit from the Employer.

1.41 **“Security Rules”** means the Security Standards and Implementation Specifications at 45 C.F.R. Part 160 and Part 164, Subparts A and C, as amended from time to time.

1.42 **“Spouse”** means an individual who is legally married to a Participant as determined under Michigan state law and who is treated as a spouse under the Code.

1.43 **“Summary Health Information (SHI)”** means information, that may be Individually Identifiable Health Information and (a) that summarizes the claims history, claims expenses, or type of claims experienced by individuals for whom a plan sponsor has provided health benefits under a group health plan; and (b) from which the information described at 45 C.F.R. §164.514(b)(2)(i) has been deleted, except that such geographic information described in 45 C.F.R. §164.514(b)(2)(i)(B) need only be aggregated to the level of a five digit zip code.

## Article 2

### Eligibility and Participation

2.1 **Eligibility Requirements.** Each Employee or Retiree who meets one of the following requirements shall be eligible to participate in the Plan (a Retiree's participation in the Plan is limited to Article 3):

(a) The Employee is a non-union part-time or full-time Employee of Employer regularly scheduled to work at least 20 hours per week and will normally be scheduled to work more than six months during the Plan Year. This definition specifically includes Commissioners, Judges or Elected Officials.

(b) The Employee is included in a collective bargaining unit which bargained in good faith for employee benefits, and the collective bargaining agreement provides that the Employee shall be eligible to participate in the Plan. In such case, the Employee may only participate in the Plan to the extent that the collective bargaining agreement provides.

(c) A Retiree shall be eligible to participate in Article 3 of this Plan if the Retiree is eligible for the Employer's retiree health insurance.

**2.2 Commencement of Participation.** Unless otherwise provided in the collective bargaining agreement, an Employee or Retiree will become a Participant on the later of the Effective Date of this Plan or the date the Employee or Retiree becomes eligible to participate pursuant to Section 2.1. A Retiree's participation in the Plan is limited to Article 3. However, except as otherwise provided in a collective bargaining agreement, with regard to new Employees who are eligible as of their date of hire, participation in this Plan is retroactive to their date of hire if they make their election within thirty (30) days after their hire date. This provision does not apply to any Employee who terminates employment and is rehired within 30 days or to an Employee who returns from an unpaid leave of absence of less than 30 days. Moreover, the salary reduction amounts for retroactive coverage can only be made from compensation not yet available on the date of the election.

Although Dependents cannot participate in the Plan, they may benefit from the Participant's participation to the extent they are eligible for the underlying benefits.

**2.3 Cessation of Participation.** Generally, a Participant will cease to be a Participant as of the earlier of the date the Plan terminates, the day the Employee ceases to be an Employee, the date the Employee ceases to meet the eligibility requirements, or the date the Participant revokes his or her election as permitted under the terms of this Plan. If the Participant does not choose to continue participation in the Plan, termination of participation will automatically revoke the Participant's elections and benefits as of the dates specified in the insurance or other benefit plans. Pursuant to COBRA, a former Participant (or his or her covered spouse or dependent children) may elect to continue the medical and/or medical expense reimbursement benefits provided under this Plan for a limited period of time by paying the cost of the benefits. To the extent required by COBRA or by any other state or federal law, a former Participant or the Qualified Beneficiaries will be permitted to continue the medical and/or medical expense reimbursement benefits provided under this Plan.

**2.4 Reinstatement of Former Participant.** A former Participant who again satisfies the eligibility requirements of Section 2.1 shall become a Participant at the time provided in Section 2.2.

If a Participant terminates his or her employment for any reason, including, but not limited to, disability, retirement, layoff or voluntary resignation, and then is rehired within 30 days or less of the date of a termination of employment, the Employee will be reinstated in this Plan. The Employee will not be allowed to make a new election. If an Employee, whether or not a Participant, terminates employment and is not rehired within 30 days or ceases to be an Eligible Employee for any other reason, including, but not limited to, a reduction in hours, the Employee must complete the eligibility requirements described in Section 2.1 before again becoming eligible to participate in the Plan.

**2.5 Family and Medical Leave Act Leaves of Absence.**

(a) **Health Benefits.** If the Employer is subject to the FMLA and a Participant takes a qualifying leave under that Act, then to the extent required by the FMLA, the Employer will continue to maintain the Participant's medical, dental, vision and prescription insurance and Medical Expense Reimbursement Plan coverage on the same terms and conditions

as if the Participant were still an active Employee. That is, if the Participant elects to continue his or her coverage while on leave, the Employer will continue to pay its share of the premium.

An Employer may elect to continue all medical, dental, vision and prescription insurance and Medical Expense Reimbursement Plan coverage for Participants while they are on paid FMLA leave, provided Participants on non-FMLA paid leave are required to continue coverage. If so, the Participant's share of the premiums shall be paid by the method normally used during any paid leave, e.g., on a pre-tax salary reduction basis, if that was the method used before FMLA leave.

If the Employer requires all Participants to continue medical, dental, vision and prescription insurance and Medical Expense Reimbursement Plan coverage during an unpaid FMLA leave, the Participant may elect to discontinue payment of the Participant's required premiums until the Participant returns from leave. Upon returning from leave, the Participant will be required to repay the premiums not paid by the Participant during the leave. Payment shall be withheld from the Participant's Compensation either on a pre-tax or after-tax basis, as may be agreed upon by the Administrator and the Participant.

In the event of unpaid or paid FMLA leave where coverage is not required to be continued, a Participant may elect to continue his or her medical, dental, vision or prescription insurance and Medical Expense Reimbursement Plan coverage during the leave. If the Participant elects to continue coverage while on FMLA leave, then the Participant may pay his or her share of the premium in one of the following ways:

(1) with after-tax dollars, by sending monthly payments to the Employer by the due date established by the Employer;

(2) with pre-tax dollars, by having such amounts withheld from the Participant's ongoing compensation, if any, including unused sick days and vacation days, or pre-paying all or a portion of the premium for the expected duration of the leave on a pre-tax salary reduction basis out of pre-leave compensation. To pre-pay the premium, the Participant must make a special election to that effect prior to the date that such compensation would normally be made available (pre-tax dollars may not be used to fund coverage during the next Plan Year); or

(3) under another arrangement agreed upon between the Participant and the Administrator, e.g., the Administrator may fund coverage during the leave and withhold "catch-up" amounts on a pre-tax or after-tax basis from the Participant's compensation upon the Participant's return.

If a Participant's medical, dental, vision or prescription insurance or Medical Expense Reimbursement Plan coverage ceases while on FMLA leave, e.g., for revocation or nonpayment of required contributions, the Participant is entitled to re-enter the medical, dental, vision or prescription insurance or Medical Expense Reimbursement Plan, as applicable, upon return from such leave on the same basis as the Participant was participating in the Plan prior to the leave, or as otherwise required by the FMLA. Participants whose medical, dental, vision or prescription insurance or Medical Expense Reimbursement Plan coverage terminated during the

leave are entitled to be automatically reinstated, provided that coverage for Employees on non-FMLA leave is automatically reinstated upon return from leave. Notwithstanding the preceding sentence, with regard to Medical Expense Reimbursement Plan coverage, a Participant whose coverage ceases will be entitled to elect whether to be reinstated in the Medical Expense Reimbursement Plan at the same coverage level as in effect before the FMLA leave (with increased contributions for the remaining period of coverage) or at a coverage level that is reduced pro-rata for the period of FMLA leave during which the Participant did not pay premiums. If a Participant elects a coverage level that is reduced pro-rata for the period of FMLA leave, the amount withheld from a Participant's Compensation on a payroll-by-payroll basis for the purpose of paying for reinstated Medical Expense Reimbursement Plan will be equal to the amount withheld prior to the period of FMLA leave.

(b) **Nonhealth Benefits.** If a Participant takes a qualifying leave under the FMLA, entitlement to nonhealth benefits (such as Dependent Care Assistance Program benefits), is to be determined by the Employer's policy for providing such benefits when the Participant is on non-FMLA leave. If such policy permits a Participant to discontinue contributions while on leave, the Participant will, upon returning from leave, be required to repay the premiums not paid by the Participant during the leave. Payment shall be withheld from the Participant's Compensation either on a pre-tax or after-tax basis, as may be agreed upon by the Administrator and the Participant or as the Administrator otherwise deems appropriate.

2.6 **Non-FMLA Leaves of Absence.** If a Participant takes an unpaid leave of absence that does not affect eligibility, then the Participant will continue to participate in the Plan and the premium due for the Participant will be paid by pre-payment before going on leave, by after-tax contributions while on leave, or with catch-up contributions after the leave ends, as may be determined by the Administrator.

## **Article 3**

### **Cash in Lieu of Medical Coverage**

3.1 **Election to Waive Medical Coverage and Receive Cash.** Unless otherwise provided in a collective bargaining agreement, a Participant who is eligible to receive medical coverage from the Employer may elect to receive a cash payment in lieu of medical coverage under the Group Health Plan, subject to the following sentence. In order to elect to waive coverage, the Participant must provide a written waiver on a form provided by the Administrator and proof of alternative medical coverage from a medical insurance carrier or another group health plan providing basic medical coverage benefits, other than Medicare. Additionally, unless otherwise provided in a collective bargaining agreement, for Employees who are hired on or after January 1, 2007 and Retirees who retire on or after January 1, 2007, proof of alternative coverage cannot include Medicare or Employer health insurance provided to the Participant's spouse. If the Participant makes this election, the Participant shall be entitled to receive additional cash compensation from the Employer in an amount announced by the Employer in writing each Plan Year. Unless otherwise agreed, the cash payment shall be paid on a prorata basis per pay period.

**3.2 Revocation of Election Upon Loss of Other Medical Coverage.** A Participant who elects to waive medical coverage and who subsequently loses coverage from another source will be permitted to change an election pursuant to Article 8 of the Plan and, to the extent permitted under the Employer's Group Health Plan, to prospectively revoke his or her election by providing proof of the loss of alternative coverage and occurrence of a change in election event to the Administrator within 30 days after coverage was lost. Upon revocation, the cash payment shall cease.

**3.3 Description of the Terms of the Group Health Plan.** The coverage referred to in Section 3.1 is the coverage that is provided by Employer's Group Health Plan. The medical benefits will not be provided by this Plan, but by the Group Health Plan and any insuring agreements entered into by Employer with the respective benefit providers. The types and amounts of benefits available, the participation requirements, and the other terms and conditions of coverage are as set forth in the Group Health Plan and any related agreements. In the event of a conflict in terms between this Plan and the Group Health Plan, the terms of the Group Health Plan shall control.

**3.4 Election Procedure.** Prior to the beginning of the Plan Year, the Administrator shall provide one or more written election forms to each Participant and to each other Employee or Retiree who is expected to become a Participant at the beginning of the Plan Year. Each Participant who elects to waive medical coverage and receive a cash payment shall so specify on the election form. Each election form must be completed and returned to the Administrator on or before such date as the Administrator shall specify, which date shall be no later than the beginning of the Plan Year, except as otherwise provided in Section 4.5.

**3.5 New Participants.** As soon as practicable before an Employee or Retiree becomes a Participant under Sections 2.2 or 2.4, the Administrator shall provide the written election forms described in Section 4.4 to the Employee. If the Employee or Retiree desires to elect a cash payment pursuant to Section 4.1 for the balance of the Plan Year, he or she shall so specify on the election forms. The election forms must be completed and returned to the Administrator no later than the beginning of the first pay period for which the Participant's election will apply.

**3.6 Failure to Elect.** A new Participant who fails to provide a written election and waiver of medical and dental coverage form to the Administrator on or before the specified due date for each Plan Year shall not receive the cash payment discussed in Section 3.1. However, a Participant who fails to renew his/her election will automatically be enrolled according to his/her election the previous year.

**3.7 Changes by Administrator.** If the Administrator determines, before or during any Plan Year, that the Plan may fail to satisfy any nondiscrimination requirement imposed by the Code or any limitation on benefits provided to Highly Compensated Employees or to Key Employees, the Administrator shall take appropriate action, under rules uniformly applicable to similarly-situated Participants. This action may include, without limitation, a modification of elections by Highly Compensated Employees or Key Employees with or without the Employee's consent.

3.8 **Revocation of Election by the Participant During the Plan Year.** Elections made or deemed to be made under Article 3 of the Plan shall be irrevocable by the Participant during the Plan Year, subject to the provisions of Article 8.

3.9 **Automatic Termination of Election.** Elections made under this Plan (or deemed to be made under this Article) shall automatically terminate on the date on which the Participant ceases to be a Participant in the Plan, subject to any medical care continuation coverage requirements of state or federal law and subject to the provisions of Articles 8 and 9 of this Plan.

3.10 **Maximum Employer Contributions.** The maximum amount of Employer contributions under this Article 3 of the Plan for any Participant shall be equal to the cash payment elected by a Participant who waives medical coverage as provided in this Article.

3.11 **Limitation on the Availability of Cash in Lieu of Nontaxable Benefits Payment.** To the extent Employer's Group Health Plan contract requires a certain level of Employee participation, the election of the cash benefit available under this Article 3 shall be limited to a first-come-first-served basis. The Administrator, in its sole discretion, shall make the determinations regarding the application of this limitation.

## **Article 4**

### **Purchase of Benefits Through Salary Reduction**

4.1 **Benefit Options.** This Plan allows Participants to make elections among permitted taxable benefits and qualified nontaxable benefits offered through the Plan for the Plan Year. Subject to the limitations set forth in this Plan, a Participant may elect to purchase the following benefits through salary reduction:

(a) **Premium Sharing:** The Employee portion of the cost of the particular type of medical, prescription, dental, vision, or short-term disability coverage elected by the Participant for the Participant and/or the Participant's Dependents, as described in the benefit booklets distributed with respect to each separate benefit plan. The separate benefit plans and all related documents are incorporated by reference. While the election to receive these optional benefits may be made under this Plan, the benefits will be provided by the separate plan or plans sponsored by the Employer offering the benefits described. The types and amounts of benefits available, the requirements for participating, and the other terms and conditions of coverage and benefits are set forth in those plans. The annual contribution for the Participant's Premium Sharing benefits is equal to the amount as set by the Employer and communicated to the Participants prior to enrollment;

(b) **Dependent Care Assistance** benefits pursuant to Article 5.

(c) **Medical Expense Reimbursement** benefits pursuant to Article 6. Additionally, the Employer may participate up to \$250.00 per Plan Year toward the Medical Expense Reimbursement benefits if the Participant meets the qualifications under the It's Your

Life Program benefits. This Program is participation based only. See the Plan Administrator for more details.

The Coverage Period for each of the above described benefits elected is the Plan Year, with the following exceptions: (a) for Employees who first become eligible to participate, it shall mean the portion of the Plan Year coinciding with and following the date participation commences, as described in Section 2.2; and (b) for Employees who terminate participation, it shall mean the portion of the Plan Year prior to and including the date participation terminates, as described in Section 2.3. A different Coverage Period may be established by the Administrator and communicated to Participants.

**4.2 Method of Purchasing Benefits.** Prior to the commencement of each Plan Year, the Administrator shall provide one or more written election forms and salary reduction agreements to each Participant and to each other Employee expected to become a Participant at the beginning of the Plan Year. Participants who desire to purchase one or more of the optional benefits described in Section 4.1 shall so specify on the appropriate election forms, which forms shall include a salary reduction agreement. Except as provided in Section 4.3 with respect to new Participants, elections to purchase benefits shall be effective on the first day of the Plan Year. Each election form must be completed and returned to the Administrator on or before the date specified by the Administrator, which date shall be prior to the first day of the first pay period with respect to which the Participant's salary reduction agreements will apply.

The Employer may contribute a portion of the cost for the optional benefits as provided in the election forms. There are no Employer contributions for Dependent Care Assistance benefits. There may be Employer contributions up to \$250.00 per Plan Year for the Medical Expense Reimbursement benefits for qualifying individuals under the It's Your Life Program.

**4.3 New Participants.** As soon as practicable before an Employee becomes a Participant under Section 2.2, the Administrator shall provide the written election forms and salary reduction agreements described in Section 4.2 to the Employee. If the Employee desires one or more optional benefit coverages described in Section 4.1 for the balance of the Plan Year, he or she shall so specify on the election forms and shall agree to a reduction in his or her compensation. The election forms must be completed and returned to the Administrator prior to the first day of the first pay period with respect to which the Participant's salary reduction agreement will become effective, as stated in the election form.

**4.4 Failure to Make Timely Election.** A new Participant who fails to return a completed election form to the Administrator on or before the specified due date shall be deemed not to participate in the Plan in the upcoming year and shall not be entitled to purchase any optional benefits through salary reduction for the Plan Year unless an event occurs as described in Article 8. A returning Participant who fails to return a completed election form to the Administrator on or before the specified due date for any subsequent Plan Year shall be deemed to have made the same election as was in effect with respect to that Participant for the prior Plan Year and may not change this election unless an event occurs such as an event described in Article 8. The Participant shall also be deemed to have agreed to a reduction in his or her compensation for the subsequent Plan Year equal to the cost of the optional benefits the Participant is deemed to have elected for that Plan Year.

4.5 **Modifications of Elections by Administrator.** If the Administrator determines before or during any Plan Year that the Plan may fail to satisfy any nondiscrimination requirement imposed by the Code or any limitation on benefits provided to Highly Compensated Employees or Key Employees, the Administrator shall take appropriate action, under rules uniformly applicable to similarly-situated Participants. This action may include, without limitation, a modification of elections by Highly Compensated Employees or Key Employees, with or without the Employee's consent.

4.6 **Revocation of Election by the Participant During the Plan Year.** Elections made under the Plan shall be irrevocable by the Participant during the Plan Year, subject to the provisions of Article 8.

4.7 **Automatic Termination of Election.** Elections made under this Article (or deemed to be made) shall automatically terminate on the date on which the Participant ceases to be a Participant in the Plan, subject to any medical care continuation coverage requirements of state or federal law, and any provisions of this Plan which allow continuation of benefits.

4.8 **Maximum Employer Contributions.** The maximum amount of Employer contributions that may be made under this Article of the Plan for any Participant shall be the total of maximums the Participant may elect to receive through salary reduction pursuant to Sections 3.1, 5.1 and 6.1.

## **Article 5**

### **Dependent Care Assistance Program Benefits**

5.1 **Maximum Amount of Dependent Care Coverage.** The maximum amount of Dependent Care Assistance which a Participant may receive in any calendar year under this Plan shall be the lesser of (a) the Participant's Earned Income for the calendar year after all reductions in compensation, including the reduction related to Dependent Care Assistance, or (b) the actual or deemed Earned Income of the Participant's spouse for the Plan Year, or (c) \$5,000 (\$2,500 in the case of a separate return filed by a married person). In the case of a spouse who is a full-time student at an educational institution or is physically or mentally incapable of caring for himself, such spouse shall be deemed to have Earned Income of not less than \$250 per month if the Participant has one Dependent and \$500 per month if the Participant has two or more Dependents.

5.2 **Establishment of Dependent Care Assistance Accounts.** The Employer will establish and maintain on its books a Dependent Care Assistance Account for each Plan Year with respect to each Participant who has elected to receive dependent care assistance for the Plan Year, but will not create a separate fund or otherwise segregate assets for this purpose. The account will merely be a record keeping account with the purpose of keeping track of contributions and determining forfeitures.

5.3 **Crediting of Dependent Care Assistance Accounts.** There shall be credited to a Participant's Dependent Care Assistance Account for each Plan Year, as of each date compensation is paid to the Participant in such Plan Year, an amount equal to the reduction, if

any, to be made in such compensation in accordance with the Participant's election and salary reduction agreement under Section 3.2 of the Plan. All amounts credited to each such Dependent Care Assistance Account shall be the property of the Employer until paid out as reimbursements.

**5.4 Debiting of Dependent Care Assistance Accounts.** A Participant's Dependent Care Assistance Account for each Plan Year shall be debited from time to time in the amount of any payment under Section 5.7 to or for the benefit of the Participant for Dependent Care Expenses incurred during such Plan Year. Amounts debited to each such Dependent Care Assistance Account shall be treated as payments of the earliest amounts credited to the Account and not yet treated as paid under this Section, under a "first-in/first-out" approach.

**5.5 Forfeiture of Dependent Care Assistance Accounts.** The amount credited to a Participant's Dependent Care Assistance Account for any Plan Year shall be used only to reimburse the Participant for Dependent Care Expenses incurred during the Coverage Period, and only if the Participant applies for reimbursement on or before the earlier of: (a) the 90<sup>th</sup> day following the Participant's termination of participation in the Plan; or (b) the 90<sup>th</sup> day following the close of the Plan Year. If any balance remains in the Participant's Dependent Care Assistance Account for any Plan Year after all reimbursements are made under this Plan, the balance shall not be carried over to reimburse the Participant for Dependent Care Expenses incurred during a subsequent Plan Year, and shall not be available to the Participant in any other form or manner, but shall remain the property of the Employer to defray reasonable administrative expenses. In addition, any unclaimed benefit payments at the end of the Plan Year in which the Expense was incurred shall be forfeited and applied as above. Pursuant to this Section, the Participant shall forfeit all rights with respect to the balance of the Dependent Care Assistance Account.

**5.6 Application for Payment of Dependent Care Expenses.** A Participant who has elected to receive dependent care assistance for a Plan Year may apply to Employer for reimbursement of Dependent Care Expenses incurred by the Participant during the Plan Year by submitting an application in writing to the Employer, in such form as the Employer may prescribe, setting forth:

- (a) the amount, date and nature of the expense with respect to which a benefit is requested;
- (b) the name of the person, organization or entity to which the expense was or is to be paid and the taxpayer identification number (Social Security Number, if an individual);
- (c) the name of the person on whose behalf Dependent Care Expenses have been incurred and the Dependent's relationship to the Participant;
- (d) the amount recovered, or expected to be recovered, under any insurance arrangement or other plan, with respect to the expense.

The application shall be accompanied by bills, invoices, receipts, canceled checks or other statements showing the amounts of the expenses, together with any additional documentation which the Employer may request.

**5.7 Reimbursement or Payment of Dependent Care Expenses.** The Employer shall reimburse the Participant from the Participant's Dependent Care Assistance Account for Dependent Care Expenses incurred during the Coverage Period for which the Participant submits documentation in accordance with Section 5.6. The Employer may, at its option, pay any such Dependent Care Expenses directly to the Dependent Care Service Provider in lieu of reimbursing the Participant. No reimbursement or payment under this Section of Expenses incurred during a Plan Year shall at any time exceed the balance of the Participant's Dependent Care Assistance Account for the Plan Year at the time of the reimbursement or payment. The amount of any Dependent Care Expense not reimbursed or paid as a result of the preceding sentence shall be carried over and reimbursed or paid only if and when the balance in such Account permits the reimbursement or payment within the same Plan Year.

**5.8 Report to Participants on or before January 31 of each Year.** On or before January 31 of each year, the Administrator shall furnish to each Participant who has received dependent care assistance during the prior calendar year a written statement showing the amount of such assistance paid during such year with respect to the Participant.

**5.9 Termination of Participation.** In the event that a Participant who has elected dependent care assistance ceases to be a Participant in this Plan for any reason, the Participant's salary reduction agreement relating to dependent care assistance shall terminate. The total amount credited to the former Participant's Dependent Care Assistance Account at the time of termination of participation shall be available to the former Participant for reimbursements through the date she or he terminated participation. However, the former Participant must apply for reimbursement on or before the 90th day after the date the termination of participation occurred. Only claims incurred during the Coverage Period may be reimbursed. No such reimbursement shall exceed the remaining balance, if any, in the Participant's Dependent Care Assistance Account for the Plan Year.

## **Article 6**

### **Medical Expense Reimbursement Plan Benefits**

**6.1 Maximum Amount of Medical Expense Reimbursement Benefits.** Currently, the maximum amount of Medical Expense Reimbursement Benefits which a Participant may receive in the form of payments or reimbursements for Qualifying Medical Care Expenses in any Plan Year under this Plan shall be \$5,000.00. Effective January 1, 2013, the maximum amount of Medical Expense Reimbursement Benefits which a Participant may receive in the form of payments or reimbursements for Qualifying Medical Care Expenses in any Plan Year under this Plan shall be \$2,500.00.

**6.2 Establishment of Medical Expense Reimbursement Accounts.** The Employer will establish and maintain on its books a Medical Expense Reimbursement Account for each Plan Year with respect to each Participant who has elected to receive reimbursement of Qualifying Medical Care Expenses incurred during the Plan Year, but will not create a separate fund or otherwise segregate assets for this purpose. The Account will merely be a record keeping account with the purpose of keeping track of contributions and determining forfeitures.

**6.3 Crediting of Medical Expense Reimbursement Accounts.** At the beginning of each Plan Year (or for New Participants at the beginning of participation) there shall immediately be credited to a Participant's Medical Expense Reimbursement Account an amount equal to the total reduction, if any, to be made in the Participant's compensation for the Plan Year in accordance with the Participant's election and salary reduction agreement under Section 4.2 of the Plan. All amounts credited to each such Medical Expense Reimbursement Account shall be the property of the Employer until paid out as reimbursements.

**6.4 Debiting of Medical Expense Reimbursement Accounts.** A Participant's Medical Expense Reimbursement Account for each Plan Year shall be debited from time to time in the amount of any payment or reimbursement under Section 6.7 to or for the benefit of the Participant for Qualifying Medical Care Expenses incurred during the Plan Year. Amounts debited to each Medical Expense Reimbursement Account shall be treated as payments of the earliest amounts credited to the Account and not yet paid under a "first-in/first-out" approach.

**6.5 Forfeiture of Medical Expense Reimbursement Accounts.** The amount credited to a Participant's Medical Expense Reimbursement Account for any Plan Year shall be used only to reimburse the Participant for Qualifying Medical Care Expenses incurred during the period of his or her participation in the Plan Year, and only if the Participant applies for reimbursement on or before the earlier of: (a) the 90<sup>th</sup> day following the date the Participant terminates participation in the Plan (unless he or she continues to participate pursuant to COBRA as of the last day of the Plan Year); or (b) the 90th day following the close of the Plan Year. If any balance remains in the Participant's Medical Expense Reimbursement Account for a Plan Year after all reimbursements have been paid, the balance shall not be carried over to reimburse the Participant for Qualifying Medical Care Expenses incurred during a subsequent Plan Year, and shall not be available to the Participant in any other form or manner. The balance instead shall remain the property of the Employer to defray reasonable administrative expenses. Any remaining balance must be allocated among Participants on a reasonable and uniform basis. In addition, any unclaimed benefit payments at the end of the Plan Year in which the Expense was incurred shall be forfeited and applied as above. Pursuant to this Section, the Participant shall forfeit all rights with respect to the balance of the Medical Expense Reimbursement Account.

**IMPORTANT EXCEPTION REGARDING QUALIFIED RESERVIST DISTRIBUTIONS:** If, however, the Participant is a member of a reserve component (as defined in section 101 of title 37, United States Code) and is ordered or called to active duty for a period in excess of 179 days or for an indefinite period, then the Participant may take a Qualified Reservist Distribution in cash. A "Qualified Reservist Distribution" is a taxable distribution of the unused amounts remaining in the Medical Expense Reimbursement Account, which equals the amount contributed to the Account through payroll deductions as of the date of the Qualified Reservist Distribution request minus the reimbursements received from the Account as of the date of the request. The request must be made during the period beginning on the date of such order or call to active duty and ending on the last day of the Plan Year and must be accompanied by a copy of the order or call to active duty. The Employer must then pay the Qualified Reservist Distribution within a reasonable time, but not more than sixty (60) days after the request was made.

A Participant who takes a Qualified Reservist Distribution will automatically terminate participation in the Medical Expense Reimbursement Account and may only regain participation status by meeting the eligibility and participation requirements set forth in Sections 2.1 and 2.2 and meeting the requirements of Article 8.

**6.6 Application for Payment of Medical Expense Reimbursements.** A Participant who has elected to receive medical care expense reimbursements for a Plan Year may apply to Employer for reimbursement of Qualifying Medical Care Expenses incurred by the Participant during the Plan Year by submitting an application in writing to the Employer, in such form as the Employer may prescribe, setting forth:

(a) the amount, date and nature of the expense with respect to which a benefit is requested;

(b) the name of the person, organization or entity to which the expense was or is to be paid and the taxpayer identification number (or Social Security Number, if an individual);

(c) the name of the person for whom the expense was incurred and, if such person is not the Participant requesting the benefit, the relationship of such person to the Participant; and

(d) the amount recovered or expected to be recovered, under any insurance arrangement or other plan, with respect to the expense.

Such application shall be accompanied by bills, invoices, receipts, canceled checks or other statements showing the amounts of such expenses, together with any additional documentation which the Administrator may request.

**6.7 Reimbursement or Payment of Qualifying Medical Care Expenses.** The Employer shall reimburse the Participant from the Participant's Medical Expense Reimbursement Account for Qualifying Medical Care Expenses incurred during the Plan Year for which the Participant submits a written application and documentation in accordance with Section 6.6. The Employer may, at its option, pay any such Qualifying Medical Care Expenses directly to the person providing or supplying medical care in lieu of reimbursing the Participant. Reimbursements shall be made available to the Participant throughout the Plan Year without regard to the amount of salary reductions allocated to the Participant's Medical Expense Reimbursement Account at any point in time. No reimbursement or payment under this Section of expenses incurred during a Plan Year shall at any time exceed the total balance of the Participant's Medical Expense Reimbursement Account for the Plan Year.

**6.8 Report to Participants on or Before January 31 of Each Year.** On or before January 31 of each year, the Administrator shall furnish to each Participant who has received medical care expense reimbursements during the prior calendar year a written statement showing the amount of Qualifying Medical Care Expenses which were paid or reimbursed during the Plan Year with respect to each Participant.

6.9 **Termination of Participation.** In the event that a Participant who has elected medical expense reimbursement ceases to be a Participant in this Plan for any reason, the Participant's salary reduction agreement relating to medical expense reimbursements and election to receive reimbursements shall terminate. The total amount remaining in the Medical Expense Reimbursement Account shall be available to the former Participant for reimbursement of Qualifying Medical Care Expenses incurred prior to the termination of participation. (Only expenses incurred during the period of participation in the Plan may be reimbursed.) However, the former Participant must apply for reimbursement on or before the 90<sup>th</sup> day after the Participant's termination of participation. No such reimbursement shall exceed the remaining balance, if any, in the Participant's Medical Expense Reimbursement Account for the Plan Year in which the expenses were incurred. However, former Participants and Qualified Beneficiaries may be able to continue coverage under the Medical Expense Reimbursement Program pursuant to COBRA.

6.10 **Pediatric Vaccine Reimbursements.** This Plan will not reduce or in any way be amended to limit the reimbursement for pediatric vaccines below the level provided by this Plan as of May 1, 1993. This provision is intended to comply with ERISA Section 609(d) as added by the Omnibus Budget Reconciliation Act of 1993 and shall be interpreted in a manner which is consistent with that provision of federal law.

6.11 **Coordination of Benefits .** Medical Expense Reimbursement Benefits are intended to pay benefits solely for Qualifying Medical Care Expenses for which Participants have not been previously reimbursed and will not seek reimbursement elsewhere. The Medical Expense Reimbursement Account will not be considered a group health plan for coordination of benefits purposes and such benefits shall not be taken into account when determining benefits payable under any other plan.

## Article 7

### COBRA Continuation of Coverage

7.1 **In General.** The following provisions may apply to benefits provided to eligible Participants and their Qualified Beneficiaries under the Plan, but only to the extent that the benefits selected pertain to health care and medical coverage pursuant to the provisions of the COBRA. However, with regard to COBRA's application to a Medical Expense Reimbursement Plan, see Section 7.11.

7.2 **Continuation of Coverage.** To the extent required by Section 7.1 above, a covered Employee or Qualified Beneficiary who would lose coverage under this Plan as a result of a Qualifying Event is entitled to elect continuation coverage within the election period under this Plan. Coverage provided under this provision is on a contributory basis. No evidence of good health will be required.

Except as otherwise specified in an election, any election by a covered Employee or Qualified Beneficiary who is a spouse of the covered Employee will be deemed to include an election for continuation coverage under this provision on behalf of any other Qualified Beneficiary who would lose coverage by reason of a Qualifying Event.

If this Plan provides a choice among the types of coverage under this Plan, each Qualified Beneficiary is entitled to make a separate selection among such types of coverage. However, the Qualifying Beneficiary may only be able to continue that type of coverage which he or she would have lost as a result of the Qualifying Event.

**7.3 Qualifying Event.** The term “Qualifying Event” means any of the following events which, but for COBRA continuation coverage, would result in the loss of coverage of a covered Employee or Qualified Beneficiary:

- (a) death of the eligible Employee;
- (b) termination (other than by reason of such Employee’s gross misconduct) or reduction of hours of the eligible Employee’s employment;
- (c) divorce or legal separation of the eligible Employee from the Employee’s spouse (or loss of coverage caused by the Employee in anticipation of a divorce or legal separation which later occurs);
- (d) eligible Employee becoming entitled to benefits under Title XVIII of the Social Security Act (Medicare); or
- (e) a dependent child ceasing to be a dependent child under the generally applicable requirements of the Plan.

An event described above is only a Qualifying Event if it causes a loss of coverage under the group health plan.

**7.4 Type of Coverage.** Continuation coverage under this provision is coverage which is identical to the coverage provided to similarly-situated beneficiaries under the group health plan with respect to whom a Qualifying Event has not occurred as of the time coverage is being provided. If coverage under the plan is modified for any group of similarly-situated beneficiaries, the coverage shall also be modified in the same manner for all Qualified Beneficiaries under the plan in connection with such group.

**7.5 Duration of Coverage.** The coverage under this provision will extend for at least the period beginning on the date of a Qualifying Event listed below (unless otherwise provided) and ending not earlier than the earliest of the following:

- (a) In the case of a terminated covered Employee (except for termination for gross misconduct) or a covered Employee whose hours have been reduced, and his or her Qualified Beneficiaries, the date which is 18 months after the Qualifying Event;
- (b) In the case of any Qualifying Event except as described in Section 7.5(a), for the Qualified Beneficiaries, the date which is 36 months after the date of the Qualifying Event;
- (c) In the case of a covered Employee or Qualified Beneficiary who is disabled at some point before the 61<sup>st</sup> day after the Qualifying Event as described in Section

7.5(a) and the disability lasts until the end of the 18 month period, the date which is 29 months after the Qualifying Event, provided the Administrator is given notice of the Social Security disability determination within 18 months of the Qualifying Event and within 60 days of the later of (i) the disability determination; (ii) the Qualifying Event; or (iii) the date coverage was lost as a result of the Qualifying Event;

(d) In the case of a second Qualifying Event (must be an event described in Section 7.5(b)) which occurs during the 18 months after the first Qualifying Event described in Section 7.5(a), for the Qualified Beneficiaries, the date which is 36 months after the date of the first Qualifying Event;

(e) In the case of a loss of coverage due to termination (except for gross misconduct) or reduction in hours of a covered Employee which occurs within 18 months after the Employee's entitlement to Medicare, for the Qualified Beneficiaries, the date which is 36 months from date of entitlement to Medicare;

(f) The date on which the participating Employer ceases to provide any group health plan to any Employee;

(g) The date on which coverage ceases under the Plan by reason of failure to make timely payment of the required contribution pursuant to this provision;

(h) The date on which the covered Employee or Qualified Beneficiary first becomes, after the date of the election, covered under any other group health plan (as an employee or otherwise), or becomes entitled to benefits under Title XVIII of the Social Security Act (Medicare). However, if the other group health plan has a preexisting condition limitation, coverage under the plan will not cease while such preexisting condition limitation under the other group plan remains in effect, subject to the maximum period of coverage limitations set forth in this Section;

(i) The first day of the month beginning more than 30 days after the date on which the disabled covered Employee or Qualified Beneficiary is determined by the Social Security Administration to be no longer disabled;

(j) In the case of coverage under the Medical Expense Reimbursement plan, the last day of the Plan Year within which the Qualifying Event occurred; or

(k) COBRA may be terminated for any reason the plan would terminate coverage of a participant or beneficiary not receiving COBRA coverage (such as fraud).

## **7.6 Payment of Premium.**

(a) A covered Employee or Qualified Beneficiary shall only be entitled to continuation coverage provided the Qualified Beneficiary or covered Employee pays the applicable premium required by the Employer in full and in advance, except as provided in (b) below. Such premium shall not exceed the requirements of applicable federal law. A Qualified Beneficiary or covered Employee may elect to pay such premium in monthly installments.

(b) Except as provided in (c) below, the payment of any premium shall be considered to be timely if made within 30 days after the date due, or within such longer period of time as applies to or under this Plan.

(c) Notwithstanding (a) and (b) above, if an election is made after a Qualifying Event during the election period, this Plan will permit payment of the required premium for continuation coverage during the period preceding the election to be made within 45 days of the date of the election.

#### **7.7 Qualified Beneficiary Must Notify Plan Administrator of Certain Qualifying Events.**

(a) It is the responsibility of the covered Employees and Qualified Beneficiaries to provide the following notices to the Plan Administrator:

(1) Notice of the occurrence of a Qualifying Event that is a divorce or legal separation of a covered Employee from his or her spouse;

(2) Notice of the occurrence of a Qualifying Event that is a Qualified Beneficiary ceasing to be covered under the Plan as a dependent child;

(3) Notice of the occurrence of a second Qualifying Event after a Qualified Beneficiary has become entitled to continuation coverage with a maximum duration of 18 (or 29) months;

(4) Notice that a covered Employee or Qualified Beneficiary entitled to receive continuation coverage with a maximum duration of 18 months has been determined by the Social Security Administration, under title II or XVI of the Social Security Act (42 U.S.C. 401 et seq. or 1381 et seq.) (SSA), to be disabled at any time during the first 60 days of continuation coverage; and

(5) Notice that a covered Employee or Qualified Beneficiary: (i) with respect to whom a notice described in paragraph (a)(4) of this Section has been provided, has subsequently been determined by the Social Security Administration, under title II or XVI of the SSA to no longer be disabled, or (ii) subsequently becomes entitled to Medicare or becomes covered under other group health coverage (but only after any preexisting condition exclusions of the other plan have been exhausted or satisfied).

(b) Notice to the Plan Administrator must be made in writing and must be mailed or hand-delivered to:

Human Resources Department  
County of Jackson  
120 West Michigan Avenue  
Jackson, Michigan 49201

Oral notice or electronic notice (by e-mail or facsimile) is not acceptable. If mailed, the notice must be postmarked no later than the deadline described below. If hand-delivered, notice must be received by the individual at the address above no later than the deadline described below.

(c) **Required Contents of Notice.** The notice must at a minimum contain the following information:

- (1) the name of the Plan;
- (2) the name and address of the Employee or former Employee who is or was covered under the Plan;
- (3) the nature of the Qualifying Event, and, if applicable, the nature of the initial Qualifying Event that started the COBRA coverage, including any verifying documentation which may be required by the Plan Administrator;
- (4) the date of this Qualifying Event, and, if applicable, the initial Qualifying Event;
- (5) the name(s) and address(es) of all Qualified Beneficiary(ies) who lost coverage due to the Qualifying Event or initial Qualifying Event, and, if applicable, whether those individuals are receiving COBRA coverage at the time of this notice;
- (6) if the notice is for a disability extension, the name and address of the disabled covered Employee or Qualified Beneficiary;
- (7) if the notice is for a disability extension, the date that the covered Employee or Qualified Beneficiary became disabled;
- (8) if the notice is for a disability extension, the date that the Social Security Administration made its determination of disability. Additionally, a copy of the Social Security Administration's disability determination letter must be attached;
- (9) if the notice is regarding (a) the Social Security Administration subsequently determining that the covered Employee or Qualified Beneficiary is no longer disabled or (b) subsequent entitlement of Medicare or coverage under another group health plan, the initial Qualifying Event and the subsequent event terminating coverage and the dates they occurred; and
- (10) the signature, name, and contact information of the individual sending the notice.

Any notice that does not contain all of the information required by the Plan must be supplemented in writing within 15 business days with the additional information necessary to meet the Plan's reasonable content requirements for such notice in order for the notice to be deemed to have been provided in accordance with this Section.

(d) **Time Periods To Provide Notice.** If written notice is not provided within the time periods provided below, the covered Employee and Qualified Beneficiaries will lose the right to elect COBRA.

(1) Time limits for notices of Qualifying Events. The notice described in Section 7.7(a)(1), (2), or (3) must be furnished within 60 days after the latest of:

(A) the date on which the relevant Qualifying Event occurs;  
or

(B) the date on which the covered Employee or Qualified Beneficiary loses (or would lose) coverage under the plan as a result of the Qualifying Event.

(2) Time limits for notice of disability determination. A notice described in Section 7.7(a)(4) must be furnished before the end of the first 18 months of continuation coverage and within 60 days after the latest of:

(A) the date of the disability determination by the Social Security Administration;

(B) the date on which the Qualifying Event occurs; or

(C) the date on which the covered Employee or Qualified Beneficiary loses (or would lose) coverage under the plan as a result of the Qualifying Event.

(3) Time limits for notice of change in disability status, subsequent Medicare entitlement or coverage under another group health plan. The notice described in Section 7.7(a)(5) must be furnished within 30 days after the date of the final determination by the Social Security Administration, under title II or XVI of the SSA, that the covered Employee or Qualified Beneficiary is no longer disabled or the date the covered Employee or Qualified Beneficiary becomes entitled to Medicare or covered under other group health coverage.

(e) **Person to Provide Notice.** With respect to each of the notice requirements of this Section, any individual who is either the covered Employee, a Qualified Beneficiary with respect to the Qualifying Event, or any representative acting on behalf of the covered Employee or Qualified Beneficiary may provide the notice, and the provision of notice by one individual shall satisfy any responsibility to provide notice on behalf of all related Qualified Beneficiaries with respect to the Qualifying Event.

## **7.8 Notification to Qualified Beneficiary.**

(a) The Plan Administrator shall provide written notice to each covered Employee and spouse of such covered Employee of his/her right to continuation coverage under this provision as required by federal law.

(b) The Plan Administrator shall notify any Qualified Beneficiary of the right to elect continuation coverage under this provision as required by federal law. If the Qualifying Event is the divorce or legal separation of the covered Employee from the covered

Employee's spouse or a dependent child ceasing to be a dependent under the terms of this Plan, the Plan Administrator shall only be required to notify a covered Employee or Qualified Beneficiary of his/her right to elect continuation coverage if the covered Employee or the Qualified Beneficiary notifies the Employer of such Qualifying Event as previously stated. Additionally, the right to extend COBRA coverage may only be provided upon the Plan Administrator receiving proper notice.

(c) Notification of the requirements of this provision to a Qualified Beneficiary who is the spouse of a covered Employee shall be treated as notification to all other Qualified Beneficiaries residing with such spouse at the time notification is made.

**7.9 Special Election Period.** Special COBRA rights apply to certain Employees and former Employees who are eligible for federal trade adjustment assistance (TAA) or alternative trade adjustment assistance (ATAA). These individuals are entitled to a second opportunity to elect COBRA for themselves and certain family members (if they did not already elect COBRA) during a special second election period. This special second election period lasts for 60 days or less. It is the 60-day period beginning on the first day of the month in which an eligible Employee or former Employee becomes eligible for TAA or ATAA, but only if the election is made within the six months immediately after the individual's group health plan coverage ended. If the Employee qualifies for TAA or ATAA, he/she must contact the Employer promptly or the Employee will lose the right to elect COBRA during a special second election period.

**7.10 Interaction with FMLA.** If the Employer is subject to the Family and Medical Leave Act and the Employee does not return to work from the FMLA leave, the Employee and Qualified Beneficiaries may be entitled to continuation coverage under COBRA. A Qualifying Event under COBRA will occur if:

(a) the Employee and Qualified Beneficiaries are covered under the Employer's group health plan on the day before the first day of FMLA leave;

(b) the Employee does not return to work with the Employer at the end of the FMLA leave, and

(c) the Employee and Qualified Beneficiaries would, in the absence of COBRA, lose coverage under the group health plan before the end of the maximum coverage period.

The Qualifying Event would occur on the last day of the FMLA leave. The last day of FMLA leave may be the date the Employee notifies the Employer that the Employee will not be returning to work, if the notification was given before the FMLA was set to expire.

**7.11 Application of COBRA to the Medical Expense Reimbursement Plan.** COBRA coverage under the Medical Expense Reimbursement Plan (also known as a health flexible spending account) will be offered only to covered Employees or Qualified Beneficiaries losing coverage who have underspent accounts. An account is underspent if the annual limit elected by the covered Employee, reduced by reimbursements up to the time of the Qualifying Event, is equal to or more than the amount of the premiums for Medical Expense Reimbursement

Plan COBRA coverage that will be charged for the remainder of the plan year. COBRA coverage will consist of the Medical Expense Reimbursement Plan coverage in force at the time of the Qualifying Event (i.e., the elected annual limit reduced by expenses reimbursed up to the time of the Qualifying Event). The use or lose rule will continue to apply, so any unused amounts will be forfeited at the end of the Plan Year, and COBRA coverage will terminate at the end of the Plan Year. Unless otherwise elected, all Qualified Beneficiaries and covered Employees who were covered under the Medical Expense Reimbursement Plan will be covered together for Medical Expense Reimbursement Plan COBRA coverage. Qualified Beneficiaries and covered Employees may not enroll in the Medical Expense Reimbursement Plan at open enrollment.

## Article 8

### Change in Election by the Participant During the Plan Year

8.1 **Change in Status.** Generally, a Participant's Benefit Election is irrevocable during a Plan Year; however, a Participant may revoke a benefit election for the balance of a Plan Year and file a new election if both the revocation and the new election are on account of and consistent with a change in status acceptable under the rules and regulations of the Department of the Treasury and Code section 125, as determined by the Administrator. The Participant must make an election change within 30 days of the "change in status" event.

Any new election under this Section shall be effective at such time as the Administrator shall prescribe, but not earlier than the first pay period beginning after the election form explaining the change in status is completed and returned to the Administrator. For the purposes of this subsection, a change in status shall only include the following events or other events permitted by Treasury regulations that affect eligibility for coverage:

(a) **Legal Marital Status:** events that change a Participant's legal marital status, including marriage, divorce, death of a Spouse, legal separation or annulment;

(b) **Number of Dependents:** events that change a Participant's number of Dependents, including birth, adoption, placement for adoption, or death of a Dependent;

(c) **Employment Status:** any of the following events that change the employment status of the Participant, Spouse, or Dependent: termination or commencement of employment, a strike or lockout, commencement or return from an unpaid leave of absence, or a change in worksite. In addition, if the eligibility conditions of this Plan or other employee benefit plan of the Employer or of the Participant, Spouse, or Dependent depend on the employment status of that individual and there is a change in the individual's employment status with the consequence that the individual becomes or ceases to be eligible under the plan, then that change constitutes a change in employment under this subsection;

(d) **Dependent satisfies or ceases to satisfy the eligibility requirements:** An event that causes the Participant's Dependent to satisfy or cease to satisfy the requirements for coverage due to attainment of age, student status, or any similar circumstance; and

(e) **Residency:** a change in the place of residence of the Participant, Spouse or Dependent.

## 8.2 **Modifications of the Change in Status Rules.**

(a) For the Dependent Care Assistance Program, a Dependent becoming or ceasing to be a “Qualifying Dependent” as defined under Code section 21(b) shall also qualify as a change in status.

(b) In general, a change in election is not consistent with the change in status if the change in status is the Participant’s divorce, annulment or legal separation from a Spouse, the death of a Spouse or Dependent, or a Dependent ceasing to satisfy the eligibility requirements for coverage, and the Participant’s election under the Plan is to cancel accident or health insurance coverage for any individual other than the one involved in such event. In addition, if the Participant, Spouse or Dependent gains eligibility for coverage under a family member plan as a result of a change in marital status or a change in employment status, then a Participant’s election under the Plan to cease or decrease coverage for that individual under the Plan corresponds with that change in status only if coverage for that individual becomes applicable or is increased under the family member plan. The Administrator may rely on a Participant’s certification of other coverage unless there is reason to believe the Participant’s certification is incorrect.

(c) If the change in status is a change in the Participant’s marital status or a change in employment status of the Participant’s spouse or covered Dependents, an election to increase or decrease disability coverage corresponds with that change in status.

8.3 **COBRA Benefits.** Regardless of the consistency requirement, if the Employee or the Employee’s spouse or Dependent becomes eligible for continuation coverage under the Employer’s Group Health Plan as provided in Code section 4980B or any similar state law, then the individual may elect to increase salary reduction contributions under this Plan in order to pay for the continuation coverage. However, this does not apply for COBRA eligibility due to divorce, annulment or legal separation.

8.4 **HIPAA Special Enrollment.** An Employee or Participant may revoke an election for group health coverage during a Plan Year and make a new election that corresponds with the special enrollment rights provided in Code section 9801(f). Unless otherwise provided, such change shall take place on a prospective basis.

(a) As required by HIPAA, a 30-day special enrollment right will arise if:

(1) A current Employee is eligible for, but declined enrollment in, this group health plan coverage (or a Dependent of such Employee is eligible for, but was not enrolled in, this group health plans coverage) because the Employee or Dependent was covered under another group health plan or had other health insurance coverage when this group health plan coverage was previously offered and the other coverage was lost due to either: (i) if the other coverage was COBRA continuation coverage, that coverage has been exhausted; or (ii) if the other coverage was not COBRA continuation coverage, either the coverage was terminated as a result of loss of eligibility for the coverage (including, but not limited to, as a result of legal

separation, divorce, cessation of dependent status, death, termination of employment, or reduction in the number of hours of employment; in the case of an HMO, the individual no longer resides, lives or works in the service area where the HMO provides benefits and, in cases of the group market, no other package is available to the individual; an individual incurs a claim meeting or exceeding a lifetime limit on all benefits; or the plan no longer offers any benefits to the class of similarly situated individuals that includes the individual), or employer contributions towards such coverage were terminated. Unless otherwise provided in the Employer's Group Health Plan, the eligible Employee must request enrollment not later than 30 days after the loss of other coverage (or after a claim is denied due to the operation of a lifetime limit on all benefits). Any eligible Dependent may only enroll if that Dependent (or the Employee) meets the above requirements; or

(2) A new Dependent is acquired as a result of marriage, birth, or adoption or placement for adoption, and the group health plan makes coverage available with respect to a Dependent of a Participant or an Employee who has met any waiting period requirements and is eligible to participate under that plan. Unless otherwise provided in the Employer's Group Health Plan, these election changes to add coverage must be made within 30 days of the date of the marriage, birth or adoption or placement for adoption (or the date dependent coverage is made available, if later). An election to add the following individuals (if otherwise eligible for coverage under the Plan) as a result of the acquisition of a new Dependent through marriage, birth, adoption or placement for adoption is consistent with the special enrollment right: (i) a current Employee who is eligible but not enrolled; (ii) a current Employee who is eligible but not enrolled, and the Spouse of such Employee; (iii) a current Employee who is eligible but not enrolled, and the newly acquired Dependent of such Employee; (iv) the Spouse of a Participant; (v) a current Employee who is eligible but not enrolled, and the Spouse and newly acquired Dependent; and (vi) a newly acquired Dependent of a Participant.

Enrollment applications received after the special enrollment period will not be considered and the next opportunity to enroll will be at open enrollment. Unless otherwise provided in the Employer's Group Health Plan, coverage under the special enrollment period for timely submitted requests must be effective no later than the first day of the month after the plan or issuer receives the request for special enrollment. However, with regard to enrollment requests made within 30 days on behalf of a new Dependent acquired due to birth, adoption, or placement for adoption, the coverage becomes effective on the date of the birth, adoption, or placement for adoption (or the date the plan makes dependent coverage available, if later). The prospective increased salary reduction is permitted to reflect the cost of the retroactive coverage under the group health plan from the date of birth, adoption, or placement for adoption.

(b) As required by HIPAA, effective April 1, 2009, a 60-day special enrollment right will arise if the Employee or Dependent is eligible for, but not enrolled in, the Plan and either:

(1) loses coverage under Medicaid, specifically, if the Employee or Dependent is covered under a Medicaid plan under Title XIX of the Social Security Act or under a State child health plan under Title XXI of the Social Security Act and coverage of the

Employee or Dependent under such a plan is terminated as a result of loss of eligibility for coverage; or

(2) becomes eligible for a Medicaid subsidy, specifically, if the Employee or Dependent becomes eligible for premium assistance, with respect to coverage under the Plan under such Medicaid plan or State child health plan (including under any waiver or demonstration project conducted under or in relation to such a plan).

The Employee or Dependent with the special enrollment right under subsection (b) must request enrollment within the first 60 days from the date of termination of such coverage under (b)(1) or 60 days from the date the applicant is determined to be eligible for premium assistance under (b)(2). Enrollment applications received after the 60-day special enrollment period will not be considered and the next opportunity to enroll will be at open enrollment. Coverage under this Plan shall take effect on the same date coverage for this HIPAA special enrollment right takes effect in the underlying Employer's Group Health Plan.

**8.5 Court Order.** In the event of a judgment, decree, or order ("order") resulting from a divorce, legal separation, annulment, or change in legal custody (including a qualified medical child support order defined in ERISA Section 609) which requires accident or health coverage for a Participant's child:

(a) The Plan may change an election to provide coverage for the child if the order requires coverage under the Participant's plan; or

(b) The Participant shall be permitted to change an election to cancel coverage for the child if the order requires the former Spouse to provide coverage for such child, under that individual's plan, and such coverage is actually provided.

**8.6 Entitlement to Medicare/Medicaid.** A Participant may change elections to cancel health coverage for the Participant or the Participant's Spouse or Dependent if the Participant or the Participant's Spouse or Dependent is enrolled in the Employer's accident or health coverage and becomes entitled to coverage (i.e., enrolled) under Part A or Part B of the Title XVIII of the Social Security Act (Medicare) or Title XIX of the Social Security Act (Medicaid), other than coverage consisting solely of benefits under Section 1928 of the Social Security Act (the program for distribution of pediatric vaccines). If the Participant or the Participant's Spouse or Dependent who has been entitled to Medicaid or Medicare coverage loses eligibility, that individual may prospectively elect coverage under the Plan if a benefit package option under the Plan provides similar coverage. See also Section 8.4.

**8.7 Change in Benefit Cost.** If the cost of a Benefit provided under the Plan increases or decreases during a Plan Year, then the Plan shall automatically increase or decrease, as the case may be, the elections of all affected Participants for such Benefit. If the cost of a benefit package option increases or decreases significantly, the Administrator shall permit the affected Participants to make corresponding change in elections under the Plan. A change for a significant decrease in cost includes commencing participation in the Plan. A change for a significant increase in cost allows Participants to revoke their elections and, in lieu thereof, receive coverage under another benefit package option with similar coverage on a prospective

basis or drop coverage prospectively if there is no benefit package option with similar coverage. A cost increase or decrease refers to an increase or decrease in the amount of elective contributions under the Plan, whether resulting from action taken by the Participants or action taken by the Employer. Similar coverage means coverage for the same category of benefits for the same individuals.

**8.8 Significant Curtailment of Benefits.** If the coverage under a Benefit is significantly curtailed during a Plan Year, affected Participants may revoke their elections of such Benefit and, in lieu thereof, elect to receive, on a prospective basis, coverage under another Benefit package with similar coverage. If the coverage under a Benefit is significantly curtailed and coverage is lost during a Plan Year, affected Participants may revoke their elections of such Benefit, and, in lieu thereof, elect to receive, on a prospective basis, coverage under another benefit package providing similar coverage or to drop coverage prospectively if no similar coverage is offered. Significantly curtailed means an overall reduction in coverage under the Plan that constitutes reduced coverage generally.

**8.9 Change in Coverage Options.** If during the period of coverage a new benefit package option or other coverage option is added or an existing benefit package option is significantly improved, then the affected Participants may elect the newly-added option prospectively and make corresponding election changes with respect to other benefit package options providing similar coverage. In addition, those Employees eligible to participate pursuant to Article 2 who are not participating in the Plan may elect to become Participants and elect the new or newly-improved benefit package option.

**8.10 Change in Dependent Care Provider.** A Participant may make a prospective election change that is on account of and corresponds with a change by the Participant in the Dependent Care provider. The availability of dependent care services from a new childcare provider is similar to a new benefit package option becoming available. A cost change is allowable in the Dependent Care Assistance Program only if the cost change is imposed by a dependent care provider who is not related to the Participant, as defined in Code section 152(a)(1) through (8).

**8.11 Change in Another Employer's Plan.** A Participant may make a prospective election change that is on account of and corresponds with a change made under another employer plan (including a plan of the same employer or of another employer) if (1) the other cafeteria plan or qualified benefits plan permits its participants to make an election change that would be permitted under the final regulations; or (2) the period of coverage under this Plan is different from the period of coverage under the other cafeteria plan or qualified benefits plan. However, no change is permitted under the Medical Expense Reimbursement Program. A Participant may make a prospective election change to add Group Health coverage for the Participant, the Participant's Spouse or Dependent if such individual loses group health coverage sponsored by a governmental or educational institution, including a state children's health insurance program under the Social Security Act, the Indian Health Service or a health program offered by an Indian tribal government, a state health benefits risk pool or a foreign government group health plan.

8.12 **FMLA Leave.** A Participant taking leave under FMLA may revoke an existing election of coverage and make a prospective election for the remaining period of coverage as provided under FMLA. Such Participant may also have the right to be reinstated in the same group health plan coverage upon returning from FMLA leave.

8.13 **Medical Expense Reimbursement Plan.** A Participant shall not be permitted to change an election to the Medical Expense Reimbursement Plan as a result of a cost or coverage change.

## **Article 9**

### **Administration**

9.1 **Designation of the Administrator.** The Administrator shall be designated by the Board of Directors and shall carry out the duties assigned to the Administrator under the Plan.

9.2 **Powers of the Administrator.** The administration of the Plan shall be under the supervision of the Administrator. It shall be a principal duty of the Administrator to see that the Plan is carried out, in accordance with its terms, for the exclusive benefit of persons entitled to participate in the Plan without discrimination among them. The Administrator will have full power and discretion to administer the Plan in all of its details, subject to applicable requirements of law. For this purpose, the Administrator's powers will include, but will not be limited to, the following authority, in addition to all other powers provided by this Plan:

(a) To make and enforce rules and regulations necessary or proper for the efficient administration of the Plan, including the establishment of any claims procedures that may be required by applicable provisions of law;

(b) To interpret the Plan, (the Administrator's discretionary interpretation of the Plan in good faith shall be final and conclusive on all persons claiming benefits under the Plan);

(c) To decide all questions concerning the Plan and the eligibility of any person to participate in the Plan;

(d) To appoint agents, counsel, accountants, consultants and other persons to assist in administering the Plan; and

(e) To allocate and delegate its responsibilities under the Plan and to designate other persons to carry out any of its responsibilities in writing.

9.3 **Examination of Records.** The Administrator will make records available to each Participant for examination at reasonable times during normal business hours.

9.4 **Reliance on Tables, Etc.** In administering the Plan, the Administrator will be entitled to the extent permitted by law to rely conclusively on all tables, valuations, certificates, opinions and reports which are furnished by, or in accordance with the instructions of accountants, counsel or other experts employed or engaged by the Administrator.

9.5 **Nondiscriminatory Exercise of Authority.** Whenever, in the administration of the Plan, any discretionary action by the Administrator is required, the Administrator shall exercise its authority in a nondiscriminatory manner so that all persons similarly situated will receive substantially the same treatment.

9.6 **Indemnification of Administrator.** The Employer agrees to indemnify and to defend, to the fullest extent permitted by law, any Employee serving as the Administrator or as a member of a committee designated as Administrator (including any Employee or former Employee who formerly served as Administrator or as a member of such committee) against all liabilities, damages, costs and expenses (including attorneys' fees and amounts paid in settlement of any claims approved by the Employer) occasioned by any act or omission in connection with the Plan, if such act or omission is in good faith.

9.7 **Records.** The Administrator shall keep records containing all relevant data pertaining to the administration of the Plan.

9.8 **Assurance of Receipt of Benefits.** The Administrator shall take all necessary action to ensure that Participants receive the benefits to which they are entitled under the Plan.

9.9 **Conflict of Interest.** The Administrator may not decide any matter relating solely to the Administrator's rights or benefits under the Plan; these decisions shall be made by an individual appointed by the Board of Directors.

9.10 **Exercise of Discretion on a Uniform Basis.** In those instances where the Administrator is granted discretion in making its determinations, and the decision of the Administrator affects the benefits, rights or privileges of Participants, such discretion shall be exercised uniformly so that all Participants similarly situated are similarly treated.

9.11 **Timely Filing of Reports.** The Administrator shall cause to have prepared and filed or furnished, as the case may be, in a timely fashion, such information and reports as are required by applicable law and regulations to be filed or furnished by the Plan.

9.12 **Employment of Agents.** The Administrator has the right to employ agents and advisors to assist the Administrator in the performance of its duties.

9.13 **Reliance Upon Information and Advice.** The Administrator may rely upon the written information, opinions or certificates supplied by any agent, counsel, actuary, investment manager, physician or fiduciary.

9.14 **Administration of Claims.** The Administrator shall administer all claims procedures under the Plan.

9.15 **Compensation of Administrator.** The Administrator, if it is not an Employee of Employer, shall be paid a reasonable compensation for its services on behalf of the Plan as may be agreed upon from time to time by Employer and the Administrator.

9.16 **Liability Limitations.** The Administrator is not liable or responsible for the acts or omissions of another fiduciary, unless:

(a) the Administrator knowingly participated or knowingly attempted to conceal the act or omission of another fiduciary and the Administrator knew the act or omission was a breach of fiduciary responsibility by the other fiduciary,

(b) the Administrator had knowledge of a breach by the other fiduciary and did not make reasonable efforts to remedy the breach, or

(c) the Administrator's breach of the Administrator's fiduciary responsibility permitted the other fiduciary to commit a breach.

9.17 **Resignation of Administrator.** The Administrator may resign by giving written notice to Employer not less than fifteen days before the effective date of the resignation.

9.18 **Removal of Administrator; Filling Vacancy.** The Administrator may be removed at any time, without cause, by the Board of Directors. In such case, the Board of Directors shall fill the vacancy as soon as reasonably possible after the vacancy occurs. Until a new Administrator is appointed, the Board of Directors has full authority to act as the Administrator.

## Article 10

### HIPAA Privacy and Security for Medical Expense Reimbursement

10.1 **Permitted and Required Uses and Disclosures of Summary Health Information.** Unless otherwise permitted by law, the Plan may disclose SHI to the Plan Sponsor, if the Plan Sponsor requests SHI for the following purposes:

(a) Obtaining premium bids from health plans for providing health insurance coverage under the Plan.

(b) Modifying, amending or terminating the Plan.

10.2 **Permitted and Required Uses and Disclosure of Protected Health Information.** Unless otherwise permitted by law, the Plan may disclose PHI to the Plan Sponsor, provided the Plan Sponsor uses or discloses such PHI only for the purpose of performing plan administration functions.

However, enrollment and disenrollment functions performed by the Plan Sponsor are performed on behalf of Plan participants and beneficiaries, and are not plan administration functions. Enrollment and disenrollment information held by the Plan Sponsor is held in its capacity as an employer and is not PHI.

**10.3 Permitted Disclosure of Enrollment/Disenrollment Information.** The Plan may disclose to the Plan Sponsor information on whether the individual is participating in the Plan, or is enrolled in or has disenrolled from a health insurance issuer or HMO offered by the Plan.

**10.4 Obligations of Plan Sponsor.** The Plan sponsor agrees that with respect to any PHI and EPHI, as applicable, disclosed to it by the Plan or any other covered entity, the Plan sponsor shall:

(a) Not use or further disclose the information other than as permitted or required by the Plan documents or as required by law.

(b) Ensure that any agents, including a subcontractor, to whom it provides PHI or EPHI received from the Plan agree to the same restrictions and conditions that apply to the Plan Sponsor with respect to such information.

(c) Not use or disclose the information for employment-related actions and decisions or in connection with any other benefit or employee benefit plan of the Plan Sponsor.

(d) Report to the Plan any use or disclosure of the information that is inconsistent with the uses or disclosures provided for of which it becomes aware.

(e) Make PHI available to the individual in accordance with 45 C.F.R. §164.524 (related to access of individuals to PHI).

(f) Make PHI available for amendment and incorporate any amendments to PHI in accordance with the 45 C.F.R. §164.526.

(g) Make available the information required to provide an accounting of disclosures in accordance with 45 C.F.R. §164.528.

(h) Make its internal practices, books and records relating to the use and disclosure of PHI received from the Plan available to the Secretary of Health and Human Services for purposes of determining compliance by the Plan with 45 C.F.R. Part 164, Subpart E.

(i) If feasible, return or destroy all PHI received from the Plan that the Plan Sponsor still maintains in any form and retain no copies of such information when no longer needed for the purpose for which disclosure was made, except that, if such return or destruction is not feasible, limit further uses and disclosures to those purposes that make the return or destruction of the information not feasible.

(j) Ensure that the adequate separation required by the Privacy Rules is established.

(k) Implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the EPHI that it creates, receives, maintains, or transmits on behalf of the Plan; and

(l) Report to the Plan any security incident, as defined by the HIPAA Security Rules, of which it becomes aware.

(m) Ensure that any agent, including a subcontractor, to whom it provides EPHI agrees to implement reasonable and appropriate security measure to protect EPHI that is created, received, maintained or transmitted to or by the Plan Sponsor on behalf of the group health plan.

(n) Ensure that adequate separation required by the Privacy Rules and Security Rules is supported by reasonable and appropriate security measures.

**10.5 Adequate Separation.** The Plan Sponsor shall only allow employees with specific classifications/designations access to PHI and EPHI. The Plan Sponsor shall designate these employees from time to time. A list of such employees may be obtained from the Plan Sponsor. These specified employees shall only have access to and use PHI and EPHI to the extent necessary to perform plan administration functions that the Plan Sponsor performs for the Plan. In the event that any of these specified employees do not comply with the provisions of this Article, that employee shall be subject to disciplinary action by the Plan Sponsor for noncompliance pursuant to the discipline and termination procedures of the Plan Sponsor.

The Plan Sponsor shall ensure that the provisions of this Section are supported by reasonable and appropriate security measures to the extent that the persons designated above create, receive, maintain or transmit EPHI on behalf of the Plan.

**10.6 Certification of Plan Sponsor.** The Plan (or health insurance issuers or HMO with respect to the Plan) shall disclose PHI to the Plan Sponsor only upon receipt of a certification by the Plan Sponsor that the Plan has been amended to incorporate the provisions of Section 164.504(f)(2)(ii) of the Privacy Rule and that the Plan Sponsor agrees to the conditions of the disclosures set forth in this Article.

**10.7 Miscellaneous Interpretive Provision.** The following provisions apply to limit and further define the operation of HIPAA to the Plan:

(a) Notwithstanding the provisions of this Plan to the contrary, in no event shall the Plan or the Plan Sponsor be permitted to use or disclose health information in a manner that is inconsistent with HIPAA. Any ambiguity in this Article shall be resolved in favor of a meaning that permits the Plan and Plan Sponsor to comply with HIPAA. Additionally, under no circumstances does this Article extend the rights and obligations of HIPAA to benefits that would otherwise be outside the scope of HIPAA. This Article does not create any contractual rights or obligations between the Plan and other parties to Plan benefits that would otherwise be outside the scope of HIPAA. This Article does not extend application of HIPAA to create any obligations for the Plan (or any part or component within the Plan) or the Plan Sponsor that they would not otherwise have under HIPAA.

(b) This Article does not apply and has no legal effect on the Plan if the Plan does not meet the definition of “Health Plan” or “Group Health Plan” as defined by 45 C.F.R. 160.103. Under HIPAA, a “Group Health Plan” is defined as an employee welfare benefit plan (as defined in §3(1) of ERISA, 29 U.S.C. 1002(1)), including insured and self-insured plans, to

the extent that the plan provides medical care (as defined in §2791(a)(2) of the Public Health Service Act, 42 U.S.C. 300gg-91(a)(2)) including items and services paid for as medical care, to employees or their dependents directly or through insurance, reimbursement, or otherwise, that: (1) Has 50 or more participants (as defined in §3(7) of ERISA, 29 U.S.C. 1002(7)); or (2) Is administered by an entity other than the employer that established and maintains the plan.

(c) When permitted, it is the intention of the Plan (or any part or component within the Plan) to qualify as an exempted group health plan under 45 C.F.R. 164.520(a)(2) and 164.530(k), or qualify under any exemption of any requirement under HIPAA.

**10.8 Effective Date and Applicability of this Article.** Generally, the requirements of the Privacy Rules within this Article, including definitions (“Article”), shall be effective as of April 14, 2003, and the requirements of the Security Rules within this Article shall be effective as of April 20, 2005; however, if this Plan should qualify as a “small plan” under HIPAA, the Privacy Rule aspects of this Article will instead become effective on April 14, 2004, and the Security Rule aspects of this Article will instead become effective on April 20, 2006. In no event will this Article become effective prior to the original Effective Date of this Plan. Notwithstanding the above, this Plan will comply with any subsequently issued amendments to the Privacy Rules and/or Security Rules, only if and as they become applicable to the Plan.

**10.9 Hybrid Entity.** This provision only applies to the extent to which the Plan provides any non-health benefits such as (but not limited to) disability benefits or group term life insurance benefits. The Plan is a separate legal entity whose business activities include functions covered by the HIPAA Privacy Rules as well as functions not covered by those rules. As a result, the Plan is a “hybrid entity” as that term is defined in the HIPAA Privacy Rules. The Plan’s covered functions are its Health Care Components. All other benefits are non-covered functions. Therefore, the Plan hereby designates that it shall only be a covered entity under the HIPAA Privacy Rules with respect to the Health Care Components of the Plan.

**10.10 HITECH Act.** This Plan shall comply with the Health Information Technology for Economic and Clinical Health Act (the “HITECH Act”), 42 USC 17930 et seq., the final regulations issued by the Department of Health and Human Services pursuant to Subtitle D of the HITECH Act, and any authoritative guidance issued pursuant to that Act, if and as they become applicable to the Plan. If there is any conflict between the requirements of Subtitle D of the HITECH Act, and any provision of this Plan, applicable law will control.

This Article only applies to health plan coverage within the Component Benefit Programs.

## **Article 11**

### **Claims Procedure and Appeal**

**11.1 Application for Benefits.** A claimant shall make a claim for benefits by making a request pursuant to the procedures specified for each benefit in the various articles of this Plan. A claim for reimbursement should be made during the Plan Year, but in no event later than the earlier of: (a) 90 days after the claimant's termination of participation (unless he or she

continues to participate in the relevant Plan pursuant to COBRA); or (b) 90 days following the close of the Plan Year. Any claims submitted after that time will not be considered. Unless otherwise provided for in this Plan, claims for benefits that are insured or are provided by another plan will be reviewed in accordance with the procedures contained in the insurance policies or the other plans. Unless otherwise provided for in this Plan, if a Claimant fails to follow the Plan's procedures for filing a claim, the Claimant shall be notified of the failure and informed of the proper procedures to be followed in filing a claim for benefits within five days following the failure.

## **11.2 Timing of Notification of Initial Benefit Determination.**

### **(a) General Rule For Benefits Other Than Group Health Benefits.**

The Administrator, with respect to benefits other than group health benefits, shall notify the Claimant of the benefit determination within 90 days after receipt of a claim by the Plan, unless the Administrator determines that special circumstances require an extension of time up to an additional 90 days for processing the claim. If an extension is necessary, the Administrator will provide the Claimant with written notice of the extension, before the end of the initial 90-day period, explaining the reason for the extension and the date the Administrator expects to make a decision. The extension will not exceed 90 days from the end of the initial 90-day period. Unless otherwise provided for within this Plan, if the Claimant fails to provide the Administrator with sufficient information to make a determination, the Administrator shall notify the Claimant of the specific information necessary to complete the claim and the Claimant shall be afforded 45 days to provide the specified information.

**(b) Pre-service Determinations.** In the case of pre-service determinations, the Administrator shall notify the Claimant of the Plan's benefit determination within a reasonable time, but no later than 15 days after receipt of the claim by the Plan if no further information is required. This period may be extended one time for 15 additional days if the Administrator determines that such an extension is necessary due to matters beyond the control of the Plan. The Administrator will provide the Claimant with written notice of the extension before the end of the initial 15-day period, explaining the reason for the extension and the date the Administrator expects to make a decision. If the Claimant fails to provide sufficient information to determine whether, or to what extent, benefits are covered or payable under the Plan, but communicates at least the name of the Claimant, a specific medical condition or symptom, and a specific treatment, service or product for which prior approval is requested, the Administrator will provide oral notice (and in writing if requested) of the failure and the proper procedure to complete the claim, within five days of the failure. If the extension is necessary due to a failure of the Claimant to submit the information necessary to decide the claim, the notice of extension will describe the required information and the Claimant shall have 45 days to provide the information. Failure to respond in a timely and complete manner will result in a benefit denial.

**(c) Post-service Decisions.** In the case of post-service claims, the Administrator shall notify the Claimant of the Plan's adverse benefit determination within a reasonable time, but no later than 30 days after receipt of the claim by the Plan if no further information is required. This period may be extended one time for 15 additional days if the Administrator determines that such an extension is necessary due to matters beyond the control

of the Plan and the Administrator notifies the Claimant prior to expiration of the initial 30-day period of the reasons for the extension of time and the date by which the Administrator expects to render a decision. If the extension is necessary due to a failure of the Claimant to submit the information necessary to decide the claim, the notice of extension will describe the required information and the Claimant shall have at least 45 days to provide the information. Failure to respond in a timely and complete manner will result in the denial of benefit payment.

(d) **Concurrent Care Decisions.**

(1) In the case of a reduction or termination of an ongoing course of treatment which the Administrator had previously approved, the Administrator shall notify the Claimant of the Plan's benefit determination within a reasonable time sufficiently in advance of the reduction or termination to allow the Claimant to appeal and obtain a determination on review before the benefit is reduced or terminated.

(2) In the case of a request of a Claimant to extend the course of treatment which the Administrator had previously approved, the Administrator shall notify the Claimant of the Plan's benefit determination within 24 hours after receipt of the claim by the Plan, provided the claim is made at least 24 hours before the expiration of the period of time or number of treatments.

(e) **Urgent Care Decisions.** In the case of urgent care claims, the Administrator shall notify the Claimant of the Plan's benefit determination as soon as possible, but not later than 72 hours after receipt of the claim by the Plan. However, if the Claimant fails to provide sufficient information to determine whether, or to what extent, benefits are covered or payable under the Plan, but communicates at least the name of the Claimant, a specific medical condition or symptom, and a specific treatment, service or product for which prior approval is requested, the Administrator will provide notice of the failure and the proper procedure to complete the claim as soon as possible, but not later than 24 hours of the failure. The Claimant shall be afforded at least 48 hours to provide the specified information. The Administrator will notify the Claimant of the benefit determination as soon as possible, but not later than 48 hours of the earlier of receipt of the specified information or the end of the period in which the Claimant must provide the additional information.

(f) **Disability Claims Decisions.** In the case of a claim for disability benefits, the Administrator shall notify the Claimant of the Plan's benefit determination within 45 days after receipt of the claim by the Plan, unless the Claimant fails to provide sufficient information to determine whether, or to what extent, benefits are covered or payable under the Plan. This period may initially be extended for 30 days if the Administrator determines that such an extension is necessary due to matters beyond the control of the Plan and notifies the Claimant, before the end of the initial 45-day period, of the reason for the extension of time and the date the Administrator expects to render a decision. If necessary and before the expiration of the first 30-day extension, the decision period may be extended for a second 30-day period if the Administrator determines that such an extension is necessary due to matters beyond the control of the Plan, provided the Administrator notifies the Claimant before the end of the first 30-day extension of the reason for the second extension and the date the Administrator expects to render a decision. The notice of extension must explain the standards on which entitlement to benefit is

based, the unresolved issues preventing a decision on the claim, and the additional information needed to resolve those issues. The Claimant will have at least 45 days to provide the specified information.

**11.3 Content of Notification of Initial Benefit Determination.** A notice of benefit determination will be sent to the Claimant in written or electronic format in a manner calculated to be understood by the Claimant. In the case of urgent care decisions, the Claimant may be informed orally and will be sent a written or electronic notification within three days of the oral notification. The notification to the Claimant of an adverse determination will generally include:

- (a) the specific reason or reasons for the adverse determination;
- (b) reference to the specific Plan provisions on which the determination is based;
- (c) a description of any additional material or information necessary for the Claimant to perfect the claim and an explanation of why such material or information is necessary;
- (d) a description of the Plan's review procedures and the time limits applicable to such procedures, including a statement of the Claimant's right to bring a civil action under ERISA Section 502(a) following an adverse benefit determination on review;
- (e) If the claim involves a decision by a group health plan or plan providing disability benefits:
  - (1) if an internal rule, guideline, protocol, or other similar criterion was relied upon in making the adverse determination, either a copy of the specific rule, guideline, protocol or other similar criteria, or a statement that such was relied upon in making the adverse benefit determination, will be provided free of charge to the Claimant upon request; and
  - (2) if the adverse benefit determination is based on a medical necessity or experimental treatment or similar exclusion or limit, either an explanation of the scientific or clinical judgment for the determination applying the terms of the Plan to the Claimant's medical circumstances, or a statement of such explanation, will be provided free of charge upon request.
- (f) if the claim involves an urgent care decision, a description of the expedited review process for such claims.

**11.4 Appeal of Adverse Benefits Determinations.**

- (a) Appealing Adverse Determination not Pertaining to Group Health Plan Benefits.

(1) A Claimant shall have 60 days following receipt of a notification of an adverse benefit determination not pertaining to group health plan benefits within which to appeal the determination to the appropriate named fiduciary of the plan.

(2) A Claimant may submit written comments, documents, records and other information relating to the claim for benefits.

(3) A Claimant shall be provided, upon request and free of charge, reasonable access to and copies of all documents, records and other information relevant to the Claimant's claim for benefits.

(4) The review will take into account all comments, documents, records and other information submitted by the Claimant relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination.

(b) **Appealing Adverse Determination Pertaining to Group Health Plan Benefits.**

(1) A Claimant shall have 180 days following receipt of a notification of an adverse benefit determination pertaining to group health plan benefits within which to appeal the determination to the appropriate named fiduciary of the plan.

(2) The Plan must comply with items (2) through (4) under "Appealing Adverse Determination not Pertaining to Group Health Plan Benefits."

(3) The review will not give deference to the original determination and will be conducted by an appropriate named fiduciary of the plan who is neither the person who made the original determination subject to appeal, nor the subordinate of such individual.

(4) If the determination was based on medical judgment, including determinations of whether a particular drug or other item is experimental, investigational or not medically necessary or appropriate, the appropriate named fiduciary shall consult with an appropriate health care professional who has the appropriate training and experience in the field of medicine involved in the medical judgment.

(5) Medical or vocational experts consulted on behalf of the Plan in connection with the determination must be identified, whether or not the advice was relied upon in the determination.

(6) The health care professional consulted under (4) shall be an individual not consulted for the original determination, nor the subordinate of such individual.

(7) If the claim involves urgent care, an expedited review will occur, which may be requested orally or in writing by the Claimant and all necessary information, including the determination on review, shall be transmitted between the Administrator and the Claimant by telephone, facsimile or other available similarly expeditious method.

(c) A Plan that provides for disability benefits must comply with (2) through (4) of “Appealing Adverse Determination not Pertaining to Group Health Plan Benefits” and (1) through (6) of “Appealing Adverse Determination Pertaining to Group Health Plans.”

#### **11.5 Timing of Notification of Benefits Determination on Review.**

(a) **Generally.** Unless otherwise provided for within this Plan, the Administrator shall notify the Claimant of the benefit determination on review within 60 days after receipt of Claimant’s request of review, unless the Administrator determines that special circumstances require an extension of time up to an additional 60 days for processing the claim. If the Administrator determines an extension is necessary, written notice will be provided to the Claimant before the end of the initial 60-day period. The notice shall indicate the reasons for the extension and the date by which the Administrator expects to render a decision.

(b) **Pre-service Decisions.** The Administrator shall notify the Claimant of the benefit determination on review concerning pre-service determinations within 30 days after receipt of Claimant’s request of review.

(c) **Post-service Decisions.** The Administrator shall notify the Claimant of the benefit determination on review concerning post-service determinations within 60 days after receipt of Claimant’s request of review.

(d) **Urgent Care Decisions.** The Administrator shall notify the Claimant of the benefit determination on review concerning urgent care determinations within 72 hours after receipt of Claimant’s request of review.

(e) **Disability Claim Decisions.** The Administrator shall notify the Claimant of the benefit determination on review concerning post-service determinations within 45 days after receipt of Claimant’s request of review.

**11.6 Content of Notification of Benefit Determination on Review.** A notice of benefit determination on review will be sent to the Claimant in written or electronic format in a manner calculated to be understood by the Claimant. The notification to the Claimant will generally include:

- (a) the specific reason or reasons for the adverse determination;
- (b) reference to the specific Plan provisions on which the benefit determination is based;
- (c) a statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to and copies of all documents, records and other information relevant to the Claimant’s claim for benefits;
- (d) if any voluntary appeal right exist, a statement describing any voluntary appeal procedures offered by the plan and the Claimant’s right to obtain the information about such procedures and a statement of the Claimant’s right to bring an action under ERISA Section 502(a);

(e) if the claim involves a decision by a group health plan or a plan providing disability benefits:

(1) if an internal rule, guideline, protocol, or other similar criterion was relied upon in making the adverse determination, either a copy of the specific rule, guideline, protocol or other similar criterion, or a statement that such was relied upon in making the determination, will be provided free of charge to the Claimant upon request;

(2) if the adverse benefit determination is based on a medical necessity or experimental treatment or similar exclusion or limit, either an explanation of the scientific or clinical judgment for the determination applying the terms of the Plan to the Claimant's medical circumstances, or a statement of such explanation, will be provided free of charge upon request.

(f) A statement of the Claimant's other voluntary alternative dispute resolution options, if any. However, if Claimant should initiate a lawsuit, it shall be brought within three years after exhaustion of the claims procedures.

## **Article 12**

### **Amendment and Termination of the Plan**

12.1 **Amendment and Termination.** Although Employer intends to maintain this Plan indefinitely, it reserves the right to amend or terminate the Plan at any time. The amendment or termination shall be made by a written instrument and shall be communicated to all Participants. Any decision to amend or terminate the Plan and any and all benefits provided under the Plan shall be made either by the Board of Directors of the Employer or by any person or persons authorized by the Board of Directors to take such action.

Coverage upon termination will be governed by the terms of the Plan; provided, however, that the rights of Participants and their Dependents upon termination of the Plan are limited to expenses incurred before termination.

## **Article 13**

### **Miscellaneous Provisions**

13.1 **Gender and Number.** Except where otherwise indicated by the context, as used in this agreement the masculine gender includes the feminine and neuter, and words used in the singular include the plural.

13.2 **Headings.** The headings contained in the Plan are for reference only and do not in any manner limit or expand the terms and provisions of the Plan.

13.3 **Controlling Law.** The construction, validity and administration of the Plan shall be governed by the laws of the State of Michigan, to the extent such laws are not preempted by federal law. With respect to group health plans, those plans will provide benefits in

accordance with COBRA, NMHPA, USERRA, PPACA, the Mental Health Parity Act, as amended (“MHPA”); the Mental Health Parity and Addiction Equity Act of 2008 (“MHPAEA”); the Genetic Information Nondiscrimination Act of 2008 (“GINA”); the Family and Medical Leave Act of 1993, as amended (“FMLA”); the Health Insurance Portability and Accountability Act of 1996, as amended (“HIPAA”); and the Women’s Health and Cancer Rights Act of 1998, as amended (“WHCRA”) and other group health plan laws to the extent required by such laws.

**13.4 Participation in Plan Not Contract of Employment.** The establishment of the Plan, the creation of any account or the payment of any benefit does not create in any Employee, Participant, or other party a right to continuing employment with Employer.

**13.5 Information to be Furnished by Participants.** Participants shall provide the Employer and Administrator with information and evidence, and shall sign documents, as may be reasonably requested from time to time for the purpose of administration of the Plan.

**13.6 Assignment or Alienation of Benefits.** No benefits under this Plan may be voluntarily or involuntarily assigned or alienated, except pursuant to the terms of this Plan.

**13.7 Qualified Medical Child Support Orders.** The Administrator shall adhere to the terms of any medical child support order that satisfies the requirements of this Section. A medical child support order is any judgment, decree or order (including a court-approved property settlement agreement) issued by a court of competent jurisdiction which (i) relates to the provision of child support with respect to the child of a Participant under a group health plan (including this Plan) or provides for health benefit coverage to such a child, is made pursuant to a state domestic relations law (including a community property law), and relates to medical benefits under the Plan, or (ii) enforces a law relating to medical child support described in Section 1908 of the Social Security Act (as added by Section 13623 of the Omnibus Budget Reconciliation Act of 1993) with respect to the Plan, and which creates or recognizes the existence of an alternate recipient’s right to, or assigns to an alternate recipient the right to receive benefits payable with respect to a Participant or beneficiary under the Plan. For purposes of this Section, an “alternate recipient” shall mean any child of a Participant who is recognized by a medical child support order as having a right to enrollment under this Plan with respect to the Participant.

A Qualified Medical Child Support Order must clearly specify: (i) the name and last known mailing address of the Participant and the name and mailing address of each alternate recipient covered by the order; (ii) a reasonable description of the type of coverage to be provided under the Plan to each such alternate recipient, or the manner in which such type of coverage is to be determined; (iii) the period to which such order applies; and (iv) each plan to which such order applies.

Any Qualified Medical Child Support Order shall not require the Plan to provide any type or form of benefit, or any option, not otherwise provided under the Plan, except to the extent necessary to meet the requirements of a law relating to medical child support described in Section 1908 of the Social Security Act (as added by Section 13623 of the Omnibus Budget Reconciliation Act of 1993).

The Administrator shall promptly notify the Participant and each alternate recipient of the receipt of a medical child support order by the Plan and the Plan's procedures for determining the "qualified" status of medical child support orders. Within a reasonable period after receipt of a medical child support order, the Administrator shall determine whether the order is a Qualified Medical Child Support Order and shall notify the Participant and each alternate recipient of this determination. If the Participant or any affected alternate recipient disagrees with the determinations of the Administrator, the disagreeing party shall be treated as a Claimant and the claims procedure of the Plan shall be followed. The Administrator may bring an action for a declaratory judgment in a court of competent jurisdiction to determine the proper recipient of the benefits to be paid by the Plan.

Alternate recipients of a Qualified Medical Child Support Order shall be treated as beneficiaries under the Plan.

Payments under this Plan pursuant to a Qualified Medical Child Support Order in reimbursement for expenses paid by the alternate recipient or the alternate recipient's custodial parent or legal guardian shall be made to the alternate recipient or the alternate recipient's custodial parent or legal guardian.

**13.8 State Recovery of Medicaid Payments.** Notwithstanding any other provision of this Plan to the contrary, if this Plan provides benefit payments on behalf of a covered person who is also covered by a state's Medicaid program, the Plan shall be subject to the state's right to reimbursement for benefits the state has paid on behalf of the covered person, provided that the state has an assignment of rights made by or on behalf of the covered person, or the covered person's beneficiary, as may be required by the state medical assistance plan.

**13.9 Coordination with Medicaid.** Notwithstanding any other provisions of this Plan to the contrary, this Plan shall not take into account, with respect to Plan enrollment or the payment of benefits to a covered person or covered person's beneficiary, that such covered person or covered person's beneficiary qualifies for medical assistance under a state Medicaid plan.

**13.10 Honor of State Subrogation Rights.** Notwithstanding any other provision of this Plan to the contrary, the Plan will honor any subrogation rights that a state may have gained from a Medicare-eligible beneficiary covered by the Plan by virtue of the state's having paid Medicare benefits, provided that the Plan has a legal liability for coverage.

**13.11 Exclusive Benefit.** This Plan shall be maintained for the exclusive benefit of the Employees who participate in the Plan.

**13.12 Action by the Employer.** Whenever the Employer, under the terms of the Plan, is permitted or required to do or perform any act or matter or thing, it shall be done and performed by a person duly authorized by its legally constituted authority.

**13.13 No Guarantee of Tax Consequences.** Neither the Administrator nor the Employer makes any commitment or guarantee that any amounts paid to or for the benefit of a Participant under the Plan will be excludable from the Participant's gross income for federal or state income tax purposes, or that any other federal or state tax treatment will apply to or be

available to any Participant. It shall be the obligation of each Participant to determine whether each payment under the Plan is excludable from the Participant's gross income for federal and state income tax purposes, and to notify the Employer if the Participant has reason to believe that any such payment is not so excludable. Notwithstanding the foregoing, the rights of Participants under this Plan shall be legally enforceable.

**13.14 Indemnification of Employer by Participants.** If any Participant receives one or more payments or reimbursements under the Plan that are not for a permitted benefit, such Participant shall indemnify and reimburse the Employer for any liability it may incur for failure to withhold federal or state income tax or Social Security or other tax from such payments or reimbursements. However, such indemnification and reimbursement shall not exceed the amount of additional federal and state income tax, plus any penalties, that the Participant would have owed if the payments or reimbursements had been made to the Participant as regular cash compensation, plus the Participant's share of any Social Security or other tax that would have been paid on such compensation, less any such additional income and taxes actually paid by the Participant.

**13.15 Funding.** Unless otherwise required by law, contributions to the Plan need not be placed in trust or dedicated to a specific Benefit, but may instead be considered general assets of the Employer. Furthermore, and unless otherwise required by law, nothing herein shall be construed to require the Employer or the Administrator to maintain any fund or segregate any amount for the benefit of any Participant, and no Participant or other person shall have any claim against, right to, or security or other interest in, any fund, account or asset of the Employer from which any payment under the Plan may be made.

**13.16 COBRA Continuation of Coverage.** Notwithstanding anything in the Plan to the contrary, in the event any benefit under this Plan becomes subject to the continuation coverage requirement of Code section 4980B (the Consolidated Omnibus Budget Reconciliation Act of 1985 (P.L. 99-272) Title X, as amended, (COBRA)), the Plan will be operated in accordance with Code section 4980B and any regulations and guidance thereunder.

**13.17 Family and Medical Leave Act (FMLA).** Notwithstanding anything in the Plan to the contrary, in the event any benefit under this Plan becomes subject to the requirements of the Family and Medical Leave Act and regulations thereunder, this Plan shall be operated in accordance with Treasury Regulation section 1.125-3.

**13.18 Health Insurance Portability and Accountability Act (HIPAA).** Notwithstanding anything in this Plan to the contrary, in the event any benefit under this Plan becomes subject to the requirements of the Health Insurance Portability and Accountability Act, this Plan shall be operated in accordance with HIPAA and regulations thereunder.

**13.19 Uniform Services Employment and Reemployment Rights Act (USERRA).** Notwithstanding any provision of this Plan to the contrary, contributions, benefits and service credit with respect to qualified military service shall be provided in accordance with USERRA and the regulations thereunder.

13.20 **Mental Health Parity Act (MHPA) and the Mental Health Parity and Addiction Equity Act of 2008 (MHPAEA).** Notwithstanding any provision of this Plan to the contrary, in the event any benefit under this Plan becomes subject to the requirements of MHPA and/or the MHPAEA, this Plan shall be operated in accordance with MHPA and/or the MHPAEA and any regulations thereunder.

13.21 **Genetic Information Nondiscrimination Act of 2008 (GINA).** Notwithstanding any provision of this Plan to the contrary, in the event any benefit under this Plan becomes subject to the requirements of GINA, this Plan shall be operated in accordance with GINA and any regulations thereunder.

13.22 **Patient Protection and Affordable Care Act of 2010 (PPACA).** Notwithstanding any provision of this Plan to the contrary, in the event any benefit under this Plan becomes subject to the requirements of PPACA, this Plan shall be operated in accordance with PPACA and any regulations thereunder.

13.23 **Severability.** If any provision of the Plan is held invalid or unenforceable, its invalidity or unenforceability shall not affect any other provisions of the Plan, and the Plan shall be construed and enforced as if such provision had not been included herein.

Executed this \_\_\_\_ day of \_\_\_\_\_, 2012.

### **County of Jackson**

By: \_\_\_\_\_  
Michael Overton  
County Administrator/Controller

County of Jackson  
Third Amended and Restated Section 125 Cafeteria Plan  
Drafted By:

Elizabeth H. Latchana, Esq.  
Fraser Trebilcock Davis & Dunlap, P.C.  
124 West Allegan, Suite 1000  
Lansing, Michigan 48933  
(517) 482-5800



# *Jackson County*

## *Resolution*

### **RESOLUTION (04-12.16)** **Approving Jackson County's Legislative Agenda**

**Whereas**, Jackson County is interested in having its opinion known and shared with Michigan legislators; and

**Whereas**, Jackson County has the upmost respect for the challenges faced by the State of Michigan in difficult times; and

**Whereas**, Jackson County also faces reduced revenues and increased costs to provide essential services; and

**Whereas**, Jackson County has been responsible with regard to employee compensation, fiscal planning, and strategic planning; and

**Whereas**, Jackson County benefits from stability and long-term financial planning from other levels of government and community partners; and

**Therefore, Be It Resolved**, that the Jackson Board of County Commissioners does hereby approve the attached Legislative Agenda; and

**Be It Further Resolved**, that the Jackson Board of County Commissioners does hereby direct that this agenda be shared with State legislators and the Governor of the State of Michigan.

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James E. Shotwell, Jr., Chairman  
Jackson County Board of Commissioners  
April 17, 2012



# Jackson County

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## 2012 Legislative Agenda

Jackson County believes in living within our means and planning for the future. The County has a five year strategic plan that speaks to our vision of community needs and a five-year financial plan, updated each year and aligned with the strategic plan. The following legislative opinions are consistent with our practice and desire to see the State of Michigan act in like manner with long-term financial and strategic plans. We believe this practice eliminates the need for dramatic short-sighted cuts to revenues and expenditures and allows us, as an extension of the state government, to deliver critical services with the continuity our citizens expect.

1. Jackson County is opposed to any legislation or budgeting that makes additional cuts to State Revenue Sharing. In the 2012 State budget we absorbed a reduction of more than \$860,000 from what was promised previously. This is the equivalent of about 17 positions to Jackson County. Jackson County and other counties across the state use Revenue Sharing to support critical services such as law enforcement.
2. Jackson County is also opposed to the elimination of Personal Property Tax without a dollar for dollar replacement. Personal Property Tax represents 7% of our annual general fund budget. Additional cuts to this revenue source, without replacement, would be a short-sighted elimination of a source of local revenue in an irresponsible manner, without consideration for financially supporting the services they support. Additionally, it represents a shift in tax burden to the backs of tax-paying citizens.
3. Jackson County is opposed to any combination of cuts to Revenue Sharing and Personal Property Tax. Both of these revenue streams represent approximately 15% of the County's general fund budget. Any combination of Personal Property Tax elimination and Revenue Sharing reduction would have a devastating impact on our ability to provide critical services. Most of our general fund budget discretionary funding is used to fund public safety activities such as the Sheriff's road patrol and support to the judicial system.

**COUNTY OF JACKSON  
BUDGET ADJUSTMENT  
EXPENSES  
2012**

LINE ITEM								
FUND	DEPT.	ACCOUNT		ACCOUNT DESCRIPTION	CURRENT BUDGET	INCREASE	DECREASE	AMENDED BUDGET
245	274	931	006	Hot Water Heaters	0	15975		15975
245	274	931	039	Roof Replacement	45975		15975	30000
								0
								0
								0
								0
								0
								0
								0
								0
								0
								0
								0
								0
								0
					45975	15975	15975	45975

	REASONING:
Funding of emergency hot water heater replacements	

Per Scheel

3-30-12

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DATE \_\_\_\_\_

DATE \_\_\_\_\_

DATE \_\_\_\_\_

Commissioner Board Appointments – April 2012

<u>BOARD</u>	<u>NEW TERM EXPIRES</u>	<u>CURRENT MEMBER</u>	<u>APPLICANTS</u>	<u>COMMITTEE RECOMMENDED APPOINTMENTS</u>
<b><i>New Board</i></b>				
<u>Jackson County Airport-Reynolds Field Joint Airport Zoning Board</u>				
1) One public member	4/2015		Paula Clingerman	
1) One public member	4/2015		Jack Koch	Jack Koch
			John Worden	John Worden
			Michael Walker	
			Erik Koepfgen	
<i>*These two members must be from one of the following townships: Blackman, Columbia, Concord, Hanover, Henrietta, Leoni, Liberty, Napoleon, Parma, Pulaski, Rives, Sandstone, Spring Arbor, Springport, Summit or Tompkins</i>				
<u>LifeWays</u>				
1) One Public Member	3/2015	Michael Hoover	Frank Van Goethem Andrell Thomas Clevester Moten, Jr. Donny Crumbsy	Donny Crumbsy
<u>Parks</u>				
1) One Region 2 Planning Commission representative	3/2014	Gail W. Mahoney	Gail W. Mahoney	Gail W. Mahoney
<u>Region 2 Area Agency on Aging</u>				
1) One public member	4/2014	Howard Griffis	Howard Griffis	Howard Griffis
1) One public member	4/2014	Patricia Spink	Patricia Spink	Patricia Spink
1) One public member	4/2014	Arlene Shepherd	Arlene Shepherd Erik Koepfgen	Arlene Shepherd

Please Type



## COUNTY OF JACKSON REQUEST FOR BOARD OR COMMISSION APPOINTMENT

Mail or personally deliver to: *County of Jackson Administrator/Controller's Office*  
*120 West Michigan Avenue, Jackson, MI 49201*  
*517 788-4335 Fax 517 780-4755*

The Jackson County Board of Commissioners appoints individuals to numerous Boards and Commissions. Persons who wish to serve should complete the following information.

NAME: Clingerman Paula J  
Last First Middle Initial

ADDRESS: 1412 Gerry Drive Jackson 49202  
Street City Zip Code

TELEPHONE: 517-788-7829 517-392-1401  
Home (Include Area Code) Work or Business (Include Area Code)

**Name of Board(s) or Commission(s) to which Appointment is requested:**

1. Airport Zoning Board 2. \_\_\_\_\_ 3. \_\_\_\_\_

**Community Activities/Civic Organization/Boards/Commissions:**

Activity/Organization:	Length of Service	Position(s) Held:
<u>Blackman Zoning Board Of Appeals</u>	<u>Approx 28 years</u>	<u>Board Secretary</u>
<u>Blackman Township Trustee</u>	<u>2nd term, 8 years</u>	<u>Trustee</u>
<u>J.C.E.G</u>	<u>4 plus years</u>	<u>Community Member</u>

**Employment:**

<u>Northwest Community Schools</u>	<u>Student Supervisor</u>	<u>May, 1992</u>
Current Employer:	Position:	Dates of Employment:

**Education:**

High School, 1973 Northwest High School

**Please indicate why you are requesting appointment to this Board/Commission:**

I would like to fill the position Bob Laskovich held. I'm interested in Jackson and the future development of our area. I think I could be of some value with my background.

**Additional Information you feel may be helpful in considering your request for Appointment:**

I've also held different committee positions at Blackman while elected. Those being, ZBA, Public Safety, Ordinance, Utilities, Technology, Beautification, DDA, AILRSA, AIL Region 2, Blackman election worker/Chairman

Paula J. Clingerman  
Signature:

February 16, 2012  
Date:

Submit

Reset

# COUNTY OF JACKSON

## REQUEST FOR BOARD OR COMMISSION APPOINTMENT

**Mail or personally deliver to:** *County of Jackson Administrator/Controller's Office*  
*120 West Michigan Avenue, Jackson, MI 49201*  
*517 788-4335 Fax 517 780-4755*

The Jackson County Board of Commissioners appoints individuals to numerous Boards and Commissions. Persons who wish to serve should complete the following information.

NAME: Koch JACK F.  
Last First Middle Initial

ADDRESS: 2083 CAMPBELL DR JACKSON 49202  
Street City Zip Code

TELEPHONE: 517-782-6338 517 917 5311  
Home (Include Area Code) Work or Business (Include Area Code)  
CELL

**Name of Board(s) or Commission(s) to which Appointment is requested:**

1. AIRPORT JOINT ZONING BOARD 2. \_\_\_\_\_ 3. \_\_\_\_\_

**Community Activities/Civic Organization/Boards/Commissions:**

Activity/Organization:	Length of Service	Position(s) Held:
<u>REGION 2 PLANNING COMM.</u>	<u>12 yrs</u>	<u>SECRETARY, TREASURER</u>
<u>AIRPORT ADVISORY COUNCIL</u>	<u>10 yrs</u>	<u>CHAIR</u>
_____	_____	_____

**Employment:**

RETIRED FROM BLACKMAN TWP. ZONING ADM. FEB 99 - DEC 2012  
Current Employer: Position: Dates of Employment:

**Education:**

BACHELOR OF SCIENCE-BUSINESS ADM. FERRIS STATE UNIVERSITY

Please indicate why you are requesting appointment to this Board/Commission:

I have been serving on the current zoning Board and would like the opportunity to continue.

Additional Information you feel may be helpful in considering your request for Appointment:

*Jack Koch* February 19, 2012  
Signature: Date:  
~~November 7, 2008~~

Submit

Reset

# COUNTY OF JACKSON

## REQUEST FOR BOARD OR COMMISSION APPOINTMENT

Mail or personally deliver to: **County of Jackson -- Administrator/Controller's Office**  
**120 West Michigan Avenue, Jackson, MI 49201**  
**(517) 788-4335** **FAX (517) 780-4755**



The Jackson County Board of Commissioners appoints individuals to numerous Boards and Commissions. Persons who wish to serve should complete the following information:

NAME: Worden John C  
Last First Middle Initial

ADDRESS: 2390 Maple Dr. Jackson 49203  
Street City Zip Code

TELEPHONE: (517) 784-1817 (517) 788-4113 ext. 240  
Home (Include Area Code) Work or Business (Include Area Code)

### Name of Board(s) or Commission(s) to which Appointment is requested:

1. Airport Zoning Board of Appeals 2. \_\_\_\_\_ 3. \_\_\_\_\_

### Community Activities/Civic Organization/Boards/Commissions:

Activity / Organization:	Length of Service	Position (s) Held:
<u>Huron Valley and Jackson Community Board of Trustees</u>	<u>2002 &amp; 2009</u>	<u>Chairman of HVA 2010-2012</u>
<u>Jackson County Fire Chiefs</u>	<u>1973-1997 &amp; 2009 to present</u>	<u>Various</u>
<u>Local Emergency Planning Committee (LEPC)</u>	<u>1988 to present</u>	<u>Chairman and Secretary</u>

### Employment:

Self/Summit and Napoleon Township Summit & Napoleon Zoning - Admin. Fire Chief Summit Napoleon 2008-present Summit 51 years  
Current Employer: Position: Dates of Employment:

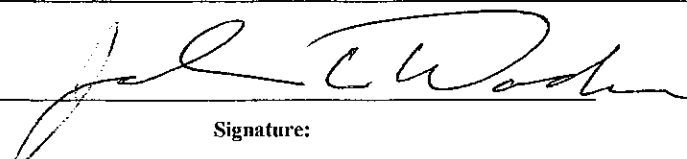
### Education:

Saint Mary High and Jackson Community College Associate Degree attended Michigan State University, Graduate of Executive Fire Officer Program National Fire Academy

Please indicate why you are requesting appointment to this Board/Commission:

Currently a member of the Airport Zoning Board of Appeals and would like to continue

Additional Information you feel may be helpful in considering your request for Appointment:

  
Signature:

February 28, 2012  
Date:

# COUNTY OF JACKSON

## REQUEST FOR BOARD OR COMMISSION APPOINTMENT

Mail or personally deliver to: County of Jackson Administrator/Controller's Office- 6<sup>th</sup> Floor  
120 West Michigan Avenue, Jackson, MI 49201  
(517) 788-4335 fax (517) 780-4755

The Jackson County Board of Commissioners appoints individuals to numerous Boards and Commissions. Persons who wish to serve should complete the following information.

NAME: Walker Michael K  
Last First Middle Initial  
HOME ADDRESS: 3423 Loren Dr Jackson 49203  
Street City Zip Code  
TELEPHONE: 517-783-4056 mikwalk@gmail.com  
Home, Work, Cell, or Business (Include Area Code) E-mail Address

### Name of Board(s) or Commission(s) to which Appointment is requested:

1. Airport 2. \_\_\_\_\_ 3. \_\_\_\_\_

### Community Activities/Civic Organization/Boards/Commissions:

Activity/Organization:	Length of Service	Position(s) Held:
<u>Summit Twp Electric Board*</u>	<u>~20 years</u>	<u>Secretary</u>
_____	_____	_____
_____	_____	_____

### Employment:

<u>Retired-Consumers Energy</u>	<u>Senior Engineer</u>	<u>1970-2003</u>
Current Employer:	Position:	Dates of Employment:

### Education:

BS - Electrical Engineering -

Please indicate why you are requesting appointment to this Board(s)/Commission(s):  
I feel I could make a positive contribution on this Board with my engineering background and interest in aviation.

Additional Information you feel may be helpful in considering your request for Appointment:

Private Pilot License (inactive) - Registered Professional Engineer in Michigan

US Navy veteran 3/26/2012

Signature Michael K Walker Date \_\_\_\_\_

## COUNTY OF JACKSON

### REQUEST FOR BOARD OR COMMISSION APPOINTMENT

*Mail or personally deliver to: County of Jackson -- Administrator/Controller's Office -- 6<sup>th</sup> Floor  
120 West Michigan Avenue, Jackson, MI 49201  
(517) 788-4335 FAX (517) 780-4755*

The Jackson County Board of Commissioners appoints individuals to numerous Boards and Commissions.  
Persons who wish to serve should complete the following information.

NAME: Koepfgen Erik  
Last First, Middle Initial

HOME ADDRESS: 215 S. Main St. Munith 49259  
Street City Zip Code

TELEPHONE: 517-596-2980 ekoepfgen@gmail.com  
Home, Work, Cell, or Business (Include Area Code) E-mail Address

**Name of Board(s) or Commission(s) to which Appointment is requested:**

1. Region 2 Area-Agency on Aging 2. Jackson County Airport-Zoning Board 3. \_\_\_\_\_

**Community Activities/Civic Organization/Boards/Commissions:**

Activity / Organization:	Length of Service	Position (s) Held:
_____	_____	_____
_____	_____	_____
_____	_____	_____

**Employment:**

Shaw Electric	Electrician	3-18-2012 to present
<small>Current Employer:</small>	<small>Position:</small>	<small>Dates of Employment:</small>

**Education:**

Jackson Community College, Ferris State University, Ann Arbor Electrical School

Please indicate why you are requesting appointment to this Board (s) /Commission (s):

I would appreciate the opportunity to serve in my community and learn more about its workings.

Additional Information you feel may be helpful in considering your request for appointment:

Erik Koepfgen	3/25/2012
<small>Signature:</small>	<small>Date:</small>

## COUNTY OF JACKSON

### REQUEST FOR BOARD OR COMMISSION APPOINTMENT

Mail or personally deliver to: *County of Jackson -- Administrator/Controller's Office -- 6<sup>th</sup> Floor*  
*120 West Michigan Avenue, Jackson, MI 49201*  
*(517) 788-4335 FAX (517) 780-4755*

The Jackson County Board of Commissioners appoints individuals to numerous Boards and Commissions.  
Persons who wish to serve should complete the following information.

NAME: Van Goethem Frank   
Last First, Middle Initial  
HOME ADDRESS: 11104 Northview Drive Jerome 49249  
Street City Zip Code  
TELEPHONE: (517) 688-5266 (H), (517) 780-5779 (W) frankvg@frontiernet.net  
Home, Work, Cell, or Business (Include Area Code) E-mail Address

**Name of Board(s) or Commission(s) to which Appointment is requested:**

1. LifeWays 2.  3.

**Community Activities/Civic Organization/Boards/Commissions:**

Activity / Organization:	Length of Service	Position (s) Held:
<u>Big Brother-Big Sister</u>	<u>10 years</u>	<u>Big Brother</u>
<u>Jackson Police department (Reserve)</u>	<u>6 years (ongoing)</u>	<u>Sargeant</u>
<u></u>	<u></u>	<u></u>

**Employment:**

<u>State of Michigan + self-employed</u>	<u>Clinical psychologist</u>	<u>1987 - preset and 1991 - present</u>
Current Employer:	Position:	Dates of Employment:

**Education:**

Graduate degree Clinical Psychology, Limited Licensed Psychologist, Licensed Social Worker.

Please indicate why you are requesting appointment to this Board (s) /Commission (s):

As a mental health professional (MDOC, private practice, and as a reserve Police Officer), I would like to represent the voices of many individuals who do not have a voice.

Additional Information you feel may be helpful in considering your request for appointment:

Frank Van Goethem

Signature:

2/26/2012

Date:

## COUNTY OF JACKSON

### REQUEST FOR BOARD OR COMMISSION APPOINTMENT

Mail or personally deliver to: *County of Jackson -- Administrator/Controller's Office -- 6<sup>th</sup> Floor*  
*120 West Michigan Avenue, Jackson, MI 49201*  
*(517) 788-4335 FAX (517) 780-4755*

The Jackson County Board of Commissioners appoints individuals to numerous Boards and Commissions.  
Persons who wish to serve should complete the following information.

NAME: Thomas \_\_\_\_\_ Andrell \_\_\_\_\_  
Last First, Middle Initial  
HOME ADDRESS: 517 Quarry Street \_\_\_\_\_ Jackson \_\_\_\_\_ 49201  
Street City Zip Code  
TELEPHONE: 517-392-3042 \_\_\_\_\_ Thomasa8@michigan.gov  
Home, Work, Cell, or Business (Include Area Code) E-mail Address

**Name of Board(s) or Commission(s) to which Appointment is requested:**

1. LIFEWAYS 2. \_\_\_\_\_ 3. \_\_\_\_\_

**Community Activities/Civic Organization/Boards/Commissions:**

Activity / Organization:	Length of Service	Position (s) Held:
<u>Minority Male Mentoring Program</u>	<u>2/2010-Present</u>	<u>Program Leader</u>
<u>Church of God Youth Group</u>	<u>12/2004-Present</u>	<u>Friday Preteen Teacher</u>
_____	_____	_____

**Employment:**

<u>Cooper Street Correctional Facility</u>	<u>Clinical Supervisor/Therapist</u>	<u>04/30/2010</u>
Current Employer:	Position:	Dates of Employment:

**Education:**

Bachelor of Arts in Criminal Justice, Master of Arts in Family Studies, and currently studying ED. D in Education.

**Please indicate why you are requesting appointment to this Board (s) /Commission (s):**

I believe my current experience in the mental health field can be contributed back to the community. I have a strong desire to assist community based programs grow to help assist individuals in the community.

**Additional Information you feel may be helpful in considering your request for appointment:**

I have experience working with adult and juvenile offenders that have mental health and substance abuse issues. I have experience working closely with community based programs to assist in the growth of clients that may be in need of therapeutic intervention.

Andrell D. Thomas \_\_\_\_\_ 2/27/2012  
Signature: Date:

## COUNTY OF JACKSON

### REQUEST FOR BOARD OR COMMISSION APPOINTMENT

Mail or personally deliver to: *County of Jackson -- Administrator/Controller's Office -- 6<sup>th</sup> Floor*  
*120 West Michigan Avenue, Jackson, MI 49201*  
*(517) 788-4335 FAX (517) 780-4755*

The Jackson County Board of Commissioners appoints individuals to numerous Boards and Commissions.  
Persons who wish to serve should complete the following information.

NAME: Moten, Jr. Clevester  
Last First, Middle Initial  
HOME ADDRESS: 2528 Gilman Pl. Jackson 49203  
Street City Zip Code  
TELEPHONE: (517) 936-3531 clevester.moten@gmail.com  
Home, Work, Cell, or Business (Include Area Code) E-mail Address

**Name of Board(s) or Commission(s) to which Appointment is requested:**

1. Life Way's 2. Community Planning Committee 3. Human Service Board

**Community Activities/Civic Organization/Boards/Commissions:**

Activity / Organization:	Length of Service	Position (s) Held:
<u>Mentoring Network of Jackson County</u>	<u>Present (2 yrs.)</u>	<u>Mentor Recruitor</u>
<u>Salvation Army Board of Directors</u>	<u>2 yrs.</u>	<u>Board Member</u>
<u>City of Jackson-Recreational Dept.</u>	<u>2yrs.</u>	<u>Volunteer-Community Programs</u>

**Employment:**

<u>Shar, Inc.</u>	<u>Counselor-Substance Abuse</u>	<u>07/11/12-Present</u>
Current Employer:	Position:	Dates of Employment:

**Education:**

PhD Candidate (ABD) Walden University, Public Policy and Administration, specializing in public leadership and management

Please indicate why you are requesting appointment to this Board (s) /Commission (s):

Have been an influential administrator and human service professional for ten-years now with expertise in mental-health, substance abuse, stress management, crisis intervention. In addition, I have many credentials and a strong background in administration and public policy.

Additional Information you feel may be helpful in considering your request for appointment:

Have multiple years of training and experience in the private and public sector; including non-profit management.

Clevester Moten, Jr. 2/23/2012  
Signature: Date:

# COUNTY OF JACKSON

## REQUEST FOR BOARD OR COMMISSION APPOINTMENT



Mail or personally deliver to: County of Jackson Administrator/Controller's Office 6<sup>th</sup> Floor  
120 West Michigan Avenue, Jackson, MI 49201  
(517) 788-4335 fax (517) 780-4755

The Jackson County Board of Commissioners appoints individuals to numerous Boards and Commissions. Persons who wish to serve should complete the following information.

NAME: GRIFFIS HOWARD E  
Last First Middle Initial  
HOME ADDRESS: 1008 DANDELL HORTON 49246  
Street City Zip Code  
TELEPHONE: (517) 688-4922  
Home, Work, Cell, or Business (Include Area Code) E-mail Address

Name of Board(s) or Commission(s) to which Appointment is requested:

REGION II AREA AGENCY ON AGING

Community Activities/Civic Organization/Boards/Commissions:

Activity/Organization:	Length of Service	Position(s) Held:
<u>HANOVER TWP</u>	<u>10 YRS</u>	<u>SUPERVISOR</u>
<u>CONCORD UMC</u>	<u>12 YRS</u>	<u>FINANCE CHAIR</u>
<u>HANOVER-HORTON</u>	<u>5 YRS</u>	<u>PRESIDENT</u>
<u>REGION II AAA</u>	<u>7 YRS</u>	<u>CHAIR - PRESENT</u>
<u>RETIRED</u>		<u>FINANCE CHAIR</u>

Employment: RETIRED  
Current Employer: Position: Dates of Employment:

### Education:

HANOVER-HORTON H.S., HILLSDALE, J.C.C.

Please indicate why you are requesting appointment to this Board(s)/Commission(s):

RE-APPOINTMENT

Additional Information you feel may be helpful in considering your request for Appointment:

[Signature]  
Signature

3/14/12  
Date

# COUNTY OF JACKSON

## REQUEST FOR BOARD OR COMMISSION APPOINTMENT

Mail or personally deliver to: County of Jackson Administrator/Controller's Office- 6<sup>th</sup> Floor  
120 West Michigan Avenue, Jackson, MI 49201  
(517) 788-4335 fax (517) 780-4755

The Jackson County Board of Commissioners appoints individuals to numerous Boards and Commissions. Persons who wish to serve should complete the following information.

NAME: Spink Patricia J  
Last First Middle Initial  
HOME ADDRESS: 8537 Folks Road Hanover, Michigan 49241  
Street City Zip Code  
TELEPHONE: (517) 563-8951  
Home, Work, Cell, or Business (Include Area Code) E-mail Address

### Name of Board(s) or Commission(s) to which Appointment is requested:

1. Region 2 Area Agency on Aging Board of Directors → This will be a reappointment, that I am requesting.

### Community Activities/Civic Organization/Boards/Commissions:

Activity/Organization:	Length of Service	Position(s) Held:
Hanover-Horton Area Historical Society & Organ Museum	1 year plus (will continue through 2012)	Director Position
Hanover Community Food Pantry	2 years	Monthly Distributor
Jackson Area Nursing Home Olympics	16 years	Organizer & Coordinator

### Employment:

Retired from Jackson County Department on Aging	Program Developer - Public Relations	May, 1987 - September, 2008
Current Employer:	Position:	Dates of Employment:

Education: Hanover-Horton High School (1968) Masters University of Michigan } 1987  
Western Michigan University (1972) Education w/ Emphasis in Gerontology  
(Undergraduate) Also Specialist in Aging degree from Institute of Gerontology

Please indicate why you are requesting appointment to this Board(s)/Commission(s):

I am very partial to helping senior citizens in any way possible. After retiring from a career with seniors, I see this Board as a means to keep myself viable in this arena.

Additional Information you feel may be helpful in considering your request for Appointment:

I come with the recommendation of the Director of Region 2 Area Agency on Aging.

Patricia J. Spink

Signature

March 25, 2012

Date

SON COUNTY  
RECEIVED  
MAR 22 2012  
COUNTY OF JACKSON  
REQUEST FOR BOARD OR COMMISSION APPOINTMENT

Mail or personally deliver to: County of Jackson Administrator/Controller's Office- 6<sup>th</sup> Floor  
120 West Michigan Avenue, Jackson, MI 49201  
(517) 788-4335 fax (517) 780-4755

The Jackson County Board of Commissioners appoints individuals to numerous Boards and Commissions. Persons who wish to serve should complete the following information.

NAME: Shepherd Arlene A  
Last First Middle Initial  
HOME ADDRESS: 3300 Spirea Ct #426 Jackson MI 49202  
Street City Zip Code  
TELEPHONE: 517 7681202 arlenes40@comcast.net  
Home, Work, Cell, or Business (Include Area Code) E-mail Address

Name of Board(s) or Commission(s) to which Appointment is requested:

1. Region II Board of Directors 3. \_\_\_\_\_

Community Activities/Civic Organization/Boards/Commissions:

Activity/Organization:	Length of Service	Position(s) Held:
<u>St Vincent De Paul</u>	<u>11 yrs</u>	<u>Volunteer worker</u>
<u>Armenians</u>	<u>5 yrs</u>	<u>Prayer helper</u>
<u>Omskud sman</u>	<u>2 yrs</u>	<u>Educate Resthome residents</u>

Employment:

Retired  
Current Employer: Position: Dates of Employment:

Education:

Some College  
Please indicate why you are requesting appointment to this Board(s)/Commission(s): Dedication, would like to continue working to help seniors & feel with my previous years on board I now have a better rounded view  
Additional Information you feel may be helpful in considering your request for Appointment: understanding, patience & fortitude

Arlene Shepherd  
Signature

3-22-12  
Date

## COUNTY OF JACKSON

### REQUEST FOR BOARD OR COMMISSION APPOINTMENT

Mail or personally deliver to: *County of Jackson -- Administrator/Controller's Office -- 6<sup>th</sup> Floor*  
*120 West Michigan Avenue, Jackson, MI 49201*  
*(517) 788-4335 FAX (517) 780-4755*

The Jackson County Board of Commissioners appoints individuals to numerous Boards and Commissions.  
Persons who wish to serve should complete the following information.

NAME: Koepfgen Erik  
Last First, Middle Initial  
HOME ADDRESS: 215 S. Main St. Munith 49259  
Street City Zip Code  
TELEPHONE: 517-596-2980 ekoepfgen@gmail.com  
Home, Work, Cell, or Business (Include Area Code) E-mail Address

**Name of Board(s) or Commission(s) to which Appointment is requested:**

1. Region 2 Area-Agency on Aging 2. Jackson County Airport-Zoning Board 3. \_\_\_\_\_

**Community Activities/Civic Organization/Boards/Commissions:**

Activity / Organization:	Length of Service	Position (s) Held:
_____	_____	_____
_____	_____	_____
_____	_____	_____

**Employment:**

Shaw Electric	Electrician	3-18-2012 to present
Current Employer:	Position:	Dates of Employment:

**Education:**

Jackson Community College, Ferris State University, Ann Arbor Electrical School

Please indicate why you are requesting appointment to this Board (s) /Commission (s):

I would appreciate the opportunity to serve in my community and learn more about its workings.

Additional Information you feel may be helpful in considering your request for appointment:

Erik Koepfgen 3/25/2012  
Signature: Date:

## COUNTY OF JACKSON

### REQUEST FOR BOARD OR COMMISSION APPOINTMENT

Mail or personally deliver to: *County of Jackson -- Administrator/Controller's Office -- 6<sup>th</sup> Floor*  
*120 West Michigan Avenue, Jackson, MI 49201*  
*(517) 788-4335 FAX (517) 780-4755*

The Jackson County Board of Commissioners appoints individuals to numerous Boards and Commissions.  
Persons who wish to serve should complete the following information.

NAME: Crumbsy Adonikam (Donny)  
Last First, Middle Initial

HOME ADDRESS: 1210 Edwards St. Albion 49224  
Street City Zip Code

TELEPHONE: (517) 612-1046 dcrumbsy@scmw.org  
Home, Work, Cell, or Business (Include Area Code) E-mail Address

**Name of Board(s) or Commission(s) to which Appointment is requested:**

1. Lifeways - Public Member 2. \_\_\_\_\_ 3. \_\_\_\_\_

**Community Activities/Civic Organization/Boards/Commissions:**

Activity / Organization:	Length of Service	Position (s) Held:
_____	_____	_____
_____	_____	_____
_____	_____	_____

**Employment:**

<u>Jackson Community College</u>	<u>Workforce Development/Prisoner ReEntry</u>	<u>June 2009 - Current</u>
Current Employer:	Position:	Dates of Employment:

**Education:**

Bachelor's - Family Life Education, Master's - Business Management - In Progress

Please indicate why you are requesting appointment to this Board (s) /Commission (s):

I have worked in mental health to some degree for ten years. I believe that I will be an asset to Lifeways and the Jackson Community.

Additional Information you feel may be helpful in considering your request for appointment:

I have great knowledge of mental health and local agencies that promote the well being of our citizens and would love to continue to service those in need of help.

Adonikam Crumbsy (Donny) 4/9/2012  
Signature: Date:



# Jackson County ADMINISTRATOR / CONTROLLER

---

Michael R. Overton, Administrator/Controller

Adam J. Brown, Deputy Administrator

**TO:** Board of County Commissioners

**FROM:** Adam J. Brown  
Deputy Administrator

**SUBJECT:** Brownfield Revolving Loan Fund Subgrant Agreement

**DATE:** April 11, 2012

## **Motion Requested**

Approve Resolution (04-12.17) Approving a Brownfield's Revolving Loan Fund Amended Subgrant Agreement between the Jackson County Brownfield Redevelopment Authority and the County of Jackson

## **I. Background**

- A. The Jackson County Brownfield Development Authority approved an agreement to fund asbestos abatement at the Riverwalk Hotel in 2011 in the amount of \$151,398.
- B. Abatement of asbestos must occur prior to demolition. Asbestos needing to be removed prior to demolition has been identified in flooring, roofing, and other materials.

## **II. Current Situation**

- A. An additional \$80,333 is now available to be allocated to this project bringing the total to \$231,731.
- B. Specifications for abatement have been completed and are out for bid. The award of the contract will come back to the Board in May.

## **III. Analysis**

- A. **Strategic** – Economic Development is the County's number one strategic goal.
- B. **Financial** - We anticipate that the \$231,731 should be sufficient to cover the abatement costs for the Riverwalk Hotel at one Jackson Square. The City of Jackson has suggested that they may be able to free up additional County Brownfield funds, working with the Environmental Protection Agency (EPA), should the cost exceed this amended amount.

- C. Legal** – For the county to allocate additional funding, the subgrant agreement must be amended.
  - D. Timing** – Funding needs to be in place by the time the contract for abatement is awarded. Approval in April will allow us to award the contract in May of 2012.
- IV. Alternatives** – If the county takes no action, we may or may not have sufficient funds to award a contract in May.
- V. Recommendation**

The Administrator/Controller's Office recommends approval of this subgrant amendment.

**Attachments:**

Resolution (04-12.17)

**JACKSON COUNTY, MICHIGAN**

**RESOLUTION (04-12.17)  
APPROVING A BROWNFIELDS REVOLVING LOAN FUND  
AMENDED SUBGRANT AGREEMENT  
BETWEEN THE JACKSON COUNTY BROWNFIELD  
REDEVELOPMENT AUTHORITY AND THE  
COUNTY OF JACKSON**

At a meeting of the Board of Commissioners of Jackson County, Michigan, held in the County Tower Building located at 120 W. Michigan Ave., Jackson, Michigan, on the 17<sup>th</sup> day of April, 2012, at 7:00 p.m.

PRESENT:

ABSENT:

MOTION BY:

SUPPORTED BY:

WHEREAS, the Jackson County Board of Commissioners, pursuant to and in accordance with the provisions of the Brownfield Redevelopment Financing Act, being Act 381 of the Public Acts of the State of Michigan of 1996, as amended (the "Act"), has formally resolved to participate in the Jackson County Brownfield Redevelopment Authority (JCBRA) and has designated that all related activities shall proceed through the JCBRA; and

WHEREAS, the JCBRA, has reviewed, adopted and recommended for approval by the Jackson County Board of Commissioners (the "Grantee"), the Amended Brownfields Revolving Loan Fund Subgrant Agreement (the "Agreement") attached hereto, relating to the remediation project proposed for the former Riverwalk Hotel, located at One Jackson Square in the City of Jackson, Michigan (the "Property"), as more particularly described and shown in Exhibit 1 contained within the attached Agreement; and

WHEREAS, the Grantee is the owner of the Property; and

WHEREAS, the JCBRA (the "Grantor") is the recipient of EPA Brownfields Revolving Loan Funds ("BRLF") and is authorized to make certain grants and loans from these funds; and

WHEREAS, the BRLF is to be used to undertake cleanup of Brownfield sites by making low interest loans and subgrants to parties willing to undertake cleanup of these sites; and

WHEREAS, the Grantor has agreed to subgrant to Grantee up to \$231,731 of the Grant Funds which will be used by the Grantee for Asbestos Abatement and Hazardous Materials Removal at the Property (the "Remediation Work"); and

WHEREAS, the Jackson County Board of Commissioners has reviewed the Agreement, and has been provided a reasonable opportunity to express their views and recommendations regarding the Agreement; and

WHEREAS, as a result of its review of the Agreement, the Jackson County Board of Commissioners concurs with approval of the Agreement;

**NOW, THEREFORE, BE IT RESOLVED THAT:**

1. **Agreement Approved.** Pursuant to the authority vested in the Jackson County Board of Commissioners, the Agreement is hereby approved in the form attached to this Resolution, subject to minor modifications directed by EPA or Grantor/Grantee legal review.
2. **Severability.** Should any section, clause or phrase of this Resolution be declared by the courts to be invalid, the same shall not affect the validity of this Resolution as a whole nor any part thereof other than the part so declared to be invalid.
3. **Repeals.** All resolutions or parts of resolutions in conflict with any of the provisions of this Resolution are hereby repealed.
4. **Execution.** Chairman James S. Shotwell, Jr., Chairman of the Jackson County Commission is hereby authorized to sign the Agreement on behalf of the Grantee.

AYES:

NAYES:

ABSTAINED:

**RESOLUTION DECLARED ADOPTED.**

STATE OF MICHIGAN     )  
COUNTY OF JACKSON    ) ss:

I, the undersigned, the fully qualified Clerk of Jackson County, State of Michigan, do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the County Board of Commissioners of Jackson County at a meeting held on the 17<sup>th</sup> day of April, 2012, the original of which resolution is on file in my office.

IN WITNESS WHEREOF, I have hereunto set my official signature this \_\_\_\_ day of \_\_\_\_\_, 2012.

---

Amanda Riska, Jackson County Clerk

**JACKSON COUNTY, MICHIGAN**

**RESOLUTION APPROVING A BROWNFIELDS REVOLVING LOAN FUND  
SUBGRANT AGREEMENT  
BETWEEN THE JACKSON COUNTY BROWNFIELD  
REDEVELOPMENT AUTHORITY AND THE  
COUNTY OF JACKSON**

At a meeting of the Board of Commissioners of Jackson County, Michigan, held in the County Tower Building located at 120 W. Michigan Ave., Jackson, Michigan, on the 4<sup>th</sup> day of March 2011, at 7:30 a.m.

PRESENT: (10) Commissioners Herl, Lutchka, Rice, Duckham, Alexander, Videto, Williams, Way, Elwell, and Shotwell.

ABSENT: (2) Commissioners Mahoney and Smith.

MOTION BY: Commissioner Lutchka

SUPPORTED BY: Commissioner Videto

WHEREAS, the Jackson County Board of Commissioners, pursuant to and in accordance with the provisions of the Brownfield Redevelopment Financing Act, being Act 381 of the Public Acts of the State of Michigan of 1996, as amended (the "Act"), has formally resolved to participate in the Jackson County Brownfield Redevelopment Authority (JCBRA) and has designated that all related activities shall proceed through the JCBRA; and

WHEREAS, the JCBRA, has reviewed, adopted and recommended for approval by the Jackson County Board of Commissioners (the "Grantee"), the Brownfields Revolving Loan Fund Subgrant Agreement (the "Agreement") attached hereto, relating to the remediation project proposed for the former Riverwalk Hotel, located at One Jackson Square in the City of Jackson, Michigan (the "Property"), as more particularly described and shown in Exhibit 1 contained within the attached Agreement; and

WHEREAS, the Grantee is the owner of the Property; and

WHEREAS, the JCBRA (the "Grantor") is the recipient of EPA Brownfields Revolving Loan Funds ("BRLF") and is authorized to make certain grants and loans from these funds; and

WHEREAS, BRLF is to be used to undertake cleanup of Brownfield sites by making low interest loans and subgrants to parties willing to undertake cleanup of these sites; and

WHEREAS, the Grantor has agreed to subgrant to Grantee up to \$151,398 of the Grant Funds which will be used by the Grantee for Asbestos Abatement and Hazardous Materials Removal at the Property (the "Remediation Work"); and

WHEREAS, the Jackson County Board of Commissioners has reviewed the Agreement, and has been provided a reasonable opportunity to express their views and recommendations regarding the Agreement; and

WHEREAS, as a result of its review of the Agreement, the Jackson County Board of Commissioners concurs with approval of the Agreement;

**NOW, THEREFORE, BE IT RESOLVED THAT:**

1. **Agreement Approved.** Pursuant to the authority vested in the Jackson County Board of Commissioners, the Agreement is hereby approved in the form attached to this Resolution, subject to minor modifications directed by EPA or Grantor/Grantee legal review.
2. **Severability.** Should any section, clause or phrase of this Resolution be declared by the courts to be invalid, the same shall not affect the validity of this Resolution as a whole nor any part thereof other than the part so declared to be invalid.
3. **Repeals.** All resolutions or parts of resolutions in conflict with any of the provisions of this Resolution are hereby repealed.
4. **Execution.** Chairman James S. Shotwell, Jr., Chairman of the Jackson County Commission is hereby authorized to sign the Agreement on behalf of the Grantee.

AYES: (10) Commissioners Herl, Lutchka, Rice, Duckham, Alexander, Videto, Williams, Way, Elwell, and Shotwell.

NAYES: (0)

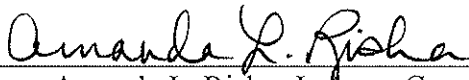
ABSTAINED: (0)

**RESOLUTION DECLARED ADOPTED.**

STATE OF MICHIGAN     )  
COUNTY OF JACKSON    ) ss:

I, the undersigned, the fully qualified Clerk of Jackson County, State of Michigan, do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the County Board of Commissioners of Jackson County at a meeting held on the 4<sup>th</sup> day of March, 2011, the original of which resolution is on file in my office.

IN WITNESS WHEREOF, I have hereunto set my official signature this 14<sup>th</sup> day of March, 2011.

  
\_\_\_\_\_  
Amanda L. Riska, Jackson County Clerk

**RESOLUTION (04-12.15)**  
**REQUESTING THAT THE MICHIGAN DEPARTMENT OF**  
**COMMUNITY HEALTH DESIGNATE LIFEWAYS AS THE COORDINATING**  
**AGENCY FOR JACKSON COUNTY EFFECTIVE OCTOBER 1, 2012**

**WHEREAS**, Section 6226(1) of Public Act 368 of 1978, as amended, provides for designation of a Coordinating Agency to administer substance use disorder services subject to the approval of the affected county board or boards of commissioners, and

**WHEREAS**, the Mid-South Substance Abuse Commission entered into an Agreement on the 21<sup>st</sup> day of January, 2010, between the Counties of Clinton, Eaton, Gratiot, Hillsdale, Ingham, Ionia, Jackson, Lenawee, and Newaygo Counties, to be the Coordinating Agency for the aforementioned nine county region, and

**WHEREAS**, the State of Michigan approved the Inter-Local Agreement on the 2<sup>nd</sup> day of July, 2010, for Mid-South to perform functions as the Coordinating Agency for the nine counties under Public Act 368 of 1978, as amended, and

**WHEREAS**, the Mid-South Substance Abuse Commission strives to continually improve services for residents in the nine county region, and has approved a Transformational Plan addressing Substance Use Disorder services with the focus of partnering with other systems, and

**WHEREAS**, many significant future uncontrollable events, including but not limited to health care reform and state legislative action, may be detrimental to the public SUD system absent undertaking realignment of SUD with behavioral health services, and

**WHEREAS**, LifeWays contains two of Mid-South's counties and provides and contracts for behavioral health services for Jackson County;

**NOW, THEREFORE BE IT RESOLVED**, that the Jackson County Board of Commissioners requests the Michigan Department of Community Health to designate LifeWays as the Coordinating Agency for administering Substance Use Disorder services under Public Act 368 of 1978, as amended, effective October 1, 2012.

**BE IT FURTHER RESOLVED**, that the Jackson County Commissioners authorize the Board Chair and County Clerk to sign any and all amendment agreements consistent with this resolution.

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James E. Shotwell, Jr., Chairman  
Jackson County Board of Commissioners  
*Adopted March 20, 2012*