

**VILLAGE OF KENT CITY**

**COUNTY OF KENT, MICHIGAN**

At a special meeting of the Village Council of the Village of Kent City, County of Kent, Michigan, held in the Village Hall in said Village, on Wednesday, June 10, 1998, at 7:00 p.m. Local Time.

PRESENT: Members: Afton, Goss, Hansen, Seites

ABSENT: Members: Coalter, Shepardson

It was moved by Member Hansen and seconded by Member Afton that the following Ordinance be adopted.

**ORDINANCE NO. 06-98-07**

AN ORDINANCE TO AUTHORIZE AND PROVIDE FOR THE ISSUANCE OF SEWER REVENUE AND REVENUE REFUNDING BONDS TO FUND A PORTION OF THE COST OF IMPROVEMENTS TO THE KENT CITY SEWER SYSTEM AND A PORTION OF THE COST OF REFUNDING CERTAIN OUTSTANDING VILLAGE BONDS; TO PROVIDE FOR THE SECURITY OF THE BONDS HEREIN AUTHORIZED; AND TO PROVIDE FOR OTHER MATTERS RELATIVE TO SAID IMPROVEMENTS AND BONDS.

Upon roll call vote, the vote upon the motion adopting said Ordinance was as follows:

YEAS: Members: Afton, Goss, Hansen, Seites

NAYS: Members: None

ABSTAIN: Members: None

The Village Clerk declared the Ordinance adopted.

The following is Ordinance No. 06-98-07 as adopted:

## VILLAGE OF KENT CITY

### ORDINANCE NO. 06-98-07

AN ORDINANCE TO AUTHORIZE AND PROVIDE FOR THE ISSUANCE OF SEWER REVENUE AND REVENUE REFUNDING BONDS TO FUND A PORTION OF THE COST OF IMPROVEMENTS TO THE KENT CITY SEWER SYSTEM AND A PORTION OF THE COST OF REFUNDING CERTAIN OUTSTANDING VILLAGE BONDS; TO PROVIDE FOR THE SECURITY OF THE BONDS HEREIN AUTHORIZED; AND TO PROVIDE FOR OTHER MATTERS RELATIVE TO SAID IMPROVEMENTS AND BONDS.

THE VILLAGE OF KENT CITY ORDAINS:

**Section 1. Definitions.** Whenever used in this Ordinance, except when otherwise indicated by the context, the following terms shall have the following meanings:

- a. “ACA” means ACA Financial Guaranty Corporation, a Maryland stock insurance company.
- b. “Act 94” means Act 94 of the Public Acts of Michigan of 1933, as amended.
- c. “Additional Bonds” means any additional bonds of equal standing with the Series 1998 Bonds issued pursuant to Section 24 of this Ordinance.
- d. “Bond Registrar” means Old Kent Bank, Grand Rapids, Michigan, which shall act on behalf of the Village as paying, registration and bond registrar with respect to the Bonds, or such other bank or trust company qualified to act as a paying agent and registrar in the State of Michigan and designated by resolution of the Council.
- e. “Bond Reserve Requirement” means an amount equal to the lesser of (i) 10% of the aggregate principal amount of the Bonds (less the principal amount of the Series 1998A Bonds), (ii) an amount equal to the maximum annual principal and interest requirements on the Bonds (less the maximum annual principal and interest requirements on the Series 1998A Bonds) or (c) 125 percent (125%) of the average annual principal and interest requirements on the Bonds (less the average annual principal and interest requirements on the Series 1998A Bonds).
- f. “Bonds” means the Series 1998 Bonds, including the bonds delivered to the initial purchaser thereof and any individual bonds exchanged therefor, and, when issued and delivered, any Additional Bonds authorized and issued in accordance with Section 24 of this Ordinance.
- g. “Bonds to be Refunded” means the Sewer System Junior Lien Revenue Bonds, Series II issued by the Village in the original principal amount of \$275,000 pursuant to the Prior Bond Ordinance.
- h. “Consulting Engineers” means the engineer or engineering firm or firms appointed from time to time, and having a favorable reputation for skill and experience in the

design and operation of municipal sanitary sewer systems, at the time retained by the Council to perform the acts and carry out the duties provided for such Consulting Engineers in the Ordinance.

- i. “Council” or “Village Council” means the Village Council of the Village.
- j. “DEQ” means the Department of Environmental Quality of the State of Michigan, or its successor.
- k. “Depository” shall mean Valley Ridge Bank, Kent City, Michigan, or such other bank as shall be qualified under Section 15 of Act 94 and designated to act as depository pursuant to this Ordinance by resolution of the Council.
- l. “Escrow Deposit Agreement” means the Escrow Deposit Agreement by and between the Village and the Escrow Trustee which provides for the deposit into escrow of sufficient funds to fully defease the Bonds to be Refunded.
- m. “Escrow Trustee” means Old Kent Bank acting in the capacity as escrow trustee in accordance with the Escrow Deposit Agreement.
- n. “Government” means the United States of America.
- o. “Government Obligations” means direct obligations of (including obligations issued or held in book entry form on the books of) the United States of America.
- p. “Investment Obligations” means the investments permitted by Section 24 of Act 94.
- q. “Loan Resolution” means the Loan Resolution (RUS Bulletin 1780-27) adopted by the Village Council prior to issuance of and with respect to the Series 1998B Bonds.
- r. “MMBA” means the Michigan Municipal Bond Authority, a public body corporate, separate and distinct from the State of Michigan.
- s. “Net Revenues” means the Revenues remaining after deducting the reasonable expenses of administration, operation, and maintenance of the System.
- t. “Ordinance” means this Ordinance and any other ordinance amendatory to or supplemental to this Ordinance and shall include any ordinance authorizing the issuance and sale of Additional Bonds.
- u. “Outstanding Bonds” means Bonds authenticated and delivered under this Ordinance except:
  - (1) Bonds canceled by the Bond Registrar at or prior to such date;

(2) Bonds (or portions of Bonds) for the payment or redemption of which moneys or Government Obligations, equal to the principal amount or redemption price thereof, as the case may be, with interest to the date of maturity or redemption date, shall be held in trust under this Ordinance and set aside for such payment or redemption (whether at or prior to the maturity or redemption date), provided that if such Bonds (or portions of Bonds) are to be redeemed, notice of such redemption shall have been given as provided in this Ordinance or provision satisfactory to the Bond Registrar shall have been made for the giving of such notice; and

(3) Bonds in lieu of or in substitution for which other Bonds shall have been authenticated and delivered hereunder.

v. "Policy" means the Bond Insurance Policy issued by ACA to the Village with respect to the Series 1998A Bonds.

w. "Prior Bond Ordinance" means Ordinance No. 24 adopted by the Village Council on January 14, 1980 to authorize the issuance of the Bonds to be Refunded.

x. "Project" includes improvements to the System to be funded in part from proceeds of the Series 1998A Bonds and the Series 1998B Bonds including the replacement of existing collection and interceptor sewers, sewer leads, building sewers, pump stations, standby generator, together with the rights of way therefor and related appurtenances.

y. "Purchase Contract" means the Purchase Contract dated as of June 10, 1998, by and between the Village and the MMBA which provides for the purchase by the MMBA of the Series 1998A Bonds.

z. "Registered Owner" means the owner of a Bond as shown by the registration records kept by the Bond Registrar.

aa. "Revenues" means the income derived from the rates charged for the services, facilities and commodities furnished by the System, including without limitation, fees for connection to and use of the System and income derived by reason of future improvements, enlargements, extensions or repairs to the System. Revenues shall include earnings on investment of funds and accounts of the System required to be deposited in the Receiving Fund pursuant to the Ordinance and other revenues derived from or pledged to operation of the System. Notwithstanding the foregoing, Revenues shall not include the connection fees payable in accordance with a certain sanitary sewer construction and payback agreement dated as of June 10, 1998.

bb. "Series 1998 Bonds" means the Series 1998A Bonds and the Series 1998B Bonds.

cc. "Series 1998 Bond Ordinance" means this Ordinance adopted by the Village Council to authorize the issuance of the Series 1998 Bonds.

dd. “Series 1998A Bonds” means the Village’s Sewer Revenue Bonds (Limited Tax General Obligation), Series 1998A in the amount of \$1,260,000 as authorized by this Ordinance.

ee. “Series 1998B Bonds” means the Village’s Sewer Revenue and Revenue Refunding Bonds, Series 1998B in the amount of \$1,240,000 as authorized by this Ordinance.

ff. “Supplemental Agreement” means the Supplemental Agreement dated as of June 25, 1998, by and between the Village, the MMBA and the DEQ with respect to the Series 1998A Bonds.

gg. “System” means the complete sanitary sewage disposal system of the Village intended to serve the Village of Kent City, including the trunk and lateral sanitary sewers, pumping stations, and sewage treatment facility together with all plants, works, instrumentalities and properties, used or useful in connection with the collection, treatment and disposal of sanitary sewage and all additions, extensions and improvements existing or hereafter acquired (including the Project).

hh. “Village” means the Village of Kent City, Kent County, Michigan.

**Section. 2. Necessity; Approval of Plans and Specifications; Estimated Cost; Period of Usefulness.** It is hereby determined to be necessary for the public health, safety and welfare of the Village to acquire and construct the Project, in accordance with the detailed plans and specifications therefor prepared by Prein & Newhof, consulting engineers of Grand Rapids, Michigan, which plans and specifications are hereby approved. The cost of the Project has been estimated by said engineers to be Two Million Seven Hundred Sixty-nine Thousand Dollars (\$2,769,000) including the payment of incidental expenses as are hereafter specified in Section 4 of this Ordinance, which estimate of cost is hereby approved and confirmed, and the period of usefulness of the public improvements which comprise the Project is estimated to be greater than forty (40) years.

**Section. 3. Refunding of Bonds to be Refunded.** It is hereby determined to be necessary for the Village to refund in full, on a current refunding basis, the Bonds to be Refunded and discharge the Prior Bond Ordinance to achieve interest savings and eliminate restrictive covenants imposed by the terms of the Prior Bond Ordinance on the Village and the System and to thereby accommodate the financing of the Project.

**Section. 4. Issuance of Bonds.** To defray a portion of the cost of acquiring and constructing the Project, including the payment of legal, engineering, financial and other expenses incident thereto and incident to the issuance and sale of the Series 1998 Bonds, it is hereby determined that the Village borrow the sum of Two Million Two Hundred Ninety-five Thousand Dollars (\$2,295,000). To defray a portion of the cost of refunding the Bonds to be Refunded, it is hereby determined that the Village borrow the sum of Two Hundred Five Thousand Dollars (\$205,000). To evidence these borrowings, the Village shall issue the Series 1998A Bonds to fund a portion of the cost of the Project in the amount of \$1,260,000 and the Series 1998B Bonds to fund a portion of the cost of the Project in the amount of \$1,035,000 and a portion of the cost of refunding

the Bonds to be Refunded in the amount of \$205,000. The remaining cost of the Project shall be paid by funds on hand of the Village. The remaining cost of refunding the Bonds to be Refunded, including the payment of the costs of issuance thereof shall be paid from funds on hand of the Village.

**Section. 5. Series 1998 Bond Details.**

a. The Series 1998A Bonds shall be issued in the amount of \$1,260,000 and shall be designated SEWER REVENUE BONDS, SERIES 1998A, substantially in the form attached to this Ordinance as Exhibit A. The Series 1998A Bonds shall be payable and secured in the manner set forth in Sections 8, 9 and 10. The Series 1998A Bonds shall be initially issued in fully-registered form in a single manuscript bond and shall be numbered AR-1. The Series 1998A Bonds shall be dated as of the date of initial delivery to the MMBA, shall bear interest (including “additional interest”) in the manner set forth in the Bond form attached hereto as Exhibit A at the rate of two and one-quarter percent (2.25%) per annum payable on October 1, 1998, and semi-annually thereafter on April 1 and October 1 of each year. The principal on the Series 1998A Bonds shall be due and payable on April 1 in the years 1999 through 2018 as set forth in subsection (c).

b. The Series 1998B Bonds shall be issued in the amount of \$1,240,000 and shall be designated SEWER REVENUE AND REVENUE REFUNDING BONDS, SERIES 1998B, substantially in the form attached to this Ordinance as Exhibit B. The Series 1998B Bonds shall be payable and secured in the manner set forth in Section 8 and Section 16b (with respect to the Bond Reserve Account). The Series 1998B Bonds shall be initially issued in fully-registered form in a single manuscript bond and shall be numbered BR-1. The Series 1998B Bonds shall be dated as of the date of initial delivery to the Government, shall bear interest in the manner set forth in the Bond form attached hereto as Exhibit B at the rate of four and one-half percent (4.500%) per annum payable on October 1, 1998, and semi-annually thereafter on April 1 and October 1 of each year. The principal on the Series 1998B Bonds shall be due and payable on April 1 in the years 1999 through 2038 as set forth in subsection (c).

c. The Series 1998 Bonds shall mature serially on April 1 in the years 1999 to 2038, as follows:

<b>Year</b>	<b>Series 1998A</b>	<b>Series 1998B</b>	<b>Total</b>
1999	50,000	8,000	58,000
2000	50,000	8,000	58,000
2001	55,000	8,000	63,000
2002	55,000	8,000	63,000
2003	55,000	10,000	65,000
2004	55,000	10,000	65,000
2005	60,000	10,000	70,000
2006	60,000	10,000	70,000
2007	60,000	12,000	72,000
2008	60,000	12,000	72,000
2009	65,000	12,000	77,000

2010	65,000	12,000	77,000
2011	65,000	14,000	79,000
2012	65,000	14,000	79,000
2013	70,000	14,000	84,000
2014	70,000	14,000	84,000
2015	70,000	16,000	86,000
2016	75,000	16,000	91,000
2017	75,000	16,000	91,000
2018	80,000	16,000	96,000
2019	0	30,000	30,000
2020	0	30,000	30,000
2021	0	30,000	30,000
2022	0	30,000	30,000
2023	0	40,000	40,000
2024	0	40,000	40,000
2025	0	40,000	40,000
2026	0	40,000	40,000
2027	0	50,000	50,000
2028	0	50,000	50,000
2029	0	50,000	50,000
2030	0	50,000	50,000
2031	0	60,000	60,000
2032	0	60,000	60,000
2033	0	60,000	60,000
2034	0	60,000	60,000
2035	0	70,000	70,000
2036	0	70,000	70,000
2037	0	70,000	70,000
2038	0	70,000	70,000
Totals	1,260,000	1,240,000	2,500,000

d. Except to the extent provided on Exhibit A, interest shall be payable by check or draft mailed to each Registered Owner at the registered address, as shown on the registration books of the Village maintained by the Bond Registrar. Interest shall be payable to the Registered Owner of record as of the fifteenth day of the month prior to the payment date for each interest payment. The principal of the Bonds shall be payable by the Bond Registrar at the principal office of the Bond Registrar upon presentation and surrender thereof.

e. Principal of and interest on the Bonds shall be payable in lawful money of the United States.

**Section. 6. Redemption of Series 1998 Bonds.**

a. The Series 1998A Bonds may be subject to redemption prior to maturity by the Village only with the prior written consent of the MMBA and on such terms as may be required by the MMBA.

b. The Series 1998B Bonds shall be subject to redemption prior to maturity, at the option of the Village, in whole or in part in increments of \$1,000 in inverse order of maturity as the Village may determine and within any maturity by lot on any interest payment date on or after October 1, 1998 at par and accrued interest to the date fixed for redemption, without premium.

c. Notice of the call of any Series 1998B Bonds for redemption shall be given by first-class mail by the Bond Registrar, no less than 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 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 Bond Registrar to redeem said bonds.

**Section. 7. Registration.** The Bonds shall be fully registered as to principal and interest on the register maintained for the Village by the Bond Registrar. Any Bond, upon surrender of the Bond to the Bond Registrar by the Registered Owner thereof, accompanied by delivery of a duly executed written instrument of transfer satisfactory to the Bond Registrar, may be exchanged for Bonds of any other authorized denominations of the same aggregate principal amount, maturity date and interest rate as the surrendered Bond.

Any Bond may be transferred upon the books of the Village maintained by the Bond Registrar by the Registered Owner thereof, in person or by his duly authorized attorney, upon surrender of the Bond for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Bond Registrar. Whenever any Bond or Bonds shall be surrendered for transfer, the Bond Registrar shall authenticate and deliver a new Bond or Bonds, for like aggregate principal amount, maturity, interest rate and series. The Bond Registrar shall require the payment by the Registered Owner requesting the transfer of any tax or other governmental charge required to be paid with respect to the transfer.

The Village shall have the right to designate a successor to the Bond Registrar and, in such event, a notice shall be mailed to the Registered Owners by the Bond Registrar not less than sixty (60) days prior to the change in Bond Registrar.

The Village shall not be required (i) to issue, register the transfer of, or exchange any Bond during a period beginning at the opening of 15 business days before the date of the mailing of a notice of redemption of Bonds selected for redemption under this Ordinance and ending at the close of business on the day of that mailing, or (ii) to register the transfer of or exchange any Bond so selected for redemption in whole or in part, except the unredeemed portion of Bonds being redeemed in part.

**Section. 8. Payment of Bonds; Creation of Lien.** The Bonds and the interest thereon shall be payable on an equal standing basis solely from the Net Revenues, except with respect to the Series 1998A Bonds which shall also be additionally secured by the pledge of the Village's full faith and credit in the manner provided by Section 10 of this Ordinance and by the Policy in the manner provided by Section 11 of this Ordinance, and to secure such payment, there is hereby created a first priority statutory lien upon the Net Revenues. Pursuant to provisions of Act 94, the Village hereby pledges the Net Revenues to the repayment of the principal of, redemption premium, if any, and

interest on the Bonds. The lien and pledge provided by this Ordinance shall continue until payment in full of all Bonds payable from Net Revenues.

**Section. 9. Pledge of Village Full Faith and Credit as Additional Security for Series 1998A Bonds.** As additional security for the payment of the principal of and interest on the Series 1998A Bonds, the Village, by a majority vote of the elected members of the Village Council, hereby pledges the full faith and credit of the Village. If the Net Revenues primarily pledged to the payment of the principal of and interest on the Series 1998A Bonds are insufficient to make a payment of principal of and interest on the Series 1998A Bonds when due, after taking into account on a ratable basis all payments then due on Bonds of equal standing, the Village shall be obligated to pay the principal of and interest on the Series 1998A Bonds in the same manner and to the same extent as the other general obligation bonds of the Village, including the levy, when necessary, of a tax on all taxable property in the Village in addition to all other taxes which the Village is authorized to levy, but not in excess of the rate or amount necessary to make the payment and subject to the constitutional and statutory limitations on the taxing powers of the Village. Accordingly, the payment of the principal of and interest on the Series 1998A Bonds shall constitute the limited tax general obligation of the Village. If the Village makes payment from taxes or general funds pursuant to its full faith and credit pledge, the Village shall be reimbursed from Net Revenues subsequently received which are not otherwise pledged or encumbered for the payment of Bonds and the interest thereon.

**Section. 10. ACA Policy to Provide Additional Security for Series 1998A Bonds.** The Village shall purchase the Policy from ACA as additional security for payment of principal of and interest on the Series 1998A Bonds in accordance with the terms of the Policy. All proceeds of the Policy are hereby pledged to the repayment of the principal of and interest on the Series 1998A Bonds and a statutory lien on said proceeds is hereby created in favor of the Registered Owners of the Series 1998A Bonds.

**Section. 11. Management.** The operation, repair and management of the System shall be under the supervision and control of the Village Council. The Village may employ such person or persons in such capacity or capacities as it deems advisable to carry on the efficient administration of the System. The Village may make such rules and regulations as it deems advisable and necessary to assure the efficient management and operation of the System.

**Section. 12. Rates.** The rates to be charged for service furnished by the System and the methods of collection and enforcement of the collection of the rates shall be those permitted by law and established by the Council on or before the date of adoption of this Ordinance and thereafter as established by the Council.

**Section. 13. No Free Service.** No free service shall be furnished by the System to any person, firm or corporation, public or private, or to any public agency or instrumentality.

**Section. 14. Rate Covenant.** The rates charged in accordance with Section 12 of this Ordinance are estimated to be sufficient to provide for the payment of the expenses of administration and operation and such expenses for maintenance of the System as are necessary to preserve the System in good repair and working order, and when taken together with Net Revenues, to provide for (i) an amount equal to the annual principal and interest requirements on all of the Bonds as the

same become due and payable, (ii) the maintenance of the Bond Reserve Account, and (iii) to provide for all other obligations, expenditures and funds for the System required by law and this Ordinance. The rates shall be fixed and revised from time to time as may be necessary to produce these amounts, and the Village hereby covenants and agrees to fix and maintain rates in accordance with Act 94 for services furnished by the System at all times sufficient to provide for the foregoing.

**Section. 15. Operating Year.** The System shall be operated on the basis of an operating year which corresponds to the fiscal year of the Village which currently commences on March 1 and ends on the last day of the following February.

**Section. 16. Funds and Accounts, Flow of Funds.** All Revenues of the System shall be set aside as collected and credited to a fund established with the Depository to be designated SANITARY SEWER SYSTEM RECEIVING FUND (the "Receiving Fund"). The Revenues so credited are pledged for the purpose of the following funds and shall be transferred within or from the Receiving Fund periodically in the manner and at the times hereinafter specified:

a. **Operation and Maintenance Fund.** Quarterly on the first day of each March, June, September and December, out of the Revenues credited to the Receiving Fund there shall be first set aside in, or credited to, a fund hereby ordered to be established and maintained with the Depository and designated OPERATION AND MAINTENANCE FUND (the "Operation and Maintenance Fund"), a sum sufficient to provide for the payment of the ensuing quarter's expenses of administration and operation of the System including such current expenses for the maintenance thereof as may be necessary to preserve the same in good repair and working order.

The Village Council, prior to the commencement of each operating year, shall adopt a budget covering the foregoing expenses for such year. During the course of the operating year, the total of such expenses shall not exceed the total amount specified in the budget, except by a majority vote of the members elect of the Village Council.

b. **Bond and Interest Redemption Fund.** There shall be established and maintained a separate depository fund designated BOND AND INTEREST REDEMPTION FUND (the "Redemption Fund"), and the moneys on deposit from time to time therein shall be used solely for the purpose of paying the principal of, redemption premium, if any, and interest on the Bonds. The moneys in the Redemption Fund, shall be kept on deposit with the Bond Registrar for the Bonds. Separate subaccounts shall be maintained in the Redemption Fund for each series of Bonds.

Out of the Net Revenues remaining in the Receiving Fund, after provision for the credit or deposit to the Operation and Maintenance Fund, there shall next be set aside, quarterly on the first day of each March, June, September and December, commencing September 1, 1998, and deposited in the Redemption Fund, for payment of principal and interest on the Bonds, a sum equal to at least one-half of the amount of the interest due on the next ensuing interest payment date plus not less than one-quarter of the principal maturing on the next ensuing principal payment date in each year, subject to any credit therefor from accrued interest and investment earnings transferred from the Bond Reserve Account. Notwithstanding the foregoing, the payment to be set aside on September 1, 1998 with

respect to interest shall equal the interest payment due on the Series 1998 Bonds on October 1, 1998 and the payments to be set aside on September 1, 1998, December 1, 1998 and March 1, 1999 with respect to principal shall equal one-third of the principal due on the Series 1998 Bonds on April 1, 1999. If there shall be any deficiency in the amount previously required to be set aside, then the amount of such deficiency shall be added to the next succeeding monthly requirement.

There is hereby established in the Redemption Fund a separate account to be known as the BOND RESERVE ACCOUNT. The Bond Reserve Account shall be funded by the Village commencing October 1, 1998 by the deposit of Net Revenues remaining, if any, after the set aside into the Redemption Fund of a sufficient sum for current principal and interest payments on the Bonds as provided in the preceding paragraph. The Bond Reserve Account shall be funded, to the extent of available monies, in the amount of \$7,000 annually until an amount equal to the Bond Reserve Requirement has been accumulated. All investment earnings in the Bond Reserve Account shall be transferred to the Redemption Fund and set aside in the subaccount maintained for the Series 1998B Bonds for payment of current principal and interest on the Series 1998B Bonds. If at any time it shall be necessary to use moneys credited to the Bond Reserve Account for the payment of principal and interest on the Series 1998B Bonds, then the moneys so used shall be replaced over a period of not more than 5 years from the Net Revenues first received thereafter which are not required for current principal and interest requirements on the Series 1998 Bonds. If at any time there is any excess in the Bond Reserve Account over the Bond Reserve Requirement, such excess may be transferred to such fund or account as the Village Council shall direct. The Bond Reserve Account does not secure and shall not be used for payment of principal of and interest on the Series 1998A Bonds.

No further payments need be made into the Redemption Fund subaccount for a particular series of Bonds after enough principal on said series of Bonds has been paid so that the amount then held in the Redemption Fund subaccount is equal to the entire amount of principal and interest which will be payable at the time of maturity of said series of Bonds and the monies so held shall be used solely to pay the principal of and interest on said series of Bonds, including redemption premium, if any, as the series of Bonds become due.

c. **Replacement Fund.** There shall be established and maintained with the Depository a fund designated REPLACEMENT FUND (the "Replacement Fund") for the purpose of making major repairs and replacements to the System. There shall be set aside in or credited to the Replacement Fund, after provision is made for the requirements of the foregoing funds and accounts, the sum of not less than \$13,000 each year together with such additional amount as established by the Village Council.

d. **Improvement Fund.** There shall next be established and maintained with the Depository a fund designated IMPROVEMENT FUND (the "Improvement Fund") for the purpose of making improvements, extensions and enlargements to the System. There shall be deposited into said fund, after providing for the foregoing funds, such revenues as the Village Council shall determine.

e. **Surplus Moneys.** Any Revenues in the Receiving Fund at the end of any month of any operating year after satisfying all requirements of the Operation and Maintenance Fund, the Redemption Fund, including the subaccounts established for each series of Bonds and the Bond Reserve Account, the Replacement Fund and the Improvement Fund shall be deemed to be surplus moneys, and may, at the option of the Village Council be used for any of the following purposes:

(1) Transfer to the Replacement Fund or the Improvement Fund;

(2) Transfer to the Redemption Fund and used for the prepayment, payment, or purchase of Bonds; or

(3) Used for such purpose or purposes as the Village Council may determine to be for the best interests of the Village, subject to the prior consent of the Government so long as the Government is a Registered Owner of the Series 1998B Bonds.

If there should be any deficit in the Operation and Maintenance Fund, Redemption Fund, including the Bond Reserve Account, or the Replacement Fund on account of defaults in setting aside required amounts therein, then transfers shall be made from the moneys remaining in the Receiving Fund at the end of any operating year to those funds in the priority and order specified herein, to the extent of any deficit, before any other disposition is made of the monies in the Receiving Fund at the end of any operating year.

**Section. 17. Depository; Fidelity Bond.** Moneys in the several funds and accounts established pursuant to this Ordinance, except moneys in the Redemption Fund, including the Bond Reserve Account, and moneys derived from the proceeds of sale of the Bonds and deposited to the Construction Fund in accordance with Section 19, below, may be kept in one bank account with the Depository, in which event the moneys in the bank account shall be allocated on the books and records of the Village and deposited to the fund and accounts herein established, in the manner and at the times provided in this Ordinance. So long as the Government is a Registered Owner of Series 1998B Bonds, the Village Treasurer and all other persons responsible for the handling of Revenues and proceeds of the Series 1998B Bonds shall execute a fidelity bond in the amount required by the Government with a surety company approved by the Government, which names the Village and the Government as co-obligees and the amount thereof shall not be reduced without the prior written consent of the Government.

**Section. 18. Priority of Funds.** In the event the moneys in the Receiving Fund are insufficient to provide for the current requirements of the Operation and Maintenance Fund or the Redemption Fund any moneys or securities in other funds of the System, except the proceeds of sale of the Series 1998 Bonds, shall be credited or transferred, first, to the Operation and Maintenance Fund and second, to the Redemption Fund, to the extent of any deficit therein.

**Section. 19. Proceeds of Series 1998A Bonds and Series 1998B Bonds.** The proceeds of sale of the Series 1998A Bonds and, to the extent allocated to payment of costs of the Project, the Series 1998B Bonds shall be deposited in a separate depository fund designated KENT CITY SEWER SYSTEM CONSTRUCTION FUND (the "Construction Fund"). Separate subaccounts

shall be maintained for proceeds of the Series 1998A Bonds and the Series 1998B Bonds. The monies in the Construction Fund shall be kept on deposit with the Depository. Monies in the Construction Fund shall be applied solely in payment of the costs of the Project and any engineering, legal and other expenses incident thereto and to the financing thereof. No proceeds of the Series 1998 Bonds shall be used to pay capitalized interest. Payments for construction, either on account or otherwise, shall not be made unless the Consulting Engineer shall file with the Village a signed statement to the effect that the work has been completed in accordance with the plans and specifications therefor; that it was done pursuant to and in accordance with the contract therefor; that such work is satisfactory; and that such work has not been previously paid for. No proceeds of the Series 1998A Bonds or Series 1998B Bonds shall be used to fund the Bond Reserve Account.

Proceeds of the Series 1998A Bonds shall be advanced to the Village in installments in the manner provided by and subject to the terms of the Supplemental Agreement. Proceeds of the Series 1998B Bonds allocated to the cost of the Project shall be advanced to the Village in installments in accordance with the terms of the Government's loan commitment to the Village.

Any unexpected balance of the proceeds of sale of the Series 1998A Bonds or Series 1998B Bonds remaining in the Construction Fund after completion of the Project may in the discretion of the Village Council be used for further improvements, enlargements and extensions to the System if, at the time of such expenditure, such use is approved by the Municipal Finance Division of the Michigan Department of Treasury or any successor agency, if such permission is then required by law; provided that (a) in the event the MMBA is a Registered Owner of the Series 1998A Bonds, the use of any unexpended proceeds of the Series 1998A Bonds in the separate subaccount maintained in the Construction Fund for the Series 1998A Bonds must be authorized in writing by the MMBA, or (b) in the event the Government is a Registered Owner of the Series 1998B Bonds, the use of any unexpended proceeds of the Series 1998B Bonds in the separate subaccount maintained in the Construction Fund for the Series 1998B Bonds must be authorized in writing by the Government. Any balance remaining in a separate Construction Fund subaccount remaining after any such expenditure shall be paid into the Redemption Fund subaccount for the respective series of bonds and may be used for the purpose of prepaying said bonds or purchasing said series of bonds on the open market at not more than the fair market value thereof.

**Section. 20. Proceeds of Series 1998B Bonds; Defeasance of Prior Bond Ordinance.**

The proceeds of the Series 1998B Bonds allocable to fund a portion of the cost of refunding the Bonds to be Refunded shall be deposited with the Escrow Trustee and applied in accordance with the terms of the Escrow Deposit Agreement to provide for full payment of the principal of and interest on the Bonds to be Refunded and the defeasance of the Prior Bond Ordinance. The proceeds so payable shall be supplemented to the extent necessary from existing Village funds on hand (including the funds in the Reserve Account established pursuant to the Prior Bond Ordinance for the Bonds to be Refunded) to pay the remaining cost of defeasing the Bonds to be Refunded and to pay the costs thereof. Upon the complete funding of the Escrow Deposit Agreement, the Prior Bond Ordinance, and the loan agreement (form FHA 442-47) delivered by the Village in accordance with Section 18 of the Prior Bond Ordinance, shall be considered defeased.

**Section. 21. Investments.** Moneys in the funds and accounts established herein may be invested by the Village Treasurer on behalf of the Village in Investment Obligations. Investment of moneys in the Redemption Fund being accumulated for payment of the next maturing principal or

interest payment on the Bonds shall be limited to Government Obligations bearing maturity dates prior to the date of the next maturing principal or interest payment respectively on the Bonds. Investments of moneys in any other funds or accounts, including moneys derived from the proceeds of sale of the Bonds, shall be limited to obligations bearing maturity dates or subject to redemption, at the option of the holder thereof, not later than the time estimated by the Village when the moneys from such investments will be required. Any securities representing investments shall be kept on deposit with the bank or trust company having on deposit the fund or funds or account from which such purchase was made. Earnings or profits on any investment of funds in any fund or account established in this Ordinance shall be deposited in or credited to the fund or account to which the investment belongs unless otherwise provided in this Ordinance.

**Section. 22. Covenants.** The Village covenants and agrees with the Registered Owners of the Bonds that so long as any of the Bonds remain as Outstanding Bonds and unpaid as to either principal or interest:

a. The Village will maintain the System in good repair, working order and operating condition will operate the same efficiently and will faithfully and punctually perform all duties with reference to the System required by the Constitution and laws of the State of Michigan and this Ordinance.

b. The Village will maintain and keep proper books of record and account separate from all other records and accounts of the Village in accordance with applicable law. Not later than six (6) months after the close of each operating year of the System, the Village will cause an annual audit of the books of record and account of the System for the preceding operating year by an independent certified public accountant. The audit shall be completed and made available in accordance with applicable law. So long as the Government is a Registered Owner of Bonds, the audit shall be performed in accordance with current Government requirements and a copy of the audit shall be filed with the Government. The audit may, at the option of the Village, be used in lieu of the statement to be prepared for the Michigan Department of Treasury and for all purposes which the statement is required to be used by this Ordinance.

c. The Village shall maintain and carry insurance on all physical properties of the System and liability insurance of the kinds and in the amounts normally carried by municipalities engaged in the operation of public sewer systems. All moneys received for losses under any such insurance policies shall be applied solely to the replacement and restoration of the property damaged or destroyed, and to the extent not so used, shall be placed in the Redemption Fund and used for the purpose of redeeming or purchasing Bonds on a ratable basis.

d. The Village will not voluntarily sell, lease, abandon, dispose of or transfer its title to any part of the System, including lands and interests in lands, by sale, mortgage, lease or other encumbrances, or permit others to do so, without effective assignment of obligations and the prior written approval of (i) the MMBA and the DEQ so long as the MMBA is a Registered Owner of Bonds and (ii) the Government, so long as the Government is a Registered Owner of Bonds.

e. So long as the Government or the MMBA are a Registered Owner of the Bonds, they shall have the right to inspect the System and the records, accounts and data relating thereto at all reasonable times.

f. So long as the Government is the Registered Owner of the Series 1998B Bonds, and notwithstanding anything provided to the contrary in this Ordinance, the Village shall comply with all terms and provisions of the Loan Resolution.

g. So long as the MMBA is the Registered Owner of the Series 1998A Bonds, and notwithstanding anything provided to the contrary in this Ordinance, the Village shall comply with all terms and conditions of the Purchase Contract and the Supplemental Agreement.

**Section. 23. Additional Bonds.** The Village may issue Additional Bonds of equal standing with the Series 1998 Bonds for the purpose of making reasonable repairs, replacements or extensions of the System or for the purpose of refunding all or part of the Bonds then outstanding and paying costs of issuing such Additional Bonds, including deposits to be made to the Bond Reserve Account. Additional Bonds for repair, replacement or extension of the System may be issued only if the Net Revenues of the System for the fiscal year next following the fiscal year in which such Additional Bonds are to be issued are estimated to be 100 percent (100%) of the average annual principal and interest requirements on all Bonds then outstanding and the Additional Bonds proposed to be issued. If the Additional Bonds are to be issued in whole or in part for refunding outstanding Bonds the average annual principal and interest requirements shall be determined by deducting from the principal and interest requirements for the fiscal year next following the annual principal and interest requirements of any bonds to be refunded from the proceeds of the Additional Bonds proposed to be issued.

In estimating the Net Revenues for the fiscal year next following the fiscal year in which Additional Bonds are to be issued, the estimate may include Net Revenues expected to accrue as a result of any increase in System rates, fees or charges approved by the Council at or prior to the time of authorizing the Additional Bonds or as a result of the repairs, extensions, enlargements or extensions of the System and, in addition, such estimate may include an amount equal to the investment income representing interest on investments estimated to be received from any addition to the Bond Reserve Account to be funded from the proceeds of the Additional Bonds proposed to be issued.

The issuance of Additional Bonds is expressly subject to the prior written consent of (a) the Government during the period that the Government is a registered holder of any Bonds and (b) ACA, so long as any portion of the Series 1998A Bonds are outstanding.

**Section. 24. Appointment of Receiver and Statutory Rights.** In the event of a default in the punctual payment of principal of and interest on the Bonds when due, any Court, having jurisdiction in any proper action may appoint a receiver of the System in accordance with the provisions of Act 94. The Registered Owners of Bonds representing in the aggregate principal amount not less than twenty percent (20%) of all Outstanding Bonds, may protect and enforce the statutory lien and pledge of the funds and accounts and Net Revenues created by Act 94, and enforce and compel the performance of all duties of the officials of the Village and the Council, including

the fixing of sufficient rates, the collection of Revenues, the proper segregation of Revenues, and the proper application of Revenues. Notwithstanding the foregoing and in addition thereto, the Registered Owners of Series 1998A Bonds representing in the aggregate principal amount not less than twenty percent (20%) of all Outstanding Series 1998A Bonds, may protect and enforce the Village's full faith and credit pledge and statutory lien and pledge of the proceeds of the Policy. In addition to the rights conferred to Registered Owners by the Ordinance, the Registered Owners shall have all the rights conferred by Act 94. The statutory lien upon the Net Revenues, however, shall not be construed to compel the sale of the System or any part thereof.

**Section. 25. Remedies Not Exclusive.** No remedy by the terms of the Ordinance conferred upon or reserved to the Registered Owners is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Ordinance or existing at law or in equity or by statute on or after the date of the Ordinance.

**Section. 26. Effect of Waiver and Other Circumstances.** No delay or omission of any Registered Owner to exercise any right or power arising upon the happening of an event of default shall impair any right or power or shall be construed to be a waiver of any such event of default or be an acquiescence therein and every power and remedy given by this Ordinance to the Registered Owners may be exercised from time to time and as often as may be deemed expedient by the Registered Owners.

**Section. 27. Negotiated Sale of Series 1998 Bonds.** The Series 1998A Bonds shall be sold on a negotiated sale basis at par to the MMBA, pursuant to the Purchase Contract and Section 12(4) of Act 94 on the terms set forth in this Ordinance. The Series 1998B Bonds shall be sold on a negotiated sale basis at par to the Government, pursuant to Section 12(4) of Act 94 on the terms set forth in this Ordinance. The President, Clerk and Treasurer are hereby authorized to do all other acts and undertake all necessary procedures required to effectuate the sale, issuance and delivery of the Series 1998 Bonds.

**Section. 28. Covenant Regarding Tax Exempt Status of the Series 1998 Bonds.** The Series 1998 Bonds and the interest, if any, on the Series 1998 Bonds shall be exempt from taxation by the State of Michigan or by any taxing authority within the State of Michigan. The Village hereby covenants it shall take all actions necessary to maintain the exemption of the interest on the Series 1998 Bonds from general federal income taxation (as opposed to alternative minimum or other indirect taxation) under the Internal Revenue Code of 1986, as amended (the "Code"), including but not limited to, actions relating to the rebate of arbitrage earnings and the expenditure and investment of Bond proceeds and moneys deemed to be Bond proceeds. Additionally, the Council hereby designates the Series 1998 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 qualified tax exempt obligations which will be issued by the Village and all subordinate entities to the Village shall not exceed \$10,000,000 during calendar year 1998.

**Section. 29. Ordinance to Constitute Contract.** In consideration of the purchase and acceptance of any and all of the Bonds authorized to be issued hereunder by those who shall hold the same from time to time, this Ordinance shall be deemed to be and shall constitute a contract between

the Village and the Registered Owners from time to time of the Bonds and the lien and pledge made in this Ordinance and the covenants and agreements herein set forth to be performed on behalf of the Village shall be for the equal benefit, protection and security of the Registered Owners of any and all of the Bonds, all of which, regardless of the time or times of their authentication and delivery or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof except as expressly provided in or permitted by this Ordinance.

**Section. 30. Graduation of Bonds.** If at any time that the Government is a Registered Owner of Series 1998B Bonds it shall appear to the Government that the Village is able to refund, upon call for redemption or with consent of the Government, the then outstanding Series 1998B Bonds by obtaining a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms for loans for similar purposes and period of time the Village will, upon request of the Government, apply for and accept such loan, in sufficient amount to repay the Government.

**Section. 31. Execution of Series 1998 Bonds.** The President and Village Clerk are authorized and directed to execute the Series 1998 Bonds on behalf of the Village in substantially the forms approved with such necessary variations, omissions, corrections and insertions as they deem appropriate and are required for and on behalf of the Village, manually or by facsimile signature for and on behalf of the Village, and to place thereon the Village Seal or a facsimile thereof; provided that the Bonds shall be executed by the facsimile signatures of the said President and Village Clerk only if the Bonds are thereafter manually authenticated by the Bond Registrar. Upon execution of the Series 1998 Bonds, the Village Treasurer is hereby authorized and directed to deliver or cause to be delivered the Series 1998 Bonds to the Bond Registrar for authentication and, in turn to the purchaser thereof, upon receipt of the purchase price therefor. Executed blank Series 1998 Bonds for registration and issuance to transferees may simultaneously, and from time to time thereafter as necessary, be delivered to the Bond Registrar for safekeeping. It is understood that the MMBA, with respect to the Series 1998A Bonds, and the Government, with respect to the Series 1998B Bonds, may take delivery of and/or pay for the Series 1998 Bonds in one or more installments.

**Section. 32. Approval of Related Bond Documents.** The Purchase Contract, Supplemental Agreement and Escrow Deposit Agreement are hereby approved in the form on file with the Village Clerk. The President and/or Village Clerk are hereby authorized and directed to execute and deliver the Purchase Contract, the Supplemental Agreement and the Escrow Deposit Agreement with such additions and deletions as the President and Village Clerk together believe to be in the best interest of the Village.

**Section. 33. Execution of Closing Documents.** The President, Clerk and Treasurer are authorized and directed to execute and deliver on behalf of the Village such other certificates, affidavits, investment agreements or other documents or instruments as may be required by the MMBA with respect to the Series 1998A Bonds or by the Government with respect to the Series 1998B or bond counsel or convenient to effectuate the execution and delivery of the Series 1998 Bonds.

**Section. 34. Delivery of Bonds.** The Village shall furnish the Series 1998 Bonds ready for execution without expense to the purchaser. The Village shall also furnish without expense to the respective purchaser at the time of delivery of the Series 1998 Bonds, the approving opinion of

Mika, Meyers, Beckett & Jones, PLC, Attorneys, Grand Rapids, Michigan, approving the legality of the Series 1998 Bonds. The Series 1998 Bonds will be delivered at the expense of the Village in the manner and at the location as agreed upon with the purchaser thereof.

**Section. 35. Additional Provisions Applicable to ACA.** The provisions provided by this Section shall apply with respect to the Series 1998A Bonds only, except for subsection (a) which shall apply with respect to both the Series 1998A Bonds and the Series 1998B Bonds.

a. **Notice and Other Information to be Given to ACA.**

(1) Any notice that is required to be given to a Registered Owner or to the Bond Registrar pursuant to this Ordinance shall also be provided to ACA. All notices required to be given to ACA shall be in writing and shall be sent by registered or certified mail addressed to ACA Financial Guaranty Corporation, One Liberty Plaza, 52nd Floor, New York, New York 10006, Attn: General Counsel.

(2) Within 100 days of the Village's fiscal year, a copy of the audited financial statements of the Village and a copy of an annual budget of the Village and within 45 days after the close of each quarter of the Village's fiscal year, a copy of the unaudited financial statements of the Village shall be sent to ACA Financial Guaranty Corporation, One Liberty Plaza, 52nd Floor, New York, New York 10006, Attn: Scott Wagner, Surveillance.

(3) ACA shall have the right to reasonably request any such additional information.

(4) The Village will permit ACA to discuss the affairs, finances and accounts of the Village or any information ACA may reasonably request regarding the security for the bonds with appropriate officers of the Village.

(5) ACA shall have the right to direct an accounting at the Village's expense and the Village's failure to comply with such direction within thirty (30) days after written notice of the direction from ACA shall be deemed a default hereunder.

b. **Defeasance.** In the event that the principal and/or interest due on the Series 1998A Bonds shall be paid by ACA pursuant to the Policy, the Series 1998A Bonds shall remain outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Village, and the pledge of the Net Revenues and the Village's full faith and credit and all covenants, agreements and other obligations of the Village to the Registered Owners shall continue to exist and shall run to the benefit of ACA, and ACA shall be subrogated to the rights of such Registered Owners including, without limitation, any rights that such Registered Owners may have in respect of securities law violations arising from the offer and sale of the bonds.

c. **Bond Registrar.**

(1) The Bond Registrar may be removed at any time at the request of ACA.

(2) ACA shall receive prior written notice of any name change of the Bond Registrar or the resignation or removal of the Bond Registrar.

(3) No removal, resignation or termination of the Bond Registrar shall take effect until a successor, acceptable to ACA, shall be appointed.

d. **Amendments and Supplements.** With respect to amendments or supplements to this Ordinance which do not require the consent of the Bondholders, ACA must be given notice of any such amendments or supplements. With respect to amendments or supplements to this Ordinance which require the consent of the Bondholders, ACA's prior written consent is required. Copies of any amendments or supplements to this Ordinance which are consented to by ACA shall be sent to the rating agencies which have assigned a rating to the Series 1998A Bonds in connection with the issuance of the Policy. Notwithstanding any other provision of this Ordinance, in determining whether the rights of Bondholders will be adversely affected by any action taken pursuant to the terms and provisions of this Ordinance, the Bond Registrar shall consider the effect on the Bondholders as if there were no Policy.

e. **ACA As Third Party Beneficiary.** To the extent that this Ordinance confers upon or gives or grants to ACA any right, remedy or claim under or by reason of this Ordinance, ACA shall be a third party beneficiary hereunder and may enforce any such right, remedy or claim conferred, given or granted thereunder.

f. **Consent Rights of ACA.**

(1) No provision of this Ordinance expressly recognizing or granting rights in or to ACA may be amended in any manner which affects the rights of ACA hereunder without the prior written consent of ACA.

(2) Wherever the terms of this Ordinance require the consent of Bondholders, ACA's consent shall also be required.

(3) Any reorganization or liquidation plan with respect to the Village must be acceptable to ACA. In the event of any reorganization or liquidation, ACA shall have the right to vote on behalf of all Bondholders of Series 1998A Bonds absent a default by ACA under the Policy.

(4) Anything in this Ordinance to the contrary notwithstanding, upon the occurrence and continuance of an event of default hereunder, ACA shall be entitled to control and direct the enforcement of all rights and remedies granted to the Bondholders or the Bond Registrar for the benefit of the bondholders under this Ordinance.

g. **Permitted Investments.** To the extent permitted by law, ACA will allow the following obligations to be used as permitted investments for all purposes of this Ordinance, including defeasance investments in refunding escrow accounts:

(1) Cash deposits (insured at all times by the Federal Deposit Insurance Corporation or otherwise collateralized with obligations described in the next paragraph).

(2) Direct obligations of (including obligations issued or held in book entry form on the books of the Department of Treasury) the United States of America. In the event these securities are used for defeasance, they shall be non-callable and non-prepayable.

(3) Other forms of investments (including repurchase agreements) approved in writing by ACA. The value of the above investments, other than cash, shall be determined as follows:

“Value,” which shall be determined as of the end of each month, means that the value of any investments shall be calculated as follows:

(1) As to investments the bid and asked prices of which are published on a regular basis in The Wall Street Journal (or, if not there, then in The New York Times): the average of the bid and asked prices for such investments so published on or most recently prior to such time of determination;

(2) As to investments the bid and asked prices of which are not published on a regular basis in The Wall Street Journal or The New York Times: the average bid price at such price at such time of determination for such investments by any two nationally recognized government securities dealers at the time making a market in such investments or the bid price published by a nationally recognized pricing service;

(3) As to certificates of deposit and bankers acceptances, the face amount thereof, plus accrued interest; and

(4) As to any investment not specified above, the value thereof established by prior agreement between the Village and ACA.

h. **Payment Procedure Under the Policy.**

(1) In the event that on the second business day prior to a scheduled principal or interest payment date on the Series 1998A Bonds, the Bond Registrar has not received sufficient moneys to pay all principal of and interest on the Series 1998A Bonds due on the second following business day, the Bond Registrar shall immediately notify ACA or its designee on the same business day by telephone or electronic mail, confirmed in writing by registered or certified mail, of the amount of the deficiency.

(2) If the deficiency is made up in whole or in part prior to or on said payment date, the Bond Registrar shall so notify ACA or its designee.

(3) In addition, if the Bond Registrar has notice that any Bondholder has been required to disgorge payments of principal of or interest on the Series 1998A Bonds pursuant to a final non-appealable order by a court of competent jurisdiction that such payment constitutes an avoidable preference to such Bondholder within the meaning of any applicable bankruptcy laws, then the Bond Registrar shall notify ACA or its designee of such fact by telephone or electronic notice, confirmed in writing by registered or certified mail.

(4) The Bond Registrar is hereby irrevocably designated, appointed, directed and authorized to act as attorney in fact for Bondholder of the Series 1998A Bonds as follows:

(a) If and to the extent there is a deficiency in amounts required to pay interest on the Series 1998A Bonds, the Bond Registrar shall (a) execute and deliver to ACA, in form satisfactory to ACA, an instrument appointing ACA as agent for such holders in any legal proceeding related to the payment of such interest and an assignment to ACA of the claims for interest to which such deficiency relates and which are paid by ACA, (b) receive as designee of the respective holders (and not as Bond Registrar) in accordance with the tenor of the Policy payment from ACA with respect to the claims for interest so assigned, and (c) disburse the same to such respective holders; and

(b) If and to the extent of a deficiency in amounts required to pay principal of the Series 1998A Bonds, the Bond Registrar shall (a) execute and deliver to ACA, in form satisfactory to ACA, an instrument appointing ACA as agent for such holder in any legal proceeding related to the payment of such principal and an assignment to ACA of the bond surrendered to ACA in an amount equal to the principal amount thereof as has not previously been paid or for which moneys are not held by the Bond Registrar and available for such payment (but such assignment shall be delivered only if payment from ACA is received), (b) receive as designee of the respective holders (and not as Bond Registrar) in accordance with the tenor of the Policy payment therefor from ACA, and (c) disburse the same to such holders.

(5) Payments with respect to claims for interest on and principal of Series 1998A Bonds disbursed by the Bond Registrar from proceeds of the Policy shall not be considered to discharge the obligations of the Village with respect to such bonds, and ACA shall become the owner of such unpaid bonds and claims for the interest in accordance with the tenor of the assignment made to it under the provisions of this subsection or otherwise.

(6) Irrespective of whether any such assignment is executed and delivered, the Village and the Bond Registrar hereby agree for the benefit of ACA that:

(a) They recognize that to the extent ACA makes payments directly or indirectly (as by paying through the Bond Registrar), on account of principal of or interest on the Series 1998A Bonds, ACA will be subrogated to the rights of such holders to receive the amount of such principal and interest from the Village, with interest thereon as provided and solely from the sources stated in this Ordinance and the Series 1998A Bonds; and

(b) They will accordingly pay to ACA the amount of such principal and interest, with interest thereon as provided in this Ordinance and the Series 1998A Bonds, but only from the sources and in the manner provided herein for the payment of principal of and interest on said bonds to holders thereof, and will otherwise treat ACA as the owner of such rights to the amount of such principal and interest

(7) The Village hereby agrees to pay or reimburse ACA any and all charges, fees, costs and expenses which ACA may reasonably pay or incur, including, but not limited to, fees and expenses of attorneys, accountants, consultants and auditors and reasonable costs of investigations, in connection with (i) any accounts established to facilitate payments under the Policy, (ii) the administration, enforcement, defense or preservation of any rights in respect of this Ordinance including defending, monitoring or participating in any litigation or proceeding (including any bankruptcy proceeding in respect of the Village or any affiliate thereof relating to this Ordinance or any other financing document related to the Series 1998A Bonds or the transaction contemplated by this Ordinance (the "Transaction"), (iii) the foreclosure against, sale or other disposition of any collateral securing any obligations under this Ordinance or any other financing document related to the Series 1998A Bonds, or the pursuit of any remedies under this Ordinance or any other financing document related to the Series 1998A Bonds, to the extent such costs and expenses are not recovered from such foreclosure, sale or other disposition, or (iv) any amendment, waiver or other action with respect to, or related to, this Ordinance or any other financing document related to the Series 1998A Bonds whether or not executed or completed; costs and expenses shall include a reasonable allocation of compensation and overhead attributable to time of employees of ACA spent in connection with the actions described in clauses (ii) (iv) above; and ACA reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of this Ordinance or any other related financing document.

(8) In addition to any and all rights of reimbursement, subrogation and any other rights pursuant hereto or under law or in equity, the Village agrees to pay or reimburse ACA any and all charges, fees, costs, claims, losses, liabilities (including penalties), judgments, demands, damages, and expenses which ACA or its officers, directors, shareholders, employees, agents and each Person, if any, who controls ACA within the meaning of either Section 15 of the Securities Act of 1933 or Section 20 of the Securities Exchange Act of 1934 may reasonably pay or incur, including, but not limited to, fees and expenses of attorneys, accountants, consultants

and auditors and reasonable costs of investigations, of any nature in connection with, in respect of or relating to the transactions contemplated by this Ordinance or any other financing document related to the Series 1998A Bonds by reason of:

(i) any omission or action (other than of or by ACA) in connection with the offering, issuance, sale, remarketing or delivery of the Series 1998A Bonds;

(ii) the negligence, bad faith, willful misconduct, misfeasance, malfeasance or theft committed by any director, officer, employee or agent of the Village in connection with any transaction arising from or relating to this Ordinance or any other financing document related to the Series 1998A Bonds;

(iii) the violation by the Village of any law, rule or regulation, or any judgment, order or decree applicable to it;

(iv) the breach by the Village of any representation, warranty or covenant under this Ordinance or any other financing document related to the Series 1998A Bonds or the occurrence, in respect of the Village, under this Ordinance or any other financing document related to the Series 1998A Bonds of any “event of default” or any event which, with the giving of notice or lapse of time or both, would constitute any “event of default”; or

(v) any untrue statement or alleged untrue statement of a material fact contained in any a financial statement provided by the Village or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading.

(9) ACA shall be entitled to pay principal or interest on the Series 1998A Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer/underlying obligor (as such terms are defined in the Policy), whether or not ACA has received a Notice (as defined in the Policy) of Nonpayment or a claim upon the Policy.

### **Section. 36. Defeasance of Series 1998 Bonds.**

a. **Series 1998A Bonds.** In the event cash or Government Obligations, the principal of and interest on which are guaranteed by the United States, or a combination thereof, the principal of and interest on which, without reinvestment, come due at times and in amounts sufficient to pay, at maturity or irrevocable call for earlier optional redemption permitted by MMBA, the principal of, premium, if any, and interest on the Series 1998A Bonds, shall have been deposited in trust, this Ordinance shall be defeased with respect to the Series 1998A Bonds and the owners of the Series 1998A Bonds shall have no further rights under this Ordinance except to receive payment of the principal of, premium, if any, and interest on the Series 1998A Bonds from the cash or securities deposited in trust and the interest and gains thereon and to transfer and exchange Bonds as provided herein, subject to the following conditions:

(1) ACA must receive and approve in connection with the proposed defeasance an escrow agreement, an opinion of legal counsel acceptable to ACA regarding the validity and enforceability of the escrow agreement, a CPA verification of the defeasance escrow and a defeasance opinion of legal counsel acceptable to ACA.

(2) In addition, the Village must provide an opinion of legal counsel acceptable to ACA to the effect that (i) the defeasance (and any related refunding) will not adversely impact the exclusion from gross income for federal income tax purposes of interest on the Series 1998A Bonds or refunded bonds and (ii) that (A) the escrow deposit will not constitute a voidable preference or transfer under the Federal Bankruptcy Code or any other similar state or federal statute in the event the Village becomes a debtor within the meaning of the Federal Bankruptcy Code or comes within the protection of such similar state or federal statute (“Insolvency Event”) and (B) in such Insolvency Event, the escrow deposit will not be treated as part of the estate of the Village.

(3) The escrow agreement shall provide that:

(a) Any substitution of securities shall require a CPA verification and the prior written consent of ACA.

(b) The Village will not exercise any optional redemption of Series 1998A Bonds secured by the escrow agreement or any other redemption other than mandatory sinking fund redemptions unless (i) the right to make any such redemption has been expressly reserved in the escrow agreement and such reservations has been disclosed in detail in the official statement for the refunding bonds and (ii) as a condition of any such redemption there shall be provided to ACA a CPA verification as to the sufficiency of escrow receipts without reinvestment to meet the escrow requirements remaining following such redemption.

(c) The Village shall not amend the escrow agreement or enter into a forward purchase agreement or other agreement with respect to rights in the escrow without the prior written consent of ACA.

b. **Series 1998B Bonds.** The Series 1998B Bonds shall not be subject to defeasance.

**Section. 37. Michigan Department of Treasury.** The President or Village Clerk is hereby authorized and directed to either make application to the Michigan Department of Treasury for an exception from prior approval to issue the Series 1998A Bonds and/or the Series 1998B Bonds or make application to the Michigan Department of Treasury for and on behalf of the Village for an order permitting the Village to issue the Series 1998A Bonds and/or the Series 1998B Bonds. In addition, the President or Village Clerk is hereby authorized and directed to file with the Michigan Department of Treasury all necessary Application(s) for Waiver appropriate in connection with the issuance of the Series 1998 Bonds.

**Section. 38. Conflicting Ordinances.** All ordinances, resolutions or orders, or parts thereof, in conflict with the provisions of this Ordinance are repealed.

**Section. 39. Severability and Paragraph Headings.** If any section, paragraph, clause or provision of this Ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provisions shall not affect any of the other provisions of this Ordinance. The paragraph headings in this Ordinance are furnished for convenience of reference only and shall not be considered to be a part of this Ordinance.

**Section. 40. Publication and Recordation.** This Ordinance shall be published in full in *Kent City/Sparta Advance*, a newspaper of general circulation in the Village qualified under State law to publish legal notices, promptly after its adoption, and shall be recorded in the Ordinance Book of the Village and such recording authenticated by the signatures of the President and the Village Clerk.

**Section. 41. Effective Date.** In accordance with Act 94, this Ordinance shall become effective immediately upon its adoption.

Passed and adopted by the Village Council of the Village of Kent City, County of Kent, Michigan, on June 10, 1998, and approved by me on June 10, 1998.

---

Morrie D. Seites, President  
Village of Kent City

ATTEST:

(s)  
\_\_\_\_\_  
Mary Portell  
Village Clerk

REGISTERED

REGISTERED

**EXHIBIT A**

(FORM OF REGISTERED BOND FOR SERIES 1998A BONDS)

STATEMENT OF INSURANCE

Bond Insurance Policy No. \_\_\_\_\_ (the “Policy”) with respect to payments due for principal of and interest on this bond has been issued by ACA Financial Guaranty Corporation (“ACA”). The Policy has been delivered to and will be held by Old Kent Bank, Grand Rapids, Michigan, as Bond Registrar. The Policy is on file and available for inspection at the office of the Bond Registrar and a copy thereof may be secured from ACA. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. The owner of this bond acknowledges and consents to the subrogation rights of ACA as more fully set forth in the Policy.

UNITED STATES OF AMERICA

STATE OF MICHIGAN

COUNTY OF KENT

VILLAGE OF KENT CITY

SEWER REVENUE BOND (LIMITED TAX  
GENERAL OBLIGATION), SERIES 1998A

No. AR-1

REGISTERED OWNER: Michigan Municipal Bond Authority

PRINCIPAL AMOUNT: \$1,260,000

INTEREST RATE: Two and one-quarter percent (2.2500%) per annum

DATE OF ORIGINAL ISSUE: The VILLAGE OF KENT CITY, County of Kent, State of Michigan (the “Issuer”), for value received, hereby promises to pay to the Michigan Municipal Bond Authority (the “Authority”), or registered assigns, the Principal Amount shown above, or so much thereof as shall have been advanced to the Issuer pursuant to a Purchase Contract between the Issuer and the Authority and a Supplemental Agreement by and among the Issuer, the Authority and the State of Michigan acting through the Department of Environmental Quality.

During the time funds are being drawn down by the Issuer under this bond, the Authority will periodically provide to the Issuer a statement showing the amount of principal that has been advanced and the date of each advance, which statement shall constitute prima facie evidence of the reported information; provided that no failure on the part of the Authority to provide such a statement or to reflect a disbursement or the correct amount of a disbursement shall relieve the Issuer

of its obligation to repay the outstanding Principal Amount actually advanced, all accrued interest thereon, and any other amount payable with respect thereto in accordance with the terms of this bond.

The Principal Amount shall be payable on the dates and in the annual principal installment amounts set forth in Schedule A attached hereto and made a part hereof, as such Schedule may be adjusted if less than \$1,260,000 is disbursed to the Issuer or if a portion of the Principal Amount is prepaid as provided below, with interest on said principal installments from the date each said installment is advanced to the Issuer hereof until paid at the rate of two and one quarter percent (2.25%) per annum. Interest is first payable on October 1, 1998, and semiannually thereafter on the first day of October and April of each year, and principal is payable on the first day of April commencing April 1, 1999 (as identified in the Purchase Contract) and annually thereafter. The Principal Amount and the interest thereon shall be paid in lawful money of the United States of America.

Notwithstanding any other provision of this bond, as long as the Authority is the owner of this bond, (a) this bond is payable as to principal, premium, if any, and interest at the designated office of NBD Bank, or at such other place as shall be designated in writing to the Issuer by the Authority (the "Authority's Depository"); (b) the Issuer agrees that it will deposit with the Authority's Depository payments of the principal of, premium, if any, and interest on this bond in immediately available funds at least five business days prior to the date on which any such payment is due whether by maturity, redemption or otherwise; and (c) written notice of any redemption of this bond shall be given by the Issuer and received by the Authority's Depository at least 40 days prior to the date on which such redemption is to be made.

### **Additional Interest**

In the event of a default in the payment of principal or interest hereon when due, whether at maturity, by redemption or otherwise, the amount of such default shall bear interest (the "additional interest") at a rate equal to the rate of interest which is two percent above the Authority's cost of providing funds (as determined by the Authority) to make payment on the bonds of the Authority issued to provide funds to purchase this bond but in no event in excess of the maximum rate of interest permitted by law. The additional interest shall continue to accrue until the Authority has been fully reimbursed for all costs incurred by the Authority (as determined by the Authority) as a consequence of the Issuer's default. Such additional interest shall be payable on the interest payment date following demand of the Authority. In the event that (for reasons other than the default in the payment of any municipal obligation purchased by the Authority) the investment of amounts in the reserve account established by the Authority for the bonds of the Authority issued to provide funds to purchase this bond fails to provide sufficient available funds (together with any other funds which may be made available for such purpose) to pay the interest on outstanding bonds of the Authority issued to fund such account, the Issuer shall and hereby agrees to pay on demand only the Issuer's pro rata share (as determined by the Authority) of such deficiency as additional interest on this bond.

This bond is the single, fully-registered bond in the principal sum of \$1,260,000, issued for the purpose of paying the cost of certain improvements to the Kent City Sewer System (the "System") of the Issuer and paying costs incidental to the issuance of the bonds, pursuant to the

authority granted under Act 94 of the Public Acts of Michigan of 1933, a bond authorizing ordinance duly adopted by the Village Council of the Issuer, and Michigan Department of Environmental Quality Administrative Order of Approval.

For a complete statement of the revenues from which and the conditions under which this bond is payable, a statement of the conditions under which additional bonds of equal standing may hereafter be issued, the rights and limitations on the owners of the bonds and the general covenants and provisions pursuant to which this bond is issued, reference is made to the Ordinance.

This bond is a self-liquidating bond payable, both as to Principal Amount and interest, primarily from the Net Revenues of the System. The principal of and interest on this bond are secured by a first priority statutory lien on the Net Revenues of the System on a parity basis with bonds of equal standing. In addition, the Village has pledged its full faith and credit as additional security for the payment of the Principal Amount and the interest hereon.

The Village has covenanted and agreed, and does hereby covenant and agree to fix and maintain at all times while any bonds payable from the Net Revenues of the System shall be outstanding, such rates for service furnished by the System as shall be sufficient to provide for payment of the principal of and interest on the bonds of this issue and any other bonds payable from the Net Revenues as and when the same shall become due and payable, to provide for the payment of expenses of administration and operation and such expenses for maintenance of the System as are necessary to preserve the same in good repair and working order, and to provide for such other expenditures and funds for the System as are required by the Ordinance.

This bond is transferable only upon the registration books of the Village kept by Old Kent Bank, Grand Rapids, Michigan (the "Bond Registrar") by the registered owner hereof in person, or by his attorney duly authorized in writing, upon the surrender of this bond together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or its attorney duly authorized in writing, and thereupon a new registered bond or bonds in the same aggregate principal amount and of the same maturity shall be issued to the transferee in exchange therefor as provided in the Ordinance, and upon the payment of the charges, if any, therein prescribed.

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

This bond is not valid or obligatory for any purpose until the Certificate of Authentication and Registration on this bond has been executed by the Bond Registrar.

IN WITNESS WHEREOF, the Village of Kent City, County of Kent, State of Michigan, by its Village Council, has caused this bond to be executed by its President and its Village Clerk and its corporate seal to be affixed on this bond all as of \_\_\_\_\_, 1998.

VILLAGE OF KENT CITY

By \_\_\_\_\_  
Morrie D. Seites  
Its President

[SEAL]

By \_\_\_\_\_  
Mary Portell  
Its Village Clerk

## SCHEDULE A

Repayment of the Principal Amount shall be made according to the following schedule until the full Principal Amount disbursed to the Issuer is repaid, unless prepaid as provided in the bond. In event that the Principal Amount disbursed to the Issuer is less than \$1,260,000 or in event of prepayment of the bond, the Authority may prepare a new payment schedule which shall be approved by a resolution of the Village Council.

<b>Principal Installment Due on April 1</b>	<b>Amount of Principal Installment</b>
1999	\$50,000
2000	50,000
2001	55,000
2002	55,000
2003	55,000
2004	55,000
2005	60,000
2006	60,000
2007	60,000
2008	60,000
2009	65,000
2010	65,000
2011	65,000
2012	65,000
2013	70,000
2014	70,000
2015	70,000
2016	75,000
2017	75,000
2018	80,000

**CERTIFICATION OF REGISTRATION AND AUTHENTICATION**

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

OLD KENT BANK

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

By: \_\_\_\_\_  
Authorized Representative

REGISTERED

REGISTERED

**EXHIBIT B**

(FORM OF REGISTERED BOND  
FOR SERIES 1998B BONDS)

UNITED STATES OF AMERICA

STATE OF MICHIGAN

COUNTY OF KENT

VILLAGE OF KENT CITY

SEWER SYSTEM REVENUE AND REVENUE REFUNDING BOND  
SERIES 1998B

No. BR-1

REGISTERED OWNER: United States of America

PRINCIPAL AMOUNT: \$1,240,000

INTEREST RATE: Four and one-half percent (4.500%) per annum

DATE OF ORIGINAL ISSUE AND REGISTRATION: The date each installment portion of the Principal Amount was delivered to the Registered Owner as set forth on the Certificate of Authentication and Registration.

The Village of Kent City, County of Kent, State of Michigan (the "Village"), for value received, hereby promises to pay the Principal Amount shown above to the Registered Owner specified above in installments in the amounts and on the dates as set forth in Schedule I, attached hereto and made a part hereof, with interest thereon from the Date of Original Issue and Registration specified above until paid at the Interest Rate per annum specified above, payable on October 1, 1998, and semi annually on each April 1 and October 1 thereafter from the April 1 or October 1 next preceding, 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 and Registration specified above, until payment of the Principal Amount has been made or duly provided for. Principal of this bond is payable at the principal office of Old Kent Bank, Grand Rapids, Michigan (the "Bond Registrar"), or such other location as the Village may hereinafter designate by notice mailed to the registered owner not less than 60 days prior to any interest payment date. Interest on the unpaid outstanding principal balance of this bond is payable to the registered owner of this bond as the 15th day of the month next preceding the payment date as shown on the registration books of the Village kept by the Bond Registrar by check or draft mailed to the registered owner at the registered address, and for the prompt payment thereof, the revenues of the Kent City Sewer System (the "System"), including all appurtenances, extensions

and improvements thereto, after provision has been made for reasonable and necessary expenses of operation, maintenance and administration (the "Net Revenues"), are irrevocably pledged and a statutory lien thereon has been created in the manner described below. The principal of and interest on this Bond shall be payable in lawful money of the United States.

This bond is issued pursuant to Ordinance No. \_\_\_\_\_ (the "Ordinance"), duly adopted by the Village Council of the Village and under and in full compliance with the Constitution and statutes of the State of Michigan, including specifically Act 94 of the Public Acts of Michigan of 1933, as amended, for the purpose of paying part of the cost of acquisition and construction of improvements to the System and part of the cost of refunding outstanding bonds of the Village payable from Net Revenues of the System.

For a complete statement of the revenues from which and the conditions under which this bond is payable, a statement of the conditions under which additional bonds of equal standing may hereafter be issued, the rights and limitations on the owners of the bonds and the general covenants and provisions pursuant to which this bond is issued, reference is made to the Ordinance.

Installments of principal may be prepaid prior to maturity at the option of the Village, on any interest payment date on and after October 1, 1998, in whole or in part, in increments of \$1,000 or multiples thereof in the amount selected by the Village, in inverse order of principal installment due date at par without premium, plus accrued interest to the date of prepayment.

Notice of prepayment shall be given by the Bond Registrar to the registered owner by registered mail, mailed not less than 30 days prior to the date fixed for prepayment to the registered address, provided that the failure to receive such notice shall not affect the validity of the prepayment. No interest shall accrue on the amount of principal so prepaid after the date fixed for prepayment, provided funds are on hand with the Transfer Agent to make the prepayment.

This bond is a self-liquidating bond and is not a general obligation of the Village and does not constitute an indebtedness of the Village within any constitutional, statutory or charter limitation, but is payable, both as to principal and interest, solely from the Net Revenues of the System. The principal of and interest on this bond are secured by a first priority statutory lien on the Net Revenues of the System on a parity basis with bonds of equal standing.

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

This bond is transferable only upon the registration books of the Village kept by the Bond Registrar by the registered owner hereof in person, or by his attorney duly authorized in writing, upon the surrender of this bond together with a written instrument of transfer satisfactory to the

Bond Registrar duly executed by the registered owner or its attorney duly authorized in writing, and thereupon a new registered bond or bonds in the same aggregate principal amount and of the same maturity shall be issued to the transferee in exchange therefor as provided in the Ordinance, and upon the payment of the charges, if any, therein prescribed.

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

This bond is not valid or obligatory for any purpose until the Certificate of Authentication and Registration on this bond has been executed by the Bond Registrar.

IN WITNESS WHEREOF, the Village of Kent City, County of Kent, State of Michigan, by its Village Council, has caused this bond to be executed by its President and its Village Clerk and its corporate seal to be affixed on this bond all as of \_\_\_\_\_, 1998.

VILLAGE OF KENT CITY

By \_\_\_\_\_  
Morrie D. Seites  
Its President

[SEAL]

By \_\_\_\_\_  
Mary Portell  
Its Village Clerk

**CERTIFICATE OF AUTHENTICATION AND REGISTRATION**

**NOTHING TO BE WRITTEN HEREON EXCEPT  
BY THE BOND REGISTRAR**

Date of Registration

Name of Registered Owner

Principal Installment

Delivered

Signature of Bond Registrar

United States of America

**SCHEDULE I**

<b>Principal Installment Due on April 1</b>	<b>Amount of Principal Installment</b>
1999	8,000
2000	8,000
2001	8,000
2002	8,000
2003	10,000
2004	10,000
2005	10,000
2006	10,000
2007	12,000
2008	12,000
2009	12,000
2010	12,000
2011	14,000
2012	14,000
2013	14,000
2014	14,000
2015	16,000
2016	16,000
2017	16,000
2018	16,000
2019	30,000
2020	30,000
2021	30,000
2022	30,000
2023	40,000
2024	40,000
2025	40,000
2026	40,000
2027	50,000
2028	50,000
2029	50,000
2030	50,000
2031	60,000
2032	60,000
2033	60,000
2034	60,000
2035	70,000
2036	70,000
2037	70,000
2038	70,000

**CERTIFICATE OF VILLAGE CLERK**

I hereby certify that the foregoing is a true and complete copy of an Ordinance adopted by the Village Council of the Village of Kent City, County of Kent, State of Michigan, at a special meeting held on June 10, 1998, and that public notice of said meeting was given pursuant to the Open Meetings Act, being Act No. 267, Public Acts of Michigan, 1976, as amended, including in the case of a special or rescheduled meeting, notice by posting at least eighteen (18) hours prior to the time set for said meeting.

I further certify that said Ordinance has been recorded in the Ordinance Book of the Village and such recording has been authenticated by the signatures of the President and the Village Clerk.

(s) \_\_\_\_\_  
Mary Portell  
Village Clerk

**CERTIFICATE OF PUBLICATION**

I, Mary Portell, Village Clerk of the Village of Kent City, County of Kent, State of Michigan, hereby certify that the Ordinance No. 06-98-07 was published in *Kent City/Sparta Advance* on June 23, 1998.

(s) \_\_\_\_\_  
Mary Portell  
Village Clerk

## WAIVER OF NOTICE

I, the undersigned member of the Village Council of the Village of Kent City, hereby waive notice of the special meeting of the Village Council of the Village of Kent City held on Wednesday, June 10, 1998 at 7:00 p.m. at the Kent City Village Hall and, in addition, consent to the actions taken by the Village Council at said special meeting including adoption of the Bond Authorizing Ordinance and Resolution to Authorize Redemption of Sewer System Junior Lien Revenue Bonds Series II.

Dated: June 10, 1998

(s)

\_\_\_\_\_  
Roger A. Coalter

## WAIVER OF NOTICE

I, the undersigned member of the Village Council of the Village of Kent City, hereby waive notice of the special meeting of the Village Council of the Village of Kent City held on Wednesday, June 10, 1998 at 7:00 p.m. at the Kent City Village Hall and, in addition, consent to the actions taken by the Village Council at said special meeting including adoption of the Bond Authorizing Ordinance and Resolution to Authorize Redemption of Sewer System Junior Lien Revenue Bonds Series II.

Dated: June 10 1998

(s)

\_\_\_\_\_  
Ted M. Shepardson