

RESOLUTION

NO: 2024-11-153

LIVINGSTON COUNTY

DATE: November 25, 2024

Resolution Authorizing Issuance of Livingston County Sewage Disposal Bonds (Septage Receiving Station), Series 2025 – Board of Public Works

- WHEREAS,** the County of Livingston (the “County”), by resolution of its Board of Commissioners, has established a Department of Public Works for the administration of the powers conferred upon the County by Act 185 of the Michigan Public Acts of 1957, as amended (“Act 185”), which Department is administered by the Board of Public Works, under the general control of the Board of Commissioners; and
- WHEREAS,** by the terms of Act 185, the County is authorized to contract for the acquisition, construction and financing of sewage disposal system improvements to serve the County and for the payment of the cost thereof by the County, with interest, and the County is then authorized to issue its bonds to provide the funds necessary therefor; and
- WHEREAS,** pursuant to Act 185, the County, acting through its Board of Public Works, has previously established a sanitary sewer system (the “Livingston Regional Sewer System”), consisting, collectively, of the Hartland Sewer System (the “Hartland Sewer System”) serving portions of the Township of Hartland, Livingston County, Michigan (“Hartland”), and the Tyrone Sewer System (the “Tyrone Sewer System”) serving portions of the Township of Tyrone, Livingston County, Michigan (“Tyrone”); and
- WHEREAS,** the Livingston Regional Wastewater System is operated and maintained by the County, acting through its Board of Public Works; and
- WHEREAS,** pursuant to Act 185, the County, acting through its Board of Public Works, has previously entered into a Master Operating Agreement Regarding Sewer System with Hartland, Hartland Township Sanitary Drain No. 1 Drainage District, Hartland Township Sanitary Drain No. 2 Drainage District and Branches to Hartland Township Sanitary Drain No. 2 Drainage District, as amended (the “MOA”), to, among other things, finance, construct and connect to the Hartland Sewer System, a facility located in Hartland (the “Septage Receiving Station” or “SRS”) to receive septage waste from septage haulers and discharge said septage waste to the Hartland Sewer System for transportation to the Genesee Wastewater Treatment Plant, Genesee County, Michigan (the “Genesee Wastewater Treatment Plant”); and
- WHEREAS,** revenues generated from the Septage Receiving Station are held as an enterprise fund under the jurisdiction of the Board of Public Works; and
- WHEREAS,** the members of the Board of Public Works are appointed by the Livingston County Board of Commissioners to act as their agent in matters pertaining to the SRS; and
- WHEREAS,** the County has previously entered into a contract with the County of Genesee (“Genesee County”) under Act 342 of the Michigan Public Acts of 1939, as amended (“Act 342”) for the treatment at the Genesee Wastewater Treatment Plant of wastewater generated in Hartland and Tyrone, including the treatment of septage waste transported from the Septage Receiving Station; and
- WHEREAS,** on March 22, 2019, the Board of Public Works entered into a Corrective Action Plan with Genesee County (the “Corrective Action Plan”) acknowledging known violations with the Board of Public Works’ Septage Receiving Station Industrial Pretreatment Plan due to the waste strength

of the septage flow and agreed to undertake improvements which included the installation of certain pretreatment equipment to bring its discharge into compliance with its permit; and

- WHEREAS,** the County issued its Sewage Disposal Bonds (Septage Receiving Station), Series 2019 in the principal amount of \$6,300,000 on October 15, 2019, pursuant to Act 185, to finance the first phase of improvements to the Septage Receiving Station in accordance with the Corrective Action Plan, which improvements consisted of the acquisition and construction of a new building with a third receiving bay as well as septage dewatering equipment and related processing tanks to significantly lessen the waste strength of the septage flow that must be transported to the Genesee Wastewater Treatment Plant and thereby being able to meet its IPP limits; and
- WHEREAS,** the 44th Circuit Court for the County of Livingston entered a Consent Judgment on October 8, 2024 to settle Case Number 23 31864 CK (the "2024 Consent Judgment"), following the conclusion by and between the County and Hartland of a dispute resolution panel pertaining to the Livingston Regional Sanitary Sewer System Master Operating Agreement; and
- WHEREAS,** proceeds from said bonds will be used to purchase 264 residential equivalent units ("REUs") from Tyrone township in the amount of \$3,036,000 and, in accordance with the Livingston Regional Sanitary Sewer System Master Operating Agreement (MOA), payment to Hartland township of 433 REUs to provide funds for the purchases of 169 REUs from Genesee County and 264 REUs from Tyrone township in the aggregate amount of \$3,616,006 for use within the Hartland Sewer System, all to bring the Septage Receiving Station into compliance with the 2024 Consent Judgment and provide for sufficient future discharge capacity of the Septage Receiving Station (collectively, the "2025 Project"); and
- WHEREAS,** by resolution 2024-10-130 adopted on October 15, 2024, the County declared its official intent to issue bonds to finance all or part of the cost of the 2025 Project in a principal amount not to exceed \$6,200,000; and
- WHEREAS,** the County intends for the remaining \$452,006 of the \$6,652,006 total cost of the 2025 Project to be paid from funds of the Capital Capacity and Reserve Fund for the Septage Receiving Station; and
- WHEREAS,** the Board of Public Works shall pay to the County the amounts necessary to meet debt service payments associated with the bonds with revenues collected from the SRS; and
- WHEREAS,** In accordance with Act 185, in the event that SRS revenues are insufficient to meet a debt service payment and the County makes such payment from its general fund pursuant to its full faith and credit pledge, the County may be subsequently reimbursed by the Board of Public Works from revenues of the Septage Receiving Station for any shortfall in the amount necessary to meet such debt obligation; and
- WHEREAS,** this Resolution constitutes a contract and provides for the issuance of bonds by the County to defray all or part of the cost of the 2025 Project, said bonds to be secured by the contractual obligation of the County to pay amounts sufficient to pay the principal of and interest on the hereinafter authorized bonds and to pay such other expenses as may be incurred on account of the bonds.

THEREFORE, BE IT RESOLVED as follows:

1. PLANS AND SPECIFICATIONS – ESTIMATES OF PERIOD OF USEFULNESS AND COST.

The plans and specifications for the 2025 Project and the estimates of \$6,652,006 as the cost of the 2025 Project and 25 years and upwards as the period of usefulness of the 2025 Project, as submitted to this Board of Commissioners, are approved and adopted.

2. AUTHORIZATION OF BONDS – PURPOSE.

Bonds of the County aggregating the principal sum of not to exceed Six Million Two Hundred Thousand Dollars (\$6,200,000) (the “Bonds”) shall be issued and sold pursuant to the provisions of this Resolution, Act 185, and other applicable laws, for the purpose of paying all or part of the cost of acquiring and constructing the 2025 Project.

3. BOND DETAILS.

The bonds shall be designated “Sewage Disposal Bonds (Septage Receiving Station), Series 2025; *provided that*, if the Bonds are not issued in calendar year 2025, the Director of the Department of Public Works (the “Director”) may re-designate the Bonds to reflect the year in the Bonds are issued shall be dated the date of delivery or as of such other date as approved by the Director at the time of sale; shall be numbered from 1 upwards; shall be fully registered; shall be in the denomination of \$5,000 each or any integral multiple thereof not exceeding the aggregate principal amount for each maturity at the option of the purchaser thereof; shall bear interest at a rate or rates not exceeding 5% per annum to be determined by the Director upon the sale thereof, payable on May 1 and November 1, in such years as shall be determined by the Director at the time of sale; and shall mature on May 1, in such years and in such amounts as shall be determined by the Director at the time of sale, provided that the final maturity shall be not later than May 1, 2050.

4. PAYMENT OF PRINCIPAL AND INTEREST.

The principal of and interest on the Bonds shall be payable in lawful money of the United States. Principal shall be payable upon presentation and surrender of the Bonds to the bond registrar and paying agent as they severally mature. Interest shall be paid to the registered owner of each bond as shown on the registration books at the close of business on the 15th day of the calendar month preceding the month in which the interest payment is due. Interest shall be paid when due by check or draft drawn upon and mailed by the bond registrar and paying agent to the registered owner at the registered address.

5. **BOOK-ENTRY-ONLY SYSTEM.** Initially, one fully-registered Bond for each maturity, in the aggregate amount of such maturity, shall be issued in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”) for the benefit of other parties (the “Participants”) in the book-entry-only transfer system of DTC. In the event the County determines that it is in the best interest of the County not to continue the book-entry-only system of transfer or that the interests of the holders of the Bonds might be adversely affected if the book-entry-only system of transfer is continued, the County may notify DTC and the bond registrar and paying agent, whereupon DTC will notify the Participants of the availability through DTC of bond certificates. In such event, the bond registrar and paying agent shall deliver, transfer and exchange bond certificates as requested by DTC and any Participant or “beneficial owner” in appropriate amounts in accordance with this Resolution. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the County and the bond registrar and paying agent and discharging its responsibilities with respect thereto under applicable law or the County may determine that DTC is incapable of discharging its duties and may so advise DTC. In either such event, the County shall use reasonable efforts to locate another securities depository. Under such circumstances (if there is no successor securities depository), the County and the bond registrar and paying agent shall be obligated to deliver bond certificates in accordance with the procedures established by this Resolution. In the event bond certificates are issued, the provisions of this Resolution shall apply to, among other things, the transfer and exchange of such certificates and the method of payment of principal of and interest on such certificates. Whenever DTC requests the County and the bond registrar and paying agent to do so, the County and the bond registrar and paying agent shall cooperate with DTC in taking appropriate action after reasonable notice to make available one or more separate certificates evidencing the Bonds to any Participant having Bonds certificated to its DTC account or to arrange for another securities depository to maintain custody of certificates evidencing the Bonds.

Notwithstanding any other provision of this Resolution to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to the principal of, interest on and redemption premium, if any, on the Bonds and all notices with respect to the Bonds shall be made and given, respectively, to DTC as provided in the Blanket Issuer Letter of Representations between DTC and the County.

The Director is authorized to sign additional documents on behalf of the County in such form as the Director deems necessary or appropriate in order to accomplish the issuance of the Bonds in accordance with law and this Resolution. Notwithstanding any other provision of this Resolution to the contrary, if the Director deems it to be in the best interest of the County, the Bonds shall not initially be issued through the book-entry-only transfer system of DTC.

6. BOND REGISTRAR AND PAYING AGENT. The Director may designate at the time of sale of the Bonds, and may enter into an agreement with, a bond registrar and paying agent for the Bonds that shall be a bank or trust company located in the State of Michigan that is qualified to act in such capacity under the laws of the United States of America or the State of Michigan. The Director from time to time as required may designate a similarly qualified successor bond registrar and paying agent. Alternatively, the County Treasurer may serve as bond registrar and paying agent for the Bonds if the Director determines it is in the best interest of the County.

7. PRIOR REDEMPTION.

(a) Mandatory Prior Redemption. If any of the Bonds are designated by the original purchaser as term bonds such Bonds shall be subject to mandatory prior redemption at par and accrued interest as determined by the Director at the time of sale of the Bonds and upon the terms and conditions set forth in the form of bond contained in Section 10 hereof. The bonds to be redeemed shall be selected by lot.

(b) Optional Prior Redemption. The Bonds may be subject to optional redemption prior to maturity as determined by the Director at the time of sale of the Bonds.

8. EXECUTION, AUTHENTICATION AND DELIVERY OF THE BONDS. The Bonds shall be executed in the name of the County by the manual or facsimile signatures of the Chairperson of the Board of Commissioners and the County Clerk and authenticated by the manual signature of an authorized representative of the bond registrar and paying agent, and the seal of the County (or a facsimile thereof) shall be impressed or imprinted on the Bonds. After the Bonds have been executed and authenticated for delivery to the original purchaser thereof, they shall be delivered by the County Treasurer to the purchaser upon receipt of the purchase

price. Additional Bonds bearing the facsimile signatures of the Chairperson of the Board of Commissioners and the County Clerk and upon which the seal of the County (or a facsimile thereof) is impressed or imprinted may be delivered to the bond registrar and paying agent for authentication and delivery in connection with the exchange or transfer of Bonds. The bond registrar and paying agent shall indicate on each Bond the date of its authentication.

9. EXCHANGE AND TRANSFER OF BONDS. Any Bond, upon surrender thereof to the bond registrar and paying agent with a written instrument of transfer satisfactory to the bond registrar and paying agent duly executed by the registered owner or his duly authorized attorney, at the option of the registered owner thereof, may be exchanged for Bonds of any other authorized denominations of the same aggregate principal amount and maturity date and bearing the same rate of interest as the surrendered Bond.

Each Bond shall be transferable only upon the books of the County, which shall be kept for that purpose by the bond registrar and paying agent, upon surrender of such Bond together with a written instrument of transfer satisfactory to the bond registrar and paying agent duly executed by the registered owner or his duly authorized attorney.

Upon the exchange or transfer of any Bond, the bond registrar and paying agent on behalf of the County shall cancel the surrendered Bond and shall authenticate and deliver to the transferee a new Bond or Bonds of any authorized denomination of the same aggregate principal amount and maturity date and bearing the same rate of interest as the surrendered Bond. If, at the time the bond registrar and paying agent authenticates and delivers a new Bond pursuant to this section, payment of interest on the Bonds is in default, the bond registrar and paying agent shall endorse upon the new Bond the following: "Payment of interest on this bond is in default. The last date to which interest has been paid is _____, ____."

The County and the bond registrar and paying agent may deem and treat the person in whose name any Bond shall be registered upon the books of the County as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of the principal of and interest on such Bond and for all other purposes, and all payments made to any such registered owner, or upon his order, in accordance with the provisions of Section 4 of this Resolution shall be valid and effectual to satisfy and discharge the

liability upon such Bond to the extent of the sum or sums so paid, and neither the County nor the bond registrar and paying agent shall be affected by any notice to the contrary. The County agrees to indemnify and save the bond registrar and paying agent harmless from and against any and all loss, cost, charge, expense, judgment or liability incurred by it, acting in good faith and without negligence hereunder, in so treating such registered owner.

For every exchange or transfer of Bonds, the County or the bond registrar and paying agent may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer.

The bond registrar and paying agent shall not be required to transfer or exchange Bonds or portions of Bonds which have been selected for redemption.

10. FORM OF BONDS. The Bonds shall be in substantially the following form:

UNITED STATES OF AMERICA

STATE OF MICHIGAN

COUNTY OF LIVINGSTON

SEWAGE DISPOSAL BOND (SEPTAGE RECEIVING STATION),

SERIES 2025

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATE OF ORIGINAL ISSUE</u>	<u>CUSIP</u>
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Registered Owner:

Principal Amount:

The County of Livingston (the "County"), State of Michigan, acknowledges itself indebted to, and for value received, promises to pay to the Registered Owner, or registered assigns, the Principal Amount on the Maturity Date, unless redeemed prior thereto as hereinafter provided, upon presentation and surrender of this bond at the [corporate trust]office of _____, _____, Michigan, the bond registrar and paying agent, and to pay to the Registered Owner, as shown on the registration books of the County maintained by the bond registrar and paying agent, as of the close of business on the 15th day of the calendar month preceding the month in which an interest payment is due, by check or draft drawn upon and mailed by the bond registrar and paying agent by first class mail postage prepaid to the Registered Owner at the registered address, interest on the Principal Amount from the Date of Original Issue or such later date through which interest shall have been paid until the obligation of the County with respect to the payment of the Principal Amount is discharged at the Interest Rate per annum specified above. Interest is payable on the first days of May and November in each year, commencing on ____ 1, 20___. Principal and interest are payable in lawful money of the United States of America. Interest shall be computed on the basis on a 360 day year of twelve 30-day months.

This bond is one of a series of bonds aggregating the principal sum of _____ Dollars (\$_____) issued by the County under and pursuant to and in full conformity with the Constitution and statutes of Michigan (especially Act no. 185, Public Acts of 1957, as amended) and a bond authorizing resolution adopted by the Board of Commissioners of the County on _____, 2024 (the “Resolution”), for the purpose of paying [part] of the cost of acquiring and constructing improvements to a sewage disposal facility located in the Township of Hartland in the County. The bonds are issued in anticipation of payments to be made by the County pursuant to law. The full faith and credit of the County are hereby pledged to such payments and to the prompt payment of the principal of, premium, if any, and interest on the bonds of this series. The County is obligated and hereby agrees to make sure payments from its general funds as a first budget obligation and is obligated, and hereby agrees, to levy a tax, if necessary, on all taxable property in the County in an amount sufficient to make such payments, subject to applicable constitutional and statutory tax limitations on the taxing power of the County. Taxes levied by the County to pay the principal of and interest on the bonds of this series are subject to constitutional and statutory tax limitations.

This bond is transferable, as provided in the Resolution, only upon the books of the County kept for that purpose by the bond registrar and paying agent, upon the surrender of this bond together with a written instrument of transfer satisfactory to the bond registrar and paying agent duly executed by the Registered Owner or his attorney duly authorized in writing. Upon the exchange or transfer of this bond a new bond or bonds of any authorized denomination, in the same aggregate principal amount and of the same interest rate and maturity, shall be authenticated and delivered to the transferee in exchange therefor as provided in the Resolution, and upon payment of the charges, if any, therein provided. Bonds so authenticated and delivered shall be in the denomination of \$5,000 or any integral multiple thereof not exceeding the aggregate principal amount for each maturity.

[The bond registrar and paying agent shall not be required to transfer or exchange bonds or portions of bonds which have been selected for redemption.

MANDATORY PRIOR REDEMPTION

Bonds maturing in the year 20__ are subject to mandatory prior redemption at par and accrued interest as follows:

<u>Redemption Date</u>	<u>Principal Amount of Bonds to be Redeemed</u>
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Bonds or portions of bonds to be redeemed by mandatory redemption shall be selected by lot.

Bonds maturing prior to ____ 1, 20__ are not subject to optional redemption prior to maturity. Bonds maturing on and after _____ 1, 20__ are subject to redemption prior to maturity at the option of the County, in such order as shall be determined by the County, on any date occurring on and after ____ 1, 20__. Bonds of a denomination greater than \$5,000 may be partially redeemed in the amount of \$5,000 or any integral multiple thereof. If less than all of the bonds maturing in any year are to be redeemed, the bonds or portions of bonds to be redeemed shall be selected by lot. The redemption price shall be the par value of the bond or portion of the bond called to be redeemed plus interest to the date fixed for redemption.

Not less than thirty days' notice of redemption shall be given by first-class mail to the registered owners of bonds called to be redeemed at their registered addresses. Failure to receive notice of redemption shall not affect the proceedings for redemption. Bonds or portions of bonds called for redemption shall not bear interest after the date fixed for redemption, provided funds are on hand with the bond registrar and paying agent to redeem the same.]

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

IN WITNESS WHEREOF, the County of Livingston, Michigan, by its Board of Commissioners, has caused this bond to be executed in its name by the manual or facsimile signatures of the Chairperson of the Board of Commissioners and the County Clerk and its County seal (or a facsimile thereof) to be impressed or imprinted hereon. This bond shall not be valid unless the Certificate of Authentication has been manually executed by an authorized representative of the bond registrar and paying agent.

COUNTY OF LIVINGSTON

By: _____

Its: Chairperson, Board of Commissioners

(SEAL)

And: _____

Its: County Clerk

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the within mentioned Resolution.

Bond Registrar and Paying Agent

By: _____
Authorized Signer

AUTHENTICATION DATE:

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____ (please print or type name, address and taxpayer identification number of transferee) the within bond and all rights thereunder and hereby irrevocably constitutes and appoints _____ attorney to transfer the within bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed: _____

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

END OF BOND FORM

11. SECURITY. The Bonds shall be issued in anticipation of payments to be made by the County pursuant to Act 185, which provides that the County may contract to pay the costs of the 2025 Project. The full faith and credit of the County are hereby pledged to such payments and to the payment of the principal of, premium, if any, and interest on the Bonds. The County is obligated and hereby agrees to make such payments from its general funds as a first budget obligation and is obligated, and hereby agrees, to levy a tax, if necessary, on all taxable property in the County in an amount sufficient to make such payments, subject to applicable constitutional and statutory limitations on the taxing power of the County.

12. DEFEASANCE. In the event cash or direct obligations of the United States or obligations the principal of and interest on which are guaranteed by the United States, or a combination thereof, the principal of and interest on which, without reinvestment, come due at times and in amounts sufficient to pay, at maturity or irrevocable call for earlier optional redemption, the principal of, premium, if any, and interest on the Bonds, or any portion thereof, shall have been deposited in trust, this Bond Resolution shall be defeased with respect to such Bonds, and the owners of the Bonds shall have no further rights under this Bond Resolution except to receive payment of the principal of, premium, if any, and interest on such Bonds from the cash or securities deposited in trust and the interest and gains thereon and to transfer and exchange Bonds as provided herein.

13. PRINCIPAL AND INTEREST FUND. There shall be established for the Bonds a Principal and Interest Fund which shall be kept in a separate bank account. From the proceeds of the sale of the Bonds there shall be set aside in the Principal and Interest Fund any accrued interest received from the purchaser of the Bonds at the time of delivery of the same. All payments made by the County pursuant to Act 185 and other applicable law to pay the principal of, premium, if any, and interest on the Bonds shall be placed in the Principal and Interest Fund.

14. CONSTRUCTION FUND. The remainder of the proceeds of the sale of the Bonds shall be set aside in a construction fund for the 2025 Project and used, together with other moneys available to the County, if any, to acquire and construct the 2025 Project in accordance with the plans and specifications therefor.

15. APPROVAL OF MICHIGAN DEPARTMENT OF TREASURY. The issuance and sale of the Bonds shall be subject to permission being granted therefor by the Department of Treasury of the State of

Michigan pursuant to Act 34, Public Acts of Michigan, 2001, as amended, and, if necessary, the Director is authorized and directed to make application to the Department of Treasury for permission to issue and sell the Bonds as provided by the terms of this Bond Resolution.

16. SALE, ISSUANCE, DELIVERY, TRANSFER AND EXCHANGE OF BONDS. The Bonds shall be sold at a competitive sale as hereinafter provided. The Director is hereby authorized to approve an Official Notice of Sale for the Bonds and publish the same in accordance with law in *The Bond Buyer* at least seven days before the date set for the sale of the Bonds. Sealed bids for the purchase of the Bonds shall be received up to such time as shall hereafter be determined by the Director. Following the receipt of bids for the Bonds, the Bonds shall be awarded to the successful bidder therefor pursuant to a written order (the "Sale Order") to be executed by the Director at the time of sale of the Bonds and which shall set forth, with respect to the Bonds, the principal amount, principal maturities and dates, interest rates and interest payment dates, redemption provisions, if any, and purchase price to be paid by the purchaser, as well as such other terms and provisions as the Director determines to be necessary or appropriate in connection with the sale of the Bonds. The members of the Board of Public Works, the Director and other appropriate County officials are authorized to do all things necessary to effectuate the sale, issuance, delivery, transfer and exchange of the Bonds in accordance with the provisions of this Resolution. In making the determination in the Sale Order with respect to principal maturities and dates, interest rates, and purchase price of the Bonds, the Director shall be limited as follows:

- (a) The interest rate on any Bond shall not exceed 5% per annum.
- (b) The final maturity date of the Bonds shall not be later than May 1, 2050.
- (c) The purchase price of the Bonds shall not be less than 100% nor more than 115% of the principal amount thereof.

17. REPLACEMENT OF BONDS. Upon receipt by the Director of proof of ownership of an unmatured Bond, of satisfactory evidence that the Bond has been lost, apparently destroyed or wrongfully taken and of security or indemnity which complies with applicable law and is satisfactory to the Director, the Director may authorize the bond registrar and paying agent to deliver a new executed Bond to replace the Bond lost, apparently destroyed or wrongfully taken in compliance with applicable law. In the event an outstanding matured

Bond is lost, apparently destroyed or wrongfully taken, the Director may authorize the bond registrar and paying agent to pay the Bond without presentation upon the receipt of the same documentation required for the delivery of a replacement Bond. The bond registrar and paying agent, for each new Bond delivered or paid without presentation as provided above, shall require the payment of expenses, including counsel fees, which may be incurred by the bond registrar and paying agent and the County in the premises. Any Bond delivered pursuant the provisions of this section in lieu of any Bond lost, apparently destroyed or wrongfully taken shall be of the same form and tenor and be secured in the same manner as the Bond in substitution for which such Bond was delivered.

18. TAX COVENANT. The County covenants to comply with all requirements of the Internal Revenue Code of 1986, as amended, necessary to assure that the interest on the Bonds will be and will remain excludable from gross income for federal income tax purposes. The Director and other appropriate County and Board of Public Works officials are authorized to do all things necessary to assure that the interest on the Bonds will be and will remain excludable from gross income for federal income tax purposes.

19. QUALIFIED TAX EXEMPT OBLIGATIONS. If determined by the Director at the time of sale, the Bonds may be designated as Qualified Tax Exempt Obligations as described in Section 265(b)(3)(B) of the Code.

20. OFFICIAL STATEMENT. The Director is authorized to cause the preparation of an official statement for the Bonds for the purpose of enabling compliance with Rule 15c2-12 issued under the Securities Exchange Act of 1934, as amended (the "Rule") by the successful bidder or bidders and shall do all other things necessary to enable compliance with the Rule by the successful bidder or bidders. After the award of the Bonds, the County will provide copies of a "final official statement" (as defined in paragraph (e)(3) of the Rule) on a timely basis and in reasonable quantity as requested by the successful bidder or bidders to enable such bidder or bidders to comply with paragraph (b)(4) of the Rule and the rules of the Municipal Securities Rulemaking Board.

21. CONTINUING DISCLOSURE. The Treasurer of the County is authorized to execute and deliver in the name and on behalf of the County (i) a certificate to comply with the requirements for a continuing disclosure undertaking pursuant to subsection (b)(5) of the Rule and (ii) amendments to such certificate from time to time in accordance with the terms of such certificate (the certificate and any amendments thereto are collectively referred to herein as the "Continuing Disclosure Certificate"). The County hereby covenants and agrees that it

will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. The remedies for any failure of the Board to comply with and carry out the provisions of the Continuing Disclosure Certificate shall be as set forth therein.

22. REDUCTION IN PRINCIPAL AMOUNT OF BOND ISSUE. If the Director shall determine that it is not necessary to sell Bonds in the principal amount of Six Million Two Hundred Thousand Dollars (\$6,200,000), he may by order reduce the principal amount of Bonds to be sold to that amount deemed necessary. In such event, the Director shall reduce the amount of Bonds maturing in any one or more years as necessary.

23. CONFLICTING RESOLUTIONS. All resolutions and parts of resolutions insofar as they may be in conflict herewith are hereby rescinded.

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MOVED:
SECONDED:
CARRIED: